



April 24, 2023
 Stallings Government Center
 321 Stallings Road
 Stallings, NC 28104
 704-821-8557
www.stallingsnc.org

Town Council Agenda

	Time	Item	Presenter	Action Requested/ Next Step
	7:00 p.m.	Invocation Pledge of Allegiance Call the Meeting to Order	Wyatt Dunn, Mayor	NA
	7:05 p.m.	Public Comment	Wyatt Dunn, Mayor	NA
1.	7:15 p.m.	Consent Agenda A. FY2022-2023 Audit Contract B. ARPA – Amended Project Grant Ordinance for 3 rd Quarter C. Wright v. Stallings et al. Settlement Agreement		
2.	7:17 p.m.	Agenda Approval	Wyatt Dunn, Mayor	Approve Agenda
3.	7:19 p.m.	TX23.03.01 <i>To amend Article 9.8-3 (B) (1.) (e.) to allow for trailers and portable offices for the housing of on-site staff management if the trailers are at least 50' from the property lines and the lot is at least 5 acres or greater in size.</i> (1) Open Public Hearing (2) Information from Staff (3) Public Hearing (4) Close Public Hearing (5) Council Vote	Max Hsiang, Planning Director	Approve/Deny text amendment
4.	7:25 p.m.	TX23.02.02 <i>Deferred from 04-11-2023</i>	Patrick Blaszyk, Planning Tech.	Discussion and possible action
5.	7:40 p.m.	Grant Policy Amendment <i>Deferred from 04-11-2023</i>	Alex Sewell, Town Manager	Approve/Deny amendment
6.	7:55 p.m.	2023-2024 Budget* <i>*Continuation of discussion if necessary</i>	Alex Sewell, Town Manager	Discussion and possible action
7.	8:55 p.m.	Adjournment	Wyatt Dunn, Mayor	Motion to adjourn



MEMO

To: Stallings Town Council
From: Jamie Privuznak, Finance Officer
Via: Alex Sewell, Town Manager
Date: April 24, 2023
RE: **MEMO - FY23 Audit Contract and Engagement Letter**

Background:

The Town of Stallings contracts with Potter and Company to conduct its annual audit in accordance with Generally Accepted Accounting Principles ("GAAP") and GASB 34. This year's audit will be for the period of July 1, 2022 to June 30, 2023. The fee for the annual audit is \$31,000, which is budgeted in your FY24 draft operating budget. Staff anticipates the timeframe for the audit to be late July and through September, with submittal to the Local Government Commission in October.

As part of the contract process, the Local Government Commission must approve a contract prior to beginning the jurisdiction's audit. Attached is the Local Government Commission's contract form, which includes Potter and Company as the auditor, and their engagement letter.

Requested Action:

Staff respectfully asks you direct the Town Manager to enter into and execute a contract with Potter and Company to conduct the FY23 audit.

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

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

and	Auditor Name Potter & Company, P.A.
	Auditor Address 114 N. Church Street, Monroe, NC 28112

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/23	Date Audit Will Be Submitted to LGC 10/31/23
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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). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.
2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards (GAGAS)* if the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F* (Uniform Guidance) or the State Single Audit Implementation Act. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

Effective for audits of fiscal years beginning after June 30, 2023, the LGC will allow auditors to consider whether a unit qualifies as a State low-risk auditee based upon federal criteria in the Uniform Guidance §200.520(a), and (b) through (e) as it applies to State awards. In addition to the federal criteria in the Uniform Guidance, audits must have been submitted timely to the LGC. If in the reporting year, or in either of the two previous years, the unit reported a Financial Performance Indicator of Concern that the audit was late, then

the report was not submitted timely for State low-risk auditee status. Please refer to "Discussion of Single Audits in North Carolina" on the LGC's website for more information.

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

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

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

For GAAS or *Government Auditing Standards* audits, if an auditor issues an AU-C §260 report, commonly referred to as "Governance Letter," LGC staff does not require the report to be submitted unless the auditor cites significant findings or issues from the audit, as defined in AU-C §260.12 - .14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious reviewed with those charged with governance, and other significant matters.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.
9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings [G.S. 159-34 and 115C-447]. All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.
10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).
11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.
12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.
13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements and/or the compliance section, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.
15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.
16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.
17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.
18. Special provisions should be limited. Please list any special provisions in an attachment.
19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.
20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.
21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.
22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.
24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.
25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.
26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.
27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Government Auditing Standards, 2018 Revision* (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.
- All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.
28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The auditor shall present the audited financial statements including any compliance reports to the government unit's governing body or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary. The auditor's presentation to the government unit's governing body or audit committee shall include:
- a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;
 - b) the status of the prior year audit findings;
 - c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
 - d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.
29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(c)(6).

