



**Regular Meeting**  
**Monday, March 2, 2020**  
**Chowan County Public Safety Center**  
**305 West Freemason Street**  
**6:00pm**

**AGENDA**

**Regular Meeting**

- a. Call to Order
- b. Pledge
- c. Invocation                      Commissioner Kirby

**1. Approval of Draft Agenda**

**2. Public Comment**

In accordance with NCGS 153A-52.1 The Board will allow a maximum of 3 minutes per speaker during the Public Comment Period.

**3. Consent Agenda**

*All items on the Consent Agenda are considered to be routine and may be enacted by one motion. If a County Commissioner requests discussion on an item, the item will be removed from the Consent Agenda and considered separately.*

a. **Approval of Minutes**

Attached are the minutes of the January 29, 2020 CIP Committee, February 4, 2020 CIP Committee and February 17, 2020 regular meeting minutes.

**4. Budget Amendments**

The following Budget Amendments are attached to this agenda packet:

**BA1920-040**

**BA1920-041**

**5. Audit Contract**

The Board will consider the 2020 audit contract with Thompson, Price, Scott, Adams and Co, P.A.

**6. Request for Letter of Support**

The Board will consider a request for a letter of support, for the NCDOT's application to the USDOT INFRA Program. The signed letter of support is attached along with another letter provided by the Albemarle Commission's TRAC Committee in support of the application.

7. **Appointments**

**Joint Community Advisory Committee (Nursing Home Board)**

The Board will consider a request to reappoint Amy Sopher (expired March 1, 2020) and Priscilla Gazey (October 17, 2019) to the Chowan County Joint Community Advisory Committee. Both members are eligible and request reappointment.

There are additional vacancies on this Board and are being advertised.

8. **Resolution Encouraging Businesses to Allow Volunteer Firefighters to Respond to Emergency Calls During Working Hours**

The Board will discuss a resolution that was considered in Perquimans County that encourages businesses to allow volunteer firefighters to respond to emergency calls during working hours.

9. **Finance Officer Report**

Finance Officer Cathy Smith will provide the Board with financial reports through the month of January 2020.

10. **External Board/Committee Report**

Board members are asked to report on the activities of the external boards to which they have been appointed.

11. **Manager's Report**

County Manager Kevin Howard will update the Board on any pending matters.

- Project Tracking Sheet
- Update on Tideland Retiree Plan

12. **Timely and Important Matters**

13. **Adjourn**

**Capital Improvement Plan (CIP) Subcommittee**  
**Meeting**  
**Wednesday, January 29, 2020**  
**Chowan County Public Safety Center**  
**305 West Freemason Street**  
**3:00pm**

Present Commissioners Ron Cummings, Don Faircloth, Larry McLaughlin

Ex Officio Committee members present: Kevin Howard, County Manager; Cathy Smith, Finance Officer; Susanne Stallings, Clerk; Don Hoggard, Maintenance Director (came in later)

The committee reviewed the approved CIP projects list. A copy of the list is in the meeting file labeled January 29, 2020.

**Ag Building**

The Committee discussed the Ag Building roof project. The maintenance director will bring design costs to the Board after it is reviewed by an architect/engineer.

The Committee encouraged the manager to have this looked into asap.

Mr. Hoggard joined the meeting.

**Courthouse HVAC/Roof**

Mr. Howard discussed that an engineer will be needed to design this project.

Mr. Hoggard noted that he brought in companies to bid on replacing the roof units and they would not warranty their work because of the current roof design. It is recommended to take the units down to the ground level which will require engineered plans.

Mr. Howard will talk to Mr. Farkas with JKF Architecture on this move.

**Library**

Mr. Howard is working with Mr. Farkas on the redesign of the door to a window. He will be bringing a cost estimate to the Board for this.

**Animal Shelter**

Gates County has requested that the Counties allow them additional time before proceeding with the construction for Phase II. The CIP committee wishes to proceed with addressing the parking lot drainage issues.

Mr. Howard stated the counties have indicated they will be willing to keep the capital monies they budgeted this fiscal year for the van in next year's budget to be used to address the drainage at the site.

**Social Services HVAC Replacement/Roof**

Mr. Hoggard stated a design will be needed for this project. He stated the \$100,000 will not cover the costs for a chiller, duct work and engineer.

Mr. Hoggard stated he would recommend bringing in Pugh HVAC engineers in on this project and possibly the Courthouse and Ag Building projects.

Public Safety Center

Mr. Hoggard discussed that a software and PC upgrade is needed for the HVAC system at the Public Safety Center. This may cost less than \$50,000 and if so will come off the CIP project list.

Commissioner McLaughlin discussed how he would like to see projections of project work for various county buildings.

The other committee members stated this would not fall under CIP committee oversight.

The committee reviewed the 2021 projects:

- Animal Shelter – already discussed
- EMS requests will be presented in the budget
- Ag Building will need to replace the bridge to the building
- Coke Avenue Complex (a proposal to develop a recreational complex at Coke Avenue)

CIP Committee members thanked Ms. Smith for her work.

Mr. Howard stated once he gets information from the engineer he will ask to schedule another CIP meeting.

Being no further business, Commissioner McLaughlin declared the committee meeting adjourned.

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Larry McLaughlin, Chair

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Susanne Stallings, Clerk

**Capital Improvement Plan (CIP) Subcommittee**  
**Meeting**  
**Tuesday, February 4, 2020**  
**Swain Auditorium**  
**101 Court Street**  
**Edenton, NC**  
**9:30am**

Present Commissioners Ron Cummings, Larry McLaughlin

Don Faircloth was absent.

Ex Officio Committee members present: Kevin Howard, County Manager; Cathy Smith, Finance Officer; Susanne Stallings, Clerk; Don Hoggard, Maintenance Director

Also present was Reid Thomas and Scott Powell with the NC Department of Natural and Cultural Resources Historic Preservation Office.

The CIP committee met at Swain Auditorium.

Commissioner McLaughlin discussed the current condition of the windows and repairs to the rotten wood.

Mr. Thomas discussed options for the windows. He recommended single pane windows with a glass storm window. He stated this will provide additional insulation and protection for the wood. He stated that without the storm windows you will only get about 5 years for the wood windows but with the storm windows you get 20-25 years.

Mr. Thomas will forward some specs on storm windows to Chowan to look at for informational purposes. He stated he has discussed putting together a maintenance workshop in the future to be hosted in Edenton.

Board members thanked Mr. Thomas and Mr. Powell for coming to Edenton and meeting with them.

Being no further business, Commissioner McLaughlin declared the committee meeting adjourned.

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Larry McLaughlin, Chair

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Susanne Stallings, Clerk

**Regular Meeting**  
**Monday, February 17, 2020**  
**Chowan County Public Safety Center**  
**305 West Freemason Street**  
**6:00pm**

*This meeting was recorded. A copy of the recording is in the meeting file labeled February 17, 2020.*

Present Chair Patti Kersey, Commissioners Ron Cummings, Greg Bonner, Larry McLaughlin, Bob Kirby, Don Faircloth and Ellis Lawrence

Staff present County Manager Kevin Howard, Board Clerk Susanne Stallings, Finance Officer Cathy Smith and County Attorney Lauren Arizaga-Womble.

**Call to Order**

Chair Kersey called the regular meeting to order and led all in the pledge of allegiance, she then offered the invocation.

**Approval of Draft Agenda**

Ms. Stallings noted the addition of two items to the agenda to include a 911 contract and a presentation from Steve Lane with Inteliport. She added that the closed session will include attorney client privilege.

Commissioner Bonner moved to approve the draft agenda as amended. Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

**Public Comment**

Chair Kersey opened the floor for public comment.

