



KANNAPOLIS CITY COUNCIL

MEETING AGENDA
Kannapolis City Hall
401 Laureate Way, Kannapolis NC
February 11, 2019
6:00 PM

Please turn off cell phones or place on silent mode.

CALL TO ORDER AND WELCOME

MOMENT OF SILENT PRAYER AND PLEDGE OF ALLEGIANCE

ADOPTION OF AGENDA - Motion to Adopt Agenda or make revisions

PROCLAMATIONS

1. Proclaim February as Black Heritage Month

RECOGNITIONS

1. Donna Carpenter with the Cabarrus CVB will present the Southeast Tourism Top 20 Festival Award for Jiggy with Piggy.

CONSENT AGENDA - Motion to Adopt Consent Agenda or make revisions

1. Approval of FY19 Audit Contract (Eric Davis, Finance Director)
2. Approve Budget Amendment 19-13 for the Irish Buffalo Creek Sewer project (Eric Davis, Finance Director)

BUSINESS AGENDA

- A. Presentation by NCDOT regarding US 29 Corridor (Cannon Boulevard) Improvement Project south of McLain Road and north of Sweet Gum Street (Wilmer Melton III, Director of Public Works)
- B. High Bridge Property Off-Site Water and Sewer Extensions (Wilmer Melton, III, Director of Public Works)
- C. Appointment of members to Board of Adjustment (Zac Gordon Planning Director)
- D. Cancel February 25, 2019 Regular Meeting starting at 6:00PM (Mike Legg, City Manager)

CITY MANAGER REPORT

CITY COUNCIL COMMENTS

SPEAKERS FROM THE FLOOR

In order to speak to Council, please fill out a white card and return to the City Clerk. Cards are located on the table as you enter the meeting room. Please limit comments to 3 minutes

CLOSED SESSION

GS. 143-318.11 (a) (3) to consult with an attorney in order to preserve the attorney client privilege and G.S. 143.318.11 (a) (4) for discussing matters relating to the location or expansion of industries or businesses in the area and G.S. 143-318.11 (a) (6) for the purpose of discussing personnel matters (Mayor Pro tem Haas)

MOTION TO CONTINUE MEETING TO FEBRUARY 25, 2019, 4:00 PM, CITY HALL

UPCOMING SCHEDULE

February 25, 2019 (Meeting will begin at 4:00PM, instead of normal 6:00PM)

March 11, 2019 Meeting Cancelled (Council and Staff attending NLC Conference)

March 25, 2019

ADA Notice and Hearing Impaired Provisions

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 ("ADA"), anyone who requires auxiliary aid or service for effective communication, or a modification of policies or procedures to participate in a program, service or activity of the City of Kannapolis, should contact the office of Tina H. Cline, Human Resource Director by phone at 704-920-4302 or email at tcline@kannapolisnc.gov as soon as possible, but no later than forty-eight (48) hours before the scheduled event.



Office of the Mayor
KANNAPOLIS, NORTH CAROLINA
P R O C L A M A T I O N

“Black Heritage Month”

WHEREAS, February has been designated as “Black Heritage Month” in which we pause to reflect on the contributions of the African American community; and

WHEREAS, African American Month gives an opportunity to become more knowledgeable about black heritage, and to honor the many black leaders who have contributed to the progress of our nation; and

WHEREAS, such knowledge can strengthen the insight of all our citizens regarding the issues of human rights, the great strides that have been made in the crusade to eliminate the barriers of equality for minority groups, and the continuing struggle against racial discrimination and poverty; and

WHEREAS, we join with all Americans in celebrating our diverse heritage and culture and continuing our efforts to protect democracy for all people, and recognizing the vital achievements of our local African American residents.

NOW, THEREFORE, I MILTON D. HINNANT, Mayor of the City of Kannapolis, North Carolina, by the virtue of the authority vested in me as Mayor call upon all citizens to observe and commemorate ***February as Black Heritage Month.***



IN WITNESS WHEREOF I have set my hand and caused the Great Seal of the City of Kannapolis to be affixed this 11th day of February 2019.

Milton D. Hinnant



**City of Kannapolis
City Council Meeting
February 11, 2019
Staff Report**

TO: Mayor and City Council
FROM: Annette Privette Keller
TITLE Southeast Tourism Top 20 Festival Award

A. Action Requested by City Council

None. Presentation Only

B. Required Votes to Pass Required Action

Presentation Only, no action required

C. Background

D. Fiscal Considerations

E. Policy Issues

F. Legal Issues

G. Alternative Courses of Action and Recommendation

ATTACHMENTS:

File Name

No Attachments Available



**City of Kannapolis
City Council Meeting
February 11, 2019
Staff Report**

TO: Mayor and City Council
FROM: Eric Davis, Finance Director
TITLE Approval of FY19 Audit Contract

A. Action Requested by City Council

Approve FY 2019 Audit Contract with Martin Starnes & Associates CPAs

B. Required Votes to Pass Required Action

Majority present at meeting

C. Background

Each governmental unit in North Carolina is required to have an audit performed of its financial records. Attached with this report is the proposed Audit Contract and Audit Engagement Letter from Martin, Starnes & Associates, CPAs.

Martin, Starnes & Associates, CPAs has been the City's auditors for a number of years and does an excellent job with this responsibility.

D. Fiscal Considerations

The FY 2019 Audit will cost \$40,750 which is in line with previous years audits.

E. Policy Issues

None

F. Legal Issues

An audit of the City's financial records is required annually by State Statute.

G. Alternative Courses of Action and Recommendation

- 1. Approve FY 2019 Audit Contract with Martin Starnes & Associates CPAs**
2. Do not approve FY 2019 Audit Contract with Martin Starnes & Associates CPAs
3. Take action at a future meeting

ATTACHMENTS:

File Name

- ▣ City_of_Kannapolis_-_2019_Single_Audit_Engagement_Letter.pdf
- ▣ 2019_City_of_Kannapolis_Contract.pdf

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

January 23, 2019

Eric Davis, Finance Director
City of Kannapolis
401 Laureate Way
Kannapolis, NC 28081

You have requested that we audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kannapolis, NC, as of June 30, 2019, and for the year then ended, and the related notes to the financial statements, which collectively comprise the City of Kannapolis' basic financial statements as listed in the table of contents.

In addition, we will audit the entity's compliance over major federal and State award programs for the period ended June 30, 2019. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal and State award programs.

Accounting principles generally accepted in the United States of America require that certain supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Special Separation Allowance schedules
- Other Post-Employment Benefits' schedules
- Local Government Employees' Retirement System's schedules

Supplementary information other than RSI will accompany the City of Kannapolis' basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- Combining and individual fund financial statements
- Budgetary schedules
- Other schedules
- Schedule of Expenditures of Federal and State Awards

Schedule of Expenditures of Federal and State Awards

We will subject the Schedule of Expenditures of Federal and State Awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the Schedule of Expenditures of Federal and State Awards is presented fairly in all material respects in relation to the financial statements as a whole.

The following additional information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information:

- Introductory information
- Statistical section

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, Schedule of Expenditures of Federal and State Awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the Federal Audit Clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the Federal Audit Clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Audit of the Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.

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. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of inventories, and the direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance (whether caused by errors, fraudulent financial reporting, misappropriation of assets, detected abuse, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the City of Kannapolis' basic financial statements. Our report will be addressed to the governing body of the City of Kannapolis. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

Audit of Major Program Compliance

Our audit of the City of Kannapolis' major federal and state award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; the Uniform Guidance, and the State Single Audit Implementation Act, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and the State Single Audit Implementation Act and other procedures we consider necessary to enable us to express such an opinion on major federal and state award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance and the State Single Audit Implementation Act require that we also plan and perform the audit to obtain reasonable assurance about whether the entity has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major federal and state award programs. Our procedures will consist of determining major federal and state programs and performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and the State Single Audit Implementation Act.

Also, as required by the Uniform Guidance and the State Single Audit Implementation Act, we will perform tests of controls 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 of the entity's major federal and state award programs. However, our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal and state award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management's Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal and state awards received and expended during the period and the federal and State programs under which they were received, including federal awards and funding increments received prior to December 26, 2014 (if any), and those received in accordance with the Uniform Guidance (generally received after December 26, 2014);
4. For maintaining records that adequately identify the source and application of funds for federal and state funded activities;
5. For preparing the Schedule of Expenditures of Federal and State Awards (including notes and noncash assistance received) in accordance with the Uniform Guidance and State Single Audit Implementation Act;
6. For the design, implementation, and maintenance of internal control over federal and state awards;

7. For establishing and maintaining effective internal control over federal and state awards that provides reasonable assurance that the nonfederal and nonstate entity is managing federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions of the federal and state awards;
8. For identifying and ensuring that the entity complies with federal and state statutes, regulations, and the terms and conditions of federal and state award programs and implementing systems designed to achieve compliance with applicable federal and state statutes, regulations and the terms and conditions of federal and state award programs;
9. For disclosing accurately, currently and completely the financial results of each federal and state award in accordance with the requirements of the award;
10. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
11. For taking prompt action when instances of noncompliance are identified;
12. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
13. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
14. For submitting the reporting package and data collection form to the appropriate parties;
15. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
16. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, and relevant to federal and state award programs, such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
17. For 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 current period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
18. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
19. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
20. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
21. For the accuracy and completeness of all information provided;
22. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
23. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the supplementary information referred to above (including the Schedule of Expenditures of Federal and State Awards), you acknowledge and understand your responsibility (a) for the preparation of the supplementary information in accordance with the applicable criteria, (b) to provide us with the appropriate written representations regarding supplementary information, (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information, and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with

the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents. If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

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.

Fees

Marcie Spivey is the engagement partner for the audit services specified in this letter. Her responsibilities include supervising Martin Starnes & Associates, CPAs, P.A.'s services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. To ensure that our 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 fees for these services are as follows:

Fixed:	
Audit	\$ 33,450
Financial Statement Drafting	7,300
Other Non-Attest Services	-
	<u>\$ 40,750</u>

Our invoices for these fees will be rendered in four installments as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for non-payment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our reports. 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.

We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the City of Kannapolis' personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit.

We want our clients to receive the maximum value for our professional services and to perceive that our fees are reasonable and fair. In working to provide you with such value, we find there are certain circumstances that can cause us to perform work in excess of that contemplated in our fee estimate.

Following are some of the more common reasons for potential supplemental billings:

Changing Laws and Regulations

There are many governmental and rule-making boards that regularly add or change their requirements. Although we attempt to plan our work to anticipate the requirements that will affect our engagement, there are times when this is not possible. We will discuss these situations with you at the earliest possible time in order to make the necessary adjustments and amendments in our engagement.

Incorrect Accounting Methods or Errors in Client Records

We base our fee estimates on the expectation that client accounting records are in order so that our work can be completed using our standard testing and accounting procedures. However, should we find numerous errors, incomplete records, or the application of incorrect accounting methods, we will have to perform additional work to make the corrections and reflect those changes in the financial statements.

Failure to Prepare for the Engagement

In an effort to minimize your fees, we assign you the responsibility for the preparation of schedules and documents needed for the engagement. We also discuss matters such as availability of your key personnel, deadlines, and work space. If your personnel are unable, for whatever reasons, to provide these items as previously agreed upon, it might substantially increase the work we must do to complete the engagement within the scheduled time.

Starting and Stopping Our Work

If we must withdraw our staff because of the condition of the client's records, or the failure to provide agreed upon items within the established timeline for the engagement, we will not be able to perform our work in a timely, efficient manner, as established by our engagement plan. This will result in additional fees, as we must reschedule our personnel and incur additional start-up costs.

Assistance with Financial Statement Drafting

Your personnel is responsible for drafting the Schedule of Expenditures of Federal and State Awards. Upon completion of the drafted schedule, we will review it and return it to you with suggested revisions. If significant assistance is needed to make those revisions, this will result in additional fees based on the amount of assistance required.

Our fees are 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. Our fees for such services range from \$75-\$300 per hour.

Other Matters

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

The audit documentation for this engagement is the property of Martin Starnes & Associates, CPAs, P.A. and constitutes confidential information. However, we may be requested to make certain audit documentation available to the Local Government Commission, Office of the State Auditor, federal or State agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under

the supervision of Martin Starnes & Associates, CPAs, P.A.'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

We will perform the following nonattest services:

- Draft of financial statements and footnotes
- GASB 34 conversion entries
- Preparation of Data Collection Form

We will not assume management responsibilities on behalf of the City of Kannapolis. However, we will provide advice and recommendations to assist management of the City of Kannapolis in performing its responsibilities.

With respect to the nonattest services we perform as listed above, the City of Kannapolis' management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the engagement are as follows:

- We will perform the services in accordance with applicable professional standards.
- This engagement is limited to the nonattest services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account codings and approving journal entries.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to management and those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;

- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm to the Contract to Audit Accounts for your consideration and files.

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements and compliance over major federal and state award programs, including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of the City of Kannapolis by:

Name: _____

Title: _____

Date: _____

The of and	Governing Board City Council
	Primary Government Unit City of Kannapolis, NC
	Discretely Presented Component Unit (DPCU) (if applicable) NA

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

and	Auditor Name Martin Starnes & Associates, CPAs, P.A.
	Auditor Address 730 13th Ave Dr SE, Hickory, NC 28602

Hereinafter referred to as Auditor

for	Fiscal Year Ending	Audit Report Due Date
	06/30/19	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 staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit performed under the requirements found in Subpart F of the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

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

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

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.

PRIMARY GOVERNMENT FEES

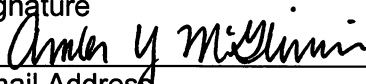
Primary Government Unit	City of Kannapolis, NC
Audit	\$ See fee section of engagement letter
Writing Financial Statements	\$ See fee section of engagement letter
All Other Non-Attest Services	\$ N/A
75% Cap for Interim Invoice Approval	\$ 30,562.50

DPCU FEES (if applicable)

Discretely Presented Component Unit	NA
Audit	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$
75% Cap for Interim Invoice Approval	\$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm Martin Starnes & Associates, CPAs, P.A.	
Authorized Firm Representative (typed or printed) Amber Y. McGhinnis	Signature 
Date 01/23/19	Email Address amcghinnis@martinstarnes.com

GOVERNMENTAL UNIT

Governmental Unit City of Kannapolis, NC	
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) Milton D. Hinnant, Mayor	Signature
Date	Email Address dhinnant@kannapolisnc.gov

Chair of Audit Committee (typed or printed, or "NA") NA	Signature
Date	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) Eric Davis, Finance Director	Signature
Date of Pre-Audit Certificate	Email Address edavis@kannapolisnc.gov

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

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

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

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.

DPCU Finance Officer (typed or printed) NA	Signature
Date of Pre-Audit Certificate	Email Address

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

PRINT



Koonce, Wooten & Haywood, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Report on the Firm's System of Quality Control

To the Shareholders of Martin Starnes & Associates CPAs, P.A. and the
Peer Review Committee, North Carolina Association
Of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Martin Starnes & Associates CPAs, P.A. (the firm) in effect for the year ended December 31, 2017. 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 engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and an audit of an employee benefit plan.

As 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 Martin Starnes & Associates CPAs, P.A. in effect for the year ended December 31, 2017, 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*. Martin Starnes & Associates CPAs, P.A. has received a peer review rating of *pass*.

Koonce, Wooten & Haywood, LLP

Koonce, Wooten & Haywood, LLP

May 3, 2018

Raleigh
4060 Barrett Drive
Post Office Box 17806
Raleigh, North Carolina 27619

919 782 9265
919 783 8937 FAX

Durham
3500 Westgate Drive
Suite 203
Durham, North Carolina 27707

919 354 2584
919 489 8183 FAX

Pittsboro
10 Sanford Road
Post Office Box 1399
Pittsboro, North Carolina 27312

919 542 6000
919 542 5764 FAX



**City of Kannapolis
City Council Meeting
February 11, 2019
Staff Report**

TO: Mayor and City Council
FROM: Eric Davis, Finance Director
TITLE Approve Budget Amendment 19-13 for the Irish Buffalo Creek Sewer project

A. Action Requested by City Council

Approve Budget Amendment 19-13 for the Irish Buffalo Creek Sewer project

B. Required Votes to Pass Required Action

Majority present at meeting

C. Background

In Fiscal Year 2014, the City of Kannapolis issued Revenue Bonds to complete four infrastructure projects. Those projects were:

- A. Albemarle Interconnect water line
- B. Kannapolis Dam Intake Improvements / repairs
- C. Complete water meter replacement program throughout Town
- D. Irish-Buffalo Creek gravity sewer line

All project are complete except for the Irish-Buffalo Creek sewer line. The design work has been completed, including the additional scope requests and construction is ready to commence upon authorization of funds.

D. Fiscal Considerations

The attached budget amendment accomplishes 2 items. First, it reallocates all remaining bond funds and investment income to the Irish-Buffalo Creek sewer project for spending. Secondly, it transfers approximately \$1.7 million from the water and sewer fund (cash reserves) to cover the remaining contractual expenses. This amendment is required to complete this construction project.

E. Policy Issues

None

F. Legal Issues

This budget amendment is required in order to legally spend funds for construction of the Irish-
Buffalo Creek sewer project.

G. Alternative Courses of Action and Recommendation

- 1. Approve Budget Amendment 19-13 for the Irish Buffalo Creek Sewer project (Recommended)**
2. Do not approve Budget Amendment 19-13 for the Irish Buffalo Creek Sewer project (stop the project).

ATTACHMENTS:

File Name

□ Council_Ba_19-13.doc

**ORDINANCE AMENDING BUDGET FOR THE
CITY OF KANNAPOLIS, NORTH CAROLINA
FOR REVENUE BONDS 2014
CAPITAL PROJECT FUND
Amendment # 19-13**

BE IT ORDAINED by the City Council of the City of Kannapolis, North Carolina meeting in open session this 11th day of February 2019, that the following amendment to the Project Ordinance for the City of Kannapolis, North Carolina is hereby adopted:

SECTION I - REVENUES

Decrease Proceeds from Revenue Bonds	
32095-39150	\$355,000
Increase Transfer from Water & Sewer Fund	
32090-39210	\$1,687,436
Decrease Transfer from Project Funds	
32090-39220	\$334,650
Increase Investment Income	
32000-38000	\$80,000

SECTION II - EXPENDITURES

Decrease Capital – CIP	
31500-59200 ALBWT	\$729,033
31500-59200 INTAK	\$15,452
31500-59200 METER	\$51,469
Increase Capital – CIP	
31500-59200 IRISH	\$1,873,740

This ordinance is approved and adopted this 11th day of February 2019.

Milton D. Hinnant, Mayor

ATTEST:

Bridgette Bell, MMC
City Clerk



**City of Kannapolis
City Council Meeting
February 11, 2019
Staff Report**

TO: Mayor and City Council
FROM: Wilmer Melton, III - Director of Public Works
TITLE NCDOT US 29 Corridor (Cannon Boulevard)
Improvement Project Presentation - south of
McLain Road and north of Sweet Gum Street

A. Action Requested by City Council

Motion to approve the Resolution of Support for NCDOT's US 29 Corridor (Cannon Boulevard) Improvement Project south of McLain Road and north of Sweet Gum Street.

B. Required Votes to Pass Required Action

Majority present at meeting

C. Background

As shown in tonight's presentation, NCDOT has proposed making certain road improvements necessary for public safety and the efficient transportation system along the US 29 Corridor (Cannon Boulevard) from south of McLain Road to north of Sweet Gum Street.

D. Fiscal Considerations

Funding will be provided by NCDOT.

E. Policy Issues

None

F. Legal Issues

None

G. Alternative Courses of Action and Recommendation

1. **Approve Resolution of Support for NCDOT's US 29 Corridor (Cannon Boulevard) Improvement Project south of McLain Road and north of Sweet Gum Street. (Recommended)**

2. Take no action
3. Table item for future meeting

ATTACHMENTS:

File Name

- ▢ Resolution_Supporting_NCDOT_US_29_(Cannon_Boulevard)_Improvements_-_south_of_McLain_Road_and_north_of_Sweet_Gum_Street.doc

**A RESOLUTION OF SUPPORT
FOR THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION'S
US 29 CORRIDOR (CANNON BOULEVARD) IMPROVEMENT PROJECT
FROM SOUTH OF MCLAIN ROAD TO NORTH OF SWEET GUM STREET**

WHEREAS, the City of Kannapolis is in support of the North Carolina Department of Transportation making certain road improvements along the US 29 Corridor (Cannon Boulevard) from south of McLain Road to north of Sweet Gum Street; and

WHEREAS, the City of Kannapolis is committed to the construction of this Project for road/street improvements necessary for public safety, efficient transportation systems, and commercial development; and

WHEREAS, the North Carolina Department of Transportation has committed to securing all funding needed for these improvements with High Hazard and Resurfacing funds; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of Kannapolis supports North Carolina Department of Transportation utilizing funds for the improvements along the US 29 Corridor (Cannon Boulevard) south of McLain Road and north of Sweet Gum Street.

Adopted the 11th day of February, 2019.

City Council
City of Kannapolis North Carolina

Milton D. Hinnant, Mayor

Attest: _____

Bridgette Bell, MMC, NCCMC
City Clerk



**City of Kannapolis
City Council Meeting
February 11, 2019
Staff Report**

TO: Mayor and City Council
FROM: Wilmer Melton, III - Director of Public Works
TITLE High Bridge Property Off-Site Water and Sewer Extensions

A. Action Requested by City Council

1. Motion to award the High Bridge Property Off-Site Water and Sewer Extensions Project Engineering and Construction Administration Services to LKC Engineering, PLLC in the amount of \$1,925,000.00 and authorize City Manager to execute Contract (Recommended)
2. Motion to approve the Project Ordinance for the High Bridge Property Off-Site Water and Sewer Extensions Project.
3. Motion to approve the reimbursement Resolution of Intent for the High Bridge Property Off-Site Water and Sewer Extensions Project.

B. Required Votes to Pass Required Action

Majority present at meeting

C. Background

On December 19, 2018, we received ten Statements of Qualifications from prospective consultants regarding the High Bridge Property Off-Site Water and Sewer Extensions Project for Engineering and Construction Administration Services. Staff selection team short-listed two firms for interview and selected LKC Engineering, PLLC to perform the work.

Staff has also reviewed the attached contract and cost and is in concurrence. Therefore, it is staff's recommendation that City Council award the Engineering and Construction Administration Services for the High Bridge Property Off-Site Water and Sewer Extensions Project to LKC Engineering, PLLC.

City Council will also consider adopting both a project ordinance and reimbursement resolution. The project ordinance includes an authorization of \$3,000,000 for engineering and other preliminary work. An amendment for the full project amount will be considered at the time the project is bid.

D. Fiscal Considerations

The Project will be funded from future loan proceeds.

E. Policy Issues

Council approval is required for City Manager to execute a contract in this amount.

F. Legal Issues

None

G. Alternative Courses of Action and Recommendation

1. (Recommended) Motion to award the High Bridge Property Off-Site Water and Sewer Extensions Project for Engineering and Construction Administration Services to LKC Engineering, PLLC in the amount of \$1,925,000.00 and authorize the City Manager to execute Contract.
2. (Recommended) Motion to approve the Project Ordinance for the High Bridge Property Off-Site Water and Sewer Extensions Project. (Recommended) Motion to approve the reimbursement Resolution of Intent for the High Bridge Property Off-Site Water and Sewer Extensions Project.
3. Take no action
4. Table item for future meeting

ATTACHMENTS:**File Name**

- Agreement_-_Kannapolis_High_Bridge_Off-Site_Water__Sewer.doc
- High_Bridge_Project_Overview_Map.pdf
- Capital_Project_Ordinance_Highbridge_Development_Water_and_Sewer_Infrastructure.doc
- Resolution_Declaring_Intent_to_Reimburse_itself_for_Capital_Expenditures_in_curred_for_Highbridge_Utilities_2019.doc

AGREEMENT TO FURNISH PROFESSIONAL ENGINEERING SERVICES

CITY OF KANNAPOLIS, NORTH CAROLINA

HIGH BRIDGE PROPERTY OFF-SITE WATER AND SEWER EXTENSIONS

This AGREEMENT made this _____ day of _____, 2019, by and between the CITY OF KANNAPOLIS, NORTH CAROLINA, hereinafter called the CITY, and LKC ENGINEERING, PLLC, hereinafter called LKC.

WHEREAS, the City wishes to construct off-site water and sewer utilities to serve property known as High Bridge located on both sides of I-85 where the new Old Beatty Ford Road realignment will cross the freeway. The scope of the infrastructure will generally consist of the following components:

1. 16" Water Line, Primary Feed: Approximately 12,000 feet of 16" water line connecting at the Old Beatty Ford Road / NC-29 intersection and extending south and eastward to the High Bridge property, crossing I-85, and stopping at the approximate location of a potential, future elevated storage tank.
2. 12" Water Line, Secondary Feed for Fire Flow: Approximately 9,900 feet of 12" water line starting at the China Grove Road / Moose Road intersection and extending north on China Grove Road stopping at the new Old Beatty Ford Road re-alignment.
3. 16" Water Line, Downtown Elevated Tank Interconnection: Approximately 2,000 feet of 16" water line to connect the North Juniper tank and the Floyd Street tank, including crossing the railroad tracks. The existing steel casing under the tracks will be reused if it is large enough.
4. West Side Gravity Sewer Outfall: Approximately 8,500 feet of 15" and 12" gravity sewer (size to be verified during design) installed from the proposed pump station northward to the new Old Beatty Ford Road realignment, crossing under I-85 and terminating on the east side of I-85.
5. East Side Gravity Sewer Outfall: Approximately 4,000 feet of 12" gravity sewer (size to be verified during design) connecting to the West Side Outfall and extending under I-85,

terminating at the High Bridge property boundary on the old Old Beatty Ford Road east of the I-85 bridge.

6. East Side Gravity Sewer Outfall, Phase 2: A future phase not included in this contract. May be added later as deemed necessary by the City.
7. Sewer Pump Station and Force Main: A sewer pump station installed approximately 3,000 feet north and east of the China Grove Road / Moose Road intersection, and approximately 3,000 feet of 10" force main (size to be verified during design) discharging in an existing manhole at Moose Road.

NOW, THEREFORE, the CITY and LKC, for the consideration hereinafter named, agree as follows:

I. ENGINEERING SERVICES – DESIGN SURVEYING

LKC agrees to perform the following tasks obligated under this Agreement:

1. Perform all necessary site surveying to develop detailed drawings for permitting and construction, to meet the City's expectations.

Payment for the DESIGN SURVEYING described above shall be provided on a lump sum, not to exceed basis. The fee for the proposed work is **EIGHTY-EIGHT THOUSAND DOLLARS (\$88,000.00)**.

II. ENGINEERING SERVICES – DESIGN AND PERMITTING

1. Meet with City staff to discuss the goals of the project. This shall include the development team for the High Bridge property if necessary.
2. Perform hydraulic calculations to predict the level of service and fire flow conditions in at strategic locations on the High Bridge site.
3. Provide preliminary design drawings and review them with City staff and the High Bridge development team, if necessary.
4. Incorporate concepts and revisions from the preliminary design review into a set of final design drawings and specifications.
5. Prepare construction contract documents that meet the local and state procurement requirements and those of any applicable funding agency.
6. Acquire all applicable regulatory approval required for construction. (Wetlands delineation and permitting included in a separate phase in this Agreement.)

Payment for the DESIGN AND PERMITTING described above shall be provided on a lump sum, not to exceed basis. The fee for the proposed work is **EIGHT HUNDRED FORTY-FIVE THOUSAND DOLLARS (\$845,000.00)**.

III. ENGINEERING SERVICES – BIDDING AND AWARD

1. Prepare and package the construction documents for bidding purposes.
2. Facilitate the formal bidding process including a pre-bid meeting and the bid opening.
3. Tabulate all bids received and review for conformance with the requirements of the construction documents.
4. Negotiate with the low bidder, if necessary.
5. Make a recommendation of award for the City's consideration.

Payment for the BIDDING AND AWARD described above shall be provided on a lump sum, not to exceed basis. The fee for the proposed work is **FIFTY-SIX THOUSAND DOLLARS (\$56,000.00)**.

IV. ENGINEERING SERVICES – CONSTRUCTION MANAGEMENT AND INSPECTION

1. Assist the City with the execution of construction contract(s).
2. Facilitate the pre-construction meeting.
3. Review construction submittals to ensure equipment, materials, and workmanship meet the expectations of the contract documents.
4. Provide onsite construction inspection to make sure the work is performed in conformance with the contract documents. LKC is not responsible for the safety measures provided by the Contractor, nor is LKC responsible for ensuring a safe working environment is provided by the Contractor. Such responsibility is solely the responsibility of the construction Contractor.
5. Facilitate regularly-scheduled, not more frequent than monthly, construction progress meetings with the Contractor, City, and Engineer.
6. Review and provide the Engineer's approval of applications for partial payment and final payment periodically submitted by the Contractor.
7. Review change order requests submitted by the Contractor for general conformance with the contract documents and verify the City is receiving a fair market value for change order items.
8. Provide periodic updates to the City's elected officials as requested.

Payment for the CONSTRUCTION MANAGEMENT AND INSPECTION described above shall be provided on a lump sum, not to exceed basis. The fee for the proposed work is **SEVEN HUNDRED AND TEN THOUSAND DOLLARS (\$710,000.00)**.

V. ENGINEERING SERVICES – CERTIFICATION AND RECORD DRAWINGS

1. Provide the final certification of the construction to applicable regulatory agencies once complete.
2. Provide as-built drawings to the City reflecting any modifications made to the project scope during construction.

Payment for the CERTIFICATION AND RECORD DRAWINGS described above shall be provided on a lump sum, not to exceed basis. The fee for the proposed work is **THIRTY-SIX THOUSAND DOLLARS (\$36,000.00)**.

VI. ENGINEERING SERVICES – EASEMENT SURVEYING, MAPPING, AND COORDINATION

1. Perform any necessary site surveying for easement preparation along the route.
2. Develop easement documents and maps for execution and recording.
3. Coordinate the easement acquisition process with the City's right-of-way acquisition consultant and the local property owners.

Payment for the EASEMENT SURVEYING, MAPPING, AND COORDINATION described above shall be provided on a time-and-expense, not to exceed basis. The not-to-exceed fee for the proposed work is **FORTY THOUSAND DOLLARS (\$40,000.00)**.

VII. ENGINEERING SERVICES – GEOTECHNICAL INVESTIGATIONS

1. Provide a subsurface investigation report, or multiple reports, to assist with the project design and to provide information to potential bidders about the presence of rock.
2. Soil borings are expected to be performed at either side of casing bores, directional bores, and at the pump station wetwell location.
3. Soil borings may also be performed at various locations along the project route to determine the presence of rock. Seismic refraction may also be used to describe rock elevation profiles.

Payment for the GEOTECHNICAL INVESTIGATIONS described above shall be provided on a time-and-expense, not to exceed basis. The not-to-exceed fee for the proposed work is **FORTY-FIVE THOUSAND DOLLARS (\$45,000.00)**.

VIII. ENGINEERING SERVICES – WETLANDS DELINEATION AND PERMITTING

1. Perform a preliminary wetlands investigation along the project route to assist with determining the route of the utilities, particularly the gravity sewer and pump station.

2. After design drawings are developed based on the preliminary investigation, provide a delineation of the wetlands based on the design drawings.
3. Coordinate with the Army Corps of Engineers to verify the final location of the wetlands, as needed.
4. Perform a protected species habitat and cultural resources assessment along the project route.
5. Coordinate the payment of wetland mitigation fees with the City and the Corps of Engineers.
6. Scope and fee of this phase assumed the project impacts will fall under the Nationwide Permit process with the Corps of Engineers. Fee may need to be revisited if an Individual Permit is deemed necessary.

Payment for the WETLANDS DELINEATION AND PERMITTING described above shall be provided on a time-and-expense, not to exceed basis. The not-to-exceed fee for the proposed work is **ONE HUNDRED AND FIVE THOUSAND DOLLARS (\$105,000.00)**.

LKC's services under this AGREEMENT shall not include (1) preparation of detailed biological survey or assessment, (2) preparation of an environmental assessment or environmental impact statement, (3) negotiations with property owners for real property or easement acquisition that would require a real estate license, (4) payment of permit fees. These services, if required, may be arranged for and furnished by LKC and separately paid for by the CITY for a fee to be subsequently agreed upon if the need for these services arises.

IX. PAYMENT TERMS

Partial payment of the above amounts shall be made to the Engineer on a monthly basis at a percentage of completion agreed upon by both the City and the Engineer. The Engineer shall submit invoices in said amount to the City on a monthly basis and payment shall be made within 30 days of the City's receipt of the invoice.

It is agreed by the parties hereto that the appropriate adjustments in any fixed and/or lump sum payments shall be made if the physical scope of the project, time for completion, or services required are materially increased or decreased beyond that considered at the time of execution of this Agreement.

Should LKC be required to render additional services in connection with related work upon which the work scope does not apply, or if the scope of the project is modified by the City, LKC shall receive additional compensation for such additional services at the hourly rates as specified on the fee schedule attached hereto as Exhibit A for the hours actually worked by the appropriate classification of employee or for a lump sum fee agreed upon by the City and LKC.

X. TERM OF SERVICE

The Term of Service shall be defined as the length of time elapsed between the execution of this Agreement by all parties and the final certification of the construction. LKC anticipates that the term of service for the Professional Engineering Services shall be **540 days** from the date of this Agreement.

XI. TERMINATION

This Agreement may be terminated by either party based on performance or for convenience. The terminating party shall notify the terminated party in writing a minimum of 30 days before the date of termination. Upon being fairly compensated for services provided prior to termination, LKC shall turn over all records, files, and other pertinent information to the City.

The City and LKC hereby agree to the full performance of the covenants contained within pages 1 through 7 of this Agreement with Exhibits A herein.

IN WITNESS HEREOF, they have executed this Agreement, the day and the year first above written, which is the effective date of this Agreement.

LKC ENGINEERING, PLLC

CITY OF KANNAPOLIS, NC

By: _____
Adam P. Kiker, P.E.
Member/Manager

By: _____

Date: _____

Date: _____

Attest: _____
Tim Carpenter, Member/Manager

Attest: _____

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

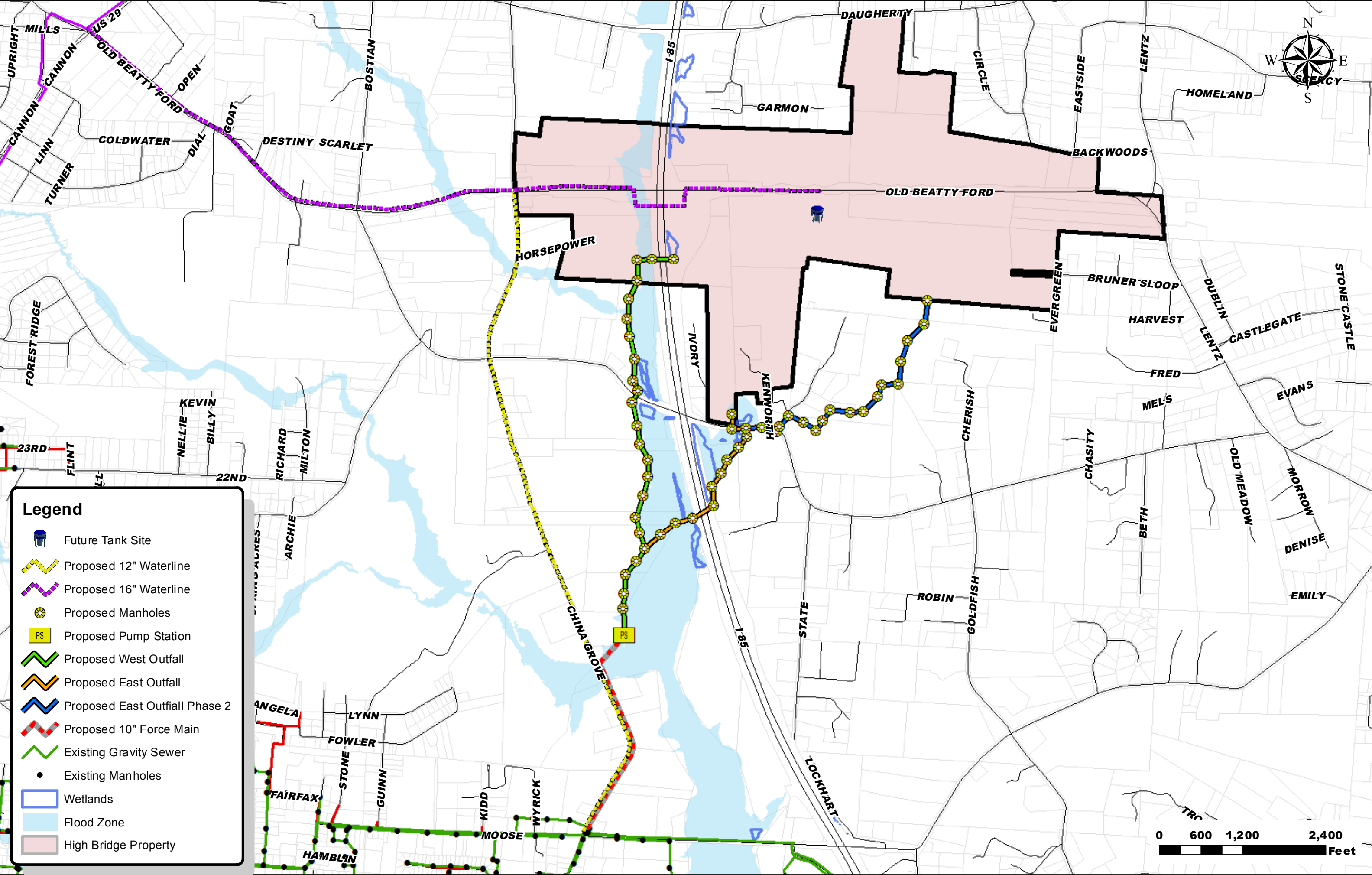
Finance Officer

EXHIBIT A

HOURLY RATE STRUCTURE

LKC ENGINEERING offers a competitive rate structure to provide the highest quality of services with controlled overhead. The rates below cover all expenses including travel time.

MANAGING PARTNER	\$120.00/HOUR
PROJECT MANAGER	\$ 90.00/HOUR
LANDSCAPE ARCHITECT	\$ 90.00/HOUR
PROJECT ENGINEER	\$ 80.00/HOUR
SENIOR DESIGNER	\$ 80.00/HOUR
DESIGNER	\$ 70.00/HOUR
SENIOR CONSTRUCTION MANAGER	\$ 80.00/HOUR
CONSTRUCTION MANAGER	\$ 70.00/HOUR
FUNDING ADMINISTRATOR	\$ 70.00/HOUR
ADMINISTRATOR	\$ 50.00/HOUR



CITY OF KANNAPOLIS, NORTH CAROLINA
HIGH BRIDGE DEVELOPMENT WATER & SEWER INFRASTRUCTURE
CAPITAL PROJECT ORDINANCE
19 - 14

BE IT ORDAINED by the City Council of the City of Kannapolis, North Carolina that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following Capital Project Ordinance is hereby adopted:

Section 1. The project authorized consists of construction of water and sewer infrastructure in the I-85 corridor to support the “High Bridge Development” Project.

Section 2. The City Manager is hereby directed to proceed with the Capital Project in compliance with the North Carolina General Statutes and within the budget contained herein.

Section 3. The following revenues are anticipated to be available to complete this Project:

Loan Proceeds	\$3,000,000

TOTAL	\$3,000,000

Section 4. The following amount is appropriated for the Project:

Capital Outlay	\$3,000,000

TOTAL	\$3,000,000

Section 5. The Finance Officer is hereby directed to maintain within the Capital Project Fund sufficient specific detailed accounting records to provide for accounting to the City Council as required by North Carolina law.

Section 6. The Finance Officer is directed to report quarterly on the financial status of each project element in Section 4 and on total project revenue.

Section 7. The Budget Officer is directed to include a detailed analysis of past and future costs and revenues on this project in annual budget information presented to City Council.

Section 8. The City Manager is hereby authorized to transfer funds from one line item to another line item without further approval by the City Council.

Section 9. Copies of this Capital Project Ordinance shall be made available to the Budget Officer and the Finance Director for direction in carrying out this Project.

This Ordinance is approved and adopted this 11th day of February 2019.

Milton D. Hinnant, Mayor

ATTEST:

Bridgette Bell, MMC, NCCMC
City Clerk

RESOLUTION
RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KANNAPOLIS
DECLARING THE INTENT OF THE CITY OF KANNAPOLIS TO REIMBURSE
ITSELF FOR CAPITAL EXPENDITURES INCURRED IN CONNECTION WITH
THE PROCEEDS OF CERTAIN TAX-EXEMPT OBLIGATIONS TO BE ISSUED.

WHEREAS, the City Council of the City of Kannapolis (the "*City*") has determined that it is in the best interest of the City to construct water and sewer infrastructure to a development referred to as the "High Bridge Development" (the "*Project*");

WHEREAS, the City presently intends, at one time or from time to time, to finance all or a portion of the costs of the Project with the proceeds of tax-exempt obligations (the "*Bonds*") to finance, or to reimburse the City for, all or a portion of the costs of the Project; and

WHEREAS, the City desires to proceed with the Project and will incur and pay certain expenditures in connection with the Project prior to the date of issuance of the Bonds (the "*Original Expenditures*"), such Original Expenditures to be paid for originally from a source other than the proceeds of the Bonds, and the City intends, and reasonably expects, to be reimbursed for such Original Expenditures from a portion of the proceeds of the Bonds to be issued at a date occurring after the dates of such Original Expenditures;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Kannapolis as follows:

Section 1. ***Official Declaration of Intent.*** The City presently intends, and reasonably expects, to reimburse itself for the Original Expenditures incurred and paid by the City on or after the date occurring 60 days prior to the date of adoption of this Resolution from a portion of the proceeds of the Bonds. The City reasonably expects to issue the Bonds to finance all or a portion of the costs of the Project and the maximum principal amount of Bonds expected to be issued by the City to pay for all or a portion of the costs of the Project is \$3,000,000.

Section 2. ***Compliance with Regulations.*** The City adopts this Resolution as a declaration of official intent under Section 1.150-2 of the Treasury Regulations promulgated under Section 103 of the Internal Revenue Code of 1986, as amended, to evidence the City's intent to reimburse the City for the Original Expenditures from proceeds of the Bonds.

Section 3. ***Itemization of Capital Expenditures.*** The Finance Director of the City, with advice from bond counsel, is hereby authorized, directed and designated to act on behalf of the City in determining and itemizing all of the Original Expenditures incurred and paid by the City in connection with the Project during the period commencing on the date occurring 60 days prior to the date of adoption of this Resolution and ending on the date of issuance of the Bonds.

Section 4. ***Effective Date.*** This Resolution shall become effective immediately upon the date of its adoption.

Adopted this 11th day of February, 2019.

Milton D. Hinnant, Mayor

Attest:

Bridgette Bell, MMC, NCCMC
City Clerk



**City of Kannapolis
City Council Meeting
February 11, 2019
Staff Report**

TO: Mayor and City Council
FROM: Zachary D. Gordon, AICP, Planning Director
TITLE Board of Adjustment Appointments

A. Action Requested by City Council

Motion to appoint members to the Board of Adjustment

B. Required Votes to Pass Required Action

Majority present at meeting

C. Background

The Board of Adjustment has seven (7) regular members (including one ETJ member) and two (2) alternate members. Currently, the BOA is in need of one (1) regular member to replace a member that resigned in October 2018. Typically, new regular BOA members are appointed by City Council from the list of alternate members. Of the two (2) current alternates, James Palmer, has served the longest and is willing to serve as a full member of the Board.

The BOA is also in need of an alternate member to replace James Palmer.

D. Fiscal Considerations

None

E. Policy Issues

At its November 26, 2018 meeting, the City Council approved a text amendment to the UDO which removed the previous limit of two (2) on the maximum of alternate members. In order to insure a sufficient number of BOA members to rule on cases, in addition to the appointment of a new regular board member, staff is recommending the appointment of two (2) additional alternates to the Board, for a total of three (3). The additional alternate members will provide enough flexibility to insure that the BOA has a sufficient number of board members at meetings to rule on applications for variances. Six (6) members must be present to rule on a variance request. In the past year, there have been several meetings where the BOA has not been able to hear a variance request due to the lack of a sufficient number of board members present to hear the case.

F. Legal Issues

None

G. Alternative Courses of Action and Recommendation

1. **Motion to appoint James Palmer (currently serving as an alternate member) as a regular member to the BOA. Recommended)**
2. Motion to appoint the following individuals to the BOA as alternate members (Recommended): Jeff Parker, Scott Trott
3. Table action to a future meeting

ATTACHMENTS:

File Name

BOA_MEMBER_LIST_2018-2019-.pdf

Kannapolis Board of Adjustment

July 2018- June 2019

<u>CHAIRMAN</u> Jonathan Farmer 5309 Randolph Road Kannapolis, NC 28081	(H) None (W) 704-699-6613 Email: jonathanfarmer1985@gmail.com Expires: 6/30/2020 Term: 3 rd
<u>Vice-Chairman</u> James Palmer 2375 Curecanti Court Kannapolis, NC 28083	(H) 704-787-1973 (W) 704-938-1512 Email: james@yourpbd.com Term Expires: 06/30/2021 Term: 3 rd
Andrew Baker 220 York Avenue Kannapolis, NC 28083	(H) & (W) 704-652-1730 Email: awb127@yahoo.com Term Expires: 6/30/2020 Term: 3 rd
Colby Meadows 608 Walter Street Kannapolis NC 28083	(H) 704-933-2046 Email: emeadows84@yahoo.com Term Expires: 06/30/2021 Term: 3 rd
JoAnn Crosby 322 Wisteria Lane Kannapolis, NC 28083	(C) 704-562-7101 Email: jocrosby123@twc.com Term Expires: 06/30/2019 Term: 1 st
Ryan French 1905 Pennsylvania Ave Kannapolis, NC 28083	(C) 252-521-7967 Email: RyanLee_French@yahoo.com Term Expires: 06/30/2021 Term: 1 st
<u>Alternate:</u> M. Ryan Craft 914 Polo Street Kannapolis, NC 28081	(W) 704-224-1961 Email: awbmrc@yahoo.com Term Expires: 06/30/2020 Term: 2 nd
<u>*Rowan E.T.J. Representative</u> Boyd Hardin 902 East 22 nd Street Kannapolis, N.C. 28083	(H) 704- 933-0086 Email: rhardin45@hotmail.com Term Expires: 6/30/2021 Term: 3 rd



**City of Kannapolis
City Council Meeting
February 11, 2019
Staff Report**

TO: Mayor and City Council
FROM: Mike Legg, City Manager
TITLE Cancel February 25, 2019, 6:00 PM Regular Meeting

A. Action Requested by City Council

Motion to cancel the regular meeting scheduled for 6:00 PM on February 25, 2019. (Mike Legg, City Manager)

B. Required Votes to Pass Required Action

Majority present at meeting

C. Background

City Council has set the regular meeting schedule for 2019. All meetings are slated to begin at 6:00 PM. A mini-retreat for City Council has been scheduled for Monday, February 25, 2019 beginning at 4:00 PM. It is recommended that the regular meeting set for February 25, 2019 at 6:00 be cancelled.

City Council will be asked to continue this meeting to February 25, at 4:00 PM. City Hall

D. Fiscal Considerations

None

E. Policy Issues

None

F. Legal Issues

G. Alternative Courses of Action and Recommendation

1. Motion to cancel the regularly scheduled 6:00 meeting of February 25, 2019. (Recommended)

ATTACHMENTS:

File Name

No Attachments Available



**City of Kannapolis
City Council Meeting
February 11, 2019
Staff Report**

TO: Mayor and City Council
FROM: Mike Legg, City Manager
TITLE Closed Session

A. Action Requested by City Council

GS. 143-318.11 (a) (3) to consult with an attorney in order to preserve the attorney client privilege and G.S. 143.318.11 (a) (4) for discussing matters relating to the location or expansion of industries or businesses in the area and G.S. 143-318.11 (a) (6) for the purpose of discussing personnel matters (Mayor Pro tem Haas)

MOTION TO CONTINUE MEETING TO FEBRUARY 25, 2019, 4:00 PM, CITY HALL

B. Required Votes to Pass Required Action

C. Background

D. Fiscal Considerations

E. Policy Issues

F. Legal Issues

G. Alternative Courses of Action and Recommendation

ATTACHMENTS:

File Name

No Attachments Available



**City of Kannapolis
City Council Meeting
February 11, 2019
Staff Report**

TO: Mayor and City Council
FROM: Bridgette Bell, City Clerk
TITLE February

A. Action Requested by City Council

B. Required Votes to Pass Required Action

C. Background

D. Fiscal Considerations

E. Policy Issues

F. Legal Issues

G. Alternative Courses of Action and Recommendation

ATTACHMENTS:

File Name

No Attachments Available