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

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

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

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

FEEES 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 *Government 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 not be approved.

Financial statements were prepared by: Auditor Governmental Unit Third Party

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

Name:	Title and Unit / Company:	Email Address:
<input type="text"/>	<input type="text"/>	<input type="text"/>

OR Not Applicable (Identification of SKE Individual on the LGC-205 Contract is not applicable for GAAS-only audits or audits with FYEs prior to June 30, 2020.)

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

3. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit form for correction.

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

PRIMARY GOVERNMENT FEES

Primary Government Unit	Town of Stallings
Audit Fee	\$ 31,000
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$ N/A
Writing Financial Statements	\$ N/A
All Other Non-Attest Services	\$ N/A

DPCU FEES (if applicable)

Discretely Presented Component Unit	N/A
Audit Fee	\$ N/A
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$ N/A
Writing Financial Statements	\$ N/A
All Other Non-Attest Services	\$ N/A

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Potter & Company, P.A.	
Authorized Firm Representative (typed or printed)* Emily H. Mills, CPA	Signature* <i>Emily H. Mills, CPA</i>
Date* 03/21/23	Email Address* emills@gotopotter.com

GOVERNMENTAL UNIT

Governmental Unit* Town of Stallings	
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)* Wyatt Dunn	Signature*
Date	Email Address wdunn@stallingsnc.org

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

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) Jamie Privuznak	Signature*
Date of Pre-Audit Certificate*	Email Address* jprivuznak@stallingsnc.org

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

DISCRETELY PRESENTED COMPONENT UNIT

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

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

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)* N/A	Signature*
Date of Pre-Audit Certificate*	Email Address* N/A

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

PRINT



POTTER & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

March 21, 2023

Town of Stallings
315 Stallings Road
Stallings, North Carolina 28104

We are pleased to confirm our understanding of the services we are to provide for the Town of Stallings for the year ended June 30, 2023.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements, of the Town of Stallings as of and for the year ended June 30, 2023. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Town of Stallings' basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Town of Stallings' RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Schedule of the Proportionate Share of the Net Pension Liability (Asset) – LGERS
3. Schedule of Contributions – LGERS
4. Schedule of Changes in Total Pension Liability – LEOSSA
5. Schedule of Total Pension Liability as a Percentage of Covered Payroll – LEOSSA

We have also been engaged to report on supplementary information other than RSI that accompanies the Town of Stallings' financial statements. We will subject the following

supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditors' report on the financial statements.

1. Combining and Individual Fund Statements and Schedules
2. Individual fund budgetary schedules
3. Ad Valorem taxes schedules
4. Schedule of Expenditures and Federal and State Awards

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

1. Statistical Section

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

Auditors' Responsibilities for the Audit of the Financial Statements and Single Audit

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

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from 1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. 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.

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

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

Audit Procedures – Internal Control

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

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

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and 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 the Town of Stallings' 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 and state 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 the Town of Stallings' major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an

opinion on Town of Stallings' compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for 1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal and state awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; 2) following laws and regulations; 3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and 4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal and state awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal and state awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform and audit under the Uniform Guidance; (3) additional information that we may request for the purposes of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal and state awards; federal and state award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

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 of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of

fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal and state 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.

You are responsible for identifying all federal and state awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal and state awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal and state awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal and state awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal and state awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that 1) you are responsible for presentation of the schedule of expenditures of federal and state awards in accordance with the Uniform Guidance; 2) you believe the schedule of expenditures of federal and state awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; 3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and 4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and state awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles (GAAP). 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 recommendation. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant finding and recommendations resulting from those audits, attestation

engagements, performance audits, or studies. You are also responsible for providing management's view 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.

Engagement Administration, Fees, and Other

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

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 and state awards, summary schedule of prior audit findings, auditors' report, 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 Potter & Company, P.A. 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 a Cognizant or Oversight 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 Potter & Company, P.A. 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 or Oversight Agency. If we are aware that a federal or state 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.

Emily H. Mills, CPA, is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit in May 2023 and to issue our reports no later than October 31, 2023.