There was none.

**Consent Agenda**

*All items on the Consent Agenda are considered to be routine and may be enacted by one motion. If a County Commissioner requests discussion on an item, the item will be removed from the Consent Agenda and considered separately.*

a. **Minutes**

Minutes of the February 3, 2020 meeting

Commissioner Faircloth moved to approve the consent agenda as presented. Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

**Budget Amendments**

**1920-039**

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
<b>Debt Service</b>			
30-3980-980-11	Transfer from General Fund	79,172.50	
30-9100-710-13	BB&T - DF Walker Note - Principal		55,000.00
30-9200-720-13	BB&T - DF Walker Note - Interest		24,172.50
<b>General Fund</b>			
11-3990-990-00	Fund Balance Appropriation	79,172.50	
11-9800-980-30	Transfer to Debt Service		79,172.50
	Balanced	158,345.00	158,345.00
<b>Justification:</b>			
	<i>To amend the 2020 budget to include the BB&amp;T debt service payment for DF Walker School Renovations Project.</i>		

Commissioner Kirby noted his concern over the building name.

Commissioner McLaughlin moved to approve the budget amendments as presented. Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

### **Tax Items**

#### **Order to Advertise**

Tax Administrator Melissa Radke provided the Board with the Order to advertise the 2019 Tax Liens. She noted there are 1,283 delinquent real property parcels. She stated last year 809 parcels were advertised and she hopes to have that number lower this year.

Commissioner Lawrence moved to approve the order to advertise pursuant to NCGS 105-369 (a). Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

#### **Update on 2022 Reappraisal**

Tax Administrator Melissa Radke stated that with regards to the 2022 reappraisal efforts to date Vincent Valuations is working on the software and plan to begin early March. She stated workers will be in the field by then and it is anticipated that this will take 12-14 months to complete. She stated each property will be visited, measured and photos will be taken. The workers will have on yellow vests, will carry an ID card and the cars will be notated. She stated that door knockers will be left at the homes and information will be put out in the paper, on social media, the website and there have been discussions about using the County's Hyper-Reach system to notify residents of the reappraisal.

### **EMS Items**

#### **Fee Schedule Amendment**

EMS Director Colin Ryan provided the Board with a request to adjust the current EMS fee schedule. He stated the proposed fee schedule adjustment will bring the ambulance fee schedule at 130% above

the allowable Medicare and private insurance rates. He provided a copy of the proposed rates to the Board. It was noted this was part of the recommendation in the recent EMS Assessment.

Finance Office Cathy Smith noted that future budget ordinances will state that the EMS fee schedule will be in line with the allowable rate so that staff will not have to request a public hearing to amend the budget in the future.

Commissioner Faircloth moved to advertise for a public hearing on March 16, 2020.

After some discussion about the next agenda item, Commissioner Faircloth withdrew his motion to include it in the next discussion.

#### Tax Presentation for EMS Fee Collection

Tax Administrator Melissa Radke presented the Board with a PowerPoint of information regarding EMS fee collection and discuss amending the fee schedule to include interest and late penalties or liens for outstanding EMS fees. A copy of the PowerPoint presentation is in the meeting file labeled February 17, 2020. Ms. Radke reviewed what the current fee collection process looks like and how she proposes the Tax Office to begin handling the collection of delinquent accounts going forward. She stated that the Board will need to consider if they want the fees to be collected by the Tax office to utilize enforced collection procedures which cannot currently be done by a collection agency. She asked if the Board wishes to amend the fee schedule for EMS fees to include interest or penalties for late payments and does the Board want the Tax Office to enforce liens on property owned by a patient with outstanding EMS fees due.

Commissioner Lawrence discussed how a tax is created for persons who do not own real property.

Ms. Radke stated a bill is created for individuals who do not own real property.

Commissioner McLaughlin asked about the civil action costs.

Ms. Radke stated the costs are \$6 per page and 25 cents for each additional page.

Ms. Radke noted the total delinquent amount from 2010 to 2017 is \$1,593,875.78 for the sampling that she was given from the billing company. She stated that many of these patients have multiple bills.

Commissioner Kirby asked why Colleton turns these accounts over to the County after 90 days.

Ms. Womble stated that Colleton does not have the powers that the Tax office has to enforce collections such as garnishments or liens.

Commissioner Kirby asked why the County has to do all of the leg work to locate the account owner.

Brian Gerkin the owner of Colleton Software stated he is not allowed under the law to go to the site the County is able to utilize to locate individuals. He stated this is a state law.

Commissioner Kirby stated this was another State mandate that impacts the County negatively and costs more money.

Chair Kersey asked Ms. Radke to summarize her request.



Ms. Radke stated she would like to know what years the Board would like for her office start with. Would the Board like for her office to submit liens when that is an option or charge fees. She stated she would also need to know if the Board wanted to accept a fee schedule which included a penalty or interest to accrue on a delinquent bill.

Commissioner McLaughlin asked what bills would most likely be collectible.

Ms. Radke stated she has the 2017 bills and has not viewed the prior year files, she stated she did not feel comfortable answering that without seeing the 2010 file.

Commissioner McLaughlin asked when the fees would begin.

Ms. Womble explained that the fees begin on the date that once approved and Melissa will set a delinquency period.

Commissioner Lawrence stated he did not feel comfortable with charging interest.

Commissioner Kirby moved to grant the authority to the Tax Administrator to collect EMS fees.

Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

The Board discussed holding a public hearing to amend the fee schedule and the various options which include penalties.

Commissioner Bonner stated that he has concerns with assessing penalties for person who already are having difficulty paying their bills.

Commissioner McLaughlin stated that sometimes knowing a penalty will be assessed will encourage someone to pay or make a payment arrangement.

Ms. Radke noted that the Board has the option to do interest only or penalty only.

Ms. Womble discussed the various fees which include the \$60 garnishment fee.

Ms. Radke noted that there could be interest charges of 2% on the delinquency date and .75% the first of each month thereafter.

Commissioner Kirby asked what happens when someone calls to ask for a payment plan.

Ms. Radke stated she provides the customer with a payment plan to try a meet the payment in the fiscal year. She stated that her office stops enforced collections as long as the taxpayer meets their obligations. She noted that only after two delinquencies on a payment plan is when enforced collections resumes. She stated the office policy is to set up plans to have the debt paid in two years.

Commissioner Lawrence asked how the Tax Office will enforce collections on someone who does not own real property.

Board members discussed that often these accounts are the balances of what is owed after private insurance or Medicare. It was noted that Medicaid balances are not collectible.

Commissioner McLaughlin made a motion to amend the EMS fee schedule and then withdrew his motion. After further discussion with legal counsel and staff Commissioner McLaughlin made the following motion:

Commissioner McLaughlin moved to schedule a public hearing on Monday, March 16, 2020 to amend the EMS fee schedule as presented by EMS to allow Chowan County to stay at 130% above the allowable Medicare and private insurance rates. Additionally the Board will consider amendments to included proposed penalties and interest of 2% on the delinquency date and .75% the first of each month thereafter, \$60 garnishment fee plus recording costs of \$6 for the first page and 25 cents for each additional page. Additionally the Board will consider enforcement of liens on property owned by any patient with outstanding EMS fees due.

Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

#### Update from EMS Assessment Response Committee

This item was not discussed, Mr. Howard will email the report to the full Board.

#### **911 Service Agreement Contract**

Herman Weiss, 911 provided the Board with a request to approve a new maintenance contract. He stated the maintenance contract with CenturyLink will end in February. He stated that CenturyLink will not renew the maintenance contract for the remaining six months (until July 31<sup>st</sup>) when the County begins hosted.

