



**TOWN OF HARRISBURG, NORTH CAROLINA
HARRISBURG TOWN HALL
TOWN COUNCIL MEETING**

**January 14, 2019
6:00 PM**

AGENDA

1. CALL TO ORDER

- A. AGENDA ADOPTION
- B. INVOCATION
- C. PLEDGE OF ALLEGIANCE
- D. SPECIAL PRESENTATIONS
 - 1. FY2018 Financial Audit Presentation
- E. PUBLIC COMMENT - Anyone wishing to address the Town Council may do so during the Public Comment section. Please state your name and address for the record, be courteous and do not repeat what has already been said. Please keep your comments about the subject and not personal in nature.

2. CONSENT AGENDA

- A. Consider the minutes of the December 10, 2018 Town Council Meeting.
- B. Consider the minutes of the December 10, 2018 Closed Session.
- C. Proclamation - Dr. Martin Luther King, Jr. Day
- D. Proclamation - Health for Humanity Yogathon.
- E. Proclamation - School Choice Week
- F. Consideration of Town Hall Upfit Budget Amendment
- G. Consideration of 2019 Board and Committee Assignments
- H. Consideration of FY2018 Financial Statements

3. COMMUNICATIONS

- A. TOWN MANAGER'S MONTHLY REPORT

B. MAYOR'S COMMENTS

C. COUNCIL COMMENTS

4. PUBLIC HEARINGS

A. H-2018-13(R) Public Hearing for Zoning Map Amendment

5. OLD BUSINESS

A. Consideration of Natural Gas Franchise Agreement with PSNC

6. NEW BUSINESS

- A. Consideration of H2018-02-(S) Davis Creek Subdivision Preliminary Plat
- B. Consideration of Contract for Construction Manager at Risk Services for Harrisburg Park Renovation
- C. Consideration of Reallocating Charlotte Symphony Funds
- D. Consideration of Amending FY2019 Budget Ordinance for Additional Sheriff Deputies' Personnel and Capital Outlay Costs
- E. Consideration of Approval for Revised Purchasing Policies and Adoption of Uniform Guