

AGENDA

Regular Meeting of the Sawmills Town Council Sawmills Town Hall

**Tuesday, November 21, 2017
6:00 pm**

1. Call To Order Mayor Joe Wesson
2. Invocation Associate Pastor Randy McCall
3. Pledge of Allegiance Mayor Joe Wesson
4. Adopt Agenda Mayor Joe Wesson
5. Approve Meeting Minutes
A. October 17, 2017 Regular Meeting Minutes Mayor Joe Wesson
6. Public Comment Mayor Joe Wesson
7. Recognitions:
A. Recycle Rewards Mayor Joe Wesson
8. Public Hearing: Voluntary Annexation
A. Open Public Hearing Mayor Joe Wesson
B. Staff Comments/Recommendations Mayor Joe Wesson
C. Public Comment Mayor Joe Wesson
D. Close Public Hearing Mayor Joe Wesson
E. Council Action Mayor Joe Wesson
9. Financial Matters:
A. Employee Longevity Pay Mayor Joe Wesson
B. Caldwell County Veterans Honor Guard Inc. Mayor Joe Wesson
C. Caldwell County Donation Request Mayor Joe Wesson
D. Approve Auditors Contract for FY 2017-2018 Mayor Joe Wesson
10. Discussion Matters:
A. Sawmills Fire Department Water Bill Mayor Joe Wesson
B. Sawmills Water and Sewer Rate Structure Mayor Joe Wesson
11. Planning Matters:
A. Planning Board Application Mayor Joe Wesson
B. Re-Appoint Planning Board Members Mayor Joe Wesson
12. Updates:
A. Code Enforcement Report Mayor Joe Wesson
B. Council Comment Mayor Joe Wesson
13. Adjourn Mayor Joe Wesson

**TUESDAY, OCTOBER 17, 2017
TOWN OF SAWMILLS REGULAR COUNCIL MEETING
6:00 PM**

COUNCIL PRESENT

Mayor Joe Wesson
Gerelene Blevins
Keith Warren
Jeff Wilson
Reed Lingerfelt

STAFF PRESENT

Christopher Todd
Terry Taylor
Julie A Good

COUNCIL ABSENT

Joe Norman

CALL TO ORDER: Mayor Joe Wesson called the meeting to order.

INVOCATION: Pastor Mike Owens gave the invocation.

PLEDGE OF ALLEGIANCE: Mayor Joe Wesson led the Pledge of Allegiance.

ADOPT AGENDA: Mayor Joe Wesson asked for a motion to adopt the October 17, 2017 Agenda.

Keith Warren made a motion, and Gerelene Blevins seconded, to adopt the October 17, 2017 Agenda. All were in favor.

APPROVE SEPTEMBER 19, 2017 REGULAR MEETING MINUTES: Mayor Joe Wesson asked for a motion to approve the September 19, 2017 regular meeting minutes.

Reed Lingerfelt made a motion, and Keith Warren seconded, to approve the September 19, 2017 regular meeting minutes. All were in favor.

PUBLIC COMMENT: Mayor Joe Wesson asked if anyone had any questions or comments at this time.

David Powell spoke about water rates.

RECOGNITIONS:

RECYCLE REWARDS WINNER: Mayor Joe Wesson announced Mr. Darrell Chandler as the October Recycle Rewards winner. A credit of thirty-two dollars (\$32.00) will be added to his sanitation bill.

No Council action was required.

DISCUSSION:

CALL FOR PUBLIC HEARING: ANNEXATION: Town Administrator Christopher Todd stated that the Town of Sawmills had received a petition for Voluntary Annexation from Benny and Jennifer Townsend for one (1) parcel (NCPIN-2755994368). Additionally, a petition has been received for Alice and Paul Wright for one (1) parcel (NCPIN-2755995990)

The Town must hold a public hearing in order to annex the parcels. Staff proposes the public hearing to be set for the next regularly scheduled Town Council meeting on November 21, 2017.

Keith Warren made a motion, and Gerelene Blevins seconded, to hold a public hearing for the Voluntary Annexation for parcels NCPIN-2755994368 and NCPIN-2755995990 during the next regularly scheduled Town Council meeting on November 21, 2017. All were in favor.

UPDATES:

OCTOBER CODE ENFORCEMENT REPORT: Town Planner Leslie M. Meadows stated that there are fifteen (15) code enforcement cases open:

- Teresa Annas Compton is the owner of a dilapidated house located at 4476 Sawmills School Road. A letter to initiate a hearing and possible demolition via nuisance code violation vs minimum housing. Waiting for an updated building inspections report from Mark Annas;
- WNC Properties, LLC owner of 4209 Creekview Pl. Minimum housing complaint. Town Planner Leslie M. Meadows stated that she needs to verify complaint before arranging site visit with Caldwell County Building Inspector Mark Annas and current resident;
- David Graham (Landlord) owner of 4176 US Highway 321A. Minimum housing complaint. Town Planner Leslie M. Meadows stated that she needs to verify

- complaint before arranging site visit with Caldwell County Building Inspector Mark Annas and current resident;
- Casey Lynn Wallace, owner of 3950-1 Walters MHP Drive. Minimum housing complaint. Town Planner Leslie M. Meadows stated that she spoke with Landlord on October 10, 2017. There seems to be a civil dispute with tenant over stolen goods and keeping three (3) inside dogs. Per Town Administrator Christopher Todd, mail Legal Aid information only. Case closed;
 - Dwayne and Bridget Mann, owner of 4353 Eli Lane/Fancy Place. Garbage, trash, refuse complaint. Town Planner Leslie M. Meadows stated that she spoke with Mr. Mann on September 19, 2017 and Mr. Mann stated that the trailer had been dismantled except the frame. Town Planner Leslie M. Meadows stated she spot checked the property on October 10, 2017 and all items of concern were removed from view of the cemetery. Case closed ;
 - Carolyn Bray, owner of 2570 Baker Cir. Abandoned mobile home. Town Planner Leslie M. Meadows spoke with spoke with Robin Brittan (owner of mobile home) on October 3, 2017. Robin Brittan stated she was not physically or financially capable to demo and remove trailer, but she is fine with the Town proceeding to do so, in form of a lien on the property. Sent general citation on October 10, 2017, to initiate demolition efforts. Deadline to respond if October 26, 2017 ;
 - Andrew Dehart, owner 4036 US Highway 321A. High grass and junked vehicles. High grass/weeds still need to be tended. Town Planner Leslie M. Meadows spot checked the site on August 10, 2017, and all the trailers have been removed, but the saplings and vines are still there. Sending a NOV final notice with fines to begin October 24, 2017;
 - John "Jody" McRary and neighbors, Jody Drive. Outdoor storage/junk vehicles in ROW/freight container. This is a non-conforming use, Impressive Auto, encroaching on neighborhood and blocking street for Fire & Rescue/Trash Pick-up. Need to remove/replace non-conforming storage container. Town Planner Leslie M. Meadows stated that she spot checked all of Jody Dr properties on October 10, 2017. The cul-de-sac is cleared. Impressive Auto site has received an extension for removal of freight container and continued clean-up thru November 9, 2017. Sending a NOV final notice with fines to begin November 9, 2017;
 - Sasser Family, LLC, owner 2526 Meadows Park Lane. Minimum housing complaint. Town Planner Leslie M. Meadows stated that she needs to verify complaint before arranging site visit with Caldwell County Building Inspector Mark Annas and current resident;
 - Jose Montes, owner 4321 Cherokee Court. High grass/junk vehicles. Town Planner Leslie M. Meadows stated that she spot checked property on October 10, 2017. The grass is maintained, junked vehicle in cul-de-sac has been removed, but still using the public row for parking personal vehicles. Sending final NOV letter for establishing a proper driveway by November 9, 2017. No Parking signs to be posted after November 9, 2017;

- Jesse Smith, owner of 4215 Trojan Ln. High grass. Town Planner Leslie M. Meadows stated that she spot checked the property on October 10, 2017. The mowing has been completed. Case closed;
- Charlies Hagaman/Tim Hart, owners of 1940 Leah Dr #19. Minimum housing complaint. Town Planner Leslie M. Meadows stated that she has received no response from landlord and/or landowner concerning a need for a hearing/meeting. Spot checked on October 10, 2017, the tenants are gone and the mobile home is empty and in the process of repairs. Case closed;
- AAH Homes, LLC/Debbie Watson, owner of 4255 Benfield MHP #4. Minimum housing complaint. Town Planner Leslie M. Meadows stated that she received a minimum housing complaint on September 7, 2017 and spoke with the Landlord on September 21, 2017, who stated that the tenants were responsible for the damage and refuse to pay rent or let anyone in the mobile home. Town Planner Leslie M. Meadows stated that she visited with the Landlord on October 5, 2017 and she reported that a civil court ruling sided with the Landlord, the tenants were mandated to pay all back rent and have since moved from the mobile home. Town Planner Leslie M. Meadows stated that she has made arrangements to visit the renovated mobile home before new tenants are allowed to move in. Case closed;
- Steve Killian, owner of 4801 Helton Rd. Outdoor storage/trash/junk. Town Planner Leslie M. Meadows stated that she verified the complaint on September 28, 2017 and sent a NOV letter on October 3, 2017, with a deadline of October 19, 2017;
- Janice Griffin, Trustee of Iona Griffin, 2148 Oaktree Ln. Abandoned, partially burned apartment building. Town Planner Leslie M. Meadows stated that she verified and photo documented the complaint on October 10, 2017. Town Planner Leslie M. Meadows stated that she sent a general citation on October 10, 2017 to initiate demolition efforts, with a deadline to respond on October 26, 2017. Building inspections to be contacted for condemnation and securing of site as needed.

No Council action was required.

COUNCIL COMMENT: Mayor Joe Wesson asked if anyone on the Council had any questions or comments at this time.

Keith Warren stated that he was glad everyone came out and hoped everyone had a safe trip home.

Gerelene Blevins stated that she was glad everyone came out. Gerelene Blevins also stated that she was glad to see all the progress done with code enforcement and that the Council was not trying to make it hard on the citizens just trying to make the Town clean and safe for its residents. Gerelene Blevins stated she hoped everyone had a safe trip home.

Jeff Wilson wanted to thank everyone for coming out and hoped everyone had a safe trip home.

Reed Lingerfelt wanted to thank everyone for coming out and hoped everyone had a safe

trip home. Reed Lingerfelt also stated that he thought that Council had a very productive meeting.

Mayor Joe Wesson wanted to thank everyone for coming out. Mayor Joe Wesson also stated that whether everyone agreed or disagreed that we still need to have good and productive meetings.

Mayor Joe Wesson made several announcements:

Mayor Joe Wesson and Town Administrator Christopher Todd will be going to Mayor meeting on October 26, 2017 in Taylorsville.

Also, on October 26, 2017 there will be a Parks & Recreation Committee meeting on October 26, 2017 beginning at 4:00pm in Council Chambers to discuss upcoming events.

Mayor Joe Wesson wanted to remind everyone to come out for our Veterans Ceremony on November 11, 2017 at Veterans Park beginning at 10:30am.

Mayor Joe Wesson wanted to remind everyone to come out to the Sawmills Farmers Market Tractor and Treat on Tuesday, October 31, 2017, beginning at 3:00pm in the Farmers Market Field.

Mayor Joe Wesson wanted to encourage everyone to vote on November 7, 2017. Mayor Joe Wesson wanted to let everyone know that early voting starts on October 19, 2017 and will be from 8:00am to 5:00pm Monday through Friday October 19, 2017 through October 27, 2017, with the only Saturday being October 28, 2017 from 8:00am to 12:00pm at the Caldwell County Board of Elections or the Granite Falls Recreation Center.

COUNCIL ADJOURN: Mayor Joe Wesson asked for a motion to adjourn.

Reed Lingerfelt made a motion, and Jeff Wilson seconded, to adjourn the meeting. All were in favor.

Joe Wesson, Mayor

Julie A. Good, Town Clerk

AGENDA ITEM 7A

MEMO

DATE:

November 21, 2017

SUBJECT:

Recognition:
Recycle Rewards
Program

Discussion:

The Town of Sawmills would like to congratulate Claudia Ward-Eller on winning the Recycle Rewards Program for the month of November. Mayor Joe Wesson will present her with a Certificate of Appreciation. A thirty-two dollar (\$32.00) credit will be added to the current sanitation bill.

Recommendation:

No Council action is required.

AGENDA ITEM 8A

MEMO

DATE:

November 21, 2017

SUBJECT:

Public Hearing:
Voluntary Annexation

Discussion:

The Sawmills has received a petition for Voluntary Annexation from Benny and Jennifer for one parcel (NCPIN- 2755994368). Additionally, a petition has been received from Alice and Paul Wright for their property (NCPIN- 2755995990) to be annexed. Attached to this memorandum are the signed petitions, a survey of the area to be annexed, deeds, and tax information.

Town staff suggests for the annexation of both parcels to officially take place on November 28th, 2017. This would allow property owners and staff the appropriate time to set up and provide services.

Recommendation:

Staff recommends Council discuss this matter and decide how they wish to proceed.

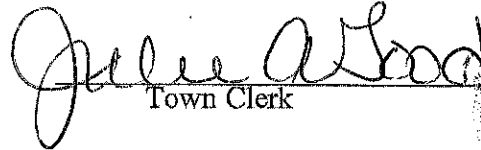
NORTH CAROLINA
CALDWELL COUNTY

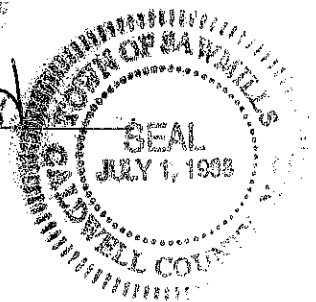
TOWN OF SAWMILLS
CLERK'S CERTIFICATE
FOR ANNEXATION
BENNY J. TOWNSEND AND WIFE,
JENNIFER J. TOWNSEND PROPERTY

TO THE HONORABLE MAYOR AND MEMBERS OF THE TOWN COUNCIL OF
THE TOWN OF SAWMILLS:

The Town Clerk has examined the annexation petition submitted by Benny J. Townsend and Jennifer J. Townsend, for property being briefly described as attached on Exhibit A, and has determined that the annexation petition meets the requirements set forth by N.C.G.S. Section 160A-58.1.

This the 15 day of November, 2017.


Town Clerk



Prepared By Terry M. Taylor, Attorney at Law, 858 2nd Street NE, Hickory, NC 28601

NORTH CAROLINA
CALDWELL COUNTY

TOWN OF SAWMILLS
ANNEXATION RESOLUTION

THAT WHEREAS, the Town Council of the Town of Sawmills did receive an Annexation Petition for Voluntary Annexation from Benny J. Townsend and Jennifer J. Townsend and that;

THAT WHEREAS, the Town Clerk has certified that the Annexation Petition meets the requirements set forth by North Carolina General Statute §160A-58.1;

THAT, WHEREAS, the Town Council of the Town of Sawmills has held a public hearing on the 21 day of November, 2017, according to statutory procedures in regards to this Voluntary Petition;

NOW THEREFORE, the Town Council of the Town of Sawmills does hereby adopt the Annexation Ordinance attached hereto which is incorporated herein by reference.

This the _____ day of _____, 20_____

TOWN OF SAWMILLS

BY: _____
Mayor

ATTEST:

Town Clerk

NORTH CAROLINA
CALDWELL COUNTY

TOWN OF SAWMILLS
ANNEXATION ORDINANCE

WHEREAS, the Town Council of the Town of Sawmills has been petitioned under General Statutes 160A-58.1, as amended, to annex the area herein described; and

WHEREAS, the Town Council has by resolution directed the Town Clerk to investigate the sufficiency of said petition; and

WHEREAS, the Clerk has certified to the sufficiency of said petition and a public hearing on the question of this annexation was held at the Town Hall at 6:00 o'clock P.M., on the day of _____, 2017, after due notice by publication on _____, 2017; and

WHEREAS, the Town Council does hereby find as a fact that said petition meets the requirements of General Statutes 160A-58.1 as amended;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF SAWMILLS, NORTH CAROLINA:

Section 1. By virtue of the authority granted under General Statutes 160A-58.1, as amended, the following-described territory is hereby annexed and made a part of the Town of Sawmills from and after the _____ day of _____, 2017:

See attached Exhibit "A"

Section 2. Upon and after the _____ day of _____, 2017, the above-described territory and its citizens and property shall be subject to all debts, laws, ordinances and regulations in force in the Town of Sawmills. Said territory shall be subject to municipal taxes according to G. S. 160A-49(f), 160A-58.10, as amended.

Section 3. That the newly-annexed territory described hereinabove shall become a part of the Town of Sawmills.

Section 4. The Mayor of the Town of Sawmills shall cause to be recorded in the office of the Register of Deeds of Caldwell County, and in the office of the Secretary of State at Raleigh, North Carolina, an accurate map of the annexed territory, described in Section 1 hereof, together with a duly certified copy of this Ordinance. Such a map shall also be delivered to the County Board of Elections, as required by G. S. 163-288.1.

Section 5. Notice of adoption of the Ordinance shall be published once, following the effective date of annexation, in a newspaper having a general circulation in the Town of Sawmills.

Section 6. This Ordinance shall be in full force and effect from and after the _____ day of _____, 20____.

ADOPTED THIS ____ DAY OF _____, 20____

TOWN OF SAWMILLS

BY: _____
Mayor

ATTEST:

Town Clerk

Approved as to Form:

Town Attorney

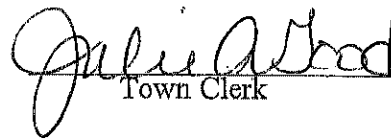
NORTH CAROLINA
CALDWELL COUNTY

TOWN OF SAWMILLS
CLERK'S CERTIFICATE
FOR ANNEXATION
ALICE M. TOWNSEND WRIGHT
PROPERTY

TO THE HONORABLE MAYOR AND MEMBERS OF THE TOWN COUNCIL OF
THE TOWN OF SAWMILLS:

The Town Clerk has examined the annexation petition submitted by Alice M. Townsend Wright, for property being briefly described as attached on Exhibit A, and has determined that the annexation petition meets the requirements set forth by N.C.G.S. Section 160A-58.1.

This the 15th day of November, 2017.


Town Clerk



Prepared By Terry M. Taylor, Attorney at Law, 858 2nd Street NE, Hickory, NC 28601

NORTH CAROLINA
CALDWELL COUNTY

TOWN OF SAWMILLS
ANNEXATION RESOLUTION

THAT WHEREAS, the Town Council of the Town of Sawmills did receive an Annexation Petition for Voluntary Annexation from Alice M. Townsend Wright and that;

THAT WHEREAS, the Town Clerk has certified that the Annexation Petition meets the requirements set forth by North Carolina General Statute §160A-58.1;

THAT, WHEREAS, the Town Council of the Town of Sawmills has held a public hearing on the 21 day of November, 2017, according to statutory procedures in regards to this Voluntary Petition;

NOW THEREFORE, the Town Council of the Town of Sawmills does hereby adopt the Annexation Ordinance attached hereto which is incorporated herein by reference.

This the _____ day of _____, 20____

TOWN OF SAWMILLS

BY: _____
Mayor

ATTEST:

Town Clerk

NORTH CAROLINA
CALDWELL COUNTY

TOWN OF SAWMILLS
ANNEXATION ORDINANCE

WHEREAS, the Town Council of the Town of Sawmills has been petitioned under General Statutes 160A-58.1, as amended, to annex the area herein described; and

WHEREAS, the Town Council has by resolution directed the Town Clerk to investigate the sufficiency of said petition; and

WHEREAS, the Clerk has certified to the sufficiency of said petition and a public hearing on the question of this annexation was held at the Town Hall at 6:00 o'clock P.M., on the day of _____, 2017, after due notice by publication on _____, 2017; and

WHEREAS, the Town Council does hereby find as a fact that said petition meets the requirements of General Statutes 160A-58.1 as amended;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF SAWMILLS, NORTH CAROLINA:

Section 1. By virtue of the authority granted under General Statutes 160A-58.1, as amended, the following-described territory is hereby annexed and made a part of the Town of Sawmills from and after the _____ day of _____, 2017:

See attached Exhibit "A"

Section 2. Upon and after the _____ day of _____, 2017, the above-described territory and its citizens and property shall be subject to all debts, laws, ordinances and regulations in force in the Town of Sawmills. Said territory shall be subject to municipal taxes according to G. S. 160A-49(f), 160A-58.10, as amended.

Section 3. That the newly-annexed territory described hereinabove shall become a part of the Town of Sawmills.

Section 4. The Mayor of the Town of Sawmills shall cause to be recorded in the office of the Register of Deeds of Caldwell County, and in the office of the Secretary of State at Raleigh, North Carolina, an accurate map of the annexed territory, described in Section 1 hereof, together with a duly certified copy of this Ordinance. Such a map shall also be delivered to the County Board of Elections, as required by G. S. 163-288.1.

Section 5. Notice of adoption of the Ordinance shall be published once, following the effective date of annexation, in a newspaper having a general circulation in the Town of Sawmills.

Section 6. This Ordinance shall be in full force and effect from and after the _____ day of _____, 20____.

ADOPTED THIS ____ DAY OF _____, 20____

TOWN OF SAWMILLS

BY: _____
Mayor

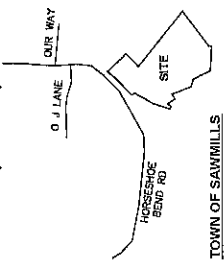
ATTEST:

Town Clerk

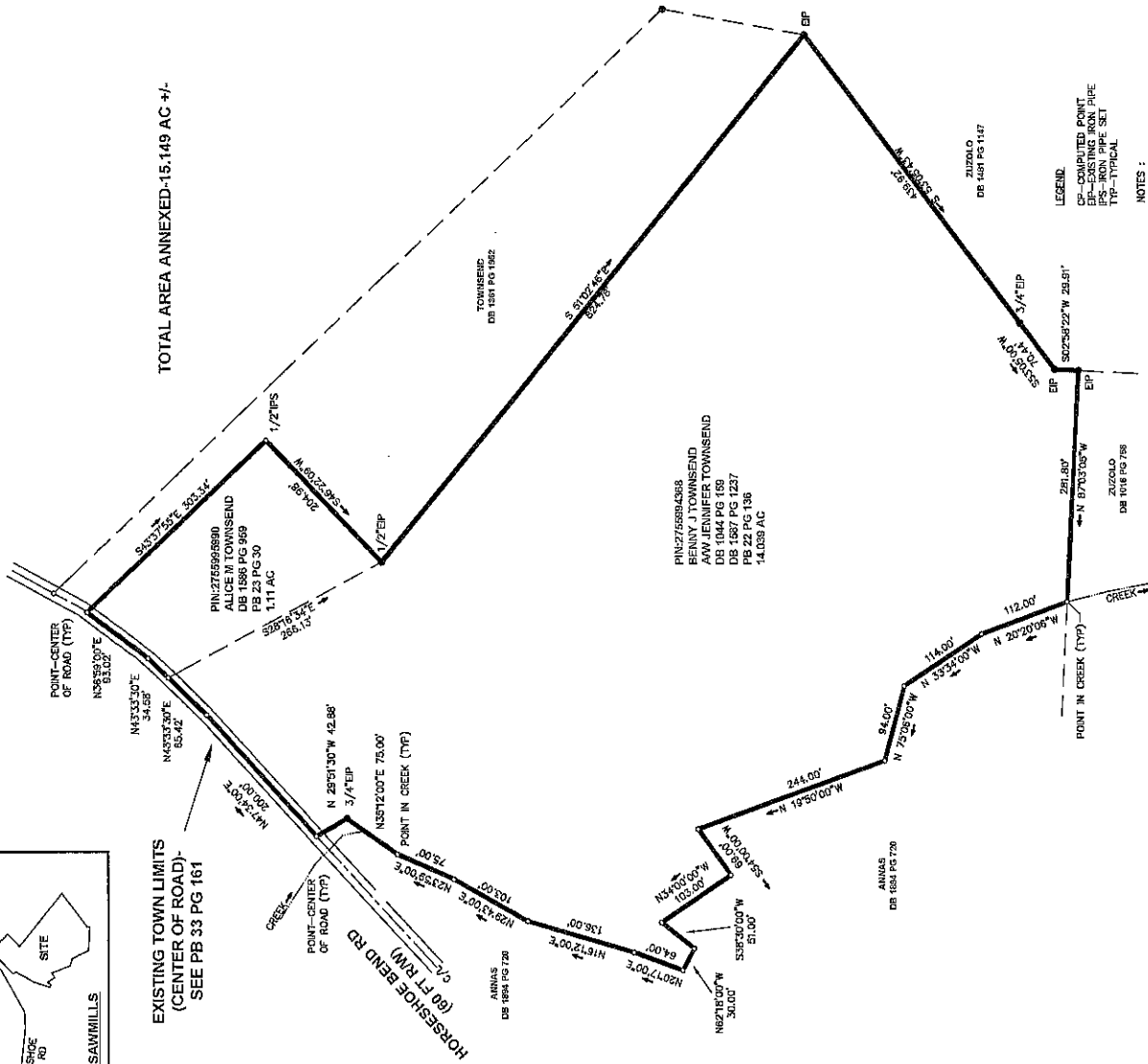
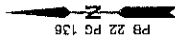
Approved as to Form:

Town Attorney

VICINITY MAP - CALDWELL COUNTY (NOT TO SCALE)



EXISTING TOWN LIMITS
(CENTER OF ROAD)
SEE PB 33 PG 161



TOTAL AREA ANNEXED-15.149 AC +/-

REVIEW OFFICE OF
COUNTY, REVIEW OFFICE OF
STATUTORY REQUIREMENTS FOR RECORDING.

REVIEW OFFICER _____ DATE _____

I HEREBY CERTIFY THAT THIS MAP IS A FULL, TRUE MAP OF THE
AREA HERETOFORE ANNEXED TO THE CORPORATE LIMITS OF THE
TOWN OF SAWMILLS AND THAT THIS MAP IS PREPARED IN
ACCORDANCE WITH GS 160A-31

MAYOR-TOWN OF SAWMILLS _____ DATE _____

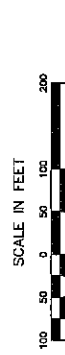
CALDWELL COUNTY NORTH CAROLINA

I, _____ A NOTARY PUBLIC FOR THE
STATE AND COUNTY SHOWN, CERTIFY THAT
PERSONALLY APPEARED BEFORE ME THIS DAY AND ACKNOWLEDGED THE
EXECUTION OF THIS INSTRUMENT. WITNESS MY HAND AND SEAL
THIS _____ DAY OF _____ 2017.

NOTARY PUBLIC _____ MY COMMISSION EXPIRES _____

I, DELPHUS E. HARMON, PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THAT
THIS MAP WAS PREPARED UNDER MY DIRECT SUPERVISION (DEED PLOTS AND RECORDED PLATS)
AND IT IS A FULL AND ACCURATE MAP OF THE AREA HERETOFORE ANNEXED TO THE
CORPORATE LIMITS OF THE TOWN OF SAWMILLS AND WAS PREPARED IN ACCORDANCE WITH GS
160A-31.

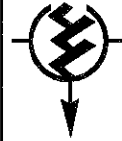
I FURTHER CERTIFY THAT THIS SURVEY (P)(1)(14)
IS OF ANOTHER CATEGORY: AN ANNEXATION MAP AND IS THEREFORE AN EXCEPTION TO THE
TOWN OF SAWMILLS SUBDIVISION ORDINANCE.
WITNESS MY HAND AND SEAL: _____



HUDSON TWP3 - CALDWELL COUNTY - NORTH CAROLINA

TOWN OF SAWMILLS
VOLUNTARY ANNEXATION-PROPERTIES OF ALICE TOWNSEND WRIGHT A/H PAUL
WAYNE WRIGHT, JR AND BENNY J TOWNSEND A/W JENNIFER TOWNSEND

CAD BY DEH	PROJECT DATE SEPT 27 2017	FILE DATA SEWER/7527.DWG	SCALE 1" = 100'	PROJECT NUMBER 17135	PROJECT MANAGER DBH
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WEST
CONSULTANTS
PLLC
P-0010
405 SOUTH STERLING STREET
MORGANTON, NORTH CAROLINA 28655
828-433-5561 FAX: 828-433-5662

- LEGEND
- CD - COMPLETED POINT
 - PS - BORN PIPE SET
 - TRP - TYPICAL
- NOTES :
- 1 - THIS PLAT CREATES NO TYPE OF SUBDIVISION
 - 2 - THIS PLAT IS FOR ANNEXATION PURPOSES ONLY
 - 3 - ALL DISTANCES ARE HORIZONTAL
 - 4 - NO HORIZONTAL CONTROL WITHIN 2000 FT



Doc ID: 006465800002 Type: CRP
Recorded: 03/17/2008 at 02:30:26 PM
Fee Amt: \$17.00 Page 1 of 2
Excise Tax: \$0.00
Workflow# 677563
Caldwell County, NC
WAYNE L RASH Register of Deeds
BK 1587 PG 1237-1238

NORTH CAROLINA GENERAL WARRANTY DEED

Excise Tax:

Parcel Identifier No. _____ Verified by _____ County on the _____ day of _____, 20____
By: _____

Mail/Box to: _____

This instrument was prepared by: Dewey L. Keller, P. O. Box 2437, Lenoir, N.C. 28645

Brief description for the Index: _____

THIS DEED made this 20 day of January, 2006, by and between

GRANTOR

Derrell C. Townsend, divorced and
Alice M. Townsend, divorced

GRANTEE

Benny J. Townsend and wife,
Jennifer J. Townsend
4426 Horseshoe Bend Road
Hudson, N.C. 28638

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in the City of _____, Hudson Township, _____, Caldwell County, North Carolina and more particularly described as follows:

Being the 4.039 acres as recorded in Plat Book 22, Page 1361 Caldwell County Registry.

Draftsman did not abstract title or perform a closing on this property and makes no warranties as to title.

The property hereinabove described was acquired by Grantor by instrument recorded in Book _____ page _____.

A map showing the above described property is recorded in Plat Book _____ page _____.

NC Bar Association Form No. L-3 © 1976, Revised © 1977, 2002

Printed by Agreement with the NC Bar Association -- 1981 SoftPro Corporation, 333 E. Six Forks Rd., Raleigh, NC 27609

17.00-2

1238

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever, other than the following exceptions:

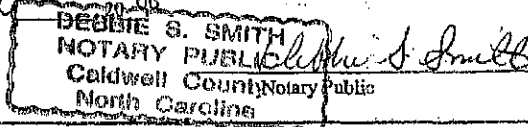
IN WITNESS WHEREOF, the Grantor has duly executed the foregoing as of the day and year first above written.

(Entity Name)
By: _____
Title: _____
By: _____
Title: _____
By: _____
Title: _____

Darrell C. Townsend (SEAL)
Darrell C. Townsend, divorced
Alice M. Townsend (SEAL)
Alice M. Townsend, divorced
(SEAL)
(SEAL)

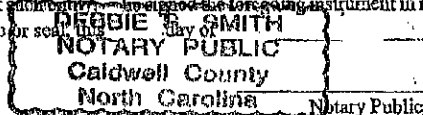
State of North Carolina - County of Caldwell
I, the undersigned Notary Public of the County and State aforesaid, certify that Darrell C. Townsend, divorced personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed. Witness my hand and Notarial stamp or seal this 3rd day of March, 2006.

My Commission Expires: 4-18-2010



State of North Carolina - County of _____
I, the undersigned Notary Public of the County and State aforesaid, certify that _____ of _____, a North Carolina or _____ corporation/limited liability company/general partnership/limited partnership (strike through the inapplicable), and that by authority duly given and as the act of _____, he signed the foregoing instrument in its name on its behalf as its act and deed. Witness my hand and Notarial stamp or seal, this _____ day of _____, 20____.

My Commission Expires: _____



State of North Carolina - County of Caldwell
I, the undersigned Notary Public of the County and State aforesaid, certify that Alice M. Townsend, divorced personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed. Witness my hand and Notarial stamp or seal, this 3rd day of March, 2006.

My Commission Expires: 4-18-2010

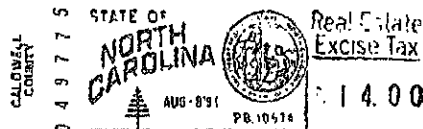
Debbie S. Smith
Notary Public

The foregoing Certificate(s) of _____ is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

By: _____ Register of Deeds for _____ County
Deputy/Assistant - Register of Deeds

NC Bar Association Form No. L-3 © 1976, Revised © 1977, 2002

Printed by Agreement with the NC Bar Association - 1981 SoftPro Corporation, 333 E. Six Forks Rd., Raleigh, NC 27609



BOOK 1044 PAGE 0159

FILED
LOIS GREENE

'91 AUG -8 P3-29
Lois Greene
REGISTER OF DEEDS
CALDWELL CO. N.C.

Excise Tax

Recording Time, Book and Page

Tax Lot No.

Parcel Identifier No.

Verified by
by

County on the day of

, 19

Mail after recording to

This instrument was prepared by T. MICHAEL LASSITER, ATTORNEY AT LAW
Brief description for the Index

NORTH CAROLINA GENERAL WARRANTY DEED

THIS DEED made this 11th day of June, 1991, by and between

GRANTOR

GRANTEE

ALFRED A. TOWNSEND and wife,
CLARISSA M. TOWNSEND

of Caldwell County, North Carolina

✓ BENNY L. TOWNSEND and wife,
JENNIFER J. TOWNSEND

of Caldwell County, North Carolina

Route 2, Box 465-P
Hudson, NC 28638

Enter in appropriate block for each party: name, address, and, if appropriate, character of entity, e.g. corporation or partnership.

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in the City of Hudson Township,

Caldwell

County, North Carolina and more particularly described as follows:

~~BEGINS~~ at an iron pin, the Northwest corner of Darroll C. Townsend (Deed Book 879, page 709, Caldwell County Registry); thence, a new line, South 20° 18 min. 21 sec. East 834.56 feet to an iron pin in the line of William R. Maxey; thence South 53° 05 min. 00 sec. West 70.44 feet to an existing iron pin; thence South 2° 58 min. 22 sec. West 29.91 feet to an iron pin, corner of Walter Evans; thence North 87° 03 min. 05 sec. West 281.80 feet to the center of the creek; thence with the meanderings of the creek the following courses and distances: North 20° 20 min. 00 sec. West 112.00 feet, North 33° 34 min. 00 sec. West 114.00 feet, North 75° 06 min. 00 sec. West 94.00 feet, North 19° 50 min. 00 sec. West 244.00 feet, South 54° 00 min. 00 sec. West 69.00 feet, North 34° 00 min. 00 sec. West 103.00 feet, South 38° 30 min. 00 sec. West 51.00 feet, North 62° 18 min. 00 sec. East 30.00 feet, North 20° 17 min. 00 sec. East 64.00 feet, North 16° 12 min. 00 sec. East 136.00 feet, North 29° 43 min. 00 sec. East 103.00 feet, North 23° 59 min. 00 sec. East 75.00 feet, and North 35° 12 min. 00 sec. East 75.00 feet to an iron pin; thence North 29° 51 min. 30 sec. West 42.88 feet to the center line of Horseshoe Bend Road (S.R. 1127); thence with the center line of Horseshoe Bend Road, North 47° 34 min. 00 sec. East 200.00 feet and North 43° 33 min. 30 sec. East 65.42 feet to a new corner in the center line of the said road; thence South 28° 16 min. 34 sec. East 297.08 feet to the point and place of ~~BEGINS~~, containing 10.00 acres, all according to that certain plat of survey by Childres & Associates Surveying Co. dated February 8, 1991. For deed reference, see Deed Book 768 page 928, Caldwell County Registry.

The property hereinabove described was acquired by Grantor by instrument recorded in
Deed Book 768, page 928

A map showing the above described property is recorded in Plat Book _____ page _____
TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to
the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey
the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and
defend the title against the lawful claims of all persons whomsoever except for the exceptions hereinafter stated.
Title to the property hereinabove described is subject to the following exceptions

Subject to grantees' prorata share of the 1991 ad valorem taxes.

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal, or if corporate, has caused this instrument to be signed in its
corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, the day and year first
above written.

(Corporate Name)
By: _____

President
ATTEST:

Secretary (Corporate Seal)

USE BLACK INK ONLY

Alfred A. Townsend (SEAL)
Clarissa M. Townsend (SEAL)
Clarissa M. Townsend (SEAL)

SEAL-STAMP NORTH CAROLINA, Caldwell County.
I, a Notary Public of the County and State aforesaid, certify that Alfred A. Townsend
and wife, Clarissa M. Townsend, Grantor,
personally appeared before me this day and acknowledged the execution of the foregoing instrument, Witness my
hand and official stamp or seal, this 3 day of July, 1991.
My commission expires: August 3, 1992 Jodie L. Carpenter Notary Public

SEAL-STAMP NORTH CAROLINA, _____ County.
I, a Notary Public of the County and State aforesaid, certify that _____
personally came before me this day and acknowledged that _____ he is _____ Secretary of
_____ a North Carolina corporation, and that by authority duly
given and as the act of the corporation, the foregoing instrument was signed in its name by its _____
President, sealed with its corporate seal and attested by _____ as its _____ Secretary.
Witness my hand and official stamp or seal, this _____ day of _____, 19____.
My commission expires: _____ Notary Public

The foregoing Certificate of _____ Jodie L. Carpenter
a Notary Public of Caldwell County, North Carolina

is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the
first page hereof.

Lois Greene
by _____ Jodie L. Carpenter
REGISTER OF DEEDS FOR CALDWELL COUNTY

Doc ID: 008460700003 Type: CRP
 Recorded: 03/08/2006 at 04:17:52 PM
 Fee Amt: \$20.00 Page 1 of 3
 Excise Tax: \$0.00
 Workflow# 676868
 Caldwell County, NC
 WAYNE L RASH Register of Deeds
 BK 1586 PG 959-961

NORTH CAROLINA GENERAL WARRANTY DEED

Excise Tax:

Parcel Identifier No. _____ Verified by _____ County on the _____ day of _____, 20____
By: _____

Mail/Box to: _____

This instrument was prepared by: Dewey L. Keller, P. O. Box 2437, Lenoir, N.C. 28645

Brief description for the Index: _____

THIS DEED made this 20 day of January, 2006, by and between

GRANTOR

Darrell C. Townsend, divorced and Alice
M. Townsend, divorced

GRANTEE

Alice M. Townsend, divorced
4737 Hickory Nut Ridge Road
Granite Falls, N.C. 28630

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in the City of _____, _____ Hudson _____ Township, _____ Caldwell _____ County, North Carolina and more particularly described as follows:

See attached Schedule A.

The property hereinabove described was acquired by Grantor by instrument recorded in Book _____ page _____.

A map showing the above described property is recorded in Plat Book _____ page _____.

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20.00-3

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever, other than the following exceptions:

IN WITNESS WHEREOF, the Grantor has duly executed the foregoing as of the day and year first above written.

(Entity Name)
By: _____
Title: _____
Darrell C. Townsend, divorced (SEAL)
Alice M. Townsend (SEAL)

By: _____ (SEAL)
Title: _____
By: _____ (SEAL)
Title: _____
DEBBIE S. SMITH
NOTARY PUBLIC
Caldwell County
North Carolina

State of North Carolina - County of Caldwell
I, the undersigned Notary Public of the County and State aforesaid, certify that Darrell C. Townsend, divorced personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed. Witness my hand and Notarial stamp or seal this 3rd day of March, 2006

My Commission Expires: 4-18-2010
Luphi S. Smith
Notary Public

State of North Carolina - County of _____
I, the undersigned Notary Public of the County and State aforesaid, certify that _____ personally came before me this day and acknowledged that he is the _____ of _____, a North Carolina or _____ corporation/limited liability company/general partnership/limited partnership (strike through the inapplicable), and that by authority duly given and as the act of such entity, he signed the foregoing instrument in its name on its behalf as its act and deed. Witness my hand and Notarial stamp or seal this _____ day of _____, 20____.

My Commission Expires: _____
DEBBIE S. SMITH
NOTARY PUBLIC
Caldwell County
North Carolina
Notary Public

State of North Carolina - County of Caldwell
I, the undersigned Notary Public of the County and State aforesaid, certify that Alice M. Townsend personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed. Witness my hand and Notarial stamp or seal, this 3rd day of March, 2006

My Commission Expires: 4-18-2010
Luphi S. Smith
Notary Public

The foregoing Certificate(s) of _____ is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

By: _____ Register of Deeds for _____ County
Deputy/Assistant - Register of Deeds

961

SCHEDULE A

Beginning on a point in the centerline of State Road 1127 the Horseshoe Bend Road, a corner with the Benny J. Townsend and wife, Jennifer Townsend property as recorded in Deed Book 1044 Page 159 of the Caldwell County Registry; thence with the centerline of State Road 1127 North 43° 33' 30" East 34.58 feet to a point in the centerline of State Road 1127; thence North 36° 59' 00" East 93.02 feet to a point in the centerline of State Road 1127; thence leaving State Road 1127 thence South 43° 37' 55" East passing through a ½" iron pipe set at 31.01 feet and continuing the same call South 43° 37' 55" East for a total distance of 272.33 feet to a ½" iron pipe set; thence South 46° 22' 09" West 249.98 feet to a ½" existing iron pipe a control corner; thence North 28° 16' 35" West and traveling through an existing iron pipe at 266.13 feet for a total distance of 297.08 feet to the beginning point in the centerline of State Road 1127 the Horseshoe Bend Road.

Containing 1.110 acres or 48,337 square feet and being a portion of Deed Book 1102 Page 1210 having a Tax I.D. No. of 03-81-1-59.

DRAFTSMAN DID NOT ABSTRACT
TITLE OR PERFORM A CLOSING
ON THIS PROPERTY AND MAKES
NO WARRANTIES AS TO TITLE.

TAX NOTICE

PLEASE SEND PAYMENT TO:

CALDWELL COUNTY TAX COLLECTOR
PO BOX 2200
LENOIR, NC 28645

Bill Date 6/28/2017

DETACH AND
RETAIN THIS
PORTION FOR
YOUR RECORDS

YEAR	BILL NUMBER	ACCOUNT NUMBER	TAX DISTRICT	RATE	PROPERTY TAX
2017	50031	4701	COUNTY	0.6300	\$813.96
MAP NUMBER 03 81 1 72 DESCRIPTION 1587/1237 YR 2006 LOCATION 4426 HORSESHOE BEND RD			SOLID WASTE	22.7500	\$22.75
			SAWMILLS RURAL	0.0950	\$122.74
			RESCUE SAWMILLS RURAL	0.0085	\$10.98
REAL VALUE	PER PROP. VALUE	EXCLUSION	NET TAXABLE VALUE	TOTAL TAX	\$970.43
182,500	0	0	129,200		

INTEREST	\$0.00
OTHER CHARGES	\$0.00
CREDITS	\$970.43
TOTAL DUE	\$0.00

If your bill is delinquent, please check the Overview & Pay screen for correct amount including interest. If we receive your payment for the incorrect amount, you may have a balance due. Please contact our office for more information.

PLEASE DETACH AND RETURN THIS PORTION
WITH PAYMENT

WRITE BILL NUMBER ON CHECK OR MONEY ORDER		
YEAR	BILL NUMBER	ACCOUNT NUMBER

2017	50031	4701
AMOUNT DUE IF PAID IN JULY		
AMOUNT DUE IF PAID IN AUGUST		
TOTAL TAX DUE SEPT.1 - JAN. 5	\$970.43	
TOTAL AMOUNT ENCLOSED		

ADDRESS SERVICE REQUESTED

TOWNSEND BENNY L .
TOWNSEND JENNIFER J
4426 HORSESHOE BEND RD

HUDSON, NC 28638

TAX NOTICE

PLEASE SEND PAYMENT TO:
CALDWELL COUNTY TAX COLLECTOR
PO BOX 2200
LENOIR, NC 28645

Bill Date 6/28/2017

DETACH AND
 RETAIN THIS
 PORTION FOR
 YOUR RECORDS

YEAR	BILL NUMBER	ACCOUNT NUMBER	TAX DISTRICT	RATE	PROPERTY TAX
2017	50027	118702	SAWMILLS RURAL	0.0950	\$8.46
MAP NUMBER 03 81 1 62A DESCRIPTION BK 1586 PG 959 YR 06 ST 0.00 LOCATION			COUNTY	0.6300	\$56.07
			RESCUE SAWMILLS RURAL	0.0085	\$0.76
REAL VALUE	PER PROP. VALUE	EXCLUSION	NET TAXABLE VALUE	TOTAL TAX	\$65.29
8,900	0	0	8,900		

INTEREST	\$0.00
OTHER CHARGES	\$0.00
CREDITS	\$65.29
TOTAL DUE	\$0.00

If your bill is delinquent, please check the Overview & Pay screen for correct amount including interest. If we receive your payment for the incorrect amount, you may have a balance due. Please contact our office for more information.

PLEASE DETACH AND RETURN THIS PORTION WITH PAYMENT

WRITE BILL NUMBER ON CHECK OR MONEY ORDER		
YEAR	BILL NUMBER	ACCOUNT NUMBER

2017	50027	118702
AMOUNT DUE IF PAID IN JULY		
AMOUNT DUE IF PAID IN AUGUST		
TOTAL TAX DUE SEPT.1 - JAN. 5	\$65.29	
TOTAL AMOUNT ENCLOSED		

ADDRESS SERVICE REQUESTED

TOWNSEND ALICE M
 3983 AUSTIN RD
 HUDSON, NC 28638

AGENDA ITEM 9A

MEMO

DATE:

November 21, 2017

SUBJECT:

Financial Matters:
Employee Longevity Pay

Discussion:

The Town of Sawmills has an employee longevity pay plan that has been historically paid out during the first pay period in December.

The pay schedule is as follows:

26 years and up	\$900.00
21-25 years	\$750.00
16-20 years	\$600.00
10-15 years	\$450.00
6-9 years	\$300.00
2-5 years	\$150.00
7 months-1 year	\$50.00
0 months-6 months	\$0.00

There are sufficient funds in the budget to cover this expenditure.

Recommendation:

Staff recommends Council approve the issuance of longevity paychecks to Town employees paid out the first pay period in December.

AGENDA ITEM 9B

MEMO

DATE:

November 21, 2017

SUBJECT:

Financial Matters:
Request for Donation

Discussion:

The Town has received a request from the Caldwell County Veterans Honor Guard Inc. for a donation in the amount of \$100.00 (one hundred dollars).

There are sufficient funds in the budget for this request.

Recommendation:

Staff recommends Council discuss this matter and decide how they wish to proceed.

TOWN OF SAWMILLS

Joe Wesson, Mayor
Christopher Todd, Town Administrator

Funding Request

Name of Organization: Calwell County Veterans Honor Guard
Permanent Address: P.O. Box 702
City/State/Zip: Hudson NC 28638
Contact(s): Jimmy Rader Phone #: 828 394 8072
Email: jimmyrader@verizon.net

Amount Requested: \$100.00 Date Funds Needed: 11/27/17

Describe the purpose of the project and how the funds will be used:
Ammo for Veterans Event

How will this project benefit the community?

Official Town Use Only	
Date application received: <u>10/23/17</u>	Date presented to Town Council: <u>11/27/17</u>
Date approved/denied:	Amount approved:
Available balance in Governing Body donations expense account: <u>1300.00</u>	
Check #/date:	Amount:

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

AGENDA ITEM 9C

MEMO

DATE:

November 21, 2017

SUBJECT:

Financial Matters:
Request for Donation

Discussion:

The Town has received a request from the Caldwell County Schools for a donation in the amount of \$14,000.00 (fourteen thousand dollars).

There are sufficient funds in the budget for this request.

Recommendation:

Staff recommends Council discuss this matter and decide how they wish to proceed.

TOWN OF SAWMILLS

Joe Wasson, Mayor
Christopher Todd, Town Administrator

Funding Request

Name of Organization: Caldwell County Schools
Permanent Address: 1914 Hickory Blvd, SW
City/State/Zip: Lenoir, NC 28645
Contact(s): David Johnson Phone # (828) 728-8407 ext #140150
Email: dav.johnson@caldwellschools.com

Amount Requested: \$14,000.00 Date Funds Needed: 7-2017 thru 6-2018

Describe the purpose of the project and how the funds will be used:

For Sawmills Elementary School

How will this project benefit the community?

Provide increased security for students, staff,
and the community.

Official Town Use Only	
Date application received: <u>11/03/17</u>	Date presented to Town Council: <u>11/21/17</u>
Date approved/denied:	Amount approved: <u>14,000.00</u>
Available balance in Governing Body donations expense account: <u>15,300.00</u>	
Check #/date:	Amount:

Karen Clark This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

AGENDA ITEM 9D

MEMO

DATE:

November 21, 2017

SUBJECT:

Financial Matters:
Approve Auditors
Contract for
FY 2017-2018

Discussion:

Enclosed with this memo is a contract from our current auditing firm Lowdermilk, Church & Co., L.L.P. The contract, in the amount of \$11,100.00 (eleven thousand one hundred dollars), will cover the period of July 1, 2017 to June 30, 2018.

This amount of \$11,100.00 (eleven thousand one hundred dollars) includes the following:

Audit:	\$7,215.00
Preparation of annual financial statements:	\$3,885.00

This amount includes continual guidance, advice and directives throughout the year from the auditors concerning any issues that may arise throughout the fiscal year.

Recommendation:

Staff recommends Council approve a contract with Lowdermilk, Church & Co., L.L.P. in the amount of \$11,100.00 (eleven thousand one hundred dollars) and covering the period of July 1, 2017 to June 30, 2018.

CONTRACT TO AUDIT ACCOUNTS

Of Town of Sawmills
Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

On this 9th day of November, 2017,

Auditor: Lowdermilk Church & Co., LLP Auditor Mailing Address: 121 North Sterling Street,
Morganton, NC 28655 Hereinafter referred to as The Auditor

and Town Council (Governing Board(s)) of Town of Sawmills
 (Primary Government)
 and N/A: hereinafter referred to as the Governmental Unit(s), agree as follows:
 (Discretely Presented Component Unit)

1. The Auditor shall audit all statements and disclosures required by accounting principles generally accepted in the United States of America (GAAP) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit (s) for the period beginning July 1, 2017, and ending June 30, 2018. The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).
2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with auditing standards generally accepted in the United States of America. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board). County and Multi-County Health Departments; The Office of State Auditor (OSA) will require Auditors of these Governmental Units to perform agreed upon procedures (AUPs) on eligibility determination on certain programs. Both Auditor and Governmental Unit agree that Auditor shall complete and report on these AUPs on Eligibility Determination as required by OSA and in accordance with the instructions and timeline provided by OSA.
3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's Auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unqualified opinion being rendered. If during the process of conducting the audit the Auditor determines that it will not be possible to render an unqualified opinion on the financial statements of the unit, the Auditor shall contact the SLGFD staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

Contract to Audit Accounts (cont.) Town of Sawmills

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of their most recent peer review report regardless of the date of the prior peer review report to the Governmental Unit and the Secretary of the LGC prior to the execution of the audit contract. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to Government Accounting Standards or if financial statements are not prepared in accordance with GAAP and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment.
6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to the SLGFD within four months of fiscal year end.
Audit report is due on October 31, 2018. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.
7. It is agreed that generally accepted auditing standards include a review of the Governmental Unit's systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.
8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoices shall be sent via upload through the current portal address: <http://nctreasurer.slgfd.leapfile.net>. Subject line should read "Invoice - [Unit Name]. The PDF invoice marked 'approved' with approval date shall be returned by email to the Auditor to present to the Governmental Unit for payment. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.
9. In consideration of the satisfactory performance of the provisions of this contract, the Primary Government shall pay to the Auditor, upon approval by the Secretary of the LGC, the fee, which includes any cost the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (Federal and State grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. (Note: Fees listed on Fees page). This does not include fees for any Pre-Issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item #12).
10. If the Governmental Unit has outstanding revenue bonds, the Auditor shall submit to the SLGFD either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue

Contract to Audit Accounts (cont.) Town of Sawmills

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

bond rate covenant. Additionally, the Auditor shall submit to the SLGFD simultaneously with the Governmental Unit's audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

11. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board as soon as practical after the close of the fiscal year end.
12. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit shall not be billed for the pre-issuance review. The pre-issuance review shall be performed **prior** to the completed audit being submitted to the SLGFD. The pre-issuance review report shall accompany the audit report upon submission to the SLGFD.
13. The Auditor shall electronically submit the report of audit to the SLGFD as a text-based PDF file when (or prior to) submitting the invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the SLGFD by any interested parties. **Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit report Reissuance form.** These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings, by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit without subsequent consent of the Auditor. If the SLGFD determines that corrections need to be made to the Governmental Unit's financial statements, those corrections shall be provided within three days of notification unless another deadline is agreed to by the SLGFD.

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

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

14. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be varied or changed to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.
15. If an approved contract needs to be amended for any reason, the change shall be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee. This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted through the audit contract portal to the Secretary of the LGC for approval. The portal address to upload the amended contract is <http://nctreasurer.slgfd.leapfile.net> No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

Contract to Audit Accounts (cont.) Town of Sawmills

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

16. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit shall be attached to the contract, and by reference here becomes part of the contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item #23 of this contract. Engagement letters containing indemnification clauses shall not be accepted by the SLGFD.
17. Special provisions should be limited. Please list any special provisions in an attachment. See attached engagement letter.
18. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the parent government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.
19. The contract shall be executed, pre-audited, physically signed by all parties including Governmental Unit and the Auditor and then submitted in PDF format to the Secretary of the LGC. The current portal address to upload the contractual documents is <http://nctreasurer.slgfd.leapfile.net>. Electronic signatures are not accepted at this time. Included with this contract are instructions to submit contracts and invoices for approval as of November 2017. These instructions are subject to change. Please check the NC Treasurer's web site at <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx> for the most recent instructions.
20. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.
21. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.
22. **E-Verify.** Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.
23. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted: (See Item #16 for clarification).

SIGNATURE PAGES FOLLOW FEES PAGE

Contract to Audit Accounts (cont.) Town of Sawmills

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

FEES – PRIMARY GOVERNMENT

AUDIT: \$ 7,215

WRITING FINANCIAL STATEMENTS: \$ 3,885

ALL OTHER NON-ATTEST SERVICES: \$ -

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

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

The 75% cap for interim invoice approval for this audit contract is \$ 8,325

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

FEES – DPCU (IF APPLICABLE)

AUDIT: \$

WRITING FINANCIAL STATEMENTS: \$

ALL OTHER NON-ATTEST SERVICES: \$

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

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

The 75% cap for interim invoice approval for this audit contract is \$

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

Contract to Audit Accounts (cont.) Town of Sawmills

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

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

Audit Firm Signature:

Lowdermilk Church & Co., LLP

Name of Audit Firm

By James E. Lowdermilk

Authorized Audit firm representative name: Type or print

James E. Lowdermilk
Signature of authorized audit firm representative

Date 11-10-17

jimlcpa@bellsouth.net

Email Address of Audit Firm

Governmental Unit Signatures:

Town of Sawmills

Name of Primary Government

By Joe Wesson, Mayor

Mayor / Chairperson: Type or print name and title

Signature of Mayor/Chairperson of governing board

Date 11/21/2017

By N/A

Chair of Audit Committee - Type or print name

Signature of Audit Committee Chairperson **

Signature of Audit Committee Chairperson

Date 11/21/2017

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

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

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

By Karen Clontz

Primary Government Unit Finance Officer;

Type or print name

Primary Government Finance Officer Signature

Date 11/21/2017

(Pre-audit Certificate must be dated.)

kolontz@townofsawmills.com

Email Address of Finance Officer

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

11/21/2017

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

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

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

To the Honorable Mayor and Members of the Town Council
of the Town of Sawmills
Sawmills, North Carolina

November 9, 2017

We are pleased to confirm our understanding of the services we are to provide the Town of Sawmills for the year ended June 30, 2018. 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 related notes to the financial statements, which collectively comprise the basic financial statements of the Town of Sawmills as of and for the year ended June 30, 2018. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as Management's Discussion and Analysis (MD&A), to supplement the Town of Sawmills' 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 Sawmills' 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 U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary Comparison Information
- 3) Local Government Employees' Retirement System Schedule of the Proportionate Share of Net Pension Liability (Asset) and Schedule of Contributions

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

- 1) Combining and Individual Fund Financial Statements
- 2) Budgetary Schedules
- 3) Other Schedules

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and will include tests of the accounting records of Town of Sawmills and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Town of Sawmills' financial statements. Our report will be addressed to the Town Council of the Town of Sawmills. 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 may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by Government Auditing Standards. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Town of Sawmills is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards may not satisfy the relevant legal, regulatory, or contractual requirements.

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 does not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and Government Auditing Standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

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

Audit Procedures—Internal Control

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

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and Government Auditing Standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Town of Sawmills' compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to Government Auditing Standards.

Other Services

We will also assist in preparing the financial statements and related notes of the Town of Sawmills in conformity with U.S. generally accepted accounting principles based on information provided by you. We will also prepare the following based on information provided by you: AFIR, and Unit Data Input Worksheet. These nonaudit services do not constitute an audit under Government Auditing Standards and such services will not be conducted in accordance with Government Auditing Standards. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedures or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and 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 and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

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

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

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

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

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

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

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

Engagement Administration, Fees, and Other

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

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

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Local Government Commission. If we are aware that a federal awarding agency 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.

James E. Lowdermilk is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. To ensure that Lowdermilk Church & Co., L.L.P.'s independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Our fee for these services will be at our standard hourly rates, plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$11,100. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. 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 are required to inform you that we charge interest at rate of 18% per annum on all invoices over 30 days old.

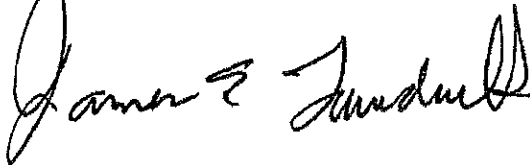
You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence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

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

We are providing you with a copy of our 2015 external peer review report which accompanies this letter.

We appreciate the opportunity to be of service to the Town of Sawmills 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,



James E. Lowdermilk
Partner

RESPONSE:

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

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____



Greensboro, NC | Raleigh, NC | Winston-Salem, NC

Certified Public Accountants and Advisors Since 1947

System Review Report

September 24, 2015

To the Partners of Lowdermilk Church & Co., L.L.P.
and the Peer Review Committee of the North Carolina
Association of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Lowdermilk Church & Co., L.L.P. (the firm) in effect for the year ended May 31, 2015. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

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

In our opinion, the system of quality control for the accounting and auditing practice of Lowdermilk Church & Co., L.L.P. in effect for the year ended May 31, 2015, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Lowdermilk Church & Co., L.L.P. has received a peer review rating of *pass*.

Bernard Robinson & Company, LLP

BERNARD ROBINSON & COMPANY, L.L.P.

Office: 1501 Highwoods Blvd., Suite 300 - Greensboro, NC 27410
Mailing: P.O. Box 19608 - Greensboro, NC 27419-9608
Phone (336) 294-4494 - Fax (336) 294-4495 - www.brccpa.com

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AGENDA ITEM 10A

MEMO

DATE:

November 21, 2017

SUBJECT:

Discussion Matters:
Sawmills Fire Department
Water Bill

Discussion:

The Sawmills Fire Department has requested the Town Council to formally address their November 2017 water and sewer bill. During the month of October, the Sawmills Fire Department (SFD) building water meter recorded 59,000 gallons of water passed through the meter. The SFD typically uses between 3,000 and 5,000 gallons of water from this meter. Due to the abnormal use of water staff flagged the meter to be re-read. The meter was checked and re-read by Public Works Director Ronnie Coffey on October 25th, 2017, at which point the meter was functioning properly. The meter did indicate active water use at the time of the re-read. Due to the nature of the active use, Director Coffey spoke with a fire fighter in the building. They were able identify a leaking commode in the building. The commode was repaired that day, and Director Coffey re-read the water meter for the third time, which showed the meter has stopped turning since the commode was repaired.

The Sawmills Fire Department has requested a bill adjustment. Based off the staff's interpretation town's Utility Billing Policy commodes are ineligible for a water and sewer credit. The policy currently reads, "The Town will adjust water and sewer use on bills in case of hidden underground leaks in service lines located between the meter and the house and busted or leaking pipes inside the home." Town staff have never offered a credit for a broken commode or faucet.

Currently staff needs guidance on how staff should proceed regarding the SFD water and sewer bill. If the Council desires to amend this bill, staff recommends the council amend the Utility Billing Policy so that refunds and billing is consistent with all customers.

Recommendation:

Staff recommends Council discuss this matter and decide how they wish to proceed.

Town of Sawmills
REQUEST FOR ACTION
ITEM TO BE PLACED ON
AGENDA

Requests need to be filled out and submitted by the first Friday of the month to be considered for that month's Town Council meeting.

Request item to be on the agenda:

(Please describe briefly) Please attach any material you would like to submit for consideration:

Excessive Water Bill for Sawmills Fire Dept

Person attending Town Council meeting requesting to speak:

David Price

Telephone number:

828-228-2956

Address:

4613 Helton Rd

Grande Lake NC 28650

To be filled in by staff:

Staff Comments:

Prior Town Council Action:

1. Water service charges
2. Sewer service charges
3. Solid waste service charges
4. Charges and fees-such as, but not limited to, late payment penalties, delinquency fees, reconnect service charges, and charges resulting from damage to Department equipment and/or property.

G. UTILITY BILLING POLICY

Meters are read on or about the 13th of the month. Any new account that is open before the 13th of the month is made active. Any new account that is open after the 13th of the month is made active after the utility bills are printed for the month. Water taps are made active the day the tap is completed and the information is turned into the Town Hall. Utility payments are not pro-rated. Accounts are made active from the 1st to the 13th of the month are charged the minimum usage, unless the meter shows greater consumption. A sanitation fee of \$8.00 per month (\$96.00 per year) will be assessed to each resident inside city limits in addition to water usage charges. This is an availability fee. An account with water and/or sewer and sanitation that deliberately refuses to pay the sanitation fee; can be disconnected due to an outstanding balance owed. If the account is sanitation only, and in the event of non-payment, the trash can will be picked up until all past due fees are paid in full.

H. BILL ADJUSTMENT FOR LEAKS

The Town will adjust water and sewer usage on bills in case of hidden underground leaks in service lines located between the meter and the house and busted or leaking pipes inside the home.

A customer may seek an adjustment by:

1. Bring a letter signed by the landlord showing when the leak occurred and explaining the circumstances involving the leak to the Town Hall.
2. Provide a copy of the plumber's statement for completing the repair or receipts of parts bought to repair the leak.

Adjustments will be calculated as follows:

1. The customer's normal usage will be determined by taking an average of the water usage for the last 6 months. This amount will be billed at the standard rate.
2. The amount of water/sewer used over the average usage will be considered the excess amount caused by the leak.
3. For sewer-the excess amount will be multiplied by \$6.90 per 1,000 gallons.
4. For water-the excess amount will be divided in $\frac{1}{2}$ and multiplied by \$6.25 per 1,000 gallons.

I. WORK ORDER POLICY

Brush Pick Up: When possible, brush pickup will take place within three (3) working days after a work order is placed. If public works cannot collect it within three (3) day, it will be picked up as soon as possible. There is no charge for brush pick up, unless it takes two (2) employees longer than thirty (30) minutes to clean up. Thirty (30) minutes to an hour is a minimum charge of \$75.00. If it takes longer than one (1) hour, there is an addition fee of \$75.00 per hour or portion thereof. Limbs should be no larger than four (4) inches in diameter and the entire pile should be no longer than five (5) foot wide by five (5) foot tall by twelve (12) long. *Tree trunks, logs, and stumps will not be collected and must be separated out from the brush pile. No brush from commercial tree trimming companies will be accepted or any brush from out of town. Brush will only be collected if it is left on the curb and placed bunt in of the limb out in a neat pile. If there is a charge, all fees must be paid in advance before brush is collected.*

WHITE GOODS & LARGE ITEMS: The Town collects white good items and large items that do not fit in your trash can. These items are collected on Friday. A work order must be placed for pickup, no later than by 5:00 pm on the Thursday before. *White goods and large items will only be collected if they are left on the curb. The Town does not collect any electronics, building materials, metal or hazardous materials.*

DEAD ANIMAL PICKUP: When possible, dead animal pickup will take place on the same working day as the date of work order. If not, the pickup will be carried out the next working day. *Only pets and wildlife laying on the road or right of way will be collected. No commercial animals such as hogs or cattle will be collected.*

AGENDA ITEM 10B

MEMO

DATE:

November 21, 2017

SUBJECT:

Discussion Matters:
Water and Sewer Rate
Structure

Discussion:

The Sawmills Town Council has had requests by citizens to discuss the water and sewer rate structure. Attached to this memo is the fee structure as approved in the budget, for the council's discussion. The current rate structure is part of the current, prepared and forecasted budget. Staff would propose to the council to allow for public discussion of water rates amongst other issues during the January, "Coffee with the Council" meeting, which will have a date and time assigned to it during the December council meeting. This information can be used to help inform the 2018/2019 Fiscal Year budget, including but not limited to the water and sewer rate structure.

Recommendation:

Staff recommends Council discuss this matter and decide how they wish to proceed.

**Town of Sawmills
Fee Structure
FY 2017 – 2018
7/01/2017 – 6/30/2018**

Public Works:

**Items not picked up – building materials,
electronics and automobile parts.**

Small brush pick up fee:	No charge (30 minutes or less)
Large brush pick up fee:	\$75.00 (per hour)- see policy for guidelines
White goods pick up fee:	No charge
Special (bulky item) pick up fee:	No charge
Purchase of Speed Limit or other Traffic signs:	\$75.00

Water/Sewer Department:

Water Deposit	\$100.00
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If SS# provided \$50.00 (a 50% discount)

Sewer Deposit	\$100.00
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If SS# provided \$50.00 (a 50% discount)

Water Tap (3/4 inch tap)	Inside Town	\$750.00
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Water Tap (3/4 inch tap)	Outside Town	\$1,500.00
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Water Tap (2 inch or greater)	Inside Town	\$750.00 plus 15%
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Water Tap (2 inch or greater)	Outside Town	\$1,500.00 plus 15%
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Sewer Tap (4-6 inch)	Inside Town	\$1,000.00
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Sewer Availability Fee	\$19.75 (current rate)
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*****NO OUTSIDE SEWER TAPS*****

Water Rates	\$20.60 min charge per month up to
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(Inside Town)	2,000 gals
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\$6.25 per each additional 1,000 gals up
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to 6,000 gals

\$7.50 per each additional 1,000 gals

after 6,000 gals

Water Rates	\$41.20 min charge per month up to
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(Outside Town)	2,000 gals
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\$12.50 per additional 1,000 gals up to

6,000 gals

\$15.00 per each additional 1,000 gals
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after 6,000 gals

Sewer Rates	\$24.70 min charge per month up to
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(Inside Town)	2,000 gals
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NO OUTSIDE SEWER	\$6.90 per additional 1,000 gals
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Meter Tampering Fee	\$75.00
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Fire Hydrant Access Deposit (Contractors Only)	\$150.00
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Sanitation Department:

Sanitation Deposit	\$20.00
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Sanitation Fee	\$ 8.00 per month
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\$96.00 per year

Extra Trash Can (rental fee)	\$70.00 (per can)
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Sanitation Availability Fee	\$ 8.00 per month
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AGENDA ITEM 11A

MEMO

DATE:

November 21, 2017

SUBJECT:

Planning Matters:
Planning Board Application

Discussion:

The Planning Board currently has a vacant "ETJ" position due to Clyde Miller being annexed into the Town limits. There are no applications on file for the Planning Board for an ETJ resident. The Town is currently looking for a resident of the ETJ to serve on the Planning Board.

Recommendation:

No action required.

AGENDA ITEM 11B

MEMO

DATE:

November 21, 2017

SUBJECT:

Planning Matters:
Re-Appoint
Planning Board
Members

Discussion:

The term of appointment for the following Planning Board Members expired on September 1, 2017:

- Kelly Price
- Ryan Wilson (ETJ)

Town Clerk Julie Good has contacted the members and both are willing to serve another term.

Recommendation:

Staff recommends Council re-appoint the two (2) members to the Planning Board.

AGENDA ITEM 12A

MEMO

DATE:

November 21, 2017

SUBJECT:

Updates:
Code Enforcement
Monthly Report

Discussion:

The attached report shows the progress that Planner Leslie Meadows continues to make throughout the town.

Recommendation:

No Council action required.

Property Owner	Property Address	Issue	Status
Teresa Annas Compton	4476 Sawmills Sch Rd	dilapidated house	Resent all documentation in form of nuisance code NOV (vs. minimum housing) on 10/17/19. Deadline to respond and arrange hearing by 11/02/17. No response, certified mail returned to sender, never claimed. Will move forward with implementing code by setting a hearing date, and try to make Ms. Compton aware.
WNC Properties A LLC	4209 Creek View Pl	minimum housing complaint	Need to verify complaint before arranging site visit with Building Inspector Mark Annas and current resident.
David Graham (Landlord)	4176 US Hwy 321 A	minimum housing complaint	Need to verify complaint before arranging site visit with Building Inspector Mark Annas and current resident.
Carolyn Bray/ Robyn Brittan	2570 Bakers Cir	abandoned mobile home	Spot checked 10/30/17. No further response from Ms. Brittan. Christopher working with County Environmental Health to investigate open well/septic system.
Andrew Dehart	4036 US 321 A	high grass, junked vehicles	Spot checked on final warning deadline 10/24/17. Vegetation around building foundation and up walls has finally been removed. CASE CLOSED.
John "Jody" McRary & Neighbors	Jody Drive	outdoor storage/junk vehicles in ROW/freight container	Spot checked 11/9/17 for removal of freight container. No change, took photo documentation. Daily fines begin from final deadline date, 11/9/17, or town can remove at owners expense. Per phone conversation with Mr. McRary, he stated he plans to attend Nov. 21st Council meeting to speak on his own behalf.
Sasser Family LLC	2526 Meadows Park Lane	minimum housing complaint	Need to verify complaint before arranging site visit with Building Inspector Mark Annas and current resident.
Jose Montes	4321 Cherokee Court	high grass/vehicles in ROW	Spot checked 11/9/17 for establishment of proper driveway. No change, took photo documentation of tagged vehicles in cul-de-sac. Daily fines to begin from final deadline date, 11/9/17, or town can install driveway at owners expense. "No Parking" signs could now be posted, to initiate a possible response?
Steve Killian	4801 Helton Road	outdoor storage/wrsh/junk	Verified complaint 9/28/17. Sent NOV letter on 10/3/17. Deadline 10/19/17. Spot checked 10/24/17. Porch still used for storage, but large solid waste items removed from lawn (exercise equipment, appliances, junk car). CASE CLOSED.
Janice Griffin, Trustee of Iona Griffin	2148 Oaktree Lane	abandoned, partially burned apartment building	Response from Janice Griffin's attorney on 10/26/17. States a construction crew has been contracted to assess damage, tear down if necessary, and rebuild. Met with Building Inspector Mark Annas onsite 10/31/17. I have his report, and will be sending a second NOV to include his findings, requesting that all grade level windows be boarded up in the meantime. Will also request updates on demo/rebuild from Ms. Griffin's attorney.