He stated that Mobile Communications America (MCA) will provide the contract until July 31<sup>st</sup> for \$5,804.10.

Chair Kersey asked what happens in six months.

Mr. Weiss stated that the state will provide the service then but CenturyLink will not renew the contract.

Mr. Howard stated this is paid by the State 911 fund.

Commissioner Kirby asked what will happen with the monies budgeted for this.

Mr. Howard stated the allotment will be reduced.

Commissioner Lawrence asked what the concern for next year is.

Mr. Weiss stated that components for the airbus maintenance may have to be included. He stated that costs \$8,556 last year. He noted that the cost was more for six months with CenturyLink.

Commissioner Kirby moved to approve the contract with MCA. Chair Kersey asked for all in favor, the motion passed unanimously (7-0)

#### **Acceptance of bid offer – 201 Manteo Trail.**

Ms. Stallings noted that Stanley Bunch was the high bidder for the property located at 201 Manteo Trail Edenton. The high bid was \$1,000. It would be in order for the Board to formally accept the high bid and authorize staff to proceed with the sale of the property.

Commissioner Cummings moved to accept the bid from Mr. Bunch and authorize staff to close on the sale. Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

### **Library Project**

Mr. Howard provide the Board with the architect's proposal to provide drawings and specifications to replace the door on the second floor with a window at the Library. He stated the cost is \$4,000.

Commissioner McLaughlin asked if the work is done and the window continues to leak who will be responsible.

Mr. Howard stated the architect will be. He stated the architect will visit to make sure the contractor builds the window to his specifications. He stated the plan is to take out the door, install a window and match the existing brick.

Commissioner McLaughlin moved to approve the proposal as presented.

Chair Kersey asked for all in favor, the motion passed unanimously (7-0)

### **Grant Request**

Recreation Director Shannon Ray provided the Board with a request to apply for grant funds in the amount of \$69,925 for repairs to the bulkhead and removal of the pier at Cape Colony Park. The grant requires a County match of \$7,169. She provided the Board with photographs of the existing pier and bulkhead. A copy of the photographs are in the meeting file labeled February 17, 2020.

Board members discussed the current property.

Mr. Howard explained the County took ownership of the property after Hurricane Isabel with hazard mitigation grant monies when a home that was damaged by the hurricane was removed. He stated the land that the home sat on had to be kept for open space for public use. He noted this grant is reimbursable where the County spends the money and then is reimbursed for its match. He noted this would be budgeted in the FY 2020-21 budget.

Commissioner Bonner moved to approve the grant application as requested. Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

Chair Kersey called for a five minute recess, after five minutes she called the meeting back to order.

### **Resolution in Support of Rights Afforded by the Second Amendment to the US Constitution**

Commissioner Cummings requested the Board consider a revised resolution in Support of Rights Afforded by the Second Amendment to the US Constitution. He stated that the Board takes the oath of office to support the constitution and laws of the United States. He stated there are many examples in the Country where states in the US are pushing agendas to trample on the second amendment. He stated he feels the second amendment is under attack. He stated that when someone travels across the US they have to be careful with regards to carrying firearms. He stated that Joseph Hewes was a signer of the Constitution and was from Edenton. He stated that the amendment was for people to protect

themselves from their own government. He stated this resolution takes a stand and says the Board supports the constitution He moved to approve the resolution, he then read the resolution into the record.

RESOLUTION OF THE BOARD OF COMMISSIONERS FOR CHOWAN COUNTY, NORTH CAROLINA  
IN SUPPORT OF RIGHTS AFFORDED BY THE SECOND AMENDMENT TO THE UNITED STATES  
CONSTITUTION

WHEREAS, all members of the Chowan County Board of Commissioners have taken an oath to defend the Constitution of the United States, including the Second Amendment of the United States Constitution which reads "A well-regulated militia, being necessary to the security of a free state, the right of the people to keep and bear arms, shall not be infringed"; and

WHEREAS, similarly Article 1 , Section 30 of the Constitution of North Carolina provides in part that "[A] well-regulated militia being necessary to the security of a free State, the right of the people to keep and bear arms shall not be infringed and

WHEREAS, the United States Supreme Court affirmed an individual's right to possess firearms, unconnected with service in a militia for lawful purposes such as self- defense within the home and affirmed that the right of an individual to "keep and bear arms", as protected under the Second Amendment, is incorporated by the Due Process Clause of the Fourteenth Amendment against the states and opinioned that firearms that are part of ordinary military equipment or with use that could contribute to the common defense are protected by the Second Amendment; and

WHEREAS, the Chowan County Board of Commissioners is concerned about any effort by the North Carolina General Assembly or United States Congress to enact legislation infringing upon a citizen's individual right to possess a firearm and to use a firearm for traditionally lawful purposes as the United States Supreme Court has interpreted the Constitution; and

WHEREAS, the Chowan County Board of Commissioners supports the decisions of the United States Supreme Court that interpret the Second Amendment as giving individual's the right to bear arms and use firearms for traditionally lawful purposes.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners for Chowan County, North Carolina that:

Section 1 . The Chowan County Board of Commissioners supports the Second Amendment right of citizens to possess firearms and to use firearms for traditionally lawful purposes.

Section 2. In support of the citizenry's Second Amendment rights, the Chowan County Board of Commissioners will take all necessary steps within its power to ensure that legislative bodies do not enact legislation affecting the Second Amendment right of citizens to bear arms and use firearms for traditionally lawful purposes including lobbying of legislative delegations and intervention in litigation challenging such legislation.

ADOPTED this, the 17th day of February, 2020.

Commissioner Kirby read a written statement into the record.

Commissioner Kirby stated: “Fellow Commissioners, I am very torn by the agenda item we are considering this evening entitled RESOLUTION OF THE BOARD OF COMMISSIONERS FOR CHOWAN COUNTY, NORTH CAROLINA IN SUPPORT OF RIGHTS AFFORDED BY THE SECOND AMENDMENT TO THE UNITED STATES CONSTITUTION

First, I like all of my fellow County Commissioners, placed my hand on a Holy Bible and swore an oath to support and defend the Constitution of the United States as well as the constitution of North Carolina when I took this office. The sacred oath was made without exception and without reservation. Yet, here we are this evening being asked to consider a resolution which WILL, in fact draw focus to one narrow part of that oath. On the surface, this proposed resolution will have absolutely zero impact and zero effect on the government of Chowan County, and several months ago, when a similar resolution was first submitted, I would have voted with a resounding “NO” and the caveat that the Chowan County Board of Commission has better things to do with our valuable time. Several things, however, have changed since that time.

First, the Commonwealth of Virginia, like North Carolina, once of the stalwarts of American Independence, recently eschewed several decades of conservative politics in the General Assembly. The Virginia General Assembly of today has made no secret of their intent to institute many and varied forms of placing limits on the rights afforded by the Second Amendment to the US Constitution, and Virginia’s Governor has pledged to support these Second Amendment Limits. Second, and perhaps much closer to home, as many of you are aware, my daughter is married to a US Navy SEAL. Just last week, the two of them, with my three grandchildren loaded up in their minivan and began a cross-country trek from Little Creek in Virginia Beach to his new duty station at Coronado in California. About right now they are somewhere in Oklahoma. The first leg of their trip was very short. They stopped at our home in Rocky Hock for a brief visit, and most poignantly, so that he could leave his personal weapons with me for safe keeping. You see, despite the fact that California lives under the same Second Amendment as Virginia and North Carolina, they have instituted laws which erode our Constitution to the point where even active duty Military Officers, whose very lives depend on their proficiency with hand held firearms are prohibited from privately possessing such weapons.

So, while I realize that our vote on this Resolution is purely symbolic, I will be voting in favor of the resolution this evening because I fear there will come a time when certain elements of our society will come to tell us that there is no longer a God given right to keep and bear arms.”

Commissioner McLaughlin stated that as a gun owner he believes he has legal rights under the constitution. He stated that he does not believe this resolution will do much to change anything and that a future Board could come and vote down the same resolution. He stated that the constitution and federal laws trump state laws and county laws. He stated that things are changing in the Country and everyone should strive for responsible gun ownership.

Chair Kersey asked for all in favor, of the motion on the floor, the motion passed (6-1 McLaughlin).

### **Soil and Water Annual Report**

Jacob Peele provided an annual report from the Soil and Water Conservation Office. A copy of the PowerPoint and handouts are in the meeting file labeled February 17, 2020.

### **Inteliport Request**

Steve Lane with Inteliport stated he planned to provide the Board with a presentation on a loan application he intends on seeking. He stated that he will be asking the County for a letter of support for the application. He stated that the project is called the Fiber to the X which X stands for premise, pole, building, business and home. He stated that USDA provides the funding for this loan. He stated that

initial plans estimate a monthly cost per homeowner of \$90 per month for 1 gig of fiber. He stated that the interest is 2% with a 14-15 year payback. He stated his computer was having technical difficulties and would request an opportunity to come back at a later time to provide the Board with more information.

Chair Kersey asked if he planned to apply for any matching state monies.

Commissioner Lawrence asked if there are any concerns for the monthly cost to the homeowners.

Mr. Lane stated that he knows the cost will be a factor, but this was the only way to make the loan work.

Commissioner Kirby asked what the estimated time frame for this project is.

Mr. Lane stated that he would like to start in 2022 and completion would be 2023-24. He discussed the total investment per home.

Chair Kersey thanked Mr. Lane for the information and said she looked forward to his future presentation.

### **Educational Opportunity**

Chair Kersey stated the Board will consider approval of funding \$295 for Commissioner Kirby to attend at two day workshop on Water and Wastewater Finance Strategies in Chapel Hill. No hotel expense is requested. There is \$2,276 remaining in the Commissioner Travel line item.

Commissioner Lawrence moved to approve the request as presented. Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

### **External Board/Committee Report**

Chair Kersey stated the Board members are asked to report on the activities of the external boards to which they have been appointed.

She noted that the Department of Commerce announced that Nebraska Plastics is coming to Chowan County. They are fence makers. They are investing \$1 million in Edenton and plan to add 22 jobs over a period of time.

### **Manager's Report**

County Manager Kevin Howard will update the Board on the following:

#### **Jail Study Update**

Mr. Howard stated that Bertie approved the contract. He stated he is to meet with both managers and the architects on October 2<sup>nd</sup>.

Mr. Howard noted he will be emailing the EMS Assessment Response committee minutes. He stated they are meeting each Wednesday.

He noted the retreat will be February 19<sup>th</sup> from 8:30am to 4:30pm.

### **Timely and Important Matters**

Ms. Stallings noted that the Water Department is beginning operation Spring Clean March 2<sup>nd</sup> through March 20<sup>th</sup> and water line flushing will be taking place.

**Closed Session**

Commissioner McLaughlin moved that the Board go into closed session, in accordance with NCGS 143-318 (11) (a) (3, 4, 5 and 6) attorney client privilege, economic development, contract negotiations and personnel.

Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

The minutes of the closed session are sealed.

Commissioner Cummings moved to come out of closed session.

Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

**Amend Agenda**

Commissioner Faircloth moved to amend the agenda to discuss a salary adjustment. Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

**Finance Officer Salary Adjustment**

Commissioner Kirby moved to adjust the salary of Finance Officer Cathy Smith from the current annual salary of \$63,648 to \$71,648 (an adjustment of \$8,000) effective February 16, 2020 as she has passed the Finance Officer Certification Exams. Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

**Adjourn**

Commissioner Kirby moved that the meeting be adjourned. Chair Kersey asked for all in favor, the motion passed unanimously (7-0)

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Patti F. Kersey, Chair

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Susanne Stallings, Clerk

**Regular Meeting**  
**Monday, February 17, 2020**  
**Chowan County Public Safety Center**  
**305 West Freemason Street**  
**6:00pm**

**Closed Session**

Present Chair Kersey, Commissioners Ron Cummings, Don Faircloth Larry McLaughlin, Bob Kirby, Greg Bonner and Ellis Lawrence.

Staff present County Manager Kevin Howard, Board Clerk Susanne Stallings, County Attorney Lauren Arizaga Womble and Human Resources Manager Carrie Byrum

**Closed Session**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



**Chowan County**  
**MANAGEMENT BUDGET AMENDMENT**

**To:** FYI - Board of Commissioners

**MBA #: 1920-040**

**From:** Cathy Smith, *Finance Officer*

**Date:** February 26, 2020

**RE:** Discretionary Income

Please authorize the finance officer to amend the 2020 budget as follows:

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
<b>Register of Deeds</b>			
11-3418-415-00	*Preservation/Automation	678.30	
11-4180-298-00	*Dept Supplies - Auto/Pres		226.10
11-4180-440-00	*Contr Svcs - Automation/Pres		226.10
11-4180-511-00	*C/O - Auto / Pres		226.10
<b>Sheriff's Office</b>			
11-3431-232-00	*Sheriff Donations	25.00	
11-4317-440-00	*Donation - Expense		25.00
11-3431-243-00	*KIDS & COPS	734.00	
11-4317-443-00	*KIDS & COPS Expense		734.00
11-3431-245-00	*Safe Kids Program	20.00	
11-4317-445-00	*Safe Kids Expense		20.00
<b>Animal Shelter</b>			
11-3438-894-00	*Donations - Chowan	525.00	
11-3438-894-01	*Donations - Gates	60.00	
11-3438-894-02	*Donations - Perquimans	25.00	
11-3438-894-03	*Donations - Other	1,550.00	
11-3438-894-04	*Donations - AWARE	5,998.64	
11-4381-600-00	*Donation - Expense		8,158.64
11-3438-895-00	*Adoption - Chowan	620.00	
11-3438-895-01	*Adoption - Gates	200.00	
11-3438-895-02	*Adoption - Perquimans	25.00	
11-3438-895-03	*Adoption - Other	100.00	
11-4381-441-00	*Contr Svcs - Spay/Neuter		945.00
<b>Cooperative Ext:</b>			
11-3495-370-00	*AG Program Fees Discretionary	700.00	
11-4953-440-00	*Ag Program Discretionary		700.00
<b>Senior Center</b>			
11-3616-533-00	*Reg Fees - Trips	11,047.00	
11-4268-312-00	*TRIPS - Senior Citizens		11,047.00

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
11-3616-533-01	*Registration Fees Activities	224.00	
11-4268-299-01	*Activities - Dept. Supplies		224.00
11-3616-535-03	*Healthways	1,269.00	
11-4268-352-02	*Healthways		1,269.00
<b>DSS</b>			
12-3531-230-14	*DSS Special Events	107.00	
12-5310-450-00	*DSS Special Events		107.00
	Balanced	23,907.94	23,907.94

**Total Discretionary Income Received FYE 2020**

**137,160.61**

**Justification:**

*To amend the 2020 budget to include Discretionary income received through January 2020.*

**Approval Date:** \_\_\_\_\_

**Bd. Clerk's Init:** \_\_\_\_\_

**Initials:** \_\_\_\_\_

**Batch #:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Chowan County**  
**MANAGEMENT BUDGET AMENDMENT**

**To:** FYI - Board of Commissioners

**MBA #: 1920-041**

**From:** *Cathy Smith, Finance Officer*

**Date:** February 26, 2020

**RE:** Soil & Water

Please authorize the finance officer to amend the 2020 budget for **Soil & Water** as follows:

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
<b>Soil &amp; Water</b>			
11-3473-368-00	Stream Debris Removal Grant	10,000.00	
11-4730-608-00	Stream Debris Removal Grant		10,000.00
	Balanced	10,000.00	10,000.00

**Justification:**

*To amend the 2020 budget for Soil & Water to include the Stream Debris  
Removal Grant.*

**Approval Date:** \_\_\_\_\_

**Bd. Clerk's Init:** \_\_\_\_\_

**Initials:** \_\_\_\_\_

**Batch #:** \_\_\_\_\_

**Date:** \_\_\_\_\_



Chowan County Board of Commissioners  
Action Agenda Item  
2019-20

To: Susanne Stallings, Clerk

Meeting Date: \_\_\_\_\_

From: \_\_\_\_\_

Date Submitted: \_\_\_\_\_

**\*\* Verify Agenda Item deadline prior to submission as some items should be reviewed by Attorney/Finance/HR prior to Clerk submittal\*\***

ISSUE/ACTION REQUESTED:

PUBLIC HEARING:  YES  NO

Background Information

Potential Cost Savings  YES  NO

ATTACHMENTS:  YES  NO

**FINANCIAL:**

BUDGET AMENDMENT REQUIRED:  YES  NO  N/A

CAPITAL PROJECT/GRANT ORDINANCE REQUIRED:  YES  NO  N/A

PRE-AUDIT CERTIFICATION REQUIRED:  YES  NO  N/A

REVIEWED BY DIRECTOR OF FINANCE:  YES  NO

COMMENTS:

**PERSONNEL MATTER:**

REVIEWED BY HUMAN RESOURCES:  YES  NO  N/A

COMMENTS:

**CONTRACTS/AGREEMENTS:**

REVIEWED BY THE COUNTY ATTORNEY:  YES  NO  N/A

COMMENTS:

**COUNTY MANAGER'S RECOMMENDATION:**

RECOMMENDS APPROVAL:  YES  NO  N/A

COMMENTS:



Thompson, Price, Scott, Adams & Co., P.A.  
4024 Oleander Drive Suite 3  
Wilmington, North Carolina 28403  
Telephone (910) 791-4872  
Fax (910) 395-4872

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February 3, 2020

To Whom It May Concern:

If you could, at your earliest convenience, sign the following audit contract and engagement letter and mail it directly back to us. It is also important that you write in the date the governing board approved this audit contract in the bottom left hand corner on the signature page, this is a requirement for the contract to be approved by the Local Government Commission.

If needed the standard rates for additional bookkeeping services, during an audit, is \$75.00 per hour.

If you have any questions, please don't hesitate to call.

Sincerely,

[Redacted Signature]

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Thompson, Price, Scott, Adams & Co., P.A.

The	Governing Board
of	Primary Government Unit (or charter holder) Chowan County
and	Discretely Presented Component Unit (DPCU) (if applicable) Chowan County Tourism & Development Authority

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

and	Auditor Name Thompson, Price, Scott, Adams & Co., PA
	Auditor Address 4024 Oleander Dr., Suite 103, Wilmington, NC 28403

*Hereinafter referred to as Auditor*

for	Fiscal Year Ending 06/30/20	Audit Report Due Date 10/31/20
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*Must be within four months of FYE*

hereby agree as follows:

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

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

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

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 this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.
7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.
8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. 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 along with an Audit Report Reissued Form (available on the Department of State Treasurer website). These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC staff.
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, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to charter schools or 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 28 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 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.

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to charter schools or 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. 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 charter school contracts only: No indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions.

29. 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).

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

31. 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.

32. 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:

<b>Name:</b>	<b>Title and Unit / Company:</b>	<b>Email Address:</b>

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 submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees below. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year billings. Should the 75% cap provided below conflict with the cap calculated by LGC staff based on the prior year billings on file with the LGC, the LGC calculation prevails. All invoices for services rendered in an audit engagement as defined in 20 NCAC 3 .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

**PRIMARY GOVERNMENT FEES**

Primary Government Unit	Chowan County
Audit Fee	\$ 42,000.00
<b>Additional Fees Not Included in Audit Fee:</b>	
Fee per Major Program	\$
Writing Financial Statements	\$ 1000.00
All Other Non-Attest Services	\$
<b>75% Cap for Interim Invoice Approval</b> <i>(not applicable to hospital contracts)</i>	\$ 32,250.00

**DPCU FEES (if applicable)**

Discretely Presented Component Unit	Chowan County Tourism & Development Authority
Audit Fee	\$ n/a
<b>Additional Fees Not Included in Audit Fee:</b>	
Fee per Major Program	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$
<b>75% Cap for Interim Invoice Approval</b> <i>(not applicable to hospital contracts)</i>	\$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Thompson, Price, Scott, Adams & Co., PA	
Authorized Firm Representative (typed or printed)* Gregory S Adams, CPA	Signature*
Date*	Email Address* gsadams@tpsa.co

GOVERNMENTAL UNIT

Governmental Unit* Chowan County	
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)* Patti Kersey, Chairperson	Signature*
Date	Email Address patti.kersey@chowan.nc.gov

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) Cathy Smith, Finance Officer	Signature*
Date of Pre-Audit Certificate*	Email Address* cathy.smith@chowan.nc.gov

**SIGNATURE PAGE – DPCU  
(complete only if applicable)**

**DISCRETELY PRESENTED COMPONENT UNIT**

DPCU*	
Chowan County 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)* Donald Faircloth, Chairman	Signature*
Date*	Email Address* don.faircloth@chowan.nc.gov

Chair of Audit Committee (typed or printed, or "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)* Cathy Smith, Finance Officer	Signature*
Date of Pre-Audit Certificate*	Email Address* cathy.smith@chowan.nc.gov

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

**PRINT**



Thompson, Price, Scott, Adams & Co., P.A.  
4024 Oleander Drive Suite 3  
Wilmington, North Carolina 28403  
Telephone (910) 791-4872  
Fax (910) 395-4872

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January 1, 2020

Chowan County  
P.O. Box 1030  
305 W Freemason Street  
Edenton, NC 27932

We are pleased to confirm our understanding of the services we are to provide Chowan County for the year ended June 30, 2020. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of Chowan County as of and for the year ended June 30, 2020. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Chowan County'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 Chowan County's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Net Pension Asset/Liability RSI
- 3) OPEB

We have also been engaged to report on supplementary information other than RSI that accompanies Chowan County's financial statements. We will subject the following

supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole:

- 1) Schedule of expenditures of federal awards.
- 2) Budget to actual schedules
- 3) Individual Fund Statements
- 4) Supporting Schedules and Combining Fund Statements

### **Audit Objectives**

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

- Internal control over financial reporting and compliance with 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 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).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that 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 include a paragraph that states 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.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; 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. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to Commissioners of Chowan County. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

#### **Audit Procedures—General**

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

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or 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.

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



### **Audit Procedures—Internal Control**

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

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material 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. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *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 Chowan County'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 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 Chowan County's major programs. The purpose of these procedures will be to express an opinion on Chowan County'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, schedule of expenditures of federal awards, and related notes of Chowan County in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. This nonaudit service 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, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Management Responsibilities**

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) 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.

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

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

management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review on the date of the audit report.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are 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. 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 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.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services

we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes, financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

#### **Engagement Administration, Fees, and Other**

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

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 financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, 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 town; 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 Thompson, Price, Scott, Adams and Co., PA and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to cognizant agency 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 Thompson, Price, Scott, Adams & Co., PA personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the cognizant agency. 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.

We expect to begin our audit on approximately July 1, 2020 and to issue our reports no later than October 31, 2020. Gregory S. Adams is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services is stated in the LGC approved contract. Any additional work out of the normal scope of the audit will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.). 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 60 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 audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to Chowan County 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,



Thompson, Price, Scott, Adams & Co., PA

**RESPONSE:**

**This letter correctly sets forth the understanding of Chowan County.**

**Management signature:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Governance signature:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Auditor signature:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_



## CHOWAN COUNTY, NORTH CAROLINA

P.O. Box 1030  
Edenton, NC 27932  
(252) 482-8431  
(252) 482-4925 fax

February 27, 2020

Honorable Elaine Chao  
U.S. Secretary of Transportation  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Dear Secretary Chao:

Please accept this letter of support for the North Carolina Department of Transportation's (NCDOT's) **Future I-87 Resiliency, Innovation, Safety, Economy Project** (the "Future I-87 RISE Project" or "the Project" hereafter) application to the U.S. Department of Transportation's INFRA Program. The Future I-87 RISE Project is the result of a continuous thoughtful and coordinated strategy to support regional and national economic vitality through the deployment of innovative technology and creative infrastructure investments to improve freight mobility, rural access, and infrastructure resiliency specifically in an underserved portion of eastern North Carolina. The Project combines multiple complementary investments selected for their ability to deliver improved corridor performance and system resiliency while increasing the physical and digital connectivity of rural communities in eastern North Carolina. The Project is a large step forward in realizing North Carolina's vision to build out and harden the network of freight distribution/military corridors in eastern North Carolina.

The future I-87 corridor traverses rural eastern North Carolina, connecting Raleigh, NC at its southern terminus and the Hampton Roads-Norfolk region in Virginia at its northern terminus. When fully completed, this corridor will serve as an interstate connection between the Port of Virginia and I-95. This corridor is critical to connecting northeastern North Carolina industries and farms to their best export option through the Port of Virginia and represents concerted cooperation across state lines to realize national economic development opportunities. Improvements along the future I-87 corridor will also capitalize on the \$270M investments in the Carolina Connector Intermodal Rail Terminal (CCX), removing barriers along the transportation route between CCX, the I-95 corridor, and the Port of Virginia. It is projected that activity at CCX will reduce shipping costs by 40% and increase the efficiency of the movement of goods, producing national economic trade benefits. Project investments in this corridor will improve the road to interstate standards from Zebulon to Williamston, make upgrades to several interchanges, and widen the road to six lanes in the vicinity of Zebulon. The Project will make numerous spot improvements to mitigate road flooding in the Princeville area. Collectively, these improvements will offer rural residents a safer and faster travel option to access the Raleigh job market.

Future I-87 and the U.S. 64 extension out to the coast are important evacuation routes. The Project will install fiber optic cable along the entire length of the future I-87 corridor, as well as the extension of U.S. 64 from Williamston to Whalebone. This investment will permit NCDOT to implement state-of-the-art wind and flood monitoring, manage the corridor in a coordinated manner with I-95 and U.S. 70 (future I-42) where fiber is already being installed, prepare for the future implementation of connected and autonomous vehicles, enhance broadband capability in this underserved rural area, and offer the potential for revenue opportunities to NCDOT through the lease of excess fiber capacity. The installation of fiber will also represent a sound investment due to the projected revenue generation the state will see from providing a fiber/broadband “backbone” for additional incremental private investment in network expansion to rural areas.

While the Project addresses multiple evaluation criteria for the INFRA program, improving the economic competitiveness of eastern North Carolina’s rural communities along future I-87 lies at the heart of this project. This INFRA grant, when combined with the significant state investment, would position North Carolina to immediately move forward to improve safety, address key bottlenecks, and further build out the backbone of its eastern freight network while simultaneously improving the resiliency of key evacuation routes used by residents of North Carolina and neighboring states. The Project is a prudent investment that will increase the return on prior federal investments and proactively protect existing transportation assets, thereby preventing future losses.

For these reasons, we strongly urge you to support the ***Future I-87 Resiliency, Innovation, Safety, Economy Project*** and the NCDOT’s application for federal INFRA grant funding to accelerate its construction.

Sincerely,

Patti F. Kersey  
Chair  
Chowan County Board of Commissioners





February 20, 2020

CAMDEN

CHOWAN

CURRITUCK

DARE

GATES

HYDE

PASQUOTANK

PERQUIMANS

TYRRELL

WASHINGTON

COLUMBIA

CRESWELL

DUCK

EDENTON

ELIZABETH CITY

GATESVILLE

HERTFORD

KILL DEVIL HILLS

KITTY HAWK

MANTEO

NAGS HEAD

PLYMOUTH

ROPER

SOUTHERN SHORES

WINFALL

Honorable Elaine Chao  
U.S. Secretary of Transportation  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Dear Secretary Chao:

The Rural Transportation Advisory Committee (RTAC) is the duly recognized transportation planning policy board for the Albemarle Rural Planning Organization (ARPO). The ARPO works in partnership with the North Carolina Department of Transportation assisting the counties of; Currituck, Camden, Pasquotank, Perquimans, Gates, Chowan, Washington, Tyrrell, Hyde and Dare with regional and locally based short-range and long-range transportation planning.

Please accept this letter of support for the North Carolina Department of Transportation's (NCDOT's) **Future I-87 Resiliency, Innovation, Safety, Economy Project** (the "Future I-87 RISE Project" or "the Project" hereafter) application to the U.S. Department of Transportation's INFRA Program. The Future I-87 RISE Project is the result of a continuous thoughtful and coordinated strategy to support regional and national economic vitality through the deployment of innovative technology and creative infrastructure investments to improve freight mobility, rural access, and infrastructure resiliency specifically in an underserved portion of eastern North Carolina. The Project combines multiple complementary investments selected for their ability to deliver improved corridor performance and system resiliency while increasing the physical and digital connectivity of rural communities in eastern North Carolina. The Project is a large step forward in realizing North Carolina's vision to build out and harden the network of freight distribution/military corridors in eastern North Carolina.

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While the Project addresses multiple evaluation criteria for the INFRA program, improving the economic competitiveness of eastern North Carolina’s rural communities along future I-87 lies at the heart of this project. This INFRA grant, when combined with the significant state investment, would position North Carolina to immediately move forward to improve safety, address key bottlenecks, and further build out the backbone of its eastern freight network while

simultaneously improving the resiliency of key evacuation routes used by residents of North Carolina and neighboring states. The Project is a prudent investment that will increase the return on prior federal investments and proactively protect existing transportation assets, thereby preventing future losses.

For these reasons, we strongly urge you to support the ***Future I-87 Resiliency, Innovation, Safety, Economy Project*** and the NCDOT's application for federal INFRA grant funding to accelerate its construction.

Sincerely,

A black rectangular redaction box covering the signature of Lloyd E. Griffin III.

Lloyd E. Griffin III

ARPO RTAC Chairman



February 24, 2020

Dear Commissioners,

The purpose of this correspondence is to inform you that, according to our records, **Ms. Amy Sopher's** appointment to the **Chowan County Joint Community Advisory Committee (CAC)** is due to expire on March 1, 2020. During her years on the board, Ms. Sopher has been faithful in her attendance to meetings and facility visits. Her knowledge, commitment and contributions to the CAC is invaluable. I am therefore, respectfully requesting the Chowan County Board of Commissioners re-appointment of Ms. Sopher to the Chowan County CAC for a three year term.

