



**Town of Southern Shores  
Council Meeting  
May 7, 2013**

The Town of Southern Shores Council met in the Pitts Center located at 5375 N. Virginia Dare Trail at 7:00 p.m. on Tuesday, May 7, 2013

**COUNCIL PRESENT:** Mayor Hal Denny, Mayor Pro Tem Jodi Hess, Council Members George Kowalski, David Sanders and Larry Lawhon.

**COUNCIL ABSENT:** None

**OTHERS PRESENT:** Town Manager Peter Rascoe, Town Attorney Ben Gallop and Town Clerk Sheila Kane.

**CALL TO ORDER / PLEDGE OF ALLEGIANCE / MOMENT OF SILENCE**

Mayor Denny called the meeting to order at 7:00 p.m., led the Pledge of Allegiance, and held a Moment of Silence.

**APPROVAL OF AGENDA**

**MOTION:** Mayor Pro Tem Jodi Hess moved to approve the agenda as presented. The motion was seconded by Council Member Sanders. The motion passed unanimously.

**CONSENT AGENDA**

The Consent Agenda consisted of the following items:

- Approval of Minutes - April 16, 2013
- Dare County FY 2013-2014 Hurricane/ Disaster Debris Removal Interlocal Agreement

**MOTION:** Council Member Lawhon moved to approve the consent agenda. The motion was seconded by Mayor Pro Tem Hess. The motion passed unanimously.

[Clerk's Note: A copy of Consent Agenda items are hereby attached as Exhibit A].

**STAFF REPORTS**

**Town Planner:** Town Planner, Wes Haskett, presented his monthly report containing the following:

- ZTA-13-02-A Zoning Text Amendment application has been submitted by Duck Woods Country Club which a request to amend the current Sign Ordinance to allow for one freestanding sign per street frontage for Country Clubs. The application will be reviewed by the Town Planning Board at their May 20th meeting.
- Permitting and Inspections for April, 2013

[Clerk's Note: A copy of the Town Planner's report is hereby attached as Exhibit B].

Police Department: Chief Kole presented his monthly report.

Southern Shores Volunteer Fire Department: No Report

## **REPORTS FROM BOARDS, COMMITTEES, AND ASSOCIATIONS**

### Southern Shores Civic Association (SSCA):

Jim Keller gave an informational report on behalf of the SSCA.

### Chicahauk Property Owner's Association (CPOA):

Leo Holland gave an informational report on behalf of the CPOA.

## **GENERAL PUBLIC COMMENT-none**

## **PRESENTATION AND FILING OF PROPOSED FY 2013-2014 BUDGET AND BUDGET MESSAGE**

The Budget Officer/Town Manager presented and reviewed the Proposed FY 2013-2014 Budget of \$5,598,065.00 and presented his Budget Message. He stated the revenue-neutral rate will be .22 cents (compared to the current .16 cents) per \$100 for the upcoming FY 2013-2014. No tax rate increase is being proposed by the Budget Officer in excess of the revenue neutral tax rate.

[Clerk's Note: A copy of the Budget Message is hereby attached as Exhibit C].

## **OLD BUSINESS-none**

## **NEW BUSINESS**

### Consideration of Auditor's Contract - Dowdy & Osborne L.L.P.

**MOTION:** Council Member Kowalski moved to accept Dowdy and Osborne's audit contract for the Town's June 30, 2013 audit at a cost of \$16,250.00. The motion was seconded by Council Member Lawhon. The motion passed unanimously.

[Clerk's Note: A copy of Dowdy and Osborne's audit contract for 2013 is hereby attached as Exhibit D].

### Resolution 2013-05-01 Support of PARTF

**MOTION:** Council Member Kowalski moved to adopt Resolution 2013-05-01 A Resolution to Maintain and Support the Current Integrity and Funding for the Parks and Recreation Trust Fund (PARTF). The motion was seconded by Council Member Lawhon. The motion passed unanimously.

[Clerk's Note: A copy of Resolution 2013-05-01 is hereby attached as Exhibit E].

## **OTHER ITEMS**

### Town Manager's report

The Town Manager addressed several issues:

- On June 4, 2013 the Local Government Commission will consider the Town's application for the debt approval for the capital project of the canals and improvements to Town Hall Complex.
- On June 4, 2013 from 4:00-6:00 p.m. the Town's contract engineer Kimley Horn will conduct an information meeting on the Tall Pine Bridge project. This meeting is open to the public and both the Town and Kimley Horn will be notifying residents.

- The Outer Banks Chamber is hosting an Elected Officials Meet and Greet on Thursday, May 30, 2013 from 5:30 p.m. -7:00 p.m. at the Ramada Inn.
- At the May 21 workshop meeting the Police Chief and Town Manager hope to introduce this season's Community Resource Officer.
- On June 4 the Ocean Rescue Director will introduce this summer's beach lifeguards.

Town Attorney: none

Mayor's comments: The Mayor stated there is a move afoot on Tall Pine to lean on the Mayor to remove the dangerous, failing tree at the entrance to Tall Pine Lane along Dogwood Trail. He asked Council to take a look at the tree and would like to avoid any such reaction as the one that occurred during the East Dogwood tree removal.

Council Members' comments: Council Member Kowalski stated the North Carolina Department of Transportation has finally placed new pedestrian crosswalk signs up along NC12. He thanked the Town Manager for his perseverance in this matter.

### CLOSED SESSION

**MOTION:** The Mayor moved to go into closed session pursuant to North Carolina General Statute One Forty Three dash Three Eighteen dot Eleven 'A.' [143-318.11(a)].

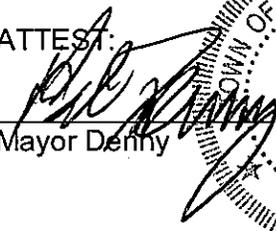
Section (3): to consult with the attorney retained by the Town in a manner preserving the attorney-client privilege with regard to the matter of Sampson Contracting v. Town of Southern Shores et al.

Section (1): to prevent the disclosure of information that is privileged or confidential pursuant to the common law attorney-client privilege and N.C.G.S. 143-318.10(e).

The motion was seconded by Council Member Lawhon. The motion passed unanimously.

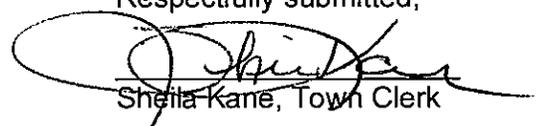
### ADJOURN

**MOTION:** Upon returning to open session Mayor Denny moved to adjourn. The motion was seconded by Council Member Kowalski. The motion passed unanimously. The time was 8:40 p.m.

ATTEST:  
  
Mayor Denny



Respectfully submitted,

  
Sheila Kane, Town Clerk

**Hurricane/Disaster Debris Removal  
Interlocal Agreement**

This Agreement, made and entered into this the 7<sup>th</sup> day of MAY 2013, by and between Dare County ("County"), a political subdivision organized and existing pursuant to the laws of the State of North Carolina, and Town of Southern Shores ("Municipality"), a municipal corporation organized and existing pursuant to the laws of the State of North Carolina.

**RECITALS**

It is hereby determined and declared by the parties that:

- A. In the event of a natural disaster, the President of the United States and/or the Governor of the State of North Carolina may declare Dare County a natural disaster area, making Dare County and the municipalities within Dare County eligible for Federal and/or state disaster relief, including funds for the cleanup of debris.
- B. In the event of a storm-related natural disaster, such as a hurricane, disaster debris cleanup is often a critical component of the disaster recovery process.
- C. Debris cleanup on a county-wide basis requires a coordinated effort between the municipalities within the County, the County, State and federal agencies, and private contractors in order to ensure resources are applied where the need is most critical and to ensure the public health, safety, and welfare is protected.
- D. The disaster debris cleanup effort will require prioritizing areas for immediate cleanup, and perhaps temporarily suspending or rescheduling regular solid waste, yard waste, and recycling services.
- E. The County is contractually obligated to provide disposal of all solid waste collected within Dare County pursuant to the Municipal Waste Management Agreements entered into between the County and municipalities.
- F. During a natural disaster in which the Dare County Control Group has been activated, decisions regarding debris cleanup are coordinated through the Control Group and implemented by the County.
- G. In order to achieve the orderly and efficient cleanup of debris, it is appropriate that the County, in consultation with the Dare County Control Group, coordinate the County wide disaster debris collection effort through the County's solid waste collectors and contractors, and that cleanup efforts within the municipalities be conducted under the County's contracts for disaster cleanup.

- H. The County, through a competitive bid process which included the possibility of cleanup activity within the Town as well as unincorporated Dare County, has entered into contracts with debris management companies ("Contractors") for debris cleanup following a natural disaster ("Contracts"), and the Town desires to utilize the County contract through this Agreement for debris cleanup within the Town.
- I. The County and Town are authorized to enter into this Agreement pursuant to Article 20 of Chapter 160A of the North Carolina General Statutes, and desire to do so for the reasons stated above.

**NOW THEREFORE**, in consideration of the terms, conditions, and covenants expressed herein, the parties agree as follows:

1. In the event of a natural disaster, the County, upon activation of the Contracts by Dare County Control Group, shall coordinate the collection of disaster related debris cleanup pursuant of the terms and conditions of the Contracts in consultation with the Dare County Control Group.
2. Such cleanup shall included cleanup with Town pursuant to the terms and conditions of the Contracts.
3. Pursuant to this Agreement, the Town shall:
  - a. Identify contract personnel to coordinate with County and the Contractors cleanup activity within the Town's jurisdiction.
  - b. Provide personnel to serve as field inspectors to monitor debris loading and issue debris load tickets, and to validate load tickets and record truck volumes at disposal sites pursuant to the Contracts.
  - c. Assume all responsibility for coordinating directly with the Contractors in seeking Federal and state disaster relief reimbursement of expenditures incurred from cleanup work performed by the Contractors pursuant to the Contracts.
  - d. Secure Right-of-Entry Agreements from property owners within the jurisdiction of the Town as necessary.
  - e. Negotiate with the Contractors for any expenditure for debris cleanup reimbursement by Federal or state disaster relief assistance.

- f. Cooperate in good faith with the Dare County Control Group and Contractors in the disaster recovery and cleanup process.
4. Pursuant to the Agreement, the County shall:
  - a. Coordinate, in consultation with the Dare County Control Group, debris cleanup, including prioritization of cleanup activities following a natural disaster, pursuant to the terms and conditions of the contract.
  - b. Respond in a good faith effort to specific requests for assistance from the Town.
  - c. Maintain the Contracts in good standing unless cancelled pursuant to the terms and conditions of the Contracts, and, in the event that the Contracts are terminated or modified, immediately notify the Town of such termination or modification.
5. All terms and conditions of the Contracts entered into between the County and the Contractors shall apply equally to cleanup work performed by the Contractors within the Town's jurisdiction when the Contracts are activated by the Dare County Control Group.
6. This Agreement shall be in effect for the same term as the Contracts, and shall renew under the same terms and conditions as the Contracts.
7. This Agreement may be terminated in whole or in part in writing by either party provided that no termination may be effected under the other party is given not less than thirty (30) days prior written notice of intent to terminate.
8. This Agreement may be modified only by the prior written approval of both parties.
9. Any notice, acceptance, request, or approval from either party to the other party shall be in writing and shall be deemed to have been received when either has deposited same in the United States Postal Service or personally delivered with signed proof of delivery.
10. Each party agrees to indemnify and hold harmless the other party for any claims of damage, loss, injury, or any other legal, judicial, or administrative claims arising out of or resulting from this Agreement and any work performed pursuant to the Contracts. All indemnifications and immunities from liability incorporated within the

Contracts shall apply to this Agreement and are hereby incorporated by reference.

