1. Agenda Outline
   Documents:
   
   2019 04 02 BOC PRE-AGENDA AGENDA OUTLINE.PDF

2. Agenda Full Version
   Documents:
   
   2019 04 02 BOC PRE-AGENDA AGENDA FULL VERSION V2.PDF

In accordance with ADA regulations, persons in need of an accommodation to participate in the meeting should notify the County Manager’s office at 828-764-9350 at least forty-eight (48) hours prior to the meeting.
Burke County Board of Commissioners
Pre-Agenda Meeting

1. CALL TO ORDER
2. APPROVAL OF THE AGENDA
3. PRESENTATIONS
   1. Health Dept. - 2018 State of the County Health Report - Presented by Rebecca McLeod, Health Director
   2. Health Dept. - Presentation of Medicaid Transformation and Burke County Public Health - Presented by Rebecca McLeod, Health Director
4. SCHEDULED PUBLIC HEARINGS - NONE
5. CONSENT AGENDA
   2. BCPS - Mtn. View School First Amendment to Architect's Contract - $215,000 – Presented by Keith Lawson, BCPS Finance Officer
   3. CM - Proclamation Declaring May 2, 2019 as National Day of Prayer – Presented by Bryan Steen, County Manager
   4. Co. Mgr. - Amendment to Morganton's DIG Program – Presented by Bryan Steen, County Manager
   5. Finance - Audit Contract for FY 18-19 – Presented by Margaret Pierce, Deputy Co. Mgr./Finance Director
   6. General Services - Approve Fee Schedule for Sale of Compost – Presented by Miles Champion, General Services Director

6. ITEMS FOR DECISION

1. Co. Mgr. - Award of Courthouse Sally Port Bid (Place Holder) - Presented by Bryan Steen, County Manager & Marty Beal, CBSA Architects

2. General Services - Elevator Repairs at Human Resources Center (Place Holder) - Presented by Miles Champion, General Services Director

3. Co. Mgr. - Request for Qualifications for Needs Assessment & Architectural Design Services for Animal Shelter (Place Holder) - Presented by Bryan Steen, County Manager

4. Co. Mgr. - Funding for Animal Shelter Floors - Presented by Bryan Steen, County Manager

7. REPORTS

8. OTHER DISCUSSION ITEMS

9. ADJOURN

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Subject Title: Health Dept. - 2018 State of the County Health Report

Presented By: Rebecca McLeod

Summary of Information: The Health Department is required to present to stakeholders the progress on the Community Health Needs Assessment every year that a Community Health Needs Assessment is not completed. The progress from the 2016 Community Health Needs Assessment is noted in the 2018 State of the County Health Report. This report will be presented by Lisa Moore, Health Education Supervisor, along with Health Director, Rebecca McLeod.

Budgetary Effect: N/A

County Manager’s Recommendation: Approval is recommended.

Suggested Motion: To accept the 2018 State of the County Health Report as presented.
The mission of the Burke County Health Department is to promote and protect the health and environment for the citizens of Burke County.

The Burke County Health Department
The Community Health Needs Assessment (CHNA) is a comprehensive analysis of the county’s health and helps determine health priorities that will be addressed in a community health improvement plan. The CHNA is completed every three years. The Burke Wellness Initiative is working on Burke County’s 2019 CHNA through the MAPP process. Burke Wellness Initiative is a group of dedicated stakeholders and county residents collaborating to positively impact the health and well-being of Burke County’s residents.

The State of the County Health Report (SOTCH) is a supplemental document published every year between CHNA’s to provide an overview of any changes within the community and update progress on the identified priorities in the action plan.

BURKE COUNTY STATS
AT A GLANCE

**Total Population**
Estimated 2017: 88,898
Down slightly from 2016 estimates of 89,082
Still down from the 2010 population at 90,912

Estimated percentages of the age groups in Burke County have stayed about the same for the past several years.
Median Age
Estimated 2017: 43
Median age has stayed the same

Burke County’s 2017 total population estimation is 49.4% males and 50.6% females

Racial Distribution has not changed over the last year.

Median Household Income

Burke County’s estimated median household income has risen over the last year by $1,000. In Burke County, 41% of the total working population makes less than $50,000 in income and benefits with 59% making over $50,000 in income and benefits.
Poverty

- In 2015 and 2016 the estimated poverty rate was 19.9%
- 2017 estimated poverty rate in Burke County is 19.3%
- 29.3% of those in poverty is under the age of 18 with 41.3% being under the age of 5
- Of the Burke County population, those living below the poverty level by education level:
  - 30.7% of those 25 and over have less than high school graduate
  - 14.0% are high school graduates
  - 14.3% have some college or an associate degree
  - 4.3% have a bachelor’s degree or higher

Unemployment

Burke County’s unemployment rate over the last three years:

- Average of 5.4% in 2015
- Average of 4.8% in 2016
- Average of 4.3% in 2017

Educational Attainment

![2017 Estimated Education Level](image)

Demographic Source: [www.uscensus.gov](http://www.uscensus.gov) American Community Survey Demographic Estimates
# Key Leading Causes of Death for Burke County

## 2012-2016 Ten Leading Causes of Death

<table>
<thead>
<tr>
<th>Rank</th>
<th>Cause</th>
<th>Number</th>
<th>Rate</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Diseases of the heart</td>
<td>1,129</td>
<td>253.5</td>
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<tr>
<td>2</td>
<td>Cancer – All Sites</td>
<td>1,105</td>
<td>248.1</td>
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<tr>
<td>3</td>
<td>Chronic lower respiratory diseases</td>
<td>383</td>
<td>86.0</td>
</tr>
<tr>
<td>4</td>
<td>Cerebrovascular disease</td>
<td>298</td>
<td>66.9</td>
</tr>
<tr>
<td>5</td>
<td>Alzheimer’s disease</td>
<td>253</td>
<td>56.8</td>
</tr>
<tr>
<td>6</td>
<td>Other unintentional injuries</td>
<td>239</td>
<td>53.7</td>
</tr>
<tr>
<td>7</td>
<td>Diabetes mellitus</td>
<td>154</td>
<td>34.6</td>
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<tr>
<td>8</td>
<td>Pneumonia &amp; influenza</td>
<td>127</td>
<td>28.5</td>
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<tr>
<td>9</td>
<td>Suicide</td>
<td>94</td>
<td>21.1</td>
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<tr>
<td>10</td>
<td>Nephritis, nephrotic syndrome, &amp; nephrosis</td>
<td>88</td>
<td>19.8</td>
</tr>
</tbody>
</table>

## 2017 Ten Leading Causes of Death

<table>
<thead>
<tr>
<th>Rank</th>
<th>Cause</th>
<th>Number</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Diseases of the heart</td>
<td>222</td>
<td>21.7</td>
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<tr>
<td>2</td>
<td>Cancer</td>
<td>218</td>
<td>21.3</td>
</tr>
<tr>
<td>3</td>
<td>Chronic lower respiratory diseases</td>
<td>77</td>
<td>7.5</td>
</tr>
<tr>
<td>4</td>
<td>All other unintentional injuries</td>
<td>55</td>
<td>5.4</td>
</tr>
<tr>
<td>5</td>
<td>Alzheimer’s disease</td>
<td>51</td>
<td>5.0</td>
</tr>
<tr>
<td>6</td>
<td>Cerebrovascular diseases</td>
<td>45</td>
<td>4.4</td>
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<tr>
<td>7</td>
<td>Diabetes mellitus</td>
<td>37</td>
<td>3.6</td>
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<tr>
<td>8</td>
<td>Motor vehicle injuries</td>
<td>2</td>
<td>2.3</td>
</tr>
<tr>
<td>9</td>
<td>Parkinson’s disease</td>
<td>20</td>
<td>2.0</td>
</tr>
<tr>
<td>10</td>
<td>Pneumonia &amp; influenza</td>
<td>18</td>
<td>1.8</td>
</tr>
</tbody>
</table>

Leading causes of death order has changed since the 2016 data was published. Other unintentional injuries moved from 6 to 4 and could be due to the drug epidemic within the county. Motor vehicle injuries and Parkinson’s disease were previously not in the top ten leading causes but have moved up to into the rankings. The Burke Wellness Initiative group will need to review this data and discuss next steps that need to be taken.

*Source: State Center for Health Statistics, NC*
Priority Progress

Priority #1: Substance Use/Misuse

Strategies/Interventions:

- Decrease the rate of unintentional/undetermined prescription opioid overdose deaths
- Decrease the rate of controlled substances and opioids dispensed
- Reduce the percentage of high school students who report drinking alcohol in the past 30 days
- Adult/youth focused consistent communication and prevention education

From 2017-2018, Burke County has successfully hosted three community forums to focus on the many facets of substance use disorder. Each forum gathered community input and found three overarching needs for the community. These needs were identified as: (1) establishment of an adult drug court with a diversion component, (2) additional residential treatment options and long-term recovery support after treatment and (3) prevention efforts at all community levels.

Over this last year, the Burke County Health Department assembled community and governmental agencies to work on securing funds to implement two of the important needs identified. After one grant was rejected, Partners Behavioral Health Management offered to provide funds to implement the L.E.A.D (Law Enforcement Assisted Diversion) program in Burke County. LEAD is a pre-arrest community-based and law enforcement led diversion program with the goals of improving public safety and public order, while reducing short-term incarceration and recidivism of low-level drug and sex offenders. This program diverts these voluntary offenders into community based, intensive case management and treatment receiving a wide array of support services. In 2018, the L.E.A.D program was initiated within the entire county including all local municipalities.

In November 2018, Burke County was awarded a Department of Justice grant to implement adult drug court, Burke County Recovery Court. Over the next four years, these grant funds will be used to implement Burke County Recovery Court which is a post-adjudication, voluntary, supervised, holistic, cognitive-based, judicially mandated intensive treatment program for offenders who have been identified as having problems with drugs and/or alcohol. The population this will serve is the high risk/high need adult non-violent offenders convicted of DWI level 1 and 2 with a felony or misdemeanor drug conviction, or a felony or misdemeanor conviction other than a drug conviction, if alcohol or drugs were a contributing factor in the crime.

As part of the continuum of substance use disorder services available for those in active addiction involved in the legal community, Burke County also offers a jail program. The jail services program offers treatment and recovery support services to those incarcerated due to substance use disorder. The BRIDGE program offered through Burke Recovery, assists offenders released from incarceration continued outpatient treatment, recovery support services and assistance with reintegration back into the community.
These programs involve a large multidisciplinary team representing the following agencies: Burke County Sheriff’s Office, Probation, Glen Alpine Police Department, Valdese Police Department, Drexel Police Department, Morganton Public Safety, Catawba Valley Behavioral Health, Burke Recovery, Burke County Health Department, Partners Behavioral Health Management, Community Care of NC, The Cognitive Connection, TASC, 25th District Attorney’s office, Clerk of Court’s office, Defense Attorney, and the District Judges. These agencies are working together simultaneously on multiple mitigation efforts to improve the health and safety of the citizens of Burke County.

**Prevention efforts:**

In October 2018, Burke Recovery was awarded a Drug Free Communities grant to focus on the prevention of underage drinking and the adolescent non-medical use of prescription drugs. A major part of this effort is to grow and strengthen Burke’s community collaborative, the Burke Substance Abuse Network (BSAN).

Burke County was 1 of 25 applications identified by NCADD for a Communities Project with Facing Addiction. With the strong infrastructure of BSAN, Burke County was poised to dive deeper into community organizations and pull from the population of community members to develop a community-wide response through community trainings and activities to the substance use/misuse crisis. Social impact begins in the home then grows to affect change in every part of a community and beyond. Without the investment of every single layer of this process, we cannot create and develop the change we desperately want and need. In February 2019, Facing Addiction with NCADD chose Burke County as one of the top 10 sites in the country.

Burke Recovery and partnering agencies have been blanketing the community with prevention education and programming to positively impact the reduction of substance use/misuse.

Between May and December 2018, 746 lock boxes have been distributed throughout the community to allow citizens the opportunity to lock their medications and help reduce the availability of theft of prescription medications. A follow up program called “Follow the Box” involves members of the prevention team to reach out to all lockbox recipients to ensure they are using their box, determine the effectiveness and discover if any additional resources or lockboxes are needed.

To further reduce the availability of unused prescription medications, medication drop boxes continue to be encouraged for use to discard these types of medications. Burke County has secured an additional three drop boxes within the county bringing the total to seven. In September 2018, it was reported from the Burke County Sheriff’s Office disposed of 36,750 pills in a single shipment.

A public information and advocacy group with representation from: Burke Recovery, Alcoholics Anonymous, The Meeting Place, Burke County Sheriff’s Office, Burke Youth Health Coalition, The Cognitive Connection, Vessels of Mercy (Women’s Treatment and Recovery Program), Community Care
of NC, NAMI, Western Piedmont Community College and community members assembled to create and develop adult/youth focused consistent substance use/misuse communication and prevention education for the community. Messages are distributed through print, radio and many avenues of social media to reach as many citizens as possible.

The RxEAP Task Force led by physicians at Carolinas Healthcare System Blue Ridge involves the medical community in policing the medical community’s prescription policy. A couple years ago, the task force worked to implement a stricter prescription policy change to reduce the number of pills dispensed by medical providers. This task force continues to work with physicians and mid-level providers to slow the flow of medications in the community.

**Priority #2: Mental Health**

**Strategies/Interventions:**

- Increase support for mental health through involving stakeholder’s communication, education and awareness within Burke County
- Provide 20 adult/youth mental health first aid trainings to community partners
- Reduce the number of mental health emergency department visits by 3%
- Implement a web-based application for emergency responders to provide appropriate and timely resources during a mental health crisis

The Mental Health Task Force is currently working with community mental health agencies to develop current and consistent messaging for the community at large. They will utilize collaborative groups to assist with disseminating information through many media outlets such as, print, radio, social media and targeted digital media to promote community education around behavioral health services, access to resources and proper utilization of limited resources. Analytics on access and usage of resources will be obtained through the new Community Resource Hub managed by Carolinas Healthcare System Blue Ridge.

The Mental Health Task Force is also working on strategies to reduce the number of mental health emergency department visits through several avenues. A social worker was added to the emergency department to help decrease behavioral health holds along with establishing additional outpatient resources for the community to obtain mental health services. Burke Integrated Health, a collaboration of agencies offering behavioral health services, primary care and substance use treatment, has assisted with providing an alternative to presenting to the emergency department. This group is also working to adapt a web-based tool with Burke County resources for emergency responders to use when dispatched to someone in a mental health crisis and then provide training for those emergency workers.

In 2018, community partners were trained in Adult/Youth Mental Health First Aid. These evidence-based trainings teach members of the public how to help a person with a mental health problem, experiencing a worsening of a mental health problem or in a mental health crisis. Mental Health First Aid does not teach people how to treat or diagnose mental health or substance use conditions but teaches
people how to offer initial support until appropriate professional help is received or until the crisis resolves. This group will continue to train additional community members such as faith-based organizations, teachers, coaches, school counselors, civic organizations, etc. with a goal of providing 20 or more trainings.

Priority #3: Poverty

Strategies/Interventions:

- Increase utilization of 211 resources by 25%
- Decrease those residents living in poverty by increasing opportunities for involvement in the evidence-based program, Circles

During 2018, Greenway Transportation implemented two fixed bus routes to almost cover the county. These routes will provide access to transportation for educational, medical and employment opportunities for those especially affected by poverty. Greenway Transportation has been offering free fares for everyone to encourage ridership and have riders feel comfortable about riding the bus. This strategy in the action plan has been accomplished.

On October 15, 2018, Burke County hosted a Poverty Community Forum with approximately 86 participants. The forum offered the citizens an opportunity to gather information on poverty and the effects of poverty on a community. The forum featured a poverty introduction from the director of the Burke United Christian Ministries and the keynote speaker Dr. Robert Strack from UNC-Greensboro who spoke about a community poverty framework that helps to assist those struggling with the social determinants of health such as poverty, reach a “smoother road” while attempting to keep healthy. The forum also offered speakers from 11 community resources who presented the participants with information and resources about services for those working through poverty. The last portion of the forum focused on a 2-hour poverty simulation and in-depth discussion about the challenges facing those working through poverty.

Blue Ridge Community Action has partnered with Burke United Christian Ministries to expand the evidence-based program, Circles to the Burke Mission Station. This program assists families working their way out of poverty. This expansion includes access to a computer lab that helps create additional services to help those secure employment or continue their education.
Emerging Issues

The Burke Wellness Initiative developed a list of emerging issues within the county that will need to be discussed further in our planning meetings. Below is the list to be considered:

A positive outcome of the negative publicity of the opioid crisis/awareness has translated into additional dollars into new and existing programs to benefit community in helping to reduce the number of overdose cases and provide additional treatment and prevention efforts.

Lack of housing and affordable housing is a growing issue within the county. A group of community partners have begun tactical planning to assist with this issue.

The growing homeless population and the ability to continue giving services at the same level if this population continues to grow.

Medicaid transformation and the many facets of change this will bring for all providers.

The increased numbers of grandparents/great-grandparents/foster parents that are raising children that have been taken out of their home environment along with the number of adults in foster care.

Burke County is seeing an increase in the use of Meth and other drugs since the accessibility to opioid has been reduced.

New Initiatives

The Law Enforcement Assisted Diversion program and Adult Drug court are two new initiatives discussed previously in this document. Several new initiatives have been submitted and awaiting grant approval and will be discussed within the next State of the County Health Report.

A group of community partners has formed to assess and begin developing strategies to help assist with the lack of housing and affordable housing issue.

Got a Community, Get Involved

The Burke Wellness Initiative is the community collaboration working together to impact the health and identified priorities within this report and the CHNA. We would welcome additional community members that are passionate to help Burke County move toward a healthier place to live, work, play and pray. If you are interested in being part of the Burke Wellness Initiative, please contact Lisa Moore at 828-764-9218 or at lisa.moore@burkenc.org

This report does not cover all the positive community partner initiatives taking place in Burke County but provides a snapshot of progress being made within the community.
The most recent Burke County CHNA published in 2016 and the State of the County Health Reports can be viewed online at http://www.burkenc.org/departments/health-department. Burke Wellness Initiative group will distribute copies of the SOTCH to their respective agencies and to their contacts. Presentations of the current SOTCH will be given to the Board of Health, Burke County Board of Commissioners and to the community at large during programs and upon request.

Acknowledgement: Thanks to the community partners that supplied information and continue to work together to make Burke County a great place to live.
Burke County, North Carolina
Agenda Abstract
Meeting Date: April 2, 2019

PRESENTATIONS

Subject Title: Health Dept. - Presentation of Medicaid Transformation and Burke County Public Health

Presented By: Rebecca McLeod

Summary of Information: Rebecca McLeod will present information about the upcoming Medicaid Transformation and how it will affect Burke County Public Health. This presentation will give the Commissioners needed information to understand the upcoming changes and needs of Public Health. Additional presentations will be made as the process unfolds.

Budgetary Effect: N/A

County Manager's Recommendation: Approval is recommended.

Suggested Motion: To accept the presentation on Medicaid Transformation and Burke County Public Health.
BURKE COUNTY PUBLIC HEALTH
&
MEDICAID TRANSFORMATION

APRIL 2019
PUBLIC HEALTH OBJECTIVES

- **Play a valid role in Medicaid reform and clinical services without compromising our broader public health mission**

- **Maintain public health capacity and expand role with initiatives beyond traditional health care**

- **Continue to meet community needs for all families and individuals**
NORTH CAROLINA’S VISION FOR MEDICAID MANAGED CARE

BY IMPLEMENTING MANAGED CARE, AND ADVANCING INTEGRATED AND HIGH-VALUE CARE, NORTH CAROLINA MEDICAID WILL IMPROVE POPULATION HEALTH, ENGAGE AND SUPPORT PROVIDERS, AND ESTABLISH A SUSTAINABLE PROGRAM WITH MORE PREDICTABLE COSTS.
NORTH CAROLINA’S GOALS FOR MEDICAID MANAGED CARE

1. Measurably improve health

2. Maximize value to ensure program sustainability

3. Increase access to care
SOCIAL DETERMINANTS OF HEALTH

DHHS is targeting social and economic factors that directly affect individuals’ health and health care costs

- Housing
- Food insecurity
- Lack of transportation
- Interpersonal violence

70% of health outcomes are tied to non-medical social determinants of health
WHY DOES THIS MATTER TO PUBLIC HEALTH?

**Big Picture:**

- **Medicaid revenue streams have become critical funding for local health departments**

- **In NC, state funding for public health is ranked 44th lowest in the nation ($14.16 per capita, $27.40 per capita is the median)**

- **Local health departments rely on Medicaid funding in part to provide essential and mandated services required in the NC General Statutes (for all populations)**
WHY DOES THIS MATTER TO PUBLIC HEALTH?

**Clinical services & cost settlement:**

- **Required role with clinical services through mandated services**
- **Higher costs per service for health departments since we are also complying with federal and state program requirements**
- **Cost settlement offsets that additional expense for local health departments**
- **Cost settlement will end for services under managed care, but will continue with other services.**
WHY DOES THIS MATTER TO PUBLIC HEALTH?

CLINICAL SERVICES & COST SETTLEMENT:

• **Billing and accountability for services today is tied to one entity (the State)**

• **Under managed care, there will be 4 statewide managed care organizations and 1 provider led entity (PLE) in 2 regions – additional administrative burdens for local health departments**

• **Future payment models will include blend of contracted fee for service arrangements and/or additional per member per month programs**
WHY DOES THIS MATTER TO PUBLIC HEALTH?

Care Management:

- Role could be removed from health departments (eliminated or given to managed care organizations (MCO’s))

- Health departments have exceptional expertise in managing these high risk populations at a local level with our medical community

- Reduces our capacity and staffing which supports other critical community needs like preparedness and communicable disease outbreaks

- Single largest Medicaid revenue for local health departments today
TIMELINE FOR MEDICAID TRANSFORMATION

- **March 2019** – Contracts awarded and executed
- **November 2019** – Prepaid Health Plans (PHP) go live
- **February 2020** – Burke County go live
NC MEDICAID MANAGED CARE REGIONS AND ROLLOUT DATES

Rollout Phase 1: Nov. 2019 – Regions 2 and 4
Rollout Phase 2: Feb. 2020 – Regions 1, 3, 5 and 6
### APPROVED PLANS AWARDED FOR NC

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<th>WellCare of North Carolina, Inc</th>
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<tr>
<td>Blue Cross Blue Shield of North Carolina</td>
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<td>UnitedHealthcare of North Carolina, Inc.</td>
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<tr>
<td>AmeriHealth Caritas North Carolina, Inc.</td>
</tr>
<tr>
<td>Carolina Complete Health (regional provider led entity)- Regions 3 and 5</td>
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</table>
CHALLENGES FOR PUBLIC HEALTH

• PROVIDER OF LAST RESORT — INABILITY TO DISCHARGE PATIENTS, COMPLEX PATIENTS

• NAVIGATION RESOURCES FOR PEOPLE TO CHOOSE PREPAID HEALTH PLANS LACKING

• PUBLIC HEALTH SERVICES NOT PARTICULARLY COST EFFECTIVE DUE TO FEDERAL REQUIREMENTS

• ADDITIONAL FEDERAL & STATE DECISIONS ARE LOOMING - UNCERTAINTY
OUR STEPS TO DATE AND MOVING FORWARD

- **Electronic Health Record (EHR) Implementation**

- **Large Scale Focus on Improvement with Clinical Quality Measures**

- **Practice Transformation Initiative**

- **Strong Role with Community and Social Determinants of Health**
HOW BURKE COUNTY PUBLIC HEALTH WILL LOOK IN 2020

**Primary Care Medical Home (i.e. Advanced Medical Home) = Traditional +**

- **Preventive and Acute (sick) Care**
- **Prenatal Care**
- **Capacity (i.e. no waiting lists, no delay for appts)**
- **24/7 on-call and hospital relationships**
- **Care Management:**
  - **Chronic Disease**
  - **Frequent ED visits**
  - **No shows for preventive appts/screenings**
  - **Care team = certified, accredited, bona-fide**
- **Consider Integrated Behavioral Health**
- **Plus Public Health Clinical Services**
ANY QUESTIONS ?
Today, the North Carolina Department of Health and Human Services (the Department) announced the entities who have received contracts to participate as Prepaid Health Plans (PHPs) in Medicaid Managed Care when the program launches in November 2019. PHPs were selected based on a thorough and fair evaluation of responses submitted to the Request for Proposal (RFP) released by the Department in August 2018.

BACKGROUND

In 2015, the NC General Assembly enacted Session Law 2015-245, directing the transition of Medicaid from a predominantly fee-for-service structure to managed care. In managed care, the Department will remain responsible for all aspects of the Medicaid and NC Health Choice programs. The Department will delegate the direct management of certain health services and financial risks to PHPs, which will contract with care providers to deliver services to their members.

From 2015 to 2018, extensive collaboration and feedback from stakeholders shaped a detailed program for Medicaid Managed Care that is innovative, consistent with North Carolina and federal laws, and responsive to the needs of the beneficiaries, as well as clinicians, hospitals and health plans. In October 2018, North Carolina received federal approval from the Center for Medicare & Medicaid Services (CMS) to transition to Medicaid managed care and make other changes related to Medicaid Transformation.

RFP EVALUATION PROCESS

This is the largest procurement in Department history. The selected PHPs will provide managed care services to most Medicaid and NC Health Choice beneficiaries. The RFP clearly communicated the Department’s requirements and defined the standards that PHPs must adhere to in contracting with the Department.

The Department selected PHPs, using a competitive procurement process, started with issuing an RFP for Medicaid Managed Care Prepaid Health Plans on Aug. 9, 2018. The Department opened proposals from potential PHPs on Oct. 12, 2018. The Department’s Medicaid Procurement and Contracts section first reviewed proposals to determine that they were in the proper form and included all required documents, as described in the RFP.

An Evaluation Committee was formed, consisting of Department Medicaid employees. The Evaluation Committee first screened the proposals and determined if minimum qualifications outlined in the RFP were met. Then, over the next four months, the Evaluation Committee reviewed those proposals and developed an award recommendation based on the methodology described in the RFP.

The Department will submit the contracts to CMS for its approval.

SELECTED PREPAID HEALTH PLANS

Statewide PHP contracts were awarded to the following entities, which will offer Standard Plans in all regions in North Carolina:

- AmeriHealth Caritas North Carolina, Inc.
- Blue Cross and Blue Shield of North Carolina
- UnitedHealthcare of North Carolina, Inc.
- WellCare of North Carolina, Inc.

A regional PHP contract was awarded to Carolina Complete Health, a provider-led entity, which will offer plans in Regions 3 and 5 (see page 3 for information about regions).

AN IMPORTANT NOTE ON PHP SELECTION

The Evaluation Committee recommended the selection of four statewide PHPs and no regional PHPs. The Department accepted the committee’s recommended four statewide PHPs, and also selected one Provider-Led Entity in regions 3 and 5 to ensure consistency with the intent of S.L. 2015-245, the authorizing legislation for Medicaid managed care.

Three Provider-Led Entities responded to the RFP. Only two of these, however, submitted an offer for a regional contract award. Of these, only Carolina Complete Health’s total score achieved the threshold to meet overall expectations.
All PHPs will be subject to rigorous oversight by the Department to ensure strong provider networks, a full range of benefits, accountability for quality and outcomes, a positive beneficiary experience and timely payments to providers, among other aspects of a successful managed care program.

**TIMING OF MEDICAID MANAGED CARE LAUNCH**

About 1.6 million Medicaid and NC Health Choice beneficiaries will enroll in a Standard Plan, which will provide integrated physical health, behavioral health and pharmaceutical services. To ease the transition to Medicaid Managed Care, Standard Plans will launch in two phases.

In Regions 2 and 4, Medicaid Managed Care will launch in November 2019:

- **Region 2**: Alleghany, Ashe, Davidson, Davie, Forsyth, Guilford, Randolph, Rockingham, Stokes, Surry, Watauga, Wilkes, and Yadkin counties.

In all other regions, Medicaid Managed Care will launch in February 2020:

- **Region 1**: Avery, Buncombe, Burke, Caldwell, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania, and Yancey counties.
- **Region 3**: Alexander, Anson, Cabarrus, Catawba, Cleveland, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, Stanly, and Union counties.
- **Region 5**: Bladen, Brunswick, Columbus, Cumberland, Harnett, Hoke, Lee, Montgomery, Moore, New Hanover, Pender, Richmond, Robeson, Sampson, and Scotland counties.

**IMPORTANT UPCOMING DATES**

The Department will provide updates about the progress toward implementing Medicaid Managed Care.

- Health care providers will review which PHPs were awarded and hold contract discussions with the PHPs.
- The Department will work with the PHPs to prepare for the launch of NC Medicaid Managed Care, including system and operational readiness and compliance with contract provisions.
- NC Medicaid beneficiaries will begin receiving information in the mail about managed care, the health plan options available to them and how to enroll in the plan they want. Eligible beneficiaries will receive a welcome packet with information about selecting a PHP.

Below are important activities which will occur as the Department and the PHPs prepare for Medicaid managed care:

- **Summer 2019.** Each PHP has contracted with many care providers as it builds its network to meet Department standards.
- **July 2019.** Enrollment Broker must have its call center operational and relevant staff located in North Carolina.
- **July-September 2019.** Managed care will start in two phases. For regions in Phase 1, this will be the window in which beneficiaries select a PHP.
- **September 2019.** Beneficiaries who do not select a PHP will have one automatically assigned to them, based on the Department’s auto-assignment algorithm.
September-October 2019. Beneficiaries will receive a welcome packet and identification care from their selected or assigned PHP. The PHP will receive transition of care information from the Department to support continuity of care and care management.

November 2019. NC Medicaid Managed Care Phase 1 will launch. Beneficiaries in Regions 2 and 4 will begin to receive services through their PHPs.

October-December 2019. For regions in Phase 2, this will be the window in which beneficiaries select a PHP.

February 2020. NC Medicaid Managed Care Phase 2 will launch. Beneficiaries in the remaining four Regions will begin receiving services through their PHPs.

MORE INFORMATION

For more information on North Carolina Medicaid Managed Care, visit the Medicaid Transformation website at ncdhhs.gov/medicaid-transformation.
Subject Title:  BCPS - J.T. Russell & Sons Inc. Change Order 2 - $23,285

Presented By: Doug Setzer

Summary of Information:  Doug Setzer, BCPS Auxiliary Services Director, will present Change Order No. 2, J.T. Russell & Sons, Inc., in the amount of $23,285 for the Mtn. View Elementary School road widening project.  Board approval is necessary because the County is a party to financing of the school construction project.

+$3,500 - Restriping Temporary Lines as required by NCDOT
+$12,310 - Sidewalk tie-in
+7,475 - Install snow-plowable lane markers as requested by NCDOT

Budgetary Effect:  Project sales tax proceeds will be utilized to cover Change Order No. 2.

County Manager's Recommendation:  Approval is recommended.

Suggested Motion:  To approve Change Order. No 2 in the amount of $23,285 for J.T. Russell & Sons, Inc. in conjunction with the Bouchelle Street & Sandford Drive Road Widening Project for the Mtn. View Elementary School. Further, authorize the County Manager to execute the change order on behalf of the Board.
Change Order No. 2

Date of Issuance: August 22, 2018
Owner: Burke County Public Schools
Contractor: J.T. Russell & Sons, Inc.
Engineer: West Consultants, PLLC
Project: Sanford Drive & Bouchelle Street Widening Project

Owner's Contract No.: 
Contractor's Project No.: 18105
Engineer's Project No.: 17098
Contract Name: Sanford Drive & Bouchelle Street Widening Project

The Contract is modified as follows upon execution of this Change Order:

Description: CO-2.1: restriping temporary lines as required by NCDOT ($3,500), CO-2.2: Sidewalk tie-in from Bouchelle to Sanford Drive crosswalk ($12,310), and CO-2.3: Install snow-plowable lane markers as requested by the NCDOT ($7,475)

Attachments: Contractor's bid price for the sidewalk connector.

### CHANGE IN CONTRACT PRICE

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### CHANGE IN CONTRACT TIMES

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Approved by Funding Agency (if applicable)

By: [Signature]
Title: Engineer (if required)
Date: 3/3/19

By: [Signature]
Title: Owner (Authorized Signature)
Date: 3/14/19

By: [Signature]
Title: Contractor (Authorized Signature)
Date: 2/27/19

---

EJCDC C-941, Change Order.
Prepared and published 2013 by the Engineers Joint Contract Documents Committee.
Page 1 of 1
Todd,

I met with the striping crew out on Sanford Drive this past Saturday. They corrected the left turn lane and have repainted the project per NCDOT request. The extra cost from Roadmark for the extra mobilization is $3500 with no markup from JTR.

Thanks,

David

---

5 attachments

- 18105 sidewalk Change order02142019.pdf, 266K
- noname.eml, 375K
- noname.eml, 16K
- noname.eml, 65K
- noname.eml, 6K
Burke County Public Schools
Mountain View Elementary
Sanford & Bouchelle Sidewalk Connector Change Order

Unit pricing for each line item below shall be submitted by email to tpoteet@west-consultants.com by February 14, 2019 at 2 PM.

Pricing Submitted By: J. T. Russell & Sons Inc.

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<th>Item</th>
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<th>Unit</th>
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<td><strong>$12,310.00</strong></td>
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Authorized Signature: [Signature]
Date: 2-14-19

Printed Name and Title: David Alan Stamey Jr, Branch Manager
Can you update me on the status of the signal light?? I guess we need to wait until they have their poles set before we start on this sidewalk?

Thanks,

David

On Thu, Feb 14, 2019 at 3:06 PM Todd Poteet <tpoteet@west-consultants.com> wrote:

Ok, its yours! I will try to get a change order together.

Thanks,

Todd J. Poteet, PE
West Consultants, PLLC
Subject Title:  BCPS - Mtn. View School First Amendment to Architect's Contract - $215,000

Presented By:  Keith Lawson or Doug Setzer

Summary of Information:  Keith Lawson, Burke Co. Schools' Finance Officer or Doug Setzer, Facility Director, will present the first amendment to the architect’s contract, between Cort Architectural Group, PA and the Burke Co. Board of Education in the amount of $215,000 for Mtn. View Elementary School.  Board action is necessary because the County is a party to the financing for Mtn. View Elementary School.

Budgetary Effect:  Project sales tax proceeds will be utilized to cover the amendment.

County Manager’s Recommendation:  Approval is recommended.

Suggested Motion:  To approve the “First Amendment to Architect’s Contract” between Cort Architectural Group, PA and the Burke Co. Board of Education in the amount of $215,000.
FIRST AMENDMENT TO ARCHITECT’S CONTRACT

THIS FIRST AMENDMENT ("Amendment") to the ARCHITECT’S CONTRACT ("Contract") is made effective as of the 11th day of March 2019 ("Effective Date") by and between THE BURKE COUNTY BOARD OF EDUCATION ("Owner") and CORT ARCHITECTURAL GROUP, PA ("Architect") (collectively "Parties").

WHEREAS, the Parties entered into the Contract on June 6, 2016 for the design of Mountain View Elementary School ("Project"). Said original Contract is hereby incorporated by reference as if fully set forth;

WHEREAS, the Project has reached “occupancy” and is currently being used by the Owner for its intended purpose. However, Final Completion has not been achieved by the Project’s contractor causing substantial delay and multiple inspections and additional work by the Architect and its engineers since the date of occupancy beyond that called for in the original Contract. As of the date of this Amendment, there remains significant outstanding architectural and engineering services that must be completed by Architect and its engineers due to the substantial delays; and

WHEREAS, the Architect notified the Owner of the requirement of additional services to complete the project and asserts that, in addition to the fee of Eleven Thousand Eight Hundred Seventeen Dollars ($11,817.00) for Basic Services that has not been paid to date, the firm is also owed an additional fee of Two Hundred Fifty Thousand Dollars ($250,000.00) for Additional Services and Owner added work for the Project; and

WHEREAS, the Owner has no information to establish that the substantial delays are in any way the fault or responsibility of the Architect and its engineers; and

WHEREAS, in order to resolve the fee disagreement and to complete the Contract and Project given the substantial delays and multiple inspections and work, the Parties have agreed that the Architect shall be paid the sum of Two Hundred and Fifteen Thousand and No/100 Dollars ($215,000.00) as a full accord and satisfaction for all unpaid, additional services that have been completed and all future services that remain to be completed for the Project (hereafter “Final Payment”); and

WHEREAS, the Parties desire to amend the Contract to memorialize their agreement as to the payment of the Final Payment such that the Architect shall be entitled to receive said compensation for work performed as set-forth in the schedule below.

NOW, THEREFORE, the Parties, for and in consideration of the terms and conditions contained herein and other good and valuable consideration, amend and revise the Contract as follows:
1. **Final Payment.** For all unpaid, additional services that have been completed and all future services remaining to be completed for the Project, Owner shall cause to be paid, and the Architect agrees to accept, the amount of Two Hundred and Fifteen Thousand and No/100 Dollars ($215,000.00) as Final Payment in two installments and upon the completion of all services. **This Final Payment shall be a full accord and satisfaction for all fees (those that are presently due and those that shall be due or accrued for whatever reason) under the Contract and all services necessary to close-out the Project in accordance with Contract and this Amendment.** Architect understands and expressly agrees that he shall not be paid any additional amount in excess of the Final Payment stated herein for the Project. Final Payment is also subject to the condition subsequent of payment approval by the Finance Officer for the County of Burke in the normal course of business.

2. **Schedule of Payment.** The Final Payment shall be made to Architect in two installments as follows:

   A. **Completed Additional Services.** One Hundred Ninety-Two Thousand Four Hundred and Fifty-Five and No/100 Dollars ($192,455.00) of the Final Payment shall be made to the Architect within ten (10) business days of the Effective Date of this Agreement. Upon execution of this Amendment, Architect shall submit a pay request with detailed billing records to Owner to support the payment amount.

   B. **Remaining Services and Unpaid Balance for Basic Services.** Twenty Two Thousand Five Hundred and Forty Five and No/100 Dollars ($22,545) of the Final Payment shall be made to the Architect within ten (10) business days after the Owner’s representative certifies that Architect has completed all remaining services to close out the project, including but not limited to 1) assisting the Burke County Schools in preparation of the Final Certificate and Release from the general contractor, 2) additional work due to on-going activities, 3) added work due to contractor work deficiencies, 4) additional work through Final Completion and 5) remaining basic services. Upon certification by the Owner’s representative that the remaining work has been completed, Architect shall submit a pay request with detailed billing records to Owner to support the payment amount.

3. **Release and Hold Harmless.** Architect hereby agrees to forever waive, discharge and release Owner and County from any and all claims and demands for any additional fees related to the Architect’s services for the Project in excess of the Final Payment. Architect agrees that the Final Payment shall be a full accord and satisfaction for all fees related to the Project and Architect shall not be entitled to any additional fees regardless of whether additional issues arise on the Project that may extend the Project and/or require additional, unexpected services from the Architect. Architect will hold the Owner and County harmless from all demands and/or claims of any nature from Architect’s subcontractors, consultants and others working for or through Architect on the Project.

4. **Agreement.** Except as expressly amended herein, the terms and conditions of the Agreement remain in full force and effect.
IN WITNESS WHEREOF, as of the Effective Date, the Owner has caused this Amendment to be executed in its name by its Chair and Architect consents to and has executed this Amendment by this signature hereto.

[Remainder of the Page Intentionally Left Blank]
THE BURKE COUNTY BOARD OF EDUCATION

Randy Burns
Chair

CORT ARCHITECTURAL GROUP, PA

John Cott
President

THIS INSTRUMENT HAS BEEN PRE-AUDITED IN THE MANNER REQUIRED BY THE SCHOOL BUDGET AND FISCAL CONTROL ACT.

Keith Lawson
Burke County Schools Finance Officer
Subject Title:  CM - Proclamation Declaring May 2, 2019 as National Day of Prayer

Presented By:  Bryan Steen

Summary of Information:  The National Day of Prayer tradition predates the founding of the United States of America, evidenced by the Continental Congress' proclamation in 1775 setting aside a day of prayer. In 1952, Congress established an annual day of prayer and, in 1968, that law was amended, designating the National Day of Prayer as the first Thursday in May.

Though the National Day of Prayer focuses most of its efforts promoting the annual day of prayer, we realize that true life-altering, world-changing prayer cannot happen in a single day. It must become a discipline. The theme for the 2019 National Day of Prayer is "Love One Another". The Board is requested to adopt a proclamation.

Budgetary Effect:  N/A

County Manager's Recommendation:  Approval is recommended.

Suggested Motion:  To adopt Proclamation No. 2019-03.
WHEREAS, civic prayers and national days of prayer have a long and venerable history in our constitutional republic dating back to the First Continental Congress in 1775; and,

WHEREAS, the Declaration of Independence, our first statement as Americans of national purpose and identity, made “the Laws of Nature and Nature’s God” the foundation of our United States of America and asserted that people have inalienable rights that are God-given; and,

WHEREAS, the Supreme Court has affirmed the right of state legislatures to open their sessions with prayer, and the Supreme Court and the United States Congress themselves begin each day with prayer, and,

WHEREAS, in 1988 legislation setting aside the first Thursday in May in each year as a National Day of Prayer was passed unanimously by both Houses of Congress and signed by President Ronald Reagan; and,

WHEREAS, the National Day of Prayer is an opportunity for Americans of all faiths to join in united prayer to acknowledge our dependence on God, to give thanks for blessings received, to request healing for wounds endured, and to ask God to guide our leaders and bring wholeness to the United States and her citizens; and,

WHEREAS, it is fitting and proper to give thanks to God by observing a day of prayer in Burke County when all may acknowledge our blessings and express gratitude for them, while recognizing the needs for strengthening religious and moral values in our state and nation; and,

WHEREAS, this year’s theme is “Love One Another.”

NOW, THEREFORE, we, the County Commissioners for Burke County, North Carolina, do hereby proclaim Thursday, May 2, 2019, to be designated as “A Day of Prayer in Burke County” and encourage the citizens of Burke County to observe the day in ways appropriate to its importance and significance.

Adopted this 16th day of April, 2019.
Johnnie W. Carswell, Chairman
Burke Co. Board of Commissioners

Attest:

________________________
Kay Honeycutt Draughn, CMC, NCMCC
Clerk to the Board
Subject Title: Co. Mgr. - Amendment to Morganton's DIG Program

Presented By: Bryan Steen

Summary of Information: Morganton revised its DIG (Development Incentive Grant) program guidelines recently. The primary changes to the program will be presented at the meeting. The original guidelines were approved by the Commissioners in 2010.

Budgetary Effect: TBD

County Manager's Recommendation: Approval is recommended.

Suggested Motion: To approve the DIG (Development Incentive Grant) Guidelines as presented.
MORGANTON
DIG
DEVELOPMENT INCENTIVE GRANT
POLICY GUIDELINES

Background

Ten years ago the City funded a community driven planning process which married land use planning and economic development. After many decades as a textile/furniture economy, a different course for economic success was necessary. The Mission 2030 plan recognized that planning and development success for the next 20 years would require new partnerships, bold economic strategies, and public and private buy-in and participation.

The five economic strategies of Mission 2030 highlighted manufacturing growth, small business growth, tourism growth, workforce training, and a continued vibrant downtown. For a rural community to be successful and competitive today, it is not enough to attract workers, investors, and visitors – it is imperative to create an environment that attracts new residents. Morganton and Burke County have to offer a lifestyle, career opportunities and housing options that make people choose to live, work, and play here. The Development Incentive Grant is an incentive tool designed to promote and support transformative development that keeps our community moving forward and competitive. Tax exempt entities are NOT eligible.

The DIG program is a collaborative effort between the City of Morganton and Burke County that provides local developers, investors, and landowners an opportunity to request public financial support to match private funding for qualifying projects. Capital investment is one of the methods required to advance community wide long range economic and community planning goals. Financial incentives will be considered based on the size of the proposed project.

The Mission 2030 process engaged community representatives to prioritize, examine and endorse strategies that would support economic competitiveness and strengthen Morganton’s ability to remain a center of economic activity and commerce for Burke County. Challenging traditional thinking and successfully navigating the hurdles that often come with transformative economic development is necessary to produce successful results.

A critical strategy of Mission 2030 was to create new partnerships that tap resources to support and to promote new opportunities and new development beyond that which is traditionally available in rural communities. DIG creates an environment where political, financial, and entrepreneurial players can collaborate to achieve economic activity.
Such growth will support a quality of life that attracts not only new workers and investors but also new full-time residents.

Development and re-development within the City is a crucial element in the economic growth of Morganton and Burke County. DIG projects must not only enhance the County/City property tax base, but must also contribute to increased sales tax and occupancy tax revenues. Sustained growth in sales tax revenues directly improves the financial ability to provide services and quality of life amenities in Burke County and every municipality in the County. The nature, location and atmosphere of the City of Morganton, including its downtown area, provide opportunities in commerce, housing, entertainment, and lifestyle that will continue to attract new residents and new investments within the City limits and throughout Burke County. Therefore, the advantages to City/County participation in the DIG program affect every citizen in Burke County. In today’s competitive environment for attracting millennials and entrepreneurs, a community center that is hip, healthy, and lively is a requirement, not a luxury.

DIG funds can only be made available to those projects determined otherwise unfeasible or unachievable “but for” the combined efforts of public and private participation. The City will identify Development Incentive Grant Zones (DIG Zones) within areas of the city that were determined key economic growth areas by the Mission 2030 Plan. The objective is to encourage unique and transformative projects within these zones. It is intended that the City of Morganton and Burke County will agree on the designated zones to be considered for inclusion in the DIG program. The City and County will analyze each potential Development Incentive Grant Zone and recommend whether it should be included in the program. Periodically, the zones will be reviewed to determine if continued inclusion is appropriate.

If the City and the County agree to make any grant hereunder for a project located on property within any Municipal Service District (“MSD”) duly established by the City, then the City shall also make a grant under this program based on a proportion of the resultant increase in tax revenue arising from such MSD, all as herein provided.

Economic Development Objectives Supported by the DIG

A. Expand the Morganton/Burke County economy to create more jobs, with an emphasis on providing job opportunities for the unemployed and underemployed.

B. Attract and expand new and existing businesses, and services.

C. Increase the property tax base of the city and county, maintaining a future diversity of opportunities, and preventing further erosion of existing developed areas.

D. To clean underutilized or abandoned properties through adaptive reuse so that those properties may once again offer a contribution to the community and eliminate the blighting influences they now have throughout the city.
E. Provide an array of housing choices that meet the needs of current residents and also attract new residents to the city by encouraging development of affordable housing, and by emphasizing development of mixed-use residential and commercial projects.

F. Support neighborhood retail services, enhance commercial corridors and boost employment hubs as identified in Mission 2030 and as may be amended in the future.

G. Support redevelopment efforts that enhance and preserve unique urban features and amenities, including areas such as downtown, the river district, historic neighborhoods, destination retail areas, major entry corridors and the State property district.

General Guidelines for Evaluating Requests for Development Incentive Grants

A. Comply with all requirements of the North Carolina General Statutes and undertake adequate analysis to ensure that the proposed project satisfies the “but for” test.

B. Utilize Development Incentive Grants only when a clearly identified and predetermined development objective is being met by the project.

C. Development Incentive Grants will only be awarded when the City Council and County Commission deem it fiscally prudent to provide such assistance to serve a public purpose and the developer has clearly demonstrated that the proposed project will be able to meet its financial and public purpose commitments.

D. The City or County will not incur public debt to directly pay for such grants.

E. All grants will be subject to the terms and conditions of an approved grant agreement that includes criteria for project pro-forma, completion dates, reporting requirements, default assurances and payment responsibilities for both the applicant and granting agencies.

F. As part of the annual budget process, the City and County will budget adequate funds to satisfy existing grant obligations.

Economic Analysis and Evaluation of Requests for a DIG

A. The City and County will assign staff to work with developers who are applying for Development Incentive Grant funding to determine if a project is eligible for consideration.

B. The review and analysis of all grant requests will address the following questions as part of the standard format for reports to the City Council and County Commissioners:
What is the public purpose of the financial assistance to the project?
Why is there a financial need for public investment and/or subsidy?
What is the total cost of the project?
What is the appropriate level of public participation?
What are the risks associated with the project?
What are the alternative plans for managing the risk?
How does the proposed project finance plan compare with previously approved comparable projects?
What is the project's impact on other community-identified needs or publicly financed projects?

C. An economic analysis detailing the total incentive versus new taxes generated for a ten-year period will be presented to the City Council and County Commission at the time of the request for approval of the proposed Development Incentive Grant.

D. Need For Public Assistance – In all cases, it is required that the need for public assistance be demonstrated and documented by the developer to the satisfaction of the City and County. All such documentation, including development budgets, cash flow projections, market studies, and other financial and market information, must be submitted by the developer along with an application for Development Incentive Grant funding. If the request is based on financial gap considerations, the developer will demonstrate the profitability and feasibility of the project (i.e. gross profit, cash flow before taxes, cash-on-cash return, IRR, etc.), both with and without public assistance, if requested by the public entity partners.

E. Amount of Public Assistance versus Private Investment - All development proposals should seek to maximize the amount of private investment per dollar of public assistance. Public assistance will be presented as a percentage of the total development costs. If only a portion of a project is eligible to receive a DIG, the developer should calculate the percentage based on eligible amounts and not total project costs.

F. Incentive Calculations and Allocation of Grants

Projects between $4 million and $7.5 million shall be eligible for 5 annual post completion DIG grants of 50 cents per 100 dollars of increased land and building value. Base value shall be determined at time of application using the current land and building tax valuation. Post construction value shall be based on new assessed tax value for land and buildings. This value will be established within one year of completion of the project. The value may be adjusted from time to time. The post construction value may change during the granting period through revaluation or through value adjustment procedures initiated by the property owner or County Tax Appraiser. Additional grant funds will be provided to qualifying projects in Morganton’s Municipal Service District (MSD) in the downtown zone as detailed in Section G below.

Calculation Example:
Existing Property Value: ($1,000,000) Land and Building
Post Construction Value: ($5,000,000)
Increased Value: ($4,000,000)
Grant Calculation: ($4,000,000 x .005) = $20,000/year

Projects over $7.5 million shall be eligible for 5 annual post completion DIG grants of 75 cents per 100 dollars of increased land and building value. Base value shall be determined at time of application using the current land and building tax valuation. Post construction value shall be based on new assessed tax value for land and completed buildings. This value will be established within one year of completion of the project. The value may be adjusted from time to time. The post construction value may change during the granting period through revaluation or through value adjustment procedures initiated by the property owner or County Tax Appraiser. Additional grant funds will be provided in Morganton’s Municipal Service District (MSD) in the downtown zone as detailed in Section G below.

Calculation Example:
Existing Property Value: ($150,000) Land and Building
Post Construction Value: ($9,000,000)
Increased Value: ($8,850,000)
Grant Calculation: ($8,850,000 x .0075) = $66,375/year

Allocation of Grant Awards – The City of Morganton and Burke County shall share the costs of implementing this program through the fair and equitable tax ratio formula commonly used in other Economic Development incentive packages. Currently the Tax Rate of Morganton is 57 cents and the Tax Rate of Burke County is 69.5 cents for a total of 126.50 cents. Therefore percentage of grant allocation under the current tax rates shall be determined using the following example:

Large Grant Calculation: ($8,850,000 x .0075) = $66,375/year
Morganton Formula: (0.57 / 126.50) = 45% or $29,868.75/year
Burke County Formula: (0.69.5 / 126.50) = 55% or $36,506.25/year

At no time shall a grant payment be made prior to receipt of the property owner’s full and final yearly tax payment by both the City and County. In addition, the City and County may withhold grant payments to any property owner that has outstanding debts to the local governments or has any unpaid outstanding accounts with the local units of government.

G. Morganton Municipal Service District – For those projects within any areas covered by a duly-adopted Municipal Service District (“MSD”) of the City of Morganton, if a grant under this program is approved by the County and City as provided above, then the City shall extend an additional grant in the same nature as described above, based and calculated upon the additional tax rate set for such District. As of the date of adoption of these Guidelines, the City has a Municipal Service District covering the Central Business District of Morganton, for which the tax rate is currently set at 14 cents per $100 valuation of real property.
**Projects between $4 million and $7.5 million** shall be eligible for 5 annual post completion DIG grants equal to 50% of the increase in the MSD tax attributable to the increased land and building value.

**Calculation Example:**

Existing Property Value: ($1,000,000) Land and Building  
Post Construction Value: ($5,000,000)  
Increased Value: ($4,000,000)  
Grant Calculation: ($4,000,000 x .0014) = $5,600  
$5,600 x .50 = $2,800/year

**Projects over $7.5 million** shall be eligible for 5 annual post completion DIG grants equal to 75% of the increase in the MSD tax attributable to the increased land and building value.

**Calculation Example:**

Existing Property Value: ($150,000) Land and Building  
Post Construction Value: ($9,000,000)  
Increased Value: ($8,850,000)  
Grant Calculation: ($8,850,000 x .0014) = $12,390  
$12,390 x .75 = $9,293/year

**H. Development Benefits and Costs** – The direct and indirect benefits of the development proposal shall be determined and quantified to the degree possible. Benefits shall include, but are not limited to the following: employment benefits, number of jobs retained or created, percentage of jobs held by County residents, wage and salary information, tax base benefits, estimated market value of new development, estimated amount of new sales taxes generated, new occupancy taxes generated, housing benefits, number of new rental or ownership units, number of affordable units, and other benefits relating to transportation, parking, blight remediation, environmental cleanup and historic preservation.

If applicable, the costs of the development proposal shall also be assessed to the degree possible such as additional infrastructure, local contributions, and relative impact on the granting agencies’ general or utility funds. The timeframe used for these cost estimates should equal the timeframe of the grant.

___________________________  __________________________
Ronnei Thompson, Mayor  
Johnnie Carswell, Chairman 

Attest:  
Attest:  

Sally W. Sandy, City Clerk  
Kay Draughn, Clerk to the Board
Burke County, North Carolina
Agenda Abstract
Meeting Date: April 2, 2019

CONSENT AGENDA

Subject Title: Finance - Audit Contract for FY 18-19

Presented By: Margaret Pierce

Summary of Information: North Carolina General Statute 159-34 requires the County to have its accounts audited annually by a certified public accountant. The County's current audit firm, Lowdermilk Church & Co., L.L.P. has submitted a proposal to do the work for $44,700. The cost for Fiscal Year 17-18 audit work was $44,700, so no increase is requested.

Budgetary Effect: None. Funding for the audit will be included in the FY 19-20 budget.

County Manager’s Recommendation: Approval is recommended.

Suggested Motion: To award the contract for the Fiscal Year 2018-19 audit to Lowdermilk Church and Co., L.L.P. in the amount of $44,700.
LGC-205

CONTRACT TO AUDIT ACCOUNTS

The

Governing Board
Board of Commissioners

of

Primary Government Unit
Burke County

and

Discretely Presented Component Unit (DPCU) (if applicable)

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

and

Auditor Name
Lowdermilk Church & Co., LLP

Auditor Address
121 North Sterling Street, Morganton, NC 28655

Hereinafter referred to as Auditor

for

Fiscal Year Ending
06/30/19

Audit Report Due Date
10/31/19

Must be within four months of FYE

hereby agree as follows:

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

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

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

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

5. If this audit engagement is subject to the standards for audit as defined in Government Auditing Standards, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in Government Auditing Standards. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor’s receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

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

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

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

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit’s (Units’) records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked ‘approved’ with approval date shall be returned to
the Auditor to present to the Governmental Unit(s) for payment. 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 Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 12).

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

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(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor’s opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

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(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

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

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 LGC Staff.

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
5.5.a

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

15. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to charter schools). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

16. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 26 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

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

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

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

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

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

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

24. 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.
25. 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.

26. 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).

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

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

Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter, but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8, 9, and 12 for details on other allowable and excluded fees.

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees below. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee. Should the 75% cap provided below conflict with the cap calculated by LGC staff based on the prior year audit fee on file with the LGC, the LGC calculation prevails.

20 NCAC 03 .0505: All invoices for services rendered in an audit engagement as defined in 20 NCAC 3 .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law.

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<tr>
<th>PRIMARY GOVERNMENT FEES</th>
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<tr>
<td>Primary Government Unit</td>
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<td>Audit</td>
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<td>Writing Financial Statements</td>
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<th>DPCU FEES (if applicable)</th>
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## Audit Firm

**Lowdermilk Church & Co., LLP**

**Authorized Firm Representative (typed or printed):** Phillip E Church

**Date:** 2-28-19

**Signature:**[Signature]

**Email Address:** phil.church@lowdermilkchurchcpa.com

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## Governmental Unit

**Burke County**

**Date Primary Government Unit Governing Board Approved Audit Contract (Ref: G.S. 159-34(a) or G.S. 115C-447(a))**

**Mayor/Chairperson (typed or printed):** Johnnie Carswell, Board Chair

**Date:**[Date]

**Signature:**[Signature]

**Email Address:**

---

**Chair of Audit Committee (typed or printed, or "NA"):** N/A

**Date:**[Date]

**Signature:**[Signature]

**Email Address:**

---

## Governmental Unit – Pre-Audit Certificate

*(Pre-audit certificate not required for charter schools)*

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

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

**Primary Governmental Unit Finance Officer (typed or printed):** Margaret Pierce

**Date of Pre-Audit Certificate:**[Date]

**Signature:**[Signature]

**Email Address:** margaret.pierce@burkenc.org

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Page 7 of 8
## CONTRACT TO AUDIT ACCOUNTS

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

### DISCRETELY PRESENTED COMPONENT UNIT

<table>
<thead>
<tr>
<th>DPCU</th>
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<tr>
<td>Date DPCU Governing Board Approved Audit Contract (Ref: G.S. 159-34(a) or G.S. 115C-447(a))</td>
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<th>DPCU Chairperson (typed or printed)</th>
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<th>Chair of Audit Committee (typed or printed, or &quot;NA&quot;)</th>
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### DPCU – PRE-AUDIT CERTIFICATE
(Pre-audit certificate not required for charter schools)

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

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.

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<th>DPCU Finance Officer (typed or printed)</th>
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<td>Date of Pre-Audit Certificate</td>
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Remember to print this form, and obtain all required signatures prior to submission.
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 Board of Commissioners  
Burke County  
Morganton, North Carolina

February 14, 2019

We are pleased to confirm our understanding of the services we are to provide Burke County for the year ended June 30, 2019. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of Burke County as of and for the year ended June 30, 2019. 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 Burke County’s basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Burke County’s RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

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

We have also been engaged to report on supplementary information other than RSI that accompanies Burke County’s financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor’s report on the financial statements:
1) Schedule of Expenditures of Federal and State Awards.
2) Combining and Individual Fund Financial Statements.
3) Budgetary Schedules.
4) 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. The objective also includes reporting on—

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

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

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

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Commissioners of Burke County. We will make reference to the component auditor’s audit of Burke County Tourism Development Authority in our report on your financial statements. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit, or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.
Audit Procedures—General

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

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

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. An overview of the type of work to be performed on the financial information of components, including the basis for a decision to make reference to a component auditor in the auditor's report. An overview of the engagement team’s planned involvement in the work of component auditors on the financial information of significant components. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal and State awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

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

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.
An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, Government Auditing Standards, and the Uniform Guidance.

Audit Procedures—Compliance

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

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of Burke County’s major programs. The purpose of these procedures will be to express an opinion on Burke County’s compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

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

Management Responsibilities

Management is responsible for (1) designing, implementing, establishing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal and State awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management is reliable and the financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal and State awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.
Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information, of which you are aware, that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements 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. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

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

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

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

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

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

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

Phillip E. Church is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. 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 $44,700. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the 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 a 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 2018 external peer review report which accompanies this letter.
We appreciate the opportunity to be of service to Burke County and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

[Signature]

Phillip E. Church
Partner

RESPONSE:

This letter correctly sets forth the understanding of Burke County.

Management signature: __________________________
Title: __________________________
Date: __________________________

Governance signature: __________________________
Title: __________________________
Date: __________________________
Report on the Firm’s System of Quality Control

October 30, 2018

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, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm’s Responsibility

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

Peer Reviewer’s Responsibility

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

Required Selections and Considerations

Engagements selected for review included an engagement performed under Government Auditing Standards, including a compliance audit under the Single Audit Act.

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

In our opinion, the system of quality control for the accounting and auditing practice of Lowdermilk Church & Co., L.L.P. in effect for the year ended May 31, 2018, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Lowdermilk Church & Co., L.L.P. has received a peer review rating of pass.

Bernard Robinson & Company, L.L.P.

BERNARD ROBINSON & COMPANY, L.L.P.
Burke County, North Carolina
Agenda Abstract
Meeting Date: April 2, 2019

CONSENT AGENDA

Subject Title: General Services - Approve Fee Schedule for Sale of Compost

Presented By: Miles Champion

Summary of Information: Burke County proposes to sell wood compost that was produced from tree and brush debris at the Johns River Waste Management Facility. Currently there is no fee schedule for sale of wood compost (Refer to the attached Current Waste Management Fee Schedule). The proposed fee schedule includes fees for purchase of wood compost depending on the size of the vehicle (refer to the attached Proposed Waste Management Fee Schedule). Landfill personnel will load vehicles at the compost pile locations. Payment by buyers will be made at the scales upon arrival at the facility. The proposed fee schedule omits “Boiler Fuel” since this item is no longer available for sale. If approved, the effective date would be April 17, 2019.

Budgetary Effect: Generates an unknown minimal amount of revenue.

County Manager’s Recommendation: Approval is recommended.

Suggested Motion: To approve the revised Solid Waste Fee Schedule to include the sale of wood compost at the Johns River Waste Management Facility, effective April 17, 2019.
### Current Waste Management Fee Schedule

**Burke County Waste Management Fee Schedule**

**Effective July 1, 2018**

<table>
<thead>
<tr>
<th>Category</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial/Industrial</td>
<td>$68.80 per ton</td>
</tr>
<tr>
<td>Construction/Demolition</td>
<td>$37.15 per ton</td>
</tr>
<tr>
<td>Brush</td>
<td>$31.70 per ton</td>
</tr>
<tr>
<td>Boiler Fuel</td>
<td>$10.95 per ton</td>
</tr>
<tr>
<td>Pallets</td>
<td>$40.40 per ton</td>
</tr>
<tr>
<td>Roofing Material</td>
<td>$37.15 per ton</td>
</tr>
<tr>
<td>Residential Dwelling Fee</td>
<td></td>
</tr>
<tr>
<td>Regular Rate</td>
<td>$72.00 per year</td>
</tr>
<tr>
<td>Qualified Reduced Rate</td>
<td>$36.00 per year</td>
</tr>
<tr>
<td>Single Wide Mobile Homes</td>
<td>$546.00 each</td>
</tr>
<tr>
<td>Double Wide Mobile Homes</td>
<td>$655.00 each</td>
</tr>
<tr>
<td>Triple Wide Mobile Homes</td>
<td>$764.00 each</td>
</tr>
<tr>
<td>Rims with Tires (up to 20”)</td>
<td>$3.25 per rim</td>
</tr>
<tr>
<td>Rims with Tires (Greater than 20”)</td>
<td>$4.35 per rim</td>
</tr>
<tr>
<td>Sale of Wooden Pallets</td>
<td>$1.10 each</td>
</tr>
<tr>
<td>Weigh Truck Only</td>
<td>$8.75 each</td>
</tr>
</tbody>
</table>
# Proposed Waste Management Fee Schedule

(Additions shown in bold)

## Burke County Waste Management Fee Schedule

**Effective April 17, 2019**

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial/Industrial</td>
<td>$68.80 per ton</td>
</tr>
<tr>
<td>Construction/Demolition</td>
<td>$37.15 per ton</td>
</tr>
<tr>
<td>Brush</td>
<td>$31.70 per ton</td>
</tr>
<tr>
<td><strong>Wood Compost – Small Pickup</strong></td>
<td><strong>$10.00 per load</strong></td>
</tr>
<tr>
<td><strong>Wood Compost – Standard Pickup</strong></td>
<td><strong>$15.00 per load</strong></td>
</tr>
<tr>
<td><strong>Wood Compost – Trailers &amp; Large Trucks</strong></td>
<td><strong>$25.00 per scoop</strong></td>
</tr>
<tr>
<td>Pallets</td>
<td>$40.40 per ton</td>
</tr>
<tr>
<td>Roofing Material</td>
<td>$37.15 per ton</td>
</tr>
<tr>
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<td></td>
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</tr>
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<td>Weigh Truck Only</td>
<td>$8.75 each</td>
</tr>
</tbody>
</table>
Subject Title:  Tax Dept. - Tax Collection Report for March 2019

Presented By: Danny Isenhour

Summary of Information: The Board of Commissioners is presented with the Tax Collection Report for the period between July 1, 2018 and March 31, 2019. It reflects the status of collections by the Burke County Tax Collection’s Staff. For each category below, the following information is provided: the annual budget amount, the amount collected year-to-date, the balance to collect and the percent of budget collected. This report is a supplement to the Settlement Report submitted annually to keep Commissioners, County Manager and Finance Director informed of the status of tax collections in Burke County.

<table>
<thead>
<tr>
<th>Category</th>
<th>Annual Budget</th>
<th>Amount Collected YTD</th>
<th>Balance to Collect</th>
<th>% Collected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Year Taxes</td>
<td>$44,850,000.00</td>
<td>$</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>Delinquent Taxes</td>
<td>$710,000.00</td>
<td>$</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>Late List Penalty</td>
<td>$300,000.00</td>
<td>$</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>Property Tax</td>
<td>$40,374,965.00</td>
<td>$</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>Motor Vehicle Tax</td>
<td>$4,475,035.00</td>
<td>$</td>
<td>$</td>
<td>%</td>
</tr>
</tbody>
</table>

These two items below make up the current year taxes above.

Budgetary Effect: None.

County Manager’s Recommendation: Approval is recommended.

Suggested Motion: To accept the Tax Collection Report for March 2019 as presented.
Subject Title: Tax Dept. - Release Refund Report for March 2019

Presented By: Danny Isenhour

Summary of Information: Releases in value and/or refunds of taxes typically occur when:

- Taxpayers submit information that creates a reduction in value.
- Situs is corrected between counties and/or municipalities.
- Valuation appeals reduce the value for real or personal property.
- The postmark reveals a payment was timely sent.

The Board of Commissioners is presented with the following list of releases and refunds for consideration. The Net Release is a result of the Report Amount minus the Rebilled Amount.

<table>
<thead>
<tr>
<th>Tax System Refunds and Releases</th>
<th>Report Amount</th>
<th>Rebilled Amount</th>
<th>Net Release</th>
<th>Refund Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Releases (TR-304)</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>VTS Refunds Over $100</th>
<th>Refund Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>VTS Adjustments</td>
<td>$</td>
</tr>
</tbody>
</table>

*Note: The net loss amount is a result of the report amount minus the rebilled amount.

Budgetary Effect: None.

County Manager’s Recommendation: Approval is recommended.
Suggested Motion: To approve the Tax Releases and Refunds for March 2019 as presented.
Subject Title:  Co. Mgr. - Award of Courthouse Sally Port Bid (Place
Holder) Presented By: Bryan Steen / Marty Beal

Summary of Information:  Construction bids are being solicited for the addition of a
sally port and stairwell to the back side of the courthouse.  Bids are due by 3 p.m. on
April 11, 2019.  After which, they will be reviewed, and a recommendation made at the
regular meeting.  The bid notice was published in two (2) newspapers and posted on
three (3) websites, including the State’s.  Completion of this project is necessary to
coincide with the opening of the new Burke County Jail at the end of the calendar year.

Budgetary Effect:  TBD.  Funding is not included in the FY 18-19 budget.  An
appropriation of General Fund, Fund Balance is necessary to proceed.

County Manager’s Recommendation:  Approval is recommended.

Suggested Motion:  To award a construction bid/contract to
__________________________ in the amount of ___________ and authorize the
County Manager to execute the agreement on behalf of the Board.  Further,
appropriate _____________ of General Fund, Fund Balance.
BURKE COUNTY
MORGANTON, NORTH CAROLINA.
INVITATION FOR BIDS

Sealed bids will be received by Burke County in the County Manager's Office at Burke County Governmental Offices Building, 200 Avery Avenue, Morganton, NC 28655 until 3:00 p.m. Thursday April 11, 2019 at which time and place bids will be publicly opened and read for the furnishing of labor, materials and equipment for the construction of:

Addition to Burke County Courthouse

Mailed proposals shall be sent to the following address: Mr. Bryan Steen, Burke County Manager, P.O. Box 219 Morganton, NC 28608-0219. Hand delivered proposals should be addressed to: Mr. Bryan Steen, Burke County Manager, 200 Avery Avenue, Morganton, NC 28655.

A mandatory Pre-Bid Conference will be held at 10:00 a.m., on Friday, March 29, 2019 in The Burke County Commissioners Chamber, Entrance E, 110 North Green Street, Morganton, NC 28655. The meeting will address project specific questions, issues, bidding procedures and bid forms.

Complete plans, specifications and contract documents for this project will be open for inspection in the offices of EGFT of Charlotte, Accent Imaging of Hickory and CBIA Architects, 270 Second Street N.W., Hickory, N.C. 28601. The office of the Architect is not responsible for any and all documents and information obtained from other than the above listed sources.

Contractors offering a bid on this project must be licensed to do contracting in the State of North Carolina in accordance with North Carolina General Statutes.

Each proposal shall be accompanied by a cash deposit or certified check drawn on some bank or trust company, insured by the Federal Deposit Insurance Corp., of an amount equal to not less than five percent (5%) of the proposal, or in lieu thereof a bidder may offer a bid bond of five percent (5%) of the bid executed by a surety company licensed under the laws of North Carolina to execute the contract in accordance with the bid bond. Said deposit shall be retained by the owner as liquidated damages in event of failure of the successful bidder to execute the contract within ten days after the award or to give satisfactory surety as required by law.

A performance bond and a payment bond will be required for one hundred percent (100%) of the contract price.

Payment will be made based on ninety-five percent (95%) of monthly estimates and the final payment made upon completion and acceptance of work.

No bid may be withdrawn after the scheduled closing time for the receipt of bids for a period of 30 days.

Burke County reserves the right to reject any and all bids and to waive informalities.

Published: March 24, 2019.
Burke County, North Carolina
Agenda Abstract
Meeting Date: April 2, 2019

ITEMS FOR DECISION

Subject Title: General Services - Elevator Repairs at Human Resources Center (Place Holder)

Presented By: Miles Champion

Summary of Information: The elevator at the Human Resources Center is inoperable due to control system failure and must be repaired. The elevator was installed in 1975 when the facility was built. The failed control components are obsolete and replacement parts are no longer available. Quotes have been requested for complete replacement of the elevator controls and hydraulic pump system with new up-to-date components. A contractor will be selected on the lowest lump sum price. The quotes and staff recommendation to award contract will be presented at the regular meeting.

Budgetary Effect: No funds have been budgeted for this project. Fund balance is needed to construct this project. $________ is needed for the contract and $________ is needed for required additional electrical, HVAC and safety upgrades that are not included as part of the contract.

County Manager’s Recommendation: Approval is recommended.

Suggested Motion: To award a contract to _________ in the amount of $________ for replacement of elevator controls in the Human Resources Building and appropriate $________ in General Fund, Fund Balance to cover the cost of the contract and the necessary additional work. Authorize the County Manager to execute the contract on behalf of the Board, if it’s over $90,000.
Burke County, North Carolina
Agenda Abstract
Meeting Date: April 2, 2019

ITEMS FOR DECISION

Subject Title: Co. Mgr. - Request for Qualifications for Needs Assessment & Architectural Design Services for Animal Shelter (Place Holder)

Presented By: Bryan Steen

Summary of Information: A “Request for Qualifications” was issued for a needs assessment and architectural services for an animal shelter. The notice was posted to the website on March 20th and advertised in the newspaper on March 22, 2019. Further, the notice was published on the State’s procurement website on March 20. Responses are due on April 5th. The submittals were received, reviewed and ranked by a team consisting of ________________. Of the ____ responses received, the team recommends ________________.

Budgetary Effect: There is no funding in the FY 18-19 budget. An appropriation of General Fund, Fund Balance is necessary to move forward.

County Manager’s Recommendation: Approval is recommended.

Suggested Motion: To authorize the County Manager to negotiate and enter into a contract with the recommended firm for a needs assessment and architectural design services for the animal shelter. If an agreement cannot be reached with the recommended firm, the Manager is authorized to negotiate and execute a contract with the 2nd or 3rd ranked firms. Further, appropriate _________ of General Fund, Fund Balance.
Burke County is soliciting qualification statements for a needs assessment and full-service architectural design services associated with a proposed animal shelter for the County. Burke County’s animal shelter was built in 1974 and the 1,200 sq. ft. facility (18 dog runs & 12 cat banks) no longer meets the County’s needs. Ten (10) Statements of Qualifications shall be mailed or delivered no later than 10:00 a.m. on Monday, April 5, 2019 to Bryan Steen, Burke County Manager, P.O. Box 219, 200 Avery Avenue (28655), Morganton, NC, 28680-0219. More information on the RFQ submittal requirements may be found at www.burkenc.org. Questions should be directed to the County Manager at (828) 764-9350 during normal business hours. Contact with any County official other than the Manager during the RFQ process is potential grounds for disqualification. The County reserves the right to reject any and all submittals.

Notice given this the 20th day of March 2019.
Kay Honeycutt, CMC, NCMCC
Clerk to the Board
Subject Title:  Co. Mgr. - Funding for Animal Shelter Floors

Presented By:  Bryan Steen

Summary of Information:  The Burke Co. Animal Shelter was inspected by the Department of Agriculture in February and a copy of the report is provided. Two (2) primary concerns were noted: a leaking roof into an unused fan and unsealed floors. For compliance, these repairs must be completed. Based on the rough estimate provided by the General Services Director, the roof can be repaired with existing funds of $4,600. Three (3) quotes for grinding and sealing the floors/coves are provided:

Surface Concepts Inc. - $25,155  
KC Properties, LLC - $33,950  
Cross Coatings Inc. - $31,150

Budgetary Effect:  An appropriation of General Fund, Fund Balance is necessary to complete the required floor repairs. Additional funding for the roof and electrical repairs may be requested as part of the budget process.

Regarding reimbursement from the City of Morganton (Section 7, Agreement to Provide for the Management and Operation of an Animal Shelter), as of March 26, the Manager is waiting for a response from the City concerning potential reimbursement.

County Manager’s Recommendation: Approval is recommended.

Suggested Motion:  To appropriate up to $25,155 of General Fund, Fund Balance for grinding and sealing the floors/coves at the Burke Co. Animal Shelter by Surface Concepts Inc.
We hereby submit specifications and estimates for:

**Floor Project:** Prep, Patch and Install Dur-A-Flex’s Hybri-Flex EB Solid Color Urethane Mortar Resurfacer to designated areas.

*(Approximately 2,624 S.F. & 730 L.F. of 3” 45° Cove Base)*

1. Prep designated areas using our diamond grinding equipment leaving a well etched profile for maximum bond.
3. Build 3” 45° Cove base to designated perimeter walls.
5. Install Dur-A-Flex’s Shop Floor Epoxy Grout Coat.

**Solid Color:** To Be Selected  
**Texture:** Non-Skid

**Wall Project:** Remove existing Tile Clad, Prep, Patch and Install Dur-A-Flex’s Dur-A-Wall HP to designated walls.

*(Approximately 3,000 S.F. Coating 4’ High Only)*

1. Remove existing Tile Clad using our diamond grinding and scraping equipment.
2. Prep walls using our diamond grinding and hand rock equipment leaving a well etched profile for maximum bond.

**Solid Color:** To Be Selected

<table>
<thead>
<tr>
<th>Price for Floors</th>
<th>$19,680.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price for Coves</td>
<td>$5,475.00</td>
</tr>
<tr>
<td>Price for Walls</td>
<td>$12,000.00</td>
</tr>
</tbody>
</table>

We propose hereby to furnish material and labor -- complete-- in accordance with above specifications. for the sum of:

**THIRTY SEVEN THOUSAND ONE HUNDRED FIFTY FIVE AND 00/100** dollars ($37,155.00)

Payment to be made as follows: **Net: 10 Days**

---

**WE PROPOSE** hereby to furnish material and labor -- complete-- in accordance with above specifications. for the sum of:

**THIRTY SEVEN THOUSAND ONE HUNDRED FIFTY FIVE AND 00/100** dollars ($37,155.00)

Payment to be made as follows: **Net: 10 Days**

---

**Accepted:** The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

**Date of Acceptance:**

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**Note:** This proposal may be withdrawn by us if not accepted within 60 days.
March 19, 2019

Burke Co Sheriff’s Office
150 Government Drive
Morganton, NC
Attn: Lt. Steve Massey

Floors: Prep, Patch and Install Dur-A-Flex’s Hybri-Flex EB Solid Color Urethane Mortar Resurfacer to designated areas.
(Approximately 2,624 S.F. & 730 L.F. of 3” 45° Cove Base)

1. Prep designated areas using our diamond grinding equipment leaving a well etched profile for maximum bond.
3. Build 3” 45° Cove base to designated perimeter walls.
5. Install Dur-A-Flex’s Shop Floor Epoxy Grout Coat.

PRICE = $33,950.00

(Approximately 3,000 S.F. Coating 4’ High Only)

1. Remove existing Tile Clad using our diamond grinding and scraping equipment.
2. Prep walls using our diamond grinding and hand rock equipment leaving a well etched profile for maximum bond.

PRICE = $13,900.00

• Quote valid for 90 days from 3/19/19
Cross Coatings, Inc.
217 Santrap Drive
Statesville, NC 28677
704-902-5843

Burke Co Sheriff’s Office
150 Government Drive
Morganton, NC
Attn: Lt. Steve Massey

Floors: Prep, Patch and Install Dur-A-Flex’s Hybri-Flex EB Solid Color Urethane Mortar Resurfacer to designated areas.
(Approximately 2,624 S.F. & 730 L.F. of 3” 45° Cove Base)
1. Prep designated areas using our diamond grinding equipment leaving a well etched profile for maximum bond.
3. Build 3” 45° Cove base to designated perimeter walls.
5. Install Dur-A-Flex’s Shop Floor Epoxy Grout Coat.

(Approximately 3,000 S.F. Coating 4’ High Only)
1. Remove existing Tile Clad using our diamond grinding and scraping equipment.
2. Prep walls using our diamond grinding and hand rock equipment leaving a well etched profile for maximum bond.

Price for Floors...........................$24,650.00
Price for Coves............................$6,500.00
Price for Walls............................$14,500.00

*Quote valid for 90 days from 3-19-2019
NORTH CAROLINA

BURKE COUNTY

AGREEMENT TO PROVIDE FOR THE
MANAGEMENT AND OPERATION OF AN
ANIMAL SHELTER

THIS AGREEMENT is dated the 11th day of January, 2001 and is
between the CITY OF MORGANTON, a municipal corporation, located in Burke
County, North Carolina, hereinafter called the "City" and BURKE COUNTY, a
body politic and corporate, located in Burke County, North Carolina, hereinafter
called the "County";

WITNESSETH:

Recitals and Statement of Background

The City and the County both have responsibilities under the laws of North
Carolina and other directives to control dogs and animals and to promote the
health, safety and welfare of humans and of animals. Further, the City has
adopted and actively enforces a comprehensive Animal Control Ordinance.
Likewise the County, primarily through the Sheriff's Department, enforces a
comprehensive Animal Control Ordinance. By adopting animal control
ordinances, both the City and the County have obligated themselves to operate
and maintain a modern animal shelter (sometimes "shelter" or "animal control
facility") on Kirksey Bypass within the City limits. The shelter has been jointly
operated by the County and the City with both parties having full access to the
shelter for purposes of impounding animals. Recognizing that the control of
animals, especially at-large animals, is a countywide problem and that the
preponderance of animals impounded originate from the areas outside
incorporated limits, the parties have now determined that it is a more efficient and
a better practice to provide for the operation of the animal shelter by the County.
This Agreement is intended to provide the manner and method of turning the
operation and maintenance of the existing animal shelter over to the County on a
permanent basis with the City retaining the right to have animals impounded at
the shelter. Obviously, the County will continue to provide animal control
services through either the Sheriff's Office or some other appropriate agency and
the City fully intends to continue to employ enforcement personnel and to enforce
its comprehensive Animal Control Ordinance.

Therefore, based upon the foregoing recitals and the further covenants set
out below, the City and the County agree:

1. Effective Date. This Agreement shall be effective immediately but
implementation of this Agreement shall officially begin on February 1, 2001. Until
that date, the operation of the animal shelter on Kirksey Drive shall continue
under the management and control of the City under existing arrangements.
2. Countywide Animal Shelter. Effective February 1, 2001, the County shall assume the ownership, management and control of the existing animal shelter in accordance with the terms of this Agreement and shall thereafter provide animal shelter services not only to the County, but to the City so long as it continues to remain the animal shelter. The purpose of this Agreement is to provide for the ownership, management and operation of the shelter by the County.

3. Responsibilities of the County. The County shall manage the shelter and shall be responsible for operating the shelter in a safe, sanitary, humane and efficient manner. It shall be the duty of the County to:

(a) Hire and supervise animal shelter personnel pursuant to established County procedures.

(b) Properly impound all animals coming into its control including those animals initially impounded or seized by the City and turned over to the County for continuing impoundment.

(c) Impound only those animals originating in Burke County at the shelter on Kirksey Drive unless the impoundment of other animals does not interfere with the normal operations of the shelter and its availability to the City as a shelter.

(d) Be responsible for disposing of, as the County deems necessary all animals brought to the shelter in compliance with applicable North Carolina law and where appropriate any local ordinances including any County Ordinance, any City Ordinance or any other ordinance approved by other municipalities in Burke County.

(e) Handle, care for and dispose of animals in accordance with applicable North Carolina law including the "Animal Welfare Act", and local ordinances.

(f) Adopt and implement all procedures necessary to provide for the redemption or reclaiming of impounded animals, the treatment of injured animals and any special security required for the handling of and destruction of in appropriate cases of dangerous animals.

(g) Require citizens redeeming animals from the shelter to pay the applicable reclamation and boarding fees established by the County as well as any other fee imposed by the City.
(h) Have the shelter open for business at County approved times which permit the public to redeem animals during normal working hours and other extended hours, if appropriate.

(i) Maintain records on all animals received at the shelter including animals admitted to the shelter by City enforcement personnel as well as the citizens and residents of the City.

In general, the County will do all things reasonably necessary to establish, equip, operate and maintain an animal shelter pursuant to G.S. 153A-442 and in accordance with the N.C. Administrative Code to the extent applicable to governmental bodies.

4. Transfer of Property. In order to enable the County to fully discharge its duties as set out in Paragraph 3 above, the City shall convey, under the authority of G.S. 160A-244, without further consideration, the existing animal shelter located on Kirksey Bypass to the County.

The areas to be conveyed to the County shall include:

(a) The existing shelter now enclosed by an existing fence which includes the driveways, the parking lot, a building with dog runs, an euthanasia facility and other improvements. The existing shelter is located on a tract of land containing approximately .62 acres and the fenced area is approximately 140 feet wide (along Kirksey Bypass) by 195 feet deep.

The conveyance is intended to also include not only the existing land area and the improvements located on the property but the existing equipment, personal property and supplies within the building except for personal items owned by City enforcement personnel and forms and supplies that are unique to the City or are useful only to the City.

(b) In addition to the property described above, an additional tract of land located adjacent to and surrounding the existing facility will also be conveyed to the County so that the total tract of land will measure approximately 300 feet along Kirksey Bypass with approximately 200 feet in depth for a total acreage of approximately 1.38 acres.

Burke County shall, at its own expense, have the property surveyed by a registered land surveyor with all corners and lines properly identified for final approval by the City.

After review and approval of the corners and lines proposed by the
County by its survey, the City shall convey the property to the County free and clear of all liens, mortgages, deeds of trust or other claims except for the right-of-way of Kirskey Bypass and an easement of normal width for all utility lines crossing or otherwise affecting the property by special warranty deed in a form that is recordable in the office of the Register of Deeds for Burke County. All recording fees, transfer fees or other excise taxes, if any, incurred in connection with the recording of the special warranty deed shall be paid by the County. The conveyance of the property shall be subject to a reversionary clause and the special warranty deed shall contain the following special condition:

The land described above shall be used and operated for a public animal shelter and in the event Burke County relocates the animal shelter to a different site, abandons the operation of the existing animal shelter or otherwise ceases to use the property as an animal shelter in accordance with the terms of an Agreement dated January 11, 2001 between Burke County and the City of Morganton, then and in that event, title to the property shall revert to the City of Morganton free and discharged of any claim by Burke County unless terms and conditions permitting Burke County to retain ownership have been agreed upon between the City and the County.

By way of example, should Burke County build a new animal shelter within or in close proximity to the City of Morganton and make the new facility available to the City under terms and conditions similar to those set forth in this Agreement, then, and in that event, Burke County may convert the use of the property described above to some other public purpose and it is anticipated that the City and the County would negotiate in good faith the terms and conditions by which the existing animal shelter could be converted to some other public use and the recorded deed amended appropriately to either delete the reversionary clause or substitute new or more appropriate language.

5. Subordination. Recognizing that the County may from time to time improve the existing building located on the property or otherwise enlarge or build a new animal shelter facility and arranging for financing thereof, the City shall from time to time, as reasonably requested by the County, subordinate the reversionary clause set out above to the lien of a deed of trust, lease/purchase agreement, installment contract or other security interest in the property the purpose of which is to provide funds for improvements to the animal shelter. In connection therewith the City shall execute and issue all necessary subordination agreements or other instruments to give full effect to this requirement.
6. Maintenance. At its own expense, the County shall keep the property properly maintained and in a good state of repair so that the premises shall continue to be attractive and efficiently operated as an animal control facility.

7. Capital Improvements. Both the County and the City agree that in order to continue to operate the existing animal shelter in an efficient manner, permanent improvements to the property may be required. Up to a maximum of ONE HUNDRED THOUSAND DOLLARS ($100,000.00), the City will reimburse the County for one-half (1/2) of all capital improvements made to the animal shelter property and equipment; however, reimbursement will not exceed TWENTY FIVE THOUSAND DOLLARS ($25,000.00) in a fiscal year.

Upon making the capital improvement or capital purchase, the County shall submit a bill to the City evidencing the total capital cost incurred by the County and verifying the City's one-half (1/2) share. The bill shall be payable within ninety (90) days of receipt and in any case where the payment will exceed TWENTY FIVE THOUSAND DOLLARS ($25,000.00) in a fiscal year, the balance of the payment shall be made no later than July 31st of the next succeeding fiscal year.

In the event of a dispute in determining whether a particular expenditure is a capital cost, standard governmental accounting principals as applied by the County shall be used.

8. City Rights and Obligations. In exchange for conveying the animal shelter to the County at no cost and for the continuing maintenance and operation of the animal shelter by the County, the City shall have the following rights and obligations:

(a) The City will have the right to impound animals seized by the City at the facility for a fee.

For the period of time commencing February 1, 2001 and continuing through June 30, 2001, the fee for the impoundment of animals by the City shall be equal to fifteen percent (15%) of the operating cost of the shelter which shall be billed to the City on a monthly basis.

Commencing July 1, 2001, the County will have the right to charge and to bill on a monthly basis on a "fee per animal" basis which will be negotiated by the parties in good faith and will not be in excess of fees or charges imposed on the public or imposed on other cities and towns. The basis for the fee will include the actual per diem cost of keeping an animal (food) plus a factor for overhead for shelter personnel employed by
the County (not including enforcement personnel), utilities and other actual expenses, but not including building costs, rent or value.

In the event the parties cannot agree on a "fee per animal" for a particular fiscal year, the fee for impounding animals will be determined by the City paying to the County fifteen percent (15%) of the current operating cost for the shelter until such time as the dispute can be submitted to mediation or binding arbitration.

(b) Further, the City will reimburse the County for all direct and actual expenses incurred by the County in providing medical care for animals impounded by the City, for animals held in excess of the normal period of time or when animals impounded by the City require some special handling. To the extent that those fees cannot be recovered from the owner as a part of the redemption or adoption process or from the responsible party, then the City will be required to reimburse the County.

(c) The City acknowledges that the County shall have the right to operate the shelter in accordance with its own rules and regulations, including the manner of impounding animals, the length of impoundment, the manner and method of euthanising animals, the adoption or redemption procedures, the fees required in connection therewith and other similar rules and procedures normally governing the operation of animal shelters so long as those rules and regulations are consistent with applicable law.

(d) The City acknowledges that its Animal Control Ordinance may be different from the Animal Control Ordinance enforced by the County. For that reason, the City will hire its own personnel and enforce its ordinances with its own personnel; however, City animal control officers will have access to the shelter for the impoundment of animals after hours and on holidays and weekends upon such guidelines as may be established by the County or the Burke County Sheriff's Office, but such guidelines shall be reasonable and shall not have the effect of preventing reasonable access after hours and on days on which the shelter is normally closed.
To account for differences in the County Animal Control Ordinance and the City Animal Control Ordinance, as those ordinances may be amended from time to time, the County will agree to hold animals impounded by the City pursuant to special instructions when necessary, such as: (i) an animal owner asserts special rights or files a lawsuit or exercises the right to have matters reviewed in the case of a determination of a dangerous animal or a wrongful seizure of an animal, or (ii) an animal suspected of having been exposed to rabies or other contagious or serious diseases, or (iii) to arrange for appropriate medical care.

9. Implementation of the Reversionary Clause. This Agreement shall be deemed to be a continuing contractual relationship between the County and the City and shall not terminate upon the conveyance of the property described above to the County but shall survive the transfer of title and shall continue to be fully effective thereafter. To give full effect to the reversionary rights retained by the City, and the subordination obligations imposed on the City, in the event the property or any improvements on the property have been pledged or give as security for any debt issued by the County so that the property is encumbered at the time of reversion, the County shall have ninety (90) days from the date of reversion in which to pay or discharge such debt and have the title to the property cleared of all liens, claims and encumbrances.

10. Joint Venture. This Agreement is not intended to create a partnership or a joint venture or enterprise by the County and the City. It is the full intent of this Agreement to make all of the necessary arrangements to allow the County to establish, own, equip, operate and maintain an animal shelter in accordance with G.S. 153A-442 free of any control or interference by the City except to the extent that certain rights to impound animals and have access to the facility has been reserved or set aside unto the City. For that reason, the County will indemnify, protect and save harmless the City from any liability whatsoever arising out of or resulting from the County's ownership, management and operation of the animal shelter including, but not limited to the wrongful killing or disposal of animals, improper adoption or redemption of animals or the failure to humanely treat animals impounded in the shelter. Likewise, the City shall indemnify, protect and save harmless the County of any liability whatsoever arising out of or resulting from the City's use of the shelter.

11. Further Assurances. This Agreement anticipates that additional legal instruments may be required and other actions taken to give full effect to the provisions hereof. To that end, each of the parties shall attempt to resolve all disputes arising out of the implementation of this Agreement through good faith
negotiations; adopt budget and budget amendments and appropriate all funds necessary to carry out the terms of this Agreement; and, approve, execute and issue all additional legal instruments reasonably necessary to give full force and effect to the terms and conditions of this Agreement.

12. Binding Effect. This Agreement shall be binding upon the City and the County and their respective successors or assigns.

IN WITNESS WHEREOF, the County approved and authorized the issuance of this Agreement by action taken at its regular meeting held on December 5, 2000 and the City authorized the execution and issuance of this Agreement by action taken at its regular meeting held on January 8, 2001.

CITY OF MORGANTON

By: [Signature]
(CORPORATE SEAL)

COUNTY OF BURKE

By: [Signature]
Chairman, Burke County Board of County Commissioners
(CORPORATE SEAL)


02 NCAC 52J .0101 RECORDS

1. origin and date received. [02 NCAC 52J .0101(1)] - In Compliance
2. description [02 NCAC 52J .0101(2)] - In Compliance
3. location [02 NCAC 52J .0101(3)] - In Compliance
4. disposition of animals
   - name and address of person [02 NCAC 52J .0101(4)] - In Compliance
   - death - date, signs of illness, or cause of death if identified [02 NCAC 52J .0101(4)] - In Compliance
   - date and type of euthanasia [02 NCAC 52J .0101(4)] - In Compliance
5. record of veterinary care. [02 NCAC 52J .0101(5)] - In Compliance

02 NCAC 52J .0103 INSPECTION OF RECORDS

1. Records available upon request. [02 NCAC 52J .0103] - In Compliance
2. Animals matched to record. [02 NCAC 52J .0103] - In Compliance
3. Records retained for 1 year; [02 NCAC 52J .0103]; see section for §19A-32.1(j) for records to be retained for 3 years - In Compliance

02 NCAC 52J .0201 GENERAL

1. Housing facilities structurally sound and maintained in good repair. [02 NCAC 52J .0201(a)] - In Compliance
2. Housing facilities contain the animals and restrict entry of other animals and people. [02 NCAC 52J .0201(a)] - In Compliance
3. Light fixtures and electrical outlets in animal areas in compliance with the State Building Code. [02 NCAC 52J .0201(b)] - In Compliance
4. Electric power reliable and safe. [02 NCAC 52J .0201(c)] - Needs Improvement
5. Supplies of food and bedding stored and adequately protected against infestation or contamination by vermin and insects. [02 NCAC 52J .0201(d)] - In Compliance
6. Open bags of food stored in airtight containers with lids. [02 NCAC 52J .0201(d)] - In Compliance
7. Refrigeration for perishable food. [02 NCAC 52J .0201(d)] - In Compliance
8. Daily removal and disposal of animal and food waste, bedding and debris; facility maintained in a clean and sanitary manner. [02 NCAC 52J .0201(e)] - In Compliance
9. Hot and cold running, potable water available. [02 NCAC 52J .0201(f)] - In Compliance
10. Washroom, basin or sink provided to maintain cleanliness among animal caretakers, animals, and animal food and water receptacles. [02 NCAC 52J .0201(f)] - In Compliance
11. Ability to confirm ambient temperature. [02 NCAC 52J .0201(g)] - In Compliance
12. A separate five-foot perimeter fence if any animals have access to an outdoor enclosure, including unsupervised exercise areas. [02 NCAC 52J .0201(h)] - In Compliance
13. Adequate drainage system. [02 NCAC 52J .0201(i)] - In Compliance
14. All areas of a facility available for review or inspection during normal business hours. [02 NCAC 52J .0201(j)] - In Compliance
4. In the cat room water appears to be coming through the roof of the facility and leaking into a fan. Water is running into the outlet for this fan and is dripping into the floor. The fan is not in use at the time of inspection. A large puddle is noted in the floor indicating that this area has been leaking for a while. 3 cats were housed in this room at the time of inspection. The cats do not have direct access to this water leak however this should be repaired immediately.

02 NCAC 52J .0202 INDOOR FACILITIES

1. Indoor housing facilities adequately heated and cooled. [02 NCAC 52J .0202(a)] - In Compliance
2. Ambient temperature between 50°F and 85°F. [02 NCAC 52J .0202(a)] - In Compliance
3. Indoor housing facilities adequately ventilated. [02 NCAC 52J .0202(b)] - In Compliance
4. Fresh air and ventilation provided and drafts minimized. [02 NCAC 52J .0202(b)] - In Compliance
5. Air flow adequate to minimize odors and moisture condensation. [02 NCAC 52J .0202(b)] - In Compliance
6. Indoor housing facilities adequately illuminated. [02 NCAC 52J .0202(c)] - In Compliance
7. Illumination provides regular diurnal lighting cycles and be uniformly diffused [02 NCAC 52J .0202(c)] - In Compliance
8. Interior building surfaces are impervious to moisture and can be readily sanitized. [02 NCAC 52J .0202(d)] - Needs Improvement
9. Drainage rapidly eliminates excess water. [02 NCAC 52J .0202(e)] - In Compliance
10. Closed drain systems equipped with traps and installed to prevent odors and backup of sewage. [02 NCAC 52J .0202(e)] - In Compliance
11. The drainage system constructed to prevent cross-contamination among animals. [02 NCAC 52J .0202(e)] - In Compliance

#8 - The walkways do not appear to be sealed. Management indicates that the floors were sealed in late December in sections of the facility and other sections were sealed in January. It does not appear that the product used adequately sealed the floors. I have suggested looking into using an oil based sealant rather than a water based sealant. Reseal walkways throughout the facility.

02 NCAC 52J .0203 OUTDOOR FACILITIES

1. Primary enclosures and walkways constructed of sealed concrete or other surfaces impervious to moisture. [02 NCAC 52J .0203(a)] - Needs Improvement
2. Gravel maintained at a minimum depth of six inches and kept sanitary. [02 NCAC 52J .0203(a)] - In Compliance
3. Outdoor housing provided allows animals to remain dry and comfortable during inclement weather. [02 NCAC 52J .0203(b)] - In Compliance
4. Housing is impervious to moisture and can be disinfected. [02 NCAC 52J .0203(b)] - In Compliance
5. One house available for each animal within each enclosure unless the animals are a mother and her weaned offspring. [02 NCAC 52J .0203(b)] - In Compliance
6. In addition to the housing, the enclosure provides protection from excessive sun and inclement weather. [02 NCAC 52J .0203(c)] - In Compliance
7. Suitable method of drainage provided. [02 NCAC 52J .0203(e)] - In Compliance
8. For every adult animal, at least one food receptacle offered. [02 NCAC 52J .0205(b)] - In Compliance
9. Each primary enclosure provided with a solid resting surface or surfaces adequate to comfortably hold all occupants of the primary enclosure at the same time. [02 NCAC 52J .0204(b)] - In Compliance
10. The height of primary enclosures other than cage no less than five feet. [02 NCAC 52J .0204(b)] - In Compliance
11. All enclosures constructed to prevent the escape of animals. [02 NCAC 52J .0204(b)] - In Compliance
12. Each primary enclosure provided with a solid resting surface or surfaces adequate to comfortably hold all occupants of the primary enclosure at the same time. [02 NCAC 52J .0204(c)] - In Compliance
13. All resting surfaces made of a non-porous or easily sanitized material, such as a towel, or a disposable material such as newspaper. [02 NCAC 52J .0204(c)] - In Compliance
14. The resting surface or surfaces be elevated in primary enclosures housing two or more cats. [02 NCAC 52J .0204(c)] - In Compliance
15. In addition to Paragraph (a) of 02 NCAC 52J .0204, each dog shall be provided with the minimum square footage required by 02 NCAC .0204(d). [02 NCAC 52J .0204(d)] - In Compliance
16. Not more than four adult dogs housed in the same primary enclosure without supervision. [02 NCAC 52J .0204(d)] - In Compliance
17. If more than four dogs are housed in a common area or enclosure, then at least one person supervising each 10 dogs housed within each enclosure or common area. [02 NCAC 52J .0204(e)] - In Compliance
18. In addition to Paragraph (b) of 02 NCAC 52J .0204, each feline older than six months housed in any primary enclosure provided with a minimum of 4sq ft. of floor space which may include elevated resting surfaces. [02 NCAC 52J .0204(f)] - In Compliance
19. Each feline younger than 6 months provided 1.5 sq. ft. [02 NCAC 52J .0204(f)] - In Compliance
20. No more than 12 cats housed in the same primary enclosure. [02 NCAC 52J .0204(f)] - In Compliance
21. In all cat enclosures, receptacle with clean litter provided for waste. [02 NCAC 52J .0204(g)] - In Compliance
22. Methods for verifying death after euthanasia. [02 NCAC 52J .0203(11)] - In Compliance
23. The resting surface or surfaces be elevated in primary enclosures housing two or more cats. [02 NCAC 52J .0204(c)] - In Compliance
24. In addition to Paragraph (b) of 02 NCAC 52J .0204, each dog shall be provided with the minimum square footage required by 02 NCAC .0204(d). [02 NCAC 52J .0204(d)] - In Compliance
25. Not more than four adult dogs housed in the same primary enclosure without supervision. [02 NCAC 52J .0204(d)] - In Compliance
26. If more than four dogs are housed in a common area or enclosure, then at least one person supervising each 10 dogs housed within each enclosure or common area. [02 NCAC 52J .0204(e)] - In Compliance
27. In addition to Paragraph (b) of 02 NCAC 52J .0204, each feline older than six months housed in any primary enclosure provided with a minimum of 4sq ft. of floor space which may include elevated resting surfaces. [02 NCAC 52J .0204(f)] - In Compliance
28. Each feline younger than 6 months provided 1.5 sq. ft. [02 NCAC 52J .0204(f)] - In Compliance
29. No more than 12 cats housed in the same primary enclosure. [02 NCAC 52J .0204(f)] - In Compliance
30. In all cat enclosures, receptacle with clean litter provided for waste. [02 NCAC 52J .0204(g)] - In Compliance

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19. A minimum of one receptacle per three cats shall be provided. [02 NCAC 52J .0204(f)] - In Compliance

#2 - The primary enclosures do not appear to be sealed. Management indicates that the floors were sealed in late December in sections of the facility and other sections were sealed in January. It does not appear that the product used adequately sealed the floors. I have suggested looking into using an oil based sealant rather than a water based sealant. Reseal walkways throughout the facility.

02 NCAC 52J .0205 FEEDING

Dogs and cats fed at least once each 24-hour period except as otherwise might be required to provide adequate veterinary care. [02 NCAC 52J .0205(a)]

1. Food is commercially prepared food complying with laws applicable to animal feed or the food provided by the owner. [02 NCAC 52J .0205(a)] - In Compliance
2. The food is free from contamination, wholesome, palatable, and of adequate quality and quantity appropriate for the given size, age, and condition of an animal meeting the daily requirements for nutritional value. [02 NCAC 52J .0205(a)] - In Compliance
3. Puppies and kittens less than six months of age fed at least twice in each 24-hour period. An eight-hour interval between feedings if only two feedings are offered in a 24-hour period. [02 NCAC 52J .0205(a)] - In Compliance
4. Food receptacles accessible to all dogs or cats. [02 NCAC 52J .0205(b)] - In Compliance
5. Food receptacles located to minimize contamination by waste. [02 NCAC 52J .0205(b)] - In Compliance
6. For every adult animal, at least one food receptacle offered. [02 NCAC 52J .0205(b)] - In Compliance
7. Food receptacles durable, clean and sanitized. [02 NCAC 52J .0205(b)] - In Compliance
8. Damaged receptacles replaced. [02 NCAC 52J .0205(b)] - In Compliance
9. Disposable food receptacles discarded after each feeding. [02 NCAC 52J .0205(b)] - In Compliance
10. Food and water receptacles in outdoor facilities protected from the elements. [02 NCAC 52J .0205(c)] - In Compliance

02 NCAC 52J .0206 WATERING

1. Continuous access to fresh water, except as might otherwise be required to provide adequate veterinary care. [02 NCAC 52J .0206] - In Compliance
2. Watering receptacles durable, clean and sanitized. [02 NCAC 52J .0206] - In Compliance
3. Damaged receptacles replaced. [02 NCAC 52J .0206] - In Compliance