Our fee for these services will be \$31,000. The 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 for other audit procedures not anticipated, procedures of a bookkeeping nature, preparation of schedules or reconciliations for the audit, including adjusting journal entries or fixed asset reconciliations, we will discuss these

procedures with management before we incur the additional costs. Our fees for these services will be submitted to the Local Government Commission as work progresses and will be payable upon approval by the Commission.

Reporting

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the town council of the Town of Stallings. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter-paragraph to our auditors' report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state 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 government'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 government's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to the Town of Stallings 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.

Sincerely,

Emily H. Mills, CPA

Potter & Company, P.A.
Certified Public Accountants

RESPONSE:

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

Management Signature

Title

Date

Governance Signature

Title

Date



Report on the Firm's System of Quality Control

June 27, 2022

To the Owners of Potter & Company, P.A. and the Coastal Peer Review Committee:

We have reviewed the system of quality control for the accounting and auditing practice of Potter & Company, P.A., ("the firm") in effect for the year ended December 31, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants ("Standards").

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

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

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Potter & Company, P.A., in effect for the year ended December 31, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Potter & Company, P.A. has received a peer review rating of *pass*.

DMQPS PLLC

Certified Public Accountants
Greensboro, North Carolina



MEMO

To: Stallings Town Council
From: Jamie Privuznak, Finance Officer
Via: Alex Sewell, Town Manager
Date: April 24, 2023
RE: **MEMO - Q3 ARPA and Amended Project Ordinance**

Background:

The Town of Stallings applied for and was awarded a total of \$5.1M in American Recovery Protection Act or "ARPA" (\$5.1M) funds in June 2022. The Town received its first tranche of \$2.5M with the remainder to be distributed 12 months after the first disbursement. Per your current project ordinance, you decided to use these funds as Salary Replacement dollars for the Police Department.

Here are Q1 and Q2 distributions of the ARPA funds to the Police Department's personnel budget through December 2022.

Total Award: \$5,145,370.24

\$ 455,424.43 (FY22-23, Qtr. 1)

\$ 609,990.40 (FY22-23, Qtr. 2)

NEW: \$ 502,628.20 (FY22-23, Qtr. 3)

Adjusted Total (includes Q3 Transfer): \$3,577,327.21

For Quarter 3, the total compensation and fringe benefits for the Police Department is **\$502,628.20**. Attached is an amended project ordinance and support documentation, which shows the detail.

Requested Action:

Staff respectfully asks you approve the transfer of **\$502,628.20** from the ARPA special revenue fund to the General Fund for the replacement of the Police Department's compensation and fringe benefits in Quarter 3 and to amend the current ARPA project ordinance accordingly.



AMENDED Grant Project Ordinance for the Town of Stallings American Rescue Plan Act of 2021: Coronavirus State and Local Fiscal Recovery Funds – March 2023

BE IT ORDAINED by the Town Council of the Town of Stallings, North Carolina that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted:

Section 1: This ordinance is to establish a budget for a project to be funded by the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARP/CSLFRF). The Town of Stallings (Town) has received the first tranche in the amount of \$2,572,685.12 of CSLFRF funds. The total allocation is \$5,145,370.24, with the remainder to be distributed to the Town within 12 months. These funds may be used for the following categories of expenditures, to the extent authorized by state law.

1. Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
2. Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
3. Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
4. Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
5. Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

Section 2: The Town has elected to take the standard allowance, as authorized by 31 CFR Part 35.6(d)(1) and expend all its ARP/CSLFRF funds for the provision of government services.

Section 3: The following amounts are appropriate for the project and authorized for expenditure:

Internal Project Code	Project Description	Expenditure Category (EC)	Cost Object	Appropriation of ARP/CSLFRF Funds
001	Law enforcement services for period of July 1, 2022 through December 31, 2024	6.1	Salaries and Benefits	\$5,145,370.24
	TOTAL			\$5,145,370.24

Section 4: The following revenues are anticipated to be available to complete the project:

ARP/CSLFRF Funds:	\$5,145,370.24
General Fund Transfer:	\$ 455,424.43 (FY22-23, Qtr. 1)
	\$ 609,990.40 (FY22-23, Qtr. 2)
	<u>\$ 502,628.20 (FY22-23, Qtr. 3)</u>

Total: \$3,577,327.21

Section 5: The Finance Officer is hereby directed to maintain sufficient specific detailed accounting records to satisfy the requirements of the grantor agency and the grant agreements, including payroll documentation and effort certifications, in accordance with 2 CFR 200.430 & 2 CFR 200.431 and the Town’s Uniform Guidance Allowable Costs and Cost Principles Policy.

Section 6: The Finance Officer is hereby directed to report the financial status of the project to the governing board on a quarterly basis.

Section 7: Copies of this grant project ordinance shall be furnished to the Budget Officer, the Finance Officer and to the Clerk to Town Council.

Section 8: This grant project ordinance expires on December 31, 2026, or when all the ARP/CSLFRF funds have been obligated and expended by the Town, whichever occurs sooner.

Adopted this is the 24th day of March, 2023.

Wyatt Dunn, Mayor

Attest:

Erinn Nichols, Town Clerk

Approved as to form:

Melanie Cox, Town Attorney

PD Salary Replacement - ARPA Fund Transfer

	Q3			
	January	February	March	Qtr Total
Salaries and Wages	119,092.48	118,622.60	119,411.73	357,126.81
Overtime	386.65	1,190.10	1,132.68	2,709.43
Part-Time	-	-	-	-
Security	-	-	-	-
LE (401K)	5,476.78	5,486.66	5,363.16	16,326.60
NLE (401K)	395.60	398.59	398.58	1,192.77
Payroll Tax	9,401.66	9,537.32	9,506.88	28,445.86
NC Retirement Contribution	15,523.36	15,411.34	14,825.96	45,760.66
Health Insurance	17,282.47	17,234.85	16,548.75	51,066.07
Workers Compensation	-	-	-	-
Total(s):	\$ 167,559.00	\$ 167,881.46	\$ 167,187.74	\$ 502,628.20



MEMO

To: Town Council
From: Max Hsiang, Planning Director
Date: 04/24/2023
Re: TX23.03.01 - Allowing Work Trailers on Properties 5 Acres and Greater in Size

❖ **Request:**

To amend Article 9.8-3 (B) (1.) (e.) to allow for trailers and portable offices for the housing of on-site staff management if the trailers are at least 50' from the property lines and the lot is at least 5 acres or greater in size.

❖ **Reason for Request:**

The ordinance does not allow trailers to be used as permanent workplace buildings. To further promote commercial development and growth in the Town of Stallings under the Town's Economic Development Plan, this text amendment would allow work trailers on site for management, operation, and security of a site.

❖ **Amendment:**

The text amendment request reads as follows:

9.8-3 (B) (1.)

(e.) Trailers (mobile and/or manufactured units) may **only be used as permanent highway buildings if the property is 5 acres or more. Trailers and portable offices may only include an on-site management office to house staff for the management and operation of the site under the following conditions:**

- (1.) Located at least 50' from the front property line.**
- (2.) Completely behind a primary structure.**
- (3.) Only one trailer is allowed.**

❖ **Staff Recommendation:**

Staff recommends approval of TX23.03.01. The text amendment maintains the health, welfare, and safety of Stallings citizens and helps promote additional flexibility for commercial development and growth of the Town. The Planning Board also recommends approval of this Text Amendment.



TEXT AMENDMENT APPLICATION

315 Stallings Road
Stallings, NC 28104
704-821-8557
Fax 704-821-6841

Date Filed: February 28, 2023 Fee Paid: _____

Fee: \$500

Applicant Information

Applicant Name: 3400 Smith Farm Owner LLC

Address: 800 Third Avenue, Suite 2305, New York, NY 10022

Phone: 845-383-9166 Email: brandon@catalystios.com

Proposed Text Amendment - Include Article and Section Numbers

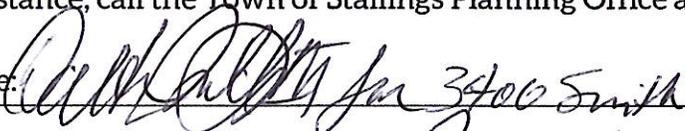
Amend section 9.83(B)(1)(e) by adding the following language to the end of the current language:

"unless the property is 5 acres or more in size. Trailers and portable offices may only include an on-site management office to house staff for the management and operation of the site, so long as it is located at least 50' from the front property line."

Please include a statement addressing the following:

- 1) In order to maintain sound, stable and desirable development within the planning jurisdiction of the Town of Stallings, it is intended that this ordinance be amended to:
 - (a.) To correct manifest error in the ordinance;
 - (b.) Because of changed or changing conditions in a particular neighborhood or community as a whole; and/or
 - (c.) To promote and forward the purposes of the adopted Stallings Land Use Plan.
- 2) It is the further intent of this ordinance that if amended it will promote the general health, safety, and welfare of the citizens of Stallings.

Completed applications must be filed with the Planning Office no later than the first business day of the month in order to be placed on the Planning Board and Town Council agendas. For additional information or assistance, call the Town of Stallings Planning Office at (704) 821-8557.

Applicant Signature:  for 3400 Smith Farm Owner LLC Date: February 28, 2023

Statement in Support of a Stallings Development Ordinance

Text Amendment

3400 Smith Farm Owner LLC owns a site in Stallings that is zoned for Commercial Use (US 74 Commercial). The site has been used in the past for a variety of outdoor storage uses as provided for on Table 8.1, and further provided for specifically in Section 10.1 36 in the Ordinance. Further Section 9.8-3(B) (1) (e) specifies that “ Trailers (mobile and/or Manufactured units) may not be used as permanent highway buildings.” The Applicant proposed to add qualifying language that deals directly with outdoor storage as permitted in the Commercial Use district for the following reasons:

- a) The Ordinance provides for certain uses that by their very nature include temporary uses, such as outdoor storage uses. But the ordinance language in Section only contemplates permanent buildings. The proposed text amendment would recognize the less than ‘permanent’ nature of some of the permitted uses.
- b) The proposed text amendment would enhance the nature of certain permitted open storage uses by providing for on site the management, operation, and security of these sites by allowing for small office operations on the site.
- c) Then proposed text amendment would enhance the operation of permitted outdoor storage site by restricting the location of any such on-site management office 50’ away from then front of the site. This is in keeping with the community’s expectations for how land in the Town may be used as expressed in the Land Use Plan and as further established in the Stallings Development Ordinance.

The Applicant believes that the approval of this text amendment maintains and promotes the general health, safety, and welfare of the citizens of Stallings by maintaining the flexibility of the ordinance while allowing for the enhancement and improvement of the operation of certain outdoor storage sites in the Town.



Statement of Consistency and Reasonableness

ZONING AMENDMENT: TX23.03.01

REQUEST: To amend Article 9.8-3 (B) (1.) (e.) to allow for trailers and portable offices for the housing of on-site staff management if the trailers are at least 50' from the property lines and the lot is at least 5 acres or greater in size.

WHEREAS, The Town of Stallings Town Council, hereafter referred to as the "Town Council," adopted the Stallings Comprehensive Land Use Plan on November 27, 2017; and

WHEREAS, the Town Council finds it necessary to adopt a new land development ordinance to maintain consistency with the Comprehensive Land Use Plan; and

WHEREAS, the Town Council finds it necessary to revise the Unified Development Ordinance to comply with state law found in NCGS § 160D.

WHEREAS, the Town Council finds it necessary to consider the Planning Board's recommendations.

THEREFORE, The Town Council hereby votes that the proposed text amendment is **consistent/inconsistent** and **reasonable/unreasonable** with the Comprehensive Land Use Plan adopted on November 27, 2017, based on the goals and objectives set forth in the document of promoting quality development and consistency with all state-mandated land use regulations established through NCGS § 160D. The Town Council **APPROVES/DENIES** the proposed amendment and states that the Town Council finds and determines that the zoning/text amendment is **consistent/inconsistent** and **reasonable/unreasonable** with the key guiding principles, goals, and objectives of the Comprehensive Land Use Plan for the following reasons:

- 1) This text amendment protects the Stallings community's health, welfare, and safety.

Adopted this the __ day of _____, 2023.

Mayor

Attest:

Town Clerk



MEMO

To: Planning Board
 From: Patrick Blaszyk, Planning Technician
 Date: 4/24/2023
 Re: TX23.02.01 - Accessory Structure Limitations Follow Up

Request:

To further discuss TX23.02.01, which was initially heard by Town Council on 4-11-23 to answer the questions, “What is the staff reasoning behind this text amendment?” and “How many accessory structures permitted in Stallings in the past six months were larger than the principal structure?”

Staff Reasoning:

Over the past few months, staff took notice of two accessory structures that were permitted and were larger than their principal structures. With this, staff wanted to be progressive in creating regulations to ensure this does not happen frequently. Also, staff noticed regulations on the size and quantity of accessory structures implemented in surrounding municipalities and wanted to be consistent with them. Lastly, staff wanted to control that accessory structures were in harmony with the areas of town in which they were built. For example, to make sure that industrial-like accessory structures were not being built in residential areas.

Breakdown of the 7 Accessory Structures Received in the Past 6 Months:

	Use	Zoning District	Type of Accessory Structure	In Violation	Larger than Principal Structure
1	?	IND	Barn	Yes	Yes
2	Residential House	SFR-2	Garage	No	No
3	Residential House	SFR-2	Shed	No	No
4	Residential House	SFR-2	Garage	Yes	Yes
5	Residential House	SFR-3	Garage	Yes	No
6	Residential House	SFR-3	Garage	YES	No
7	Residential House	SFR-3	Shed	No	No
6 Residential Houses					
		3 in SFR-2	4 Garages	4 in Violation	2 Larger than the Principal Structure
1 Unknown					
		3 in SFR-3	2 Sheds	3 Not in Violation	5 Not Larger than the Principal Structure
1 in IND					
			1 Barn		

Staff Recommendation:

To withdraw the item to conduct further research and restructure the text amendment to bring it back to Town Council at a later date.



MEMO



To: Mayor and Council
Via: Alex Sewell, Town Manager
From: Dennis Franks, Chief of Police
Date: April 4, 2023
RE: Amendment to Grant Application Policy

Grants can be difficult to locate and/or have short application periods. These facts, along with current Town policy, can make successfully applying for grants more challenging. Current Town policy on grant applications requires Council approval to apply for grants unless some very specific exceptions apply. Those exceptions are grants used for continuing education with no match; grants under \$1000; and any grant in support of an approved, budgeted, or Town initiative that does not require matching funds or conditions. In an effort to streamline the grant application process, I am recommending several changes to the grant application policy. The grant policy is listed below, and the recommended changes are bolded and highlighted.

Procedure:

1. When a Town department or staff member identifies an opportunity, which can be addressed or a problem that can be solved with grant funds, they should take the following steps:
 - Develop a short business case which includes at a minimum:
 - A description of the opportunity or problem to be addressed by the grant;
 - The amount of the grant;
 - The term or duration of the grant;
 - The name of the granting agency;
 - The amount of matching Town funds or effort, if any, to be used in conjunction with grant funds;
 - Any recurring costs, not considered matching funds, related to acceptance and implementation of the grant that will be the responsibility of the Town during and/or after the term of the grant; and
 - Any condition(s) of the funding agency of the grant that the Town must meet in the event of the grants award to the Town.
2. Present the business case to the Town Manager for approval.
3. The Town Manager, upon approving the business case developed and presented above, shall ***approve whether the submittal of a grant application should proceed or if the Town will participate if another entity is initiating the grant. The Town Manager is authorized to approve submitting grant applications and accepting grants, if awarded, on behalf of the Town up to \$50,000. This authority is permitted if the grant meets all the following conditions:***
 - ***Matching funds are appropriated, or the grant does not require matching funds.***

- *The Town will not be required to otherwise commit resources or maintain any services after the end of the grant period.*
- *No positions will be added with the grant.*
- *No vehicles will be added to the Town fleet replacement schedule as a result of acceptance of the grant.*
- Any grant application that is to be used for job related or continuing professional education that does not require matching funds from the Town and does not have any conditions that the Town must meet.
- Any grant application in an amount under one thousand (1,000) dollars that does not require matching funds from the Town and does not have any conditions that the Town must meet; and
- Any grant application in support of an approved, budgeted or Town planned initiative that does not require matching funds from the Town, which would exceed the previously approved budgeted amount for the initiative and, which does not have any conditions that the Town must meet.

The Town Manager will notify the Town Council of the grant application at the next Council meeting and, upon receiving approval or disapproval of the grant(s), shall notify Town Council at the next scheduled regular meeting or otherwise through standard reporting processes such as monthly staff reports. The Town Manager and appropriate staff are authorized to execute all required documents associated with grants accepted under this provision. When an application is submitted, the Finance Director will be informed to ensure development of appropriate budget amendments if necessary.

4. Council shall approve or deny the request to apply for grants *that do not meet the criteria noted above. If an application deadline will pass before bringing the item to the Council, then the application, if approved by the Town Manager, should be submitted to avoid missing the deadline and then brought forward for the Council's consideration after the grant has been submitted.*

5. Receipt of grant funds does not exempt Town personnel from conducting grant-funded activities in accordance with Town policies and procedures which govern fiscal processes, hiring of personnel, employee travel, etc. Regulations and reporting requirements of the funding agency are in addition to, not replacement for, Town policies and procedures.