11. If any provisions of this Agreement are held, for any reason, to be unconstitutional, unenforceable, invalid, or illegal in any respect, such decision shall not affect or impair any of the remaining provisions of this Agreement, and the parties shall, to the extent they deem to be necessary and appropriate, take such actions as are necessary to correct any such provisions.

12. This instrument contains the entire agreement between the parties, and cancels and supersedes all prior negotiations, representations, understandings, or agreements, either written or oral, between the parties with respect to the subject matter hereof.

13. This Agreement is governed by and construed in accordance with the laws of the State of North Carolina.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement on the date first written above.

TOWN OF Southern Shores

COUNTY OF DARE

  
\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Chairman

ATTEST:

ATTEST:

  
\_\_\_\_\_  
Clerk to the Council



\_\_\_\_\_  
Clerk to the Board

**5-7-13 TC Report  
Town Planner  
Month of April**

**1. ZTA-13-02**

-A Zoning Text Amendment application has been submitted by Duck Woods Country Club which a request to amend the current Sign Ordinance to allow for one freestanding sign per street frontage for Country Clubs. The application will be reviewed by the Town Planning Board at their May 20th meeting.

**2. Permitting and Inspections for April, 2013**

-2 Zoning Permits were issued.

-32 building permits were issued: 1 new single-family dwelling, 7 additions, and 24 others.

-99 building inspections were conducted (51 job sites).

-15 single-family dwellings and one bank are currently under construction.

-Total amount of fees collected in April was \$11,722.50.



## Town of Southern Shores

5375 N. Virginia Dare Trail, Southern Shores, NC 27949

Phone 252-261-2394 / Fax 252-255-0876

[www.southernshores-nc.gov](http://www.southernshores-nc.gov)

May 7, 2013

Budget Message  
Fiscal Year 2012-2013  
[NCGS §159-1]

To the Honorable Mayor and Members of the Town Council:

In accordance with the North Carolina Local Government Budget and Fiscal Control Act, submitted today for filing with the Town Clerk is the proposed Town of Southern Shores operating budget for upcoming fiscal year 2013-2014.

During the current fiscal year 2012-2013, the residential and commercial development and construction industry in the Town of Southern Shores has experienced a slight upswing in activity based on the issuance of permits. However due to the required revaluation of all property in Southern Shores effective January 1, 2013, the overall value of the Town's taxable property dropped 28%. This of course, results in a re-setting of the Town's tax rate in order to keep revenues the same to fund the current cost of existing expenses. An individual property experiencing a percentage value decrease greater than the Town's overall percentage decrease may result in a lower tax bill based on the projected budget which recommends the revenue neutral rate as the Town's tax rate for the upcoming year. An individual property experiencing a percentage value decrease less than the Town's overall percentage decrease may result in a higher tax bill. Property taxes comprise 53% of the Town's major sources of revenues in the upcoming projected budget.

The other major sources of revenue for the Town of Southern Shores, being occupancy tax, sales tax, and land transfer tax, are distributed to all municipalities in Dare County based on a formula established by State law. Each of these tax revenues are distributed to the municipalities in proportion to the amount of ad valorem taxes levied by each town for the preceding fiscal year. Southern Shores increased its ad valorem tax levy by raising its tax rate for this current fiscal year .02 cents per \$100 in value. Some of the other municipalities also increased their property tax levies for the current fiscal year. As a result, the Town of Southern Shore's projected revenues from distributed taxes are increased by \$181,600 for the upcoming year.

The primary fiscal goal of Town administration continues to be the best possible delivery of Council-directed services in the most economically feasible manner. By successfully accomplishing this goal each year, end-of-year budget savings and any realized un-budgeted or unanticipated revenues are transferred into the Town's fund balance for future budgeting as appropriate.

During the months of January and February of this calendar year and in accordance with the Local Government Budget and Fiscal Control Act, the Town's Budget Officer

gathered from Department Heads the estimated costs of continuing to provide the Town's basic services for the next fiscal year. Some of those projected costs have increased, and some have been adjusted to indicate decreases. Some necessary adjustments were made in operations during the current year which have resulted in proposed departmental costs being lowered for next year. There are other expenses for services which cannot be adjusted due to contractual obligations (i.e. fire protection, lifeguard services, solid waste collection, etc.). Two service enhancements which were initiated during the current fiscal year: year-round Limb/Branch Chipping Program and the enhanced Recycling Program are proposed to continue in the upcoming fiscal year.

Capital Improvement Highlights: This year's proposed budget contains funds for capital street improvements in an amount of \$516,000 as directed by the Town Council. This expense comprises 9.22% of the total proposed operating budget, and is equivalent to 4.02 cents of the recommended total ad valorem tax rate (22.0 cents) per \$100 of assessed property value.

For this upcoming fiscal year, an open-meeting Budget Workshop was conducted on April 16, 2013 by the Town Council, the Budget Officer, and the Finance Officer. Interested citizens and local press attended. Each line of the projected operating expenses for next fiscal year was reviewed at the workshop. As related to the Town Council at the Workshop meeting, this proposed budget is balanced without a property tax increase in excess of the revenue neutral rate. After making any corrective changes or any other changes as directed at the Workshop meeting, the Budget Officer was requested to file and present the proposed budget at the Town Council's May 7, 2013 regular Meeting.

The draft proposed budget will now be accessible on the Town's website in anticipation of the Council's public hearing on the budget which the Mayor has set for June 4, 2013 at 7:00 PM in the Pitts Center.

The proposed budget has now been filed and remains available for public inspection. The Town Council may deliberate on its proposed components at its discretion, will hear public comment, and may take any number of actions, such as either adopt as proposed, or amend the proposed budget and adopt as amended, prior to July 1, 2013.



Peter Rascoe  
Budget Officer/  
Town Manager  
Town of Southern Shores, NC

EXHIBIT D

LGC-205 (Rev. 2013)

CONTRACT TO AUDIT ACCOUNTS  
of Town of Southern Shores  
Governmental Unit

On this 15th day of April, 2013, Dowdy & Osborne, LLP

Auditor

P.O. Box 9, Nags Head, NC 27959

Mailing Address

, hereinafter referred to as

the Auditor, and Town Council of Town of Southern Shores, hereinafter referred  
Governing Board Governmental Unit

to as the Governmental Unit, agree as follows:

- 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, 2012, and ending June 30, 2013. 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 will be rendered in relation 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 types).
- 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 staffs 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 substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC CPA Board).
- 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.
- 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
- If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of their most recent peer review report regardless of the date of the prior peer review report to the Governmental Unit and the Secretary of the LGC prior to the execution of the audit contract (See Item 22). If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.  
  
If the audit engagement is not subject to *Government Accounting Standards*, the Auditor shall provide an explanation as to why in an attachment.
- 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, 2013. If it becomes necessary to amend this due date or 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.
- 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. That written report must 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.
- All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.) [G.S. 159-34 and 115C-447] The process for

Contract to Audit Accounts (cont.) Town of Southern Shores  
(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 invoices must be sent through the portal at: <http://nctreasurer.slgfd.leapfile.net>. Subject line should read "Invoice - only. The PDF invoice marked 'approved' with approval date will be returned by email to the Auditor for them 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 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:

Year-end bookkeeping assistance – [For audits subject to Government Auditing Standards, this is limited to bookkeeping services permitted by revised Independence Standards] \$0

Audit \$ 16,250

Preparation of the annual financial statements \$ 0

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee. The 75% cap for interim invoice approval for this audit contract is \$ 12,187.50

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) submitting the invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the SLGFD by any interested parties. Any subsequent revisions to these reports 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 Auditors' opinion is not included), by 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.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx>

In addition, if the OSA designates certain programs to be audited as major programs, a turnaround 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 therefore. 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-audited 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

