

HAYWOOD COUNTY COMMISSIONERS

REGULAR MEETING – March 17, 2014

CALL TO ORDER

Chairman Mark S. Swanger convened the regular meeting of the Haywood County Board of Commissioners at 5:30 p.m. in the Historic Courtroom at the Haywood County Historic Courthouse, Waynesville, North Carolina, with Chairman Mark S. Swanger, Vice-Chairman J.W. “Kirk” Kirkpatrick III, Commissioners L. Kevin Ensley, Michael T. Sorrells and Bill L. Upton present. Staff members present were Interim County Manager Ira Dove, County Attorney Leon M. “Chip” Killian, III, Finance Director Julie Davis, Public Information Officer David Teague, and Executive Assistant/Deputy Clerk Candace Way.

PLEDGE OF ALLEGIANCE

Chairman Swanger led the Pledge of Allegiance.

INVOCATION

Commissioner Sorrells offered the invocation.

PUBLIC COMMENT SESSION

Chairman Swanger opened the public comment session. Comments are generally limited to three minutes per individual, unless the speaker is representing a group for which the comment period may be extended to five minutes.

Steven Lloyd, Executive Director of Haywood Arts Regional Theater addressed the Board and presented an update on the Theater. He explained that the Theater had received a contribution from the County in 1997 in support of the construction of their facility. Since that time, HART has given back \$2.4 million dollars annually with contributions to various charities and money its patrons have put back into the community. He stated that the new expansion would allow the productions to move between the two theaters. He asked for the Board’s consideration of supporting the expansion project in the amount of \$25,000 and the same amount again next year.

Chairman Swanger responded that the County appreciates the contributions the Theater makes to the community, and stated that the budget process has just begun and would be considered along with the other requests.

Denny King addressed the Board requesting that he would like to clear up questions that remain with dual office holding and a recent appointment to the Board of Equalization and Review. He inquired if the appointment is in error pursuant to State Statute 1281.1 and Article 6 Section 9 of the North Carolina constitution. He stated that he had sent an email to the UNC School of Government, and read a response from Frayda Bluestein. He concluded with the request that the Board have due diligence in researching information on this issue.

Chairman Swanger responded that the legal response the County received from the UNC School of Government stated that there was no violation. He noted that Ms. Enloe had resigned from the Fairground Board, and had not yet been sworn in to the Board of Equalization and Review, hence this was a moot subject.

County Attorney Killian responded by stating that he respectfully disagreed with Ms. Bluestein in the email read by Mr. King. He noted that Ms. Bluestein had previously concurred with his opinion in her response to an inquiry by the County.

Allen Alsbrooks addressed the Board requesting that the Tourism Development Authority appointment be sent back to Maggie Valley, stating that two names are required to be submitted. Mr. Alsbrooks presented and read a document in opposition of the occupancy tax increase.

Patty Best addressed the Board and asked for clarification on any law or constitutional provisions that may have been violated.

Attorney Killian replied that there have been no statutes or constitutional provisions violated.

CONSTITUENT CONCERNS

Vice Chairman Kirkpatrick spoke of the Smoky 9 ball Shootout in support of ARC, noting the request for support this year as the County has done in previous years. He also stated that he had received calls on the lack of service to the vending machines in the Justice Center and the Historic Courthouse. Mr. Dove responded that he was aware of the problem and that the issue has been resolved.

Commissioner Ensley stated that there are Republicans sitting on other Boards in the County who have voted in favor of the 2% tax. He said that they had studied the issue, and thinks it is very positive for the County and will support it. He noted that tourists benefit from the County's services, and this is one way for tourism to give back to Haywood County.

Commissioner Sorrells noted that it was just like sales tax, the user pays and not the small business and Chairman Swanger concurred.

ADMINISTRATIVE/AGENCY REPORTS

There were no administrative/agency reports

DISCUSSION / ADJUSTMENT TO AGENDA

There were no adjustments to the agenda.

CONSENT AGENDA

Commissioner Upton made a motion to approve the consent agenda as presented.

Commissioner Ensley seconded, the motion carried unanimously.

- Approval of March 3, 2014 regular meeting minutes
- Approval of Refunds, Releases, Amendments and Discoveries - David Francis, Tax Administrator

Mr. Francis presented the report for February 2014 and stated that there is nothing unusual to report.

- Budget Amendments – Julie Davis, Finance Director
- Emergency Management - \$1146.00 –

Ms. Davis explained that this is reimbursement from the state of North Carolina for two emergency management members to travel to an incident management course.

HAYWOOD COUNTY
BUDGET ORDINANCE AMENDMENT
FISCAL YEAR 2013-2014

PER:
JNL: _____

BE IT ORDAINED by the Board of Commissioners of Haywood County that the following amendment be made to the budget ordinance for the fiscal year ending June 30, 2014.

Section 1. To amend the General Fund, the expenditures are to be charged as follows:

Department	Account Number	Current Budget	Increase (Decrease)	Amended Budget
Emergency Management				
Travel	11 4375 531100	1,267	1,148	2,417

which will result in a net increase of \$ 1,148 in the expenditures of the General Fund.

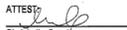
To provide the additional revenue for the above, the following revenues will be increased as the money has been received:

Revenue	Acct. No.	Current Budget	Increase (Decrease)	Amended Budget
Restricted Intergovernmental				
Reimbursement from State of NC	11 0050 443750	1,000	1,148	2,148

Section 2. Copies of this budget amendment shall be delivered to the Budget Officer and the Finance Officer for their direction.

Adopted this the 17th day of March, 2014.


Chairman
Haywood County Board of Commissioners

ATTEST:

Clerk to the Board

Explanation: For the reimbursement from the State of NC for two employees to attend an Incident Management Team Course Dec 1-2 2013, to cover cost of travel and lodging.

- Public Schools - \$19,275.00 – \$11,000.00 – Ms. Davis explained that this is for Waynesville Middle School Bowles Building roof replacement; \$8275.00 – Canton Middle School media and Section A roof replacement. This is an approved design fee and funded with lottery proceeds.

HAYWOOD COUNTY
CAPITAL PROJECT ORDINANCE
FISCAL YEAR 2013-2014

PER:
JNL: _____

BE IT ORDAINED by the Board of Commissioners of Haywood County that the following amendment be made to the capital project ordinance for the fiscal year ending June 30, 2014.

Section 1. To amend the Capital Project Fund - County building/repairs/construction projects, the expenditures are to be charge as follows:

Line Item	Account Number	Current Budget	Increase (Decrease)	Amended Budget
ACMA Attorney School Projects Fund				
Waynesville Middle School Bowles Bldg roof repl				
Design fees	49937-510911-4L-072	-	11,000	11,000
Canton Middle media & Section A roof repl				
Design fees	49937-510911-4L-073	-	8,275	8,275

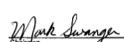
which will result in a net increase of \$ 19,275 in the expenditures of the Capital Project Fund.

To provide the additional revenue for the above, the following revenues will be increased as the money has been received:

Revenue	Acct. No.	Current Budget	Increase (Decrease)	Amended Budget
Intergovernmental Revenue				
Lottery revenue	49000-499365-4L-072	-	11,000	11,000
Lottery revenue	49000-499365-4L-073	-	8,275	8,275

Section 2. Copies of this amendment shall be delivered to the Budget Officer and the Finance Officer for their direction.

Adopted this the 17th of March, 2014.


Chairman
Haywood County Board of Commissioners

ATTEST:

Clerk to the Board

Explanation:
As mentioned the design fees for the two roofed projects at the Waynesville & Canton Middle Schools (Waynesville Middle & Section A; Canton Middle - media center and section A

- Audit Contract for June 30, 2014 – Julie Davis, Finance Director.

Ms. Davis noted that Dixon, Hughes, Goodman has held the same fees for this year as last year. She asked for the Board's approval for this contract.

Meeting Date: March 17, 2014



Please Sign and Return

February 28, 2014

MEMORANDUM TO BOARD OF COMMISSIONERS:

FROM: Julie Davis, Finance Director

DATE: March 10, 2014

SUBJECT: Contract to Audit Accounts (LGC-205)

REQUEST:

Requesting board approval for the fiscal year 2013-2014 audit contract for Dixon Hughes Goodman

BACKGROUND:

(Research and justification of proposal and need; Alternatives evaluated; Legal Basis; Outcome-What will be achieved and how will it be measured?)

Each year the county contracts with an auditing firm to audit the county's accounts. The Local Government Commission (LGC) requires that the contract be signed by the Chairman of the Board of County Commissioners before the LGC will approve.

IMPLEMENTATION PLAN:

(How and when will staff undertake the action?)

The finance office, along with other county departments will be working on collecting information for the auditors throughout the fiscal year.

Auditor field work will begin this Spring and the auditors will complete final field work in September and have the audit complete by October 31, 2014.

FINANCIAL IMPACT STATEMENT:

(What is the cost? Where is the money coming from? Optional or mandated?)

Mandated - NC GS 159.34 - requires each local government to have its accounts audited as soon as possible after the close of each fiscal year by a certified public accountant. The cost for the current year's audit will be \$60,100 paid in the following budget year from the Governing Body budget.

RECOMMENDATION SUMMARY:

Recommend approval of the contract

SUPPORTING ATTACHMENTS:

Audit contract and Engagement Letter

Board of Commissioners
Haywood County
Waynesville, North Carolina

We are pleased to confirm our understanding of the services we are to provide for Haywood County, (the "County") for the year ended June 30, 2014. This attachment to Item 17, "Contract to Audit Accounts" (LGC-205) is intended to further clarify certain provisions of the Contract.

AUDIT SERVICES

We will audit the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the County as of and for the year ended June 30, 2014.

AUDIT OBJECTIVES

The objective of our audit is the expression of opinions as to whether the County's financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. The objective also includes reporting on:

- Internal control related to the financial statements and compliance with laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with Single Audit Act Amendments of 1996 and Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* ("OMB Circular A-133") and the *State Single Audit Implementation Act*.

The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe (1) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (2) the scope of testing internal control over compliance for major programs

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and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance, and (3) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance; and, OMB Circular A-133 and the *State Single Audit Implementation Act* in considering internal control over compliance and major program compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the County is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

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 provisions of OMB Circular A-133; and the *State Single Audit Implementation Act*, and will include tests of accounting records, a determination of major program(s) in accordance with Circular A-133 and the *State Single Audit Implementation Act*, and other procedures we consider necessary to enable us to express such an opinion. If our opinions on the financial statements or the Single Audit compliance 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 to issue a report as a result of this engagement.

AUDIT PROCEDURES - GENERAL

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. 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 an unavoidable 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 auditing standards generally accepted in the United States of America 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.

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However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that comes 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 may include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of certain assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We may request written representations from the County's attorneys as part of the engagement, and they may bill the County for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from management about the financial statements and related matters. Because of the importance of management's written or verbal representations to an effective audit, you agree to release Dixon Hughes Goodman LLP and its personnel from any liability and costs relating to our services under this letter attributable to any misrepresentations by management.

AUDIT PROCEDURES - INTERNAL CONTROLS

Our audit includes obtaining an understanding of the entity 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, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly we will express no such opinion. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, OMB Circular A-133 and the *State Single Audit Implementation Act*.

As required by OMB Circular A-133 and the *State Single Audit Implementation Act*, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal and state award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133 and the *State Single Audit Implementation Act*.

AUDIT PROCEDURES - COMPLIANCE

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the 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*.

OMB Circular A-133 and the *State Single Audit Implementation Act* require that we also plan and perform the audit to obtain reasonable assurance about whether the County has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina* for the types of compliance requirements that could have a direct and material effect on each of the County's major programs. The purpose of these procedures will be to express an opinion on the County's compliance with requirements applicable to each of its major programs in our reports on compliance issued pursuant to OMB Circular A-133 and the *State Single Audit Implementation Act*.