02 NCAC 52J .0207 SANITATION

1. Waste removed from primary enclosures and exercise areas to prevent contamination of the dogs or cats and to reduce disease hazards and odors. [02 NCAC 52J .0207(a)] - In Compliance
2. Enclosures and exercise areas for dogs and cats properly cleaned a minimum of two times per day. [02 NCAC 52J .0207(a)] - In Compliance
3. The animal must be able to walk or lie down without coming in contact with any waste or debris. [02 NCAC 52J .0207(a)] - In Compliance
4. When a hosing or flushing method is used for cleaning an enclosure, animals are removed during the cleaning process, and measures taken to protect the animals in other such enclosures from being contaminated with water and other wastes. [02 NCAC 52J .0207(a)] - In Compliance
5. Prior to the introduction of dogs or cats into empty primary enclosures previously occupied, enclosures and accessories sanitized in the manner provided in 02 NCAC 52J .0207(b)(3). [02 NCAC 52J .0207(b)(1)] - In Compliance
6. In addition to primary enclosures being properly cleaned a minimum of two times per day, if the same animal is housed in the same enclosure more than seven days, enclosures and accessories sanitized at least once every seven days in the manner provided in 02 NCAC 52J .0207(b)(3). [02 NCAC 52J .0207(b)(1)] - In Compliance
7. Cages, rooms and hard-surfaced pens or runs be sanitized by:
   - washing them with hot water (180 degrees F.) and soap or detergent as in a mechanical cage washer; or - Not Applicable
   - washing all soilied surfaces with a detergent solution to remove all organic matter followed by application of a safe and effective disinfectant; or - In Compliance
   - cleaning all soilied surfaces with live steam. [02 NCAC 52J .0207(3)(A-C)] - Not Applicable
8. Food and water receptacles sanitized daily with hot water, detergent, and disinfectant. [02 NCAC 52J .0207(b)(4)] - In Compliance
9. Soiled linens and cloth products mechanically washed with detergent and sanitized. [02 NCAC 52J .0207(b)(5)] - In Compliance
10. Any area accessible to multiple animals kept clean and sanitary. [02 NCAC 52J .0207(b)(6)] - In Compliance
11. Premises (buildings and grounds) kept clean and in good repair to protect the animals from injury and to facilitate the prescribed husbandry practices set forth in this Rule. [02 NCAC 52J .0207(c)] - In Compliance
12. Premises are free of accumulations of trash, junk, waste products, and discarded matter. [02 NCAC 52J .0207(c)] - In Compliance
13. Weeds, grasses, and bushes controlled. [02 NCAC 52J .0207(c)] - In Compliance
14. Effective program for the control of insects, ectoparasites, and avian and mammalian pests [02 NCAC 52J .0207(d)] - In Compliance

02 NCAC 52J .0208 EMPLOYEES

1. Sufficient number of employees. [02 NCAC 52J .0208] - In Compliance
2. Supervision of an animal caretaker who has a background in animal husbandry or care. [02 NCAC 52J .0208] - In Compliance

02 NCAC 52J .0209 CLASSIFICATION AND SEPARATION

1. Animals in the same primary enclosure maintained in compatible groups. [02 NCAC 52J .0209] - In Compliance
2. Females in season (estrus) not be housed in the same primary enclosure with males except for planned breeding. [02 NCAC 52J .0209(1)] - In Compliance
3. Breeding not allowed in animal shelters. [02 NCAC 52J .0209(1)] - In Compliance
4. Aggressive animals housed individually in a primary enclosure. [02 NCAC 52J .0209(2)] - In Compliance
5. Puppies or kittens less than four months of age housed in the same primary enclosure with adults without written permission. [02 NCAC 52J .0209(3)] - In Compliance
6. Puppies or kittens between 4 and 16 weeks of age have daily access to human social interaction. [02 NCAC 52J .0209(3)] - In Compliance
The animals at the facility appear healthy with no outward sign of illness or injury noted within the general population. Records are in order for all animals.

1. Written program of veterinary care. [02 NCAC 52J .0210(a)] - In Compliance
2. Veterinarian's written recommendations for correcting disease problem that persists for more than 30 days obtained and followed [02 NCAC 52J .0210(b)] - In Compliance
3. Daily observation of animals. [02 NCAC 52J .0210(c)] - In Compliance
4. Sick or deceased, injured, lame, or blind dogs or cats provided with veterinary care [02 NCAC 52J .0210(c)] - In Compliance
5. If euthanasia is performed, a list of personnel approved to perform euthanasia maintained in a Policy and Procedure Manual as described in 02 NCAC 52J .0800. [02 NCAC 52J .0210(c)] - In Compliance
6. Diseased or deformed animals sold or adopted only under the policy set forth in the "Program of Veterinary Care." [02 NCAC 52J .0210(c)] - In Compliance
7. Full written disclosure of the medical condition provided to the new owner. [02 NCAC 52J .0210(c)] - In Compliance
8. All animals in a licensed or registered facility in compliance with the North Carolina rabies law, G.S. 130A, Article 6, Part 6. [02 NCAC 52J .0210(d)] - In Compliance
9. Properly dispose of expired drugs and used euthanasia materials/equipment [02 NCAC 52J .0418(8)] - In Compliance
5. Directly supervise probationary Euthanasia technicians. [02 NCAC 52J .0418(5)] - In Compliance
3. Order euthanasia supplies. [02 NCAC 52J .0418(3)] - In Compliance
2. Reports kept for 2 years. [02 NCAC 52J .0705] - In Compliance
7. Foster care policies. [§19A­32.1(e)] - In Compliance
6. Fostering during MHP: at least 1 photograph displayed in a conspicuous location. [§19A­32.1(d)] - In Compliance
5. Sick or diseased, injured, lame, or blind dogs or cats provided with veterinary care [02 NCAC 52J .0210(c)] - In Compliance
4. Aggressive animals housed individually in a primary enclosure. [02 NCAC 52J .0207(2)] - In Compliance
3. The animal cargo space constructed and maintained to prevent engine exhaust fumes from getting to the animals. [02 NCAC 52J .0301(b)] - Not Applicable
2. Watering receptacles durable, clean and sanitized. [02 NCAC 52J .0206] - In Compliance
1. Primary enclosures constructed, ventilated and designed to protect the health and insure the safety of the animals. [02 NCAC 52J .0302(a)] - Not Applicable
2. Such enclosures constructed or positioned so that:
   - Each animal in the vehicle has sufficient fresh air for normal breathing. [02 NCAC 52J .0302(a)(1)] - Not Applicable
   - The openings of enclosures are easily accessible for emergency removals. [02 NCAC 52J .0302(a)(2)] - Not Applicable
   - The animals are adequately protected from the elements. [02 NCAC 52J .0302(a)(3)] - Not Applicable
3. The ambient temperature maintained between 50°F and 85°F. [02 NCAC 52J .0302(a)] - Not Applicable
4. The animal containment units are equipped with operable air-conditioning, forced-air cooling and heating or other temperature control mechanisms. [02 NCAC 52J .0302(a)] - Not Applicable
5. Animals in the same primary enclosure are of the same species. [02 NCAC 52J .0302(b)] - Not Applicable
6. Puppies or kittens less than 4 months of age not be transported in the same primary enclosures with adults other than their dams. [02 NCAC 52J .0302(b)] - Not Applicable
7. Primary enclosures for transport large enough for each animal to turn about freely, and to easily stand, sit or lie down in a natural position. [02 NCAC 52J .0302(c)] - Not Applicable
8. Primary enclosures for transport secured to the vehicle to prevent sliding or tipping of the enclosure during transit. [02 NCAC 52J .0302(c)] - Not Applicable
9. Animals not be placed in primary enclosure over other animals in transit unless such enclosures is constructed so as to prevent animal excreta from entering lower enclosures. [02 NCAC 52J .0302(d)] - Not Applicable
10. All primary enclosures for transport sanitized between use for shipments. [02 NCAC 52J .0302(e)] - Not Applicable
1. If animals are transported for more than 12 hours:
   - The vehicles stop at least once every 12 hours for a period of 1 hour. During the 1-hour stop, potable water continuously provided for dogs and cats. [02 NCAC 52J .0303(1)] - Not Applicable
   - Adult dogs and cats fed at least once during each 24-hour period. [02 NCAC 52J .0303(2)] - Not Applicable
   - Puppies and kittens less than 6 months of age fed every 6 hours. [02 NCAC 52J .0303(2)] - Not Applicable
   - Dogs removed from the vehicle, given fresh water and given the opportunity for exercise if they have been confined in the vehicle for 36 hours. [02 NCAC 52J .0303(3)] - Not Applicable
1. The attendant or driver inspects animals frequently enough to assure health and comfort and to determine if they need emergency care and to obtain it if needed. [02 NCAC 52J .0304] - Not Applicable
1. All animals held for a minimum holding period (MHP) of 72 hours. [§19A-32.1(a)] - In Compliance
3. Seriously ill or injured animal euthanized before the expiration of the MHP: a) Determination in writing from the animal shelter manager; and b) the writing includes the reason for the determination. [§19A-32.1(b)(2)] - In Compliance
4. Viewing for lost pet: a) entitled to view every animal; and b) at least 4 hours a day, 3 days a week. [§19A-32.1(c)] - In Compliance
5. Reasonable arrangements allow pet owners to determine whether their lost pets are amongst animals in restricted areas. [§19A-32.1(c)] - In Compliance
6. Fostering during MHP: at least 1 photograph displayed in a conspicuous location. [§19A-32.1(d)] - In Compliance
7. Foster care policies. [§19A-32.1(e)] - In Compliance
8. Owner surrendered and not reclaimed during the MHP: a) be returned to the owner, b) adopted, or c) euthanized. [§19A-32.1(f)] - In Compliance
9. Owner surrender disposed of before the expiration of the MHP: a) proof of ownership provided; and b) signed written consent to the disposition before the expiration of the MHP. [§19A-32.1(g)] - In Compliance
10. Owner surrenders: statement in writing whether the dog has bitten any individual within the previous 10 days. [§19A-32.1(h)] - In Compliance
11. The person to whom an animal is released presents a valid form of government-issued photographic identification. [§19A-32.1(i)] - In Compliance
12. Documentation of the name of the person, the type of ID and the ID number. [§19A-32.1(j)] - In Compliance
13. Record of all animals impounded at the shelter maintained. [§19A-32.1(j)] - In Compliance
14. Retain the animal records for at least 3 years from the date of impoundment. [§19A-32.1(j)] - In Compliance
15. Animal records available for inspection during regular inspection or upon request of AWS. [§19A-32.1(j)] - In Compliance
16. Records contain at a minimum: date of impoundment, length of impoundment, disposition of each animal, name and address of person to whom the animal was released, any institution that person represents, and the identifying information; other information required by rules adopted by the Bd of Ag. [§19A-32.1(j)(1-4)] - In Compliance

02 NCAC 52J .0418 DUTIES OF CET

1. Prepare animals for euthanasia. [02 NCAC 52J .0418(1)] - In Compliance
2. Record animal id and number, species, sex, breed, date, dosages used and amounts wasted [02 NCAC 52J .0418(2)] - In Compliance
3. Order euthanasia supplies. [02 NCAC 52J .0418(3)] - In Compliance
4. Maintain security of controlled substances and other drugs. [02 NCAC 52J .0418(4)] - In Compliance
5. Directly supervise probationary Euthanasia technicians. [02 NCAC 52J .0418(5)] - In Compliance
6. Report violations or suspicions of a rule violation. [02 NCAC 52J .0418(6)] - In Compliance
7. Properly euthanize animals. [02 NCAC 52J .0418(7)] - In Compliance
8. Properly dispose of euthanized animals. [02 NCAC 52J .0418(8)] - In Compliance
9. Properly dispose of expired drugs and used euthanasia materials/equipment [02 NCAC 52J .0418(8)] - In Compliance
10. Notify AWS of CET separation from facility. [02 NCAC 52J .0418(10)] - In Compliance

02 NCAC 52J .0501 INTRACARDIAC INJECTION

1. IC injection only on anesthetized or heavily sedated animals. [02 NCAC 52J .0501 - In Compliance

02 NCAC 52J .0705 REPORTS OF EUTHANASIA UNDER EXTRAORDINARY CIRCUMSTANCES

1. Report prepared of euthanasia under extraordinary circumstances. [02 NCAC 52J .0705] - In Compliance
2. Reports kept for 2 years. [02 NCAC 52J .0705] - In Compliance
3. Report includes date, time, animal id, person performing the euthanasia, euthanasia method, and justification of extraordinary circumstances [02 NCAC 52J .0705] - In Compliance

02 NCAC 52J .0801 EUTHANASIA MANUAL REQUIRED

1. Facility has current policy and procedure euthanasia manual. [02 NCAC 52J .0801] - In Compliance

02 NCAC 52J .0802 CONTENTS OF EUTHANASIA MANUAL

1. Manual includes shelter’s equipment, and process. [02 NCAC 52J .0802] - In Compliance

02 NCAC 52J .0803 ADDITIONAL CONTENTS

Euthanasia manual shall be kept consistent with the publications listed below and reflect the current information for each. The manual shall include:

1. Current NC AWA and rules. [02 NCAC 52J .0803(1)] - In Compliance
2. Report of the AVMA Panel on Euthanasia – current revision, replacement, supplements or changes [02 NCAC 52J .0803(2)] - In Compliance
3. HSUS Euthanasia Training Manual – current copy. [02 NCAC 52J .0803(3)] - In Compliance
4. American Humane Association current euthanasia publication. [02 NCAC 52J .0803(4)] - In Compliance
5. Methods of euthanasia used by shelter and policy/procedures for each method. [02 NCAC 52J .0803(5)] - In Compliance
6. List of CET’s, methods of euthanasia in which they are trained and date of training. [02 NCAC 52J .0803(6)] - In Compliance
7. Name, address and contact information for veterinarian responsible for the Annual Program of Veterinary Care. [02 NCAC 52J .0803(7)] - In Compliance
8. Name, address and contact information for veterinarians responsible for veterinary medical care of the animals. Contact information to include telephone numbers for working hours, after hours, holidays and weekends. [02 NCAC 52J .0803(8)] - In Compliance
9. Euthanasia procedure for emergencies, after hours, holidays and weekends. [02 NCAC 52J .0803(9)] - In Compliance
10. Procedures when CET is absent and euthanasia is needed. [02 NCAC 52J .0803(10)] - In Compliance
11. Methods for verifying death after euthanasia. [02 NCAC 52J .0803(11)] - In Compliance
12. Name and contact information for euthanasia solution and tranquilizer/anesthesia drugs supplier(s). [02 NCAC 52J .0803(12)] - In Compliance
13. Original US DEA controlled substance registration [02 NCAC 52J .0803(13)] - In Compliance
14. MSDS for any chemical used for euthanasia [02 NCAC 52J .0803(14)] - In Compliance
General Comments:

The animals at the facility appear healthy with no outward sign of illness or injury noted within the general population. Records are in order for all animals requested. Cleaning was in progress at the time of inspection. The electrical concern in the cat room should be addressed immediately.

Inspection Result:

Approved

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<thead>
<tr>
<th>Inspector's Signature</th>
<th>Date</th>
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<tbody>
<tr>
<td>Lindsey Harris</td>
<td>02/12/2019</td>
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<tr>
<th>Facility Representative's Signature</th>
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<tr>
<td>Steve Massey</td>
<td>02/12/2019</td>
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