Contract to Audit Accounts (cont.) Town of Southern Shores  
 (Name of Governmental Unit)

is <http://nctreasurer.slgfd.leapfile.net> No change shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

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 the 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 22 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. Engagement letter
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://nctreasurer.slgfd.leapfile.net> Electronic signatures are not accepted at this time. Included with this contract are instructions to submit contracts and invoices for approval as of April 2013. These instructions are subject to change. Please check the NC Treasurer's web site at [www.nctreasurer.com](http://www.nctreasurer.com) for the most recent instructions.
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. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted: (See Item 16.)
23. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided in the spaces below.

Audit Firm Signature:  
 Firm Dowdy & Osborne, LLP

By Teresa Osborne  
 (Please type or print name)

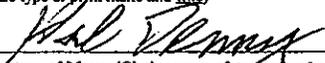
  
 (Signature of authorized audit firm representative)

Email Address of Audit Firm:  
osborne@dowdyosbornecpa.com

Date April 15, 2013

Governmental Unit Signatures:

By Hal Denny  
 (Please type or print name and title)

  
 (Signature of Mayor/Chairperson of governing board)

Date 5/7/13

Date Governing Body Approved Audit Contract - G.S. 159-34(a)  
 Governmental Unit Signatures (continued):

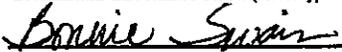
Unit Signatures (continued): \_\_\_\_\_  
 (Chair of Audit Committee- please type or print name)

N/A  
 (Signature of Audit Committee Chairperson)

Date \_\_\_\_\_  
 (If Governmental Unit has no audit committee, this section should be marked "N/A.")

This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act. Additionally, the following date is the date this audit contract was approved by the governing body.

Bonnie Swain  
 Governmental Unit Finance Officer (Please type or print name)

  
 (Signature)

Email Address of Finance Officer  
bswain@southernshores-nc.gov

Date 5/7/13  
 (Preaudit Certificate must be dated.)



## Town of Southern Shores

5375 N. Virginia Dare Trail, Southern Shores, NC 27949

Phone 252-261-2394 / Fax 252-255-0876

[www.southernshores-nc.gov](http://www.southernshores-nc.gov)

Resolution 2013-05-01

### **A RESOLUTION TO MAINTAIN AND SUPPORT THE CURRENT INTEGRITY AND FUNDING FOR THE PARKS AND RECREATION TRUST FUND (PARTF)**

**WHEREAS**, North Carolina is known for its unique and scenic natural resources and opportunities for recreation with a long tradition of its citizens and visitors enjoying parks, mountains, rivers, greenways, beaches and more. Generations of residents and visitors have delighted in these landscapes and park facilities; and

**WHEREAS**, The Parks and Recreation Trust Fund (PARTF) was established with bi-partisan support on July 16, 1994 to fund improvements in the state's park system, to fund grants for local governments and to increase the public's access to the state's beaches and coastal waterways; and

**WHEREAS**, Since its inception The Parks and Recreation Trust Fund has provided \$161 million via 722 grants to 370 local governments in 99 counties and has been matched with \$312 million of local and private dollars for the purchase of local park land, building and renovation of facilities and development of greenways and trails; and

**WHEREAS**, North Carolina's population has grown to make it the 10th most populous state in the nation with projections for the significant growth to continue in the coming decades, and more state and local parks are needed to meet the increased demands; and

**WHEREAS**, Parks are identified as key contributors to North Carolina's tourism industry that generates nearly \$20 billion in annual economic impact; and

**WHEREAS**, Parks in North Carolina are experiencing record visitation levels including over 14.25 million to state parks in both 2011 and 2012; and

**WHEREAS**, The Parks & Recreation Trust Fund has leveraged funds that allowed our State to acquire land for state parks and state natural areas and protected nearly 83,000 acres and made major additions to the Mountains-to-Sea State Trail; and

**WHEREAS**, The Parks & Recreation Trust Fund has funded capital improvement projects in the state parks such as visitor centers and exhibit halls which provide tremendous opportunities to educate students and all citizens about North Carolina's outstanding natural resources, and other capital projects including campgrounds, picnic areas, boating facilities, trails and swimming beaches; and local capital projects including construction of community centers, athletic fields and greenways; and

**WHEREAS**, The annual economic impact to local economies of all tourists visiting the state parks system was estimated at more than \$400 million in sales and income, as well as nearly 5,000 jobs according to a 2008 study.

**WHEREAS**, A portion of the Parks & Recreation Trust Fund is designated for the Public Beach and Coastal Waterfront Access Program to improve access to beaches and coastal waterways by funding public boat ramps and public beaches accesses; and

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**WHEREAS**, access to parks, recreation facilities and open space provides cost-effective opportunities for citizens of all ages to participate in health and wellness activities thereby reducing costs associated with obesity, heart disease, diabetes and high blood pressure; and

**WHEREAS**, research has documented that structured park and recreational opportunities in local communities can prevent crime and provide positive activities and directions for young people; and

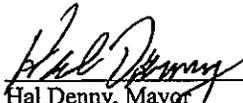
**WHEREAS**, dedicated, recurring funding of the Parks & Recreation Trust Fund allows for structured and objective planning and efficient management of the system at both the state and local levels for today and future generations; and

**WHEREAS**, the success of the Parks and Recreation Trust Fund is due to the dedicated funding source provided by a portion of the deed stamp tax, and is recognized nationally as a model for efficiency and accountability.

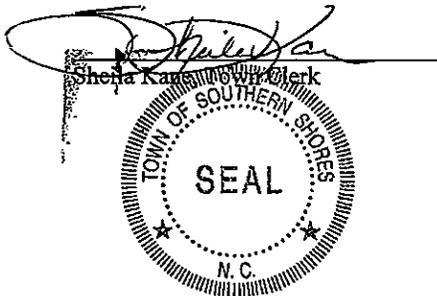
**NOW, THEREFORE, BE IT RESOLVED**, that the Town of Southern Shores does call on the members of the General Assembly to maintain dedicated revenues generated by seventy-five cents of the deed stamp tax for The Parks and Recreation Trust Fund.

The Clerk is directed to send a copy of this resolution to each of the members of the General Assembly representing the people of the Town of Southern Shores and the North Carolina Recreation and Park Association.

This the 7th day of May 2013.

  
\_\_\_\_\_  
Hal Denny, Mayor  
Town of Southern Shores

Attest:



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Town Council Meeting  
May 7, 2013  
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Town of Southern Shores  
Closed Session  
May 7, 2013

Those in attendance: Mayor Denny, Mayor Pro Tem Hess, Council Members Kowalski, Sanders and Lawhon.

Also present: Town Manager Peter Rascoe, Town Attorney's Ben Gallop and Phillip Hornthal and Town Clerk Sheila Kane.

Mr. Hornthal gave a brief update on the matter of Sampson Contracting v. Town of Southern Shores and reviewed the submitted answers to the plaintiff's complaints in the referenced matter.

No action taken.

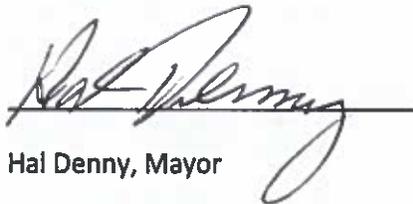
Sheila Kane, Town Clerk presented Council with Closed Session minutes from the following dates:

- February 5, 2013
- April 16, 2013

MOTION: Council Member Lawhon moved to approve the closed session minutes from both February 5, 2013 and April 16, 2013. The motion was seconded by Council Member Sanders. The motion passed unanimously.

MOTION: Mayor Denny moved to go out of closed session. Council Member Sanders seconded. The motion passed unanimously.

ATTEST:

  
Hal Denny, Mayor

Respectfully submitted:

  
SEAL  
Sheila Kane, Town Clerk  
N. C.