MANAGEMENT'S RESPONSIBILITIES

Management is responsible for designing, implementing and maintaining 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 monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County and the respective changes in financial position and, where applicable, cash flows in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements. The responsibility for the financial statements and all representations contained therein remains with management and those charged with governance, which includes officers and directors of the County. Management is also responsible for establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements.

Management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Management is also responsible for providing us with access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters. You also agree to provide us with any additional information that we may request from management for the purpose of the audit as well as unrestricted access to any person within the County from whom we determine it necessary to obtain audit evidence. Because this engagement qualifies as a group audit you agree to facilitate unrestricted access to information related to components of the County as well as persons at components (including management and those charged with governance) and component auditors. 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

1. Management's Discussion and Analysis ("MD&A")
2. Law Enforcement Officers' Special Separation Allowance – Schedule of Funding Progress
3. Law Enforcement Officers' Special Separation Allowance – Schedule of Employer Contributions
4. Other Postemployment Benefits – Schedule of Funding Progress
5. Other Postemployment Benefits – Schedule of Employer Contributions

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.

The County's management is responsible for the fair presentation of the RSI. As part of our engagement, we will apply certain limited procedures to the 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.

SUPPLEMENTARY INFORMATION

We understand that the following supplementary information other than RSI will accompany the basic financial statements:

1. Combining non-major and fiduciary fund statements
2. Budgetary schedules for all funds required to adopt a budget other than the General Fund and annually adopted major special revenue funds
3. Schedule of Ad Valorem Taxes Receivable
4. Analysis of Current Tax Levy – County-Wide Levy
5. Schedule of Expenditures of Federal and State Awards

Such information is presented for the purpose of additional analysis of the financial statements and is not a required part of the basic financial statements. The County's management is responsible for the fair presentation of the supplementary information. We will subject the supplementary information to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the accounting and other records used to prepare the financial statements or to the financial statements themselves in accordance with auditing standards generally accepted in the United States of America.

Your responsibilities include acknowledging to us in the written representation letter that (a) you are responsible for presentation of the supplementary information in accordance with GAAP; (b) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (c) that 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 (d) you have disclosed to us

engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for the design, implementation and maintenance of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the County involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts 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 County received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the County complies with applicable laws and regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report. As required by OMB Circular A-133 and the *State Single Audit Implementation Act*, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a Summary Schedule of Prior Audit Findings and a Corrective Action Plan if necessary.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us 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 relating 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.

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

REQUIRED SUPPLEMENTARY INFORMATION

Our audit is for the purpose of forming an opinion on the financial statements taken as a whole. Accounting principles generally accepted in the United States ("GAAP") provide for certain required supplementary information ("RSI") to accompany the basic financial statements. We understand the following RSI will accompany the basic financial statements:

any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Our responsibility is to report whether such information is fairly stated in all material aspects in relation to the basic financial statements taken as a whole. You agree to include our report on the supplementary information other than RSI in any document that contains, and indicates that we have reported on, the supplementary information other than RSI. You also agree to include the audited financial statements with any presentation of the supplementary information other than RSI that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information other than RSI no later than the date the supplementary information other than RSI is issued with our report thereon.

OTHER INFORMATION

Our audit is for the purpose of forming an opinion on the basic financial statements taken as a whole. We understand the County will prepare the Introductory and Statistical sections to be included in the Comprehensive Annual Financial Report ("CAFR"). Such information is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The County's management is responsible for such information. We will not subject such information to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we will not express an opinion or provide any assurance on it.

MANAGEMENT'S RESPONSIBILITY FOR NONATTEST SERVICES

You agree to assume all management responsibilities and to oversee the nonattest services we will provide by designating an individual possessing suitable skill, knowledge and/or experience. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results of such services. You are responsible for designing, implementing, and maintaining internal controls.

We will provide the following nonattest services:

- We will advise management about appropriate accounting principles and their application and will assist in preparation of the County's basic financial statements. The responsibility for the basic financial statements and all representations contained therein remains with management, which includes members of the governing board.

You are responsible for evaluating the adequacy and results of the above nonattest service performed and accepting responsibility for the results of such service. This includes your review and approval of all adjustments we may propose to the accounting records of the County or its financial statements as a result of these services.

USE OF FINANCIAL STATEMENTS

If the County's financial statements are to be included in a client prepared document, other than the County's Comprehensive Annual Financial Report, which includes other information, the County should notify us of the nature of the document and allow us to

read such document prior to submitting the document to others. An example of another document would be an official statement in connection with a public debt offering.

AUDIT ADMINISTRATION, FEES AND OTHER

In connection with providing our professional services, we may engage the assistance of outside service providers. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we are responsible for the adequate oversight of all services provided by the third-party service provider and for ensuring that all services are performed with competence and due professional care.

The audit documentation for this engagement is the property of Dixon Hughes Goodman LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available to the U.S. Department of Health and Human Services or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office or the North Carolina Office of the State Auditor pursuant to authority given to it by law or regulation. If requested, access to such audit documentation will be provided under the supervision of Dixon Hughes Goodman LLP 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.

This engagement is limited to the services outlined above. We will perform all services in accordance with applicable professional standards.

Brian Broom is the engagement director and is responsible for supervising the engagement and signing the report or authorizing another individual to sign. We will issue a separate planning letter to you outlining the expected timing and completion of fieldwork when those dates have been agreed to by management.

We estimate our fee for these services will be approximately \$60,100. This estimate is based on the assumption there will be no significant bookkeeping assistance required or significant changes in the County's operations including (but not limited to): issuance of new debt; new construction projects; creation of new funds; new or "State Mandated" major programs required to be tested for Single Audit; or additional procedures required in response to the discovery of fraud. We will issue contract addendums for additional fees related to any bookkeeping or changes mentioned above. The additional fees will be billed at our standard hourly rates which range from \$100 to \$400 per hour depending on the experience level of the individuals performing the work.

Very truly yours,

DIXON HUGHES GOODMAN LLP

Dixon Hughes Goodman LLP

ACKNOWLEDGED:

This letter correctly sets forth the understanding of Haywood County.

By: *Mark S. Swanger* Date: 3/10/14
Mark S. Swanger, Chairman

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

Julie H. Davis
Julie H. Davis, Finance Officer

Many of our clients choose to communicate with us by email, and we may use email in connection with this engagement unless you direct us otherwise. We will use reasonable precautions to protect your confidential information, but we have no obligation to employ any measures that you do not regularly employ in protecting your confidential information. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed, we cannot guarantee or warrant that e-mail from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim any liability or responsibility whatsoever for interception or unintentional disclosure or communication of e-mail transmissions, or for the unauthorized use or failed delivery of e-mails transmitted by us in connection with the performance of this engagement or the disclosure or communication of confidential or proprietary information arising therefrom (hereinafter collectively referred to as "Email Interruption"). You agree that we shall have no liability for any loss or damage to any person or entity resulting from related to any Email Interruption, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, and you hereby forever release us from any such liability and shall indemnify us from any claim related thereto.

This agreement and any claim arising out of the services provided shall be governed by the laws of the state of North Carolina, exclusive of its conflict of laws rules. The parties agree that any action between them related to or arising out of this engagement shall be brought only in the state or federal courts of North Carolina.

Whenever possible, each provision of this agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision hereof shall be ineffective, or invalid, such ineffectiveness or invalidity shall be only to the extent of such prohibition or invalidity, without invalidating the remainder of the provision or the remaining provisions of this agreement, which shall otherwise remain in full force and effect. The agreements of Haywood County and Dixon Hughes Goodman LLP contained in the Contract to Audit Accounts and this attachment shall survive the completion or termination of this engagement.

Summer scheduling is very tight and travel accommodations are difficult to change, therefore, a rescheduling fee of 10% may be charged if fieldwork has to be rescheduled within 1 month of the rescheduled starting date. In the event we need to reschedule we will try to accommodate your needs, however, due to other client commitments, we cannot guarantee a timetable that will allow us to complete the audit by the deadline stated in the Contract to Audit Accounts. Progress billings will be submitted to the North Carolina Office of the State Treasurer for approval and then mailed to you. All invoices are payable upon presentation.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2011 peer review report accompanies this letter.

We appreciate the opportunity to be of service to Haywood 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 the Contract to Audit Accounts and return it to us.



System Review Report

To the Partners of Dixon Hughes Goodman LLP
And the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Dixon Hughes Goodman LLP (the firm) applicable to non-SEC issuers in effect for the year ended February 28, 2011. 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. The Firm is responsible for designing a system of quality control and complying with it to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the Firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/peerreview.

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

In our opinion, the system of quality control for the accounting and auditing practice of Dixon Hughes Goodman LLP in effect for the year ended February 28, 2011, 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. Dixon Hughes Goodman LLP has received a rating of pass.

Postlethwaite & Netterville
Baton Rouge, Louisiana
October 6, 2011

CONTRACT TO AUDIT ACCOUNTS
of Haywood County

On this 28th day of February 2014, Dixon Hughes Goodman LLP
500 Ridgefield Court
Asheville, NC 28806

Mailing Address
Asheville, NC 28806
the Auditor, and Board of Commissioners of Haywood County
to as the Governmental Unit, agree as follows:

- 1. The Auditor shall audit all statements and disclosures required by generally accepted accounting principles (GAAP) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit for the period beginning July 1, 2013, and ending June 30, 2014. The non-major combining, and individual fund statements and schedules shall be submitted to the auditing procedures applied in the audit of the basic financial statements and in addition to (as applicable) the governmental activities, the business-type activities, the aggregate discretely presented component units, 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 type).
2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with generally accepted auditing standards. 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 Circular A-133 and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated workpapers may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the audit of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit and/or workpapers are found in this review to be substantial, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC CPA Board).
3. This contract contemplates an unqualified opinion being rendered. If financial statements are not prepared in accordance with GAAP, or the statements fail to include all disclosures required by GAAP, please provide an explanation for that departure from GAAP in an attachment.
4. This contract contemplates an unqualified opinion being rendered. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.
5. If this audit engagement is subject to the standards for audit as defined in Government Auditing Standards, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he has met the requirements for a peer review and continuing education as specified in Government Auditing Standards. The Auditor agrees to provide a copy of their most recent peer review report regardless of the date of the peer review report to the Governmental Unit and the Secretary of the LGC prior to the execution of the audit contract (See Item 2). If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.
6. If the audit engagement is not subject to Government Auditing Standards, the Auditor shall provide an explanation as to why in an attachment.
7. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to the State and Local Government Finance Division (SLGFD) within four months of fiscal year end. Audit report is due on October 31, 2014. If it becomes necessary to extend the time of the audit fee, an amended contract along with a written explanation of the delay must be submitted to the Secretary of the LGC for approval.
8. It is agreed that generally accepted auditing standards include a review of the Governmental Unit's systems of internal control and accounting as same relates to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor will make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his findings, together with his recommendations for improvement. This written report must include all matters deemed as "significant deficiencies and material weaknesses" in AIC-C 265 of the AICPA Professional Standards (Clarified). The Auditor shall file a copy of that report with the Secretary of the LGC.
9. All local government and public authority contracts for audit or multi-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Inquiries for services rendered under these contracts shall be sent to the Governmental Unit until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.) (G.S. 159-34 and 15C-447). The process for

Contract to Audit Accounts (cont.) Haywood County
(Name of Governmental Unit)

invoice approval has changed. All invoices for Audit work must be submitted by email in PDF format to the Secretary of the LGC for approval. The invoice must be sent through the portal at: http://procurement.state.nc.gov. Subject line should read "Invoice - only". The PDF invoice marked "approved" with approval date will be returned by email to the Auditor for items to present to the Governmental Unit for payment. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.

9. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit shall pay to the Auditor, upon approval by the Secretary of the LGC, the following fee, which includes any cost the Auditor may incur from work paper or peer review or any other quality assurance program required by third parties (Federal and State grantee and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts:

Year-end bookkeeping assistance - (For audits subject to Government Auditing Standards, this is limited to bookkeeping services permitted by revised Independence Standards) as outlined on Page 8 of the engagement letter
Audit: \$60,100

Preparation of the annual financial statements: \$10,000
Prior to submission of the completed annual financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contract fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee. The 75% cap for interim invoices approved for audit services is \$45,075.

- 10. If the Governmental Unit has outstanding revenue bonds, the Auditor shall include documentation either in the notes to the audited financial statements or as a separate report submitted to the SLGFD along with the audit report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor should be aware that any other bond compliance statements or additional reports required in the authorizing bond documents need to be submitted to the SLGFD simultaneously with the Governmental Unit's audited financial statements unless otherwise specified in the bond documents.
11. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include but not be limited to the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the client or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board as soon as practical after the close of the accounting period.
12. If the audit firm is required by the NC CPA Board or the Secretary of the LGC to have a pre-issuance review of their audit work, there must be a statement added to the engagement letter specifying the pre-issuance review including a statement that the Governmental Unit will not be billed for the pre-issuance review. The pre-issuance review must be performed prior to the completed audit being submitted to the LGC. The pre-issuance report must accompany the audit report upon submission to the LGC.
13. The Auditor shall electronically submit the report of audit to the LGC when (or prior to) completing the invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the office of the SLGFD by any interested parties. Any subsequent revisions to these reports must be sent to the Secretary of the LGC. These audited financial statements are used in the preparation of official statements for debt offerings (the Auditor's opinion is not included); municipal bond rating services, to fulfill secondary market disclosure requirements of the Securities and Exchange Commission, and other lawful purposes of the Governmental Unit, without subsequent consent of the Auditor. If it is determined by the LGC that corrections need to be made to the Governmental Unit's financial statements, they should be provided within three days of notification unless, another time frame is agreed to by the LGC.

The LGC's process for submitting contracts, audit reports and invoices are subject to change. Auditors should use the submission process in effect at the time of submission. The most current instructions will be found on our website: https://www.ontreasurer.com/nc/Forms/Audit-Forms-and-Instructions

In addition, if the OSA designates certain programs to be audited as major programs, a memorandum document and a representation letter addressed to the OSA shall be submitted to the LGC.

- 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 therefor. Upon approval by the Secretary of the LGC, this contract may be varied or changed to include the increased time and/or compensation as may be agreed upon by the Governing Board and the Auditor.
15. If an approved contract needs to be varied or changed for any reason, the change must be made in writing, signed and dated by all parties and pre-validated if the change includes a change in audit fee. This document and a written explanation of the change must be submitted by email in PDF format to the Secretary of the LGC for approval. The portal address to upload your amended contract and letter of explanation documents is: http://procurement.state.nc.gov. No change shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

Contract to Audit Accounts (cont.) Haywood County
(Name of Governmental Unit)

- 16. Whenever the Auditor uses an engagement letter with the Governmental Unit, Item 17 is to be completed by referencing the engagement letter and attaching a copy of the engagement letter to the contract to incorporate the engagement letter into the contract. In case of conflict between the terms of this engagement letter and the terms of this contract, the terms of this contract will control. Engagement letter terms are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 23 of this contract. Engagement letters containing indemnification clauses will not be approved by the LGC.
17. Special provisions should be limited. Please list any special provisions in an attachment. The attached special provisions are a part of this contract.
18. A separate contract should not be made for each division to be audited or report to be submitted. A separate contract must be executed for each component unit which is a local government and for which a separate audit report is issued.
19. The contract must be executed, pre-audited, physically signed by all parties and submitted in PDF format including Governmental Unit and Auditor signatures to the Secretary of the LGC. The current portal address to upload your contractual documents is: http://procurement.state.nc.gov. Electronic signatures are not accepted at this time. Invoices with this contract are required to include contract number and program description as of September 1, 2013. The contract history may be accessed through the following website: http://procurement.state.nc.gov. The contract history may be accessed through the following website: http://procurement.state.nc.gov.
20. The contract is not valid until it is approved by the LGC Secretary. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.
21. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.
22. The Auditor acknowledges that any private employer transacting business in this State who employs 25 or more employees in this State must, when hiring an employee to work in the United States, use E-Verify to verify the work authorization of its employees in accordance with N.C.G.S. §4-200. The Auditor acknowledges further that any such private employer and its subcontractors must comply with all of the requirements of Article 4 of Chapter 66 of the North Carolina General Statutes (North Carolina's E-Verify law), and that each private employer has a duty under the law to ensure compliance by its subcontractors. The Auditor further acknowledges that this contract is of the type governed by U.S. 2011-1418, which makes it unlawful for a local government to enter into certain types of contracts unless the contractor and its subcontractors comply with North Carolina's E-Verify law, and that failure to comply with such law could render this contract void. The Auditor hereby certifies, warrants and represents for itself and its subcontractors that it and its subcontractors shall comply with the provisions of North Carolina's E-Verify law and that failure to comply with such law shall be deemed a breach of this contract and may render this contract void.
23. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted: (See Item 16.)
24. All communications regarding audit contract requests for modification or official approvals will be sent to the email address provided in the spaces below.

Audit Firm Signatures: Dixon Hughes Goodman LLP, Brian Broom, Director, Signature of authorized audit firm representative, brian.broom@dnhgllp.com, Date: 2/20/14
Governmental Unit Signatures: Julie Davis, Finance Officer, Signature of Finance Officer, Date: 2/11/14

Chairman Swanger stated that he was comfortable with this arrangement.

Commissioner Sorrells stated that while on the School Board, they had contracted with two different audit companies during his tenure, and had returned to this company.

NEW BUSINESS

Request Approval of a Resolution for Declaration of Surplus Property

Jim Pressley, Director of Emergency Medical Services, requested the Board approve the donation of one ambulance to Haywood Community College for Emergency Services classes and parts. He said that this one is totally out of service and does not run.

Vice Chairman Kirkpatrick asked what is the usual return when they put them out of service, and Mr. Pressley responded that with this one he did not know due to the fact that it is totally out of service.

Chairman Upton asked if the school still had their auto class. Mr. Pressley responded that they do, and there are representatives from the school present, as they are very interested in receiving this ambulance. He stated that they can use this for parts and to train on, rather than having to find one.

Vice Chairman Kirkpatrick made a motion to approve the Resolution for Declaration of Surplus Property and donate the ambulance to Haywood Community College. Commissioner Sorrells seconded the motion. Motion carried unanimously.



RESOLUTION DECLARING PROPERTY SURPLUS AND CONVEYING PROPERTY

WHEREAS, N.C.G.S. 160A-274 authorizes any governmental unit to convey personal property to another governmental unit; and

WHEREAS, the Haywood County Emergency Medical Services wishes to convey the following surplus personal property in its possession to Haywood Community College:

One 2005 Chevrolet 3500 Ambulance – VIN # 1GBJK342X5E79335, Asset # 1977
no longer of use to the county; and

WHEREAS, The Board of County Commissioners of Haywood County is authorized to declare surplus and adopt a resolution for this conveyance of surplus personal property; and

WHEREAS, Haywood Community College is a governmental unit, and could use this surplus equipment for spare parts for emergency vehicles and training, in which the Haywood County Emergency Medical Services participates.

NOW, THEREFORE, BE IT RESOLVED that The Board of County Commissioners of Haywood County, meeting in general session on Monday, March 17, 2014, does the following:

1. Hereby authorizes the Haywood County Purchasing Manager to declare surplus:
One 2005 Chevrolet 3500 Ambulance – VIN # 1GBJK342X5E79335, Asset # 1977
2. Agrees to convey the above ambulance to Haywood Community College.

ADOPTED this 17th day of March, 2014.


Mark S. Swenger, Chairman
Haywood County Board of Commissioners

ATTEST:

Ira L. Down, Interim County Manager
Clerk to the Board of Commissioners

Request Approval to purchase a map scanning project and plat cabinet to file maps

Ms. Rogers presented the Board with two proposals, the first from Business Information Systems. This is a software vendor with whom the County has a monthly maintenance contract. She explained that this is for scanning older plat maps. She has had many requests from surveyors and attorneys that these maps be scanned into their systems. She also requested funding for Index Book scanning of Vital Records (marriages, deaths, and births).

The second proposal is for a five drawer, stackable map cabinet stating that they are currently out of storage space.

Commissioner Ensley commented that there are maps from the 1930-1950's that are in a big map book, and this is not good because they deteriorate every time they are taken out, noting that these maps need to be as accurate as possible.

Ms. Rogers concluded her request stating that this would complete her project.

Commissioner Ensley made a motion to approve the purchase of the map scanning project and the map cabinet for the Register of Deeds office. Vice Chairman Kirkpatrick seconded and the motion passed unanimously.

<p align="center">PROPOSAL</p> <p>Business Information Systems 333 Industrial Park Road Pinney Flats, TN 37685</p> <p>Proposal Number: SAQ9775 Proposal Date: 02/24/14 Page: 1 Date and Time: 02/25/14 8:48:52</p> <p>Sell To: Haywood Co NC Register SHERI C ROGERS 215 N. MAIN STREET WAYNESVILLE, NC 28786</p> <p>Ship Via: Net 20 Ship Date: 02/24/14 Terms: Net 20</p> <p>Customer ID: H4V020 SalesPerson: Brandon Parker</p> <table border="0" style="width: 100%;"> <thead> <tr> <th>Description</th> <th>Unit</th> <th>Qty</th> <th>Unit Price</th> <th>Total Price</th> </tr> </thead> <tbody> <tr> <td>Circuit Clerk Map Scanning</td> <td>EACH</td> <td>160.00</td> <td>3.50</td> <td>560.00</td> </tr> <tr> <td>Map Scanning - Rescanned From Attorney M</td> <td>EACH</td> <td>250.00</td> <td>3.50</td> <td>875.00</td> </tr> <tr> <td>Index Book Scanning</td> <td>EACH</td> <td>20.00</td> <td>300.00</td> <td>6,000.00</td> </tr> <tr> <td>Delayed Birth Book Scanning - Bound</td> <td>EACH</td> <td>21.00</td> <td>200.00</td> <td>4,200.00</td> </tr> <tr> <td>Delayed Birth Book Scanning - Unbound</td> <td>EACH</td> <td>12.00</td> <td>80.00</td> <td>960.00</td> </tr> <tr> <td>On-Site Scanning Expense</td> <td>day</td> <td>19.00</td> <td>100.00</td> <td>1,900.00</td> </tr> </tbody> </table> <table border="0" style="width: 100%; margin-top: 10px;"> <tr> <td>Amount Subject to Sales Tax</td> <td>Amount Exempt from Sales Tax</td> <td>Subtotal</td> <td>14,495.00</td> </tr> <tr> <td>0.00</td> <td>14,495.00</td> <td>Invoice Discount:</td> <td>0.00</td> </tr> <tr> <td></td> <td></td> <td>Total Sales Tax:</td> <td>0.00</td> </tr> <tr> <td></td> <td></td> <td>Total:</td> <td>14,495.00</td> </tr> </table>	Description	Unit	Qty	Unit Price	Total Price	Circuit Clerk Map Scanning	EACH	160.00	3.50	560.00	Map Scanning - Rescanned From Attorney M	EACH	250.00	3.50	875.00	Index Book Scanning	EACH	20.00	300.00	6,000.00	Delayed Birth Book Scanning - Bound	EACH	21.00	200.00	4,200.00	Delayed Birth Book Scanning - Unbound	EACH	12.00	80.00	960.00	On-Site Scanning Expense	day	19.00	100.00	1,900.00	Amount Subject to Sales Tax	Amount Exempt from Sales Tax	Subtotal	14,495.00	0.00	14,495.00	Invoice Discount:	0.00			Total Sales Tax:	0.00			Total:	14,495.00	<p>R. L. Ballard and Associates 3500 Wedgewood Drive New Bern, NC 28562 (252) 637-3002</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 10px auto;"> <p align="center">NAME / ADDRESS</p> <p>Haywood County Register of Deeds 215 North Main St. / Suite 213 Waynesville, NC 28786</p> </div>	<p>Estimate</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>DATE</th> <th>ESTIMATE NO.</th> </tr> </thead> <tbody> <tr> <td align="center">3/11/2014</td> <td align="center">1688</td> </tr> </tbody> </table>	DATE	ESTIMATE NO.	3/11/2014	1688
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			PROJECT	
DESCRIPTION	QTY	COST	TOTAL	
Flat Cabinet 5 drawer without base	1	1,498.00	1,400.00	
Sales Tax		7.00%	98.00	
It's been a pleasure working with you!			TOTAL	
			\$1,498.00	

Request Approval of budget amendment for Register of Deeds – Julie Davis, Finance Director

\$15,993.00

Ms. Davis explained that this money will be taken from Contingency and placed in Register of Deeds in the amount of \$14,495.00 for the professional services and \$1498.00 for the map cabinet.

Vice Chairman Kirkpatrick made a motion to approve the budget amendment as presented. Commissioner Ensley seconded and the motion passed unanimously.

HAYWOOD COUNTY
BUDGET ORDINANCE AMENDMENT
FISCAL YEAR 2013-2014

PER: _____
JNL: _____

BE IT ORDAINED by the Board of Commissioners of Haywood County that the following amendment be made to the budget ordinance for the fiscal year ending June 30, 2014.

Section 1. To amend the General Fund, the expenditures are to be charged as follows:

Department line item	Account Number	Current Budget	Increase (Decrease)	Amended Budget
General Fund:				
Register of Deeds:				
Professional Services	114180-518200	-	14,495	14,495
CFO - Office Furniture & Equipment	114180-551000	-	1,498	1,498
Contingency	119910-599100	253,019	(15,953)	237,026

which will result in a net increase (decrease) of \$ _____ in the expenditures of the General Fund.

To provide the additional revenue for the above, the following revenues will be increased as the money has been received:

Revenue	Acct. No.	Current Budget	Increase (Decrease)	Amended Budget

Section 2. Copies of this budget amendment shall be delivered to the Budget Officer and the Finance Officer for their direction.

Adopted this the 18 of March, 2014.

Mark Swanger
Chairman
Haywood County Board of Commissioners

ATTEST:
[Signature]
Clerk to the Board

Explanation:
To appropriate the scanning project services and the print contract for the Register of Deeds Office.

Request for approval of change order for Haywood Community College Water Line project

Haywood Community College President Dr. Barbara Parker addressed the Board and explained that they are completing the third phase of the water project. She requested approval of the change order and budget amendment for this project. She introduced Brek Lanning, Director of Campus Development. Mr. Lanning stated that the change order request was issued in December 2013 and involved water line improvements adjacent to the public services training facility site. He explained that they had run into unsuitable soil and other unsuitable material that had to be removed. He introduced Patrick Bradshaw, Civil Design Concepts to explain what the change order entailed. Mr. Bradshaw explained that there was a 60 by 40 section that contained all man- made material which was removed and replaced by stone.

Chairman Swanger noted that he had been contacted and was aware that as time progressed it would become more costly.

CHANGE ORDER

Number 9

PROJECT: Water Line Improvements for Haywood Community College DATE OF ISSUANCE: 12-13-13

OWNER: Haywood Community College ENGINEER: Civil Design Concepts, P.A.

CONTRACTOR: Cass Construction, LLC ENGINEER'S PROJECT NO.: 21017

CONTRACT FOR: New main Water Line Installation

You are directed to make the following changes to the Contract Documents.

Description: Removal of unnecessary soils and installation of drainage materials per Civil/Structural Engineers recommendations

Purpose of Change Order: Soil removal and drainage installation outside of the scope of the contract. This change affects both contract Price and Time.

Attachments (List documents supporting change): CANA Construction Company Change Order Request dated 12/01/13

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIME:
Original Contract Price	Original Contract Time
\$ 238,644.00	140 Days
<hr/>	
Previous Change Order No. 1 to No. 8	Net Change From Previous Change Orders
\$ 56,497.40	839 Days
<hr/>	
Contract Price Prior to This Change Order	Contract Time Prior to This Change Order
\$ 295,091.40	1009 Days
<hr/>	
Net Increase of This Change Order	Net Increase of This Change Order
\$ 11,992.00	83 Days
<hr/>	
Contract Price With All Approved Change Orders	Contract Time With All Approved Change Orders
\$ 307,083.40	1188 Days

RECOMMENDED: APPROVED: APPROVED:

Print: Julie Davis Print: Frank Lanning Print: Tom Rains

Sign: [Signature] Sign: [Signature] Sign: [Signature]

Engineer Owner Contractor

Commissioner Upton made a motion to approve the change order in the amount of \$11,992.00 for Haywood Community College Water Line project and Vice Chairman Kirkpatrick seconded. The motion passed unanimously.

Request for approval of budget amendment – Julie Davis, Finance Director
\$11,717.40

Ms. Davis explained that this budget amendment in the amount of \$11,717.40 is a little different from the change order. She explained that with this being near the end of the project, there has to be the exact amount in the budget that the contract shows. The budget amendment shows the exact amount of the contract including the change orders so far. She noted that this is from the loan project contingency.

Commissioner Ensley made a motion to approve the budget amendment as presented. Commissioner Upton seconded and motion passed unanimously.

HAYWOOD COUNTY
 CAPITAL PROJECT BUDGET AMENDMENT
 FISCAL YEAR 2013-2014

PER: _____
 JNL: _____

BE IT ORDAINED by the Board of Commissioners of Haywood County that the following amendment be made to the capital project ordinance for the fiscal year ending June 30, 2014.

Section 1. To amend the Capital Project Fund - Community College construction projects, the expenditures are to be charged as follows:

Line Item	Account Number	Current Budget	Increase (Decrease)	Amended Budget
COMMUNITY COLLEGE PRJS:				
Water line project:				
C/O - Construction	405925-558000-1HCC1	295,368	11,718	307,084
Loan Project Contingency	405910-599100-1HCC1	234,875	(11,718)	223,157

which will result in a net increase of \$ _____ in the expenditures of the Capital Project Fund.

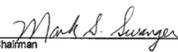
To provide the additional revenue for the above, the following revenues will be increased as the money has been received:

Revenue	Acct. No.	Current Budget	Increase (Decrease)	Amended Budget

Section 2. Copies of this amendment shall be delivered to the Budget Officer and the Finance Officer for their direction.

Adopted this the 19th of March 2014.

ATTEST: 
 Clerk to the Board


 Chairman
 Haywood County Board of Commissioners

Explanation:
To increase the construction budget for the Waterline Upgrade to reflect the total amount of the contract including all change orders approved by the HCC Board and the State Construction Office.

Appointment of Mike Eveland to the Haywood County Tourism Development Authority Board

Maggie Valley Mayor Ron DeSimone greeted the Board and explained that the political dynamic in Maggie Valley changed with the last election. He stated that this seat represents their Board, and they would like to fill this seat with one of their Board members. He stated that Mr. Edwards did a fine job; he just did not necessarily express the views of the Maggie Valley Board.

Chairman Swanger stated that as a matter of course, the recommendations of the municipalities are routinely approved and as a matter of policy, the BOCC has accepted the recommendations.

Vice Chairman Kirkpatrick inquired if it was the vote of the entire board and Mayor DeSimone stated that it was a vote of 4 to 1.

Commissioner Upton made a motion that Mike Eveland be appointed to the Haywood County Tourism Development Authority to fill the remainder of the unexpired term of Mr. Edwards and Mr. Edwards term be terminated. Vice Chairman Kirkpatrick seconded and the motion passed unanimously.

Commissioner Sorrells said that he had attended the ribbon cutting ceremony at MedWest for the newly remodeled section. He commented that it was well attended and was a very nice addition.

Commissioner Upton said that the hospital's Foundation contributed around \$400,000 and commended them for their efforts.

Chairman Sorrells acknowledged Marty Stamey's work in this and for notifying the Commissioners.

CLOSED SESSION

Commissioner Upton made a motion to enter into Closed Session for Attorney/Client Privilege G.S. §143-318.11(a)(3); Economic Development GS§143-318.11(a)(4); and Approve/Release Closed Session Minutes GS§143-318.11(a)(1).

Vice Chairman Kirkpatrick seconded, the motion carried unanimously.

Chairman Swanger noted that there will be some action for releasing approved Closed Session minutes following this Closed Session.

The Board returned from closed session.

Chairman Swanger noted that the followed Closed Session Minutes were recommended for release:

August 19, 2013 – Economic Development
October 7, 2013 – Personnel - investigation
January 6, 2014 – Personnel

Vice Chairman Kirkpatrick motioned to approve the release of the Closed Session Minutes as presented. Commissioner Upton seconded, the motion carried unanimously.

Chairman Swanger noted that the following Closed Session Minutes were approved but not yet released by consensus.

August 19, 2013 – Economic Development Evergreen Natural Gas
August 19, 2013 – Haywood Regional Medical Center
September 16, 2013 – Economic Development Evergreen Natural Gas
September 16, 2013 – HRMC
October 7, 2013 - HRMC
January 6, 2014 - HRMC Foundation
January 21, 2014 - Ground Ordinance revised version
January 21, 2014 - HRMC Definitive Agreement
February 3, 2014 - Economic Development Evergreen Natural Gas
February 3, 2014 - Grounds Ordinance revision 2 version
February 3, 2014 - HRMC Foundation

Commissioner Upton motioned to approve but not yet release the Closed Session Minutes as presented. Commissioner Sorrells seconded; the motion carried unanimously.

Chairman Swanger recognized Attorney Killian. Attorney Killian provided the following statement:

“Questions have arisen concerning closed sessions authorized under the attorney-client privilege section, GS 143-318.11(9)(c). This statute deals with all forms of attorney-client privilege conferences of which existing lawsuits is only one, and one which has rarely been used. When the subjects intended for discussion involve an existing lawsuit, the statute requires that the motion to go into closed session identify: "...the parties in each existing lawsuit which the public body expects to receive advice during the closed session.”

In reviewing the minutes for closed sessions, there was discussion of one existing lawsuit, Smoky Mountain Center for Mental Health, Developmental Disabilities and Substance Abuse Services vs. Evergreen Foundation.

The motions for closed sessions were made on February 6, 2012, April 16, 2012 and June 18, 2012. Haywood County was not then a party and has never become a party to that existing lawsuit. I do not believe this was a material violation of the statute.

I do not believe it is within the legislative intent to require an announcement of the parties to a lawsuit where the County is not a party.

The Property Tax Commission hearing involving Mr. and Mrs. King was discussed in closed session on January 22, 2013 and July 15, 2013. However, this matter was an administrative hearing and not an existing lawsuit at the time. It did not become an existing lawsuit under the statute until after the Notice of Appeal to the NC Court of Appeals was filed by Attorney Charles Meeker on July 18, 2013, and has not been discussed since that time.

Henceforth, I will be advised before each meeting of the matters intended for discussion in closed session and will advise the Commissioner making the motion when it is necessary to identify parties to existing lawsuits. It is my responsibility as County Attorney to advise the Board of County Commissioners when it is necessary to identify parties to a law suit prior to entering into closed session.”

Chairman Swanger asked for any further comments or questions.

ADJOURNMENT

Vice Chairman Kirkpatrick made a motion to adjourn the regular Board meeting. Commissioner Ensley seconded; the motion carried unanimously.

The time of adjournment was 7:15 p.m. The DVD is attached by reference to the minutes.

CLERK

CHAIRMAN