Please forward copies of the appointment to:

Albemarle Commission Area Agency on Aging  
Attn: Jasmine Wilson  
512 S Church Street  
Hertford, NC 27944

If you have questions regarding this appointment, please feel free to contact me at (252) 426-8244 or [jwilson@accog.org](mailto:jwilson@accog.org). Thank you in advance for your consideration.

Sincerely,



Jasmine S. Wilson  
Aging Program & Contract Specialist  
CAC Program Assistant

CAMDEN

CHOWAN

CURRITUCK

DARE

GATES

HYDE

PASQUOTANK

PERQUIMANS

TYRRELL

WASHINGTON

COLUMBIA

CRESWELL

DUCK

EDENTON

ELIZABETH CITY

GATESVILLE

HERTFORD

KILL DEVIL HILLS

KITTY HAWK

MANTEO

NAGS HEAD

PLYMOUTH

ROPER

SOUTHERN SHORES

WINFALL



February 24, 2020

Dear Commissioners,

The purpose of this correspondence is to inform you that, according to our records, **Ms. Priscilla Gazey's** appointment to the **Chowan County Joint Community Advisory Committee (CAC)** has expired on October 17, 2019. During her years on the board, Ms. Gazey has been faithful in her attendance to meetings and facility visits. Her knowledge, commitment and contributions to the CAC is invaluable. I am therefore, respectfully requesting the Chowan County Board of Commissioners re-appointment of Ms. Gazey to the Chowan County CAC for a three year term.

Please forward copies of the appointment to:

Albemarle Commission Area Agency on Aging  
Attn: Jasmine Wilson  
512 S Church Street  
Hertford, NC 27944

If you have questions regarding this appointment, please feel free to contact me at (252) 426-8244 or [jwilson@accog.org](mailto:jwilson@accog.org). Thank you in advance for your consideration.

Sincerely,

Jasmine S. Wilson  
Aging Program & Contract Specialist  
CAC Program Assistant

CAMDEN

CHOWAN

CURRITUCK

DARE

GATES

HYDE

PASQUOTANK

PERQUIMANS

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KILL DEVIL HILLS

KITTY HAWK

MANTEO

NAGS HEAD

PLYMOUTH

ROPER

SOUTHERN SHORES

WINFALL



# PERQUIMANS COUNTY

## BOARD OF COMMISSIONERS

P.O. BOX 45  
HERTFORD, NORTH CAROLINA 27944  
TELEPHONE: 1-252-426-7550

WALLACE E. NELSON  
CHAIRMAN  
FONDELLA A. LEIGH  
VICE CHAIR  
JOSEPH W. HOFFLER  
T. KYLE JONES  
ALAN LENNON  
CHARLES WOODARD  
W. HACKNEY HIGH, JR.  
COUNTY ATTORNEY

MARY P. HUNNICUTT  
CLERK TO BOARD

W. FRANK HEATH, III  
COUNTY MANAGER

### RESOLUTION ENCOURAGING BUSINESSES TO ALLOW VOLUNTEER FIREFIGHTERS TO RESPOND TO EMERGENCY CALLS DURING WORKING HOURS

**WHEREAS**, Perquimans County relies on volunteer fire departments for fire protection throughout the County; and

**WHEREAS**, a majority of volunteer firefighters in Perquimans County work during normal business hours; and

**WHEREAS**, because of the work responsibilities of the County's volunteer firefighters, there are shortages of those who are able to respond to calls; and


**WHEREAS**, these shortages cause other departments to mutual aid at a high frequency; and

**WHEREAS**, businesses allowing volunteer firefighters to respond to calls when possible during working hours would increase the public safety for all County citizens;

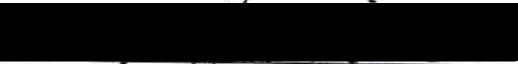
**NOW THEREFORE BE IT RESOLVED**, that the Perquimans County Board of Commissioners encourages all Perquimans County and regional businesses to allow members of their workforces who are volunteer firefighters to respond to emergency calls while they are working when practicable and possible for the business.

**BE IT FURTHER KNOWN AND RESOLVED**, that the Perquimans County Commissioners voted four (4) to zero (0) in support of the above information.

**ADOPTED** this 3rd day of February, 2020.

  
Wallace E. Nelson, Chairman  
Perquimans County Board of Commissioners

Attest:

  
Clerk to the Board



**Perquimans County's Vision:**

*To be a community of opportunity in which to live, learn, work, prosper and play.*

**Chowan County**  
**Revenue/Expenditure Summary**  
**General Fund**  
**Year-to-Date through 1/31/20**

	<b>Actual + Encumbrances</b>	<b>Adjusted Budget</b>	<b>Available Budget</b>	<b>% Budget Met</b>
<b>Revenues</b>				
Ad Valorem Taxes				
Tax Penalty & Interest	22,450	100,000	77,550	22%
Prior Year - R&P	97,336	218,500	121,164	44.5%
Current Year Levy - R&P	9,597,012	9,936,202	339,190	97%
Prior Year - MV	81	-	(81)	100%
Current Year Levy - MV	549,686	996,291	446,605	55%
<b>Total Ad Valorem Taxes</b>	<b>10,266,565</b>	<b>11,250,993</b>	<b>984,428</b>	<b>91%</b>
Sales Tax				
Article 39 Sales Tax	505,436	1,174,933	669,497	43%
Article 40 Sales Tax	331,120	756,952	425,832	44%
Article 42 Sales Tax	56,165	138,500	82,335	41%
Article 44 Sales Tax	93,827	211,709	117,882	44%
<b>Total Sales Tax</b>	<b>986,548</b>	<b>2,282,094</b>	<b>1,295,546</b>	<b>43%</b>
Other Taxes	12,233	52,000	39,767	24%
Permits & Fees	312,569	404,104	91,535	77%
Departmental	497,570	786,781	289,211	63%
Miscellaneous	295,161	614,877	319,716	48%
Fund Balance Appropriations	-	1,148,012	1,148,012	0%
<b>Total General Fund Revenue</b>	<b>12,370,646</b>	<b>16,538,862</b>	<b>4,168,216</b>	<b>75%</b>
<b>Expenditures</b>				
Education Expenses	2,398,954	4,555,687	2,156,732	53%
Governmental Expenses	1,606,329	2,666,501	1,060,172	60%
Human Services Expenses	844,380	1,471,019	626,639	57%
Other Expenses	138,072	301,244	163,172	46%
Public Safety Expenses	2,271,029	3,984,490	1,713,461	57%
Transfer to Social Services	-	934,016	934,016	0%
Transfer to Re-Val	-	107,700	107,700	0%
Transfer to Debt Service	1,285,301	1,479,274	193,973	87%
Transfer to EMS	-	1,038,931	1,038,931	0%
<b>Total General Fund Expenditures</b>	<b>8,544,066</b>	<b>16,538,862</b>	<b>7,994,796</b>	<b>52%</b>
<b>Net General Fund (11)</b>	<b>3,826,580</b>	<b>-</b>		

**Chowan County**  
**Revenue / Expenditure Summary by Fund**  
**Year-to-Date through 1/31/20**

	Actual + Encumbrances	Adjusted Budget	% Budget Met
<b>GOVERNMENTAL FUNDS:</b>			
<b>General Fund (Fund 11, 12)</b>			
Revenues	13,088,681	18,432,111	71.0%
Expenditures	10,129,348	18,432,111	55.0%
<b>Net General Fund</b>	<b>2,959,332</b>	-	
<b>Revaluation Fund (Fund 25)</b>			
Revenues	364	122,700	0.3%
Expenditures	2,525	122,700	2.1%
<b>Net Revaluation Fund</b>	<b>(2,161)</b>	-	
<b>Debt Service Fund (30)</b>			
Transfers In	1,513,095	2,356,084	64.2%
Expenditures	1,513,095	2,356,084	64.2%
<b>Net Debt Service Fund</b>	-	-	
<b>Capital Project Fund (32)</b>			
Revenues	14,629	-	0.0%
Expenditures	69,707	-	0.0%
<b>Net Capital Project Fund</b>	<b>(55,078)</b>	-	
<b>Capital Reserve Fund (33)</b>			
Revenues	218,890	300,000	73.0%
Expenditures	-	300,000	0.0%
<b>Net Capital Reserve Fund</b>	<b>218,890</b>	-	
<b>DF Walker Renovation Fund (36)</b>			
Revenues	1,644,100	1,751,790	93.9%
Expenditures	296,823	1,751,790	16.9%
<b>Net DF Walker Renovation Fund</b>	<b>1,347,277</b>	-	
<b>School Capital Reserve (40)</b>			
Revenues	361,546	1,022,863	35.3%
Expenditures	195,186	1,022,863	19.1%
<b>Net School Capital Reserve</b>	<b>166,360</b>	-	
<b>Hurricane Recovery Fund (41)</b>			
Revenues	4,490	-	0.0%
Expenditures	126,738	-	0.0%
<b>Net Hurricane Recovery</b>	<b>(122,248)</b>	-	



**Chowan County**  
**Revenue / Expenditure Summary by Fund**  
**Year-to-Date through 1/31/20**

	Actual + Encumbrances	Adjusted Budget	% Budget Met
<b>School Capital Projects(42)</b>			
Revenues	195,186	-	0.0%
Expenditures	195,186	-	0.0%
<b>Net School Capital Projects</b>	-	-	
<b>Lottery Proceeds Fund (49)</b>			
Revenues	103,573	103,573	100.0%
Expenditures	103,573	103,573	100.0%
<b>Net Lottery Fund</b>	-	-	
<b>SPECIAL REVENUE FUNDS:</b>			
<b>Fire Districts (23)</b>			
Revenues	514,636	716,537	71.8%
Expenditures	186,859	716,537	26.1%
<b>Net Fire Districts</b>	<b>327,778</b>	-	
<b>E-911 Fund (24)</b>			
Revenues	138,177	275,826	50.1%
Expenditures	132,873	275,826	48.2%
<b>Net E-911 Fund</b>	<b>5,304</b>	-	
<b>ENTERPRISE FUNDS:</b>			
<b>Water Dev. Capital Reserve (22)</b>			
Revenues	6,428	5,000	128.6%
Expenditures	-	5,000	0.0%
<b>Net Water Dev Capital Reserve</b>	<b>6,428</b>	-	
<b>EMS (60)</b>			
Revenues	371,658	1,944,311	19.1%
Expenditures	956,261	1,944,311	49.2%
<b>Net EMS Fund</b>	<b>(584,603)</b>	-	
<b>Water (61)</b>			
Revenues	1,088,565	1,811,522	60.1%
Expenditures	946,745	1,811,522	52.3%
<b>Net Water Fund</b>	<b>141,820</b>	-	
<b>Solid Waste (62)</b>			
Revenues	580,500	1,212,758	47.9%
Expenditures	720,651	1,212,758	59.4%
<b>Net Solid Waste Fund</b>	<b>(140,150)</b>	-	

**Chowan County**  
**Cash and Investment Summary**  
**1/31/2020**

	<u>12/31/2019</u>	<u>1/31/2020</u>	<u>Increase / (Decrease)</u>
<b>Cash Accounts</b>			
Petty Cash - General Fund	200	200	-
Petty Cash - Water Department	150	150	-
Cash on Deposit - Southern Bank	934,758	(192,939)	(1,127,698)
<b>Total Cash Accounts</b>	<u>935,108</u>	<u>(192,589)</u>	<u>(1,127,698)</u>
<b>Investment Accounts</b>			
Investment - BB&T	503,103	503,103	-
Investment - BB&T - Project Fund - DF Walker	1,644,148	1,644,148	-
Investment - NCCMT Portfolio	6,748	6,748	-
Investment - NCCMT Term	2,132,000	2,132,000	-
Investment - NCCMT Term / School QZAB	390,612	390,612	-
Investment - PNC Money Market - 3652	51,089	51,089	-
Investment - PNC Money Market - 8893	50,762	50,762	-
Investment - Southern Bank - Money Market	9,254,606	10,779,606	1,525,000
Investment - Southern Bank - SunEnergy	-	108,000	108,000
Investment - Southern Bank - SunEnergy	-	100,000	100,000
NCCMT Term Portfolio	610,928	610,928	-
<b>Total Investment Accounts</b>	<u>14,643,997</u>	<u>16,376,997</u>	<u>1,733,000</u>
<b>Total Cash &amp; Investments</b>	<u><u>15,579,105</u></u>	<u><u>16,184,407</u></u>	<u><u>605,302</u></u>

		Last Updated February 27, 2020	
Date	Completed	Issue/Task	Update
		<b>BUILDINGS/GROUNDS</b>	
10/1/2019		Former DF Walker School (Oakum St) Status of Window and Roof repairs	<i>Will be discussed for 2020 project</i>
10/1/2019		Former DF Walker School (Oakum St) and COA Campus Landscaping	<i>Plan for landscaping is being developed, funding will be requested in 2020 budget</i>
10/1/2019		Senior Center Parking Lot Repairs/Grading	<i>Received quote, CIP Discussion</i>
10/1/2019		Swain Auditorium Roof and interior Repair	<i>Roof repaired, Interior will be added to 2020 CIP</i>
10/1/2019		Animal Shelter Improvements	<i>Manager's met, Gates and Perquimans wont make repairs to current facility</i>
10/1/2019	2019	Courthouse (Broad St) Parking Lot repair	<i>Received design quote</i>
10/1/2019		Library Repairs Requested	<i>Approved by BOC</i>
10/1/2019		Northern Chowan Community Center- Ceiling	<i>Waiting on HVAC install and then mitigate ceiling</i>
10/1/2019		Public Safety Center - Trees	<i>Landscaping will be added to 2020 Budget Request</i>
		<b>MISC PROJECTS</b>	
10/1/2019		Water Plant Regionalization and grant status	<i>Grant submitted in Sept waiting to hear</i>
10/1/2019		Water Plant Special Order by Consent	<i>Received NPDES permit Received Grant waiting on SOC timeline change approval</i>
10/1/2019		Algal Bloom Statewide efforts	
10/1/2019		Broadband Initiative	<i>Working on several prospects</i>
10/1/2019		Update from John A. Holmes Joint Committee for Replacement	<i>Meeting scheduled March 9, 2020</i>
10/1/2019		EMS/911 Study by NCACC - Resource Evaluation Team	<i>Committee reviewing study</i>
10/1/2019		Timbermill Wind Update on Construction	
10/1/2019		Jail partnership and Regional Jail Committee Status	<i>All counties have approved, meeting with archited March 2nd</i>
10/1/2019		Boys and Girls Club Monthly Construction Update	<i>Notice to proceed beginning on Oct 7th Construction to be completed June 3, 2020, Construction still on Schedule</i>

10/1/2019		Capital Improvement Plan (CIP) Meeting and 2019-20 CIP Plan Status	<i>Committee met 1/29 and will meet again to discuss</i>
10/1/2019		County Maintenance Software (Dude Solutions) status of pending work orders	<i>Issues discovered with software working with vendor to resolve</i>
10/1/2019		2020 Census Complete Count Committee	<i>Working to promote Census in March, April and May</i>
11/18/2019		Bond Counsel Contract	Contract in place
11/19/2019		Financial Consultant Contract	<i>Working on draft financial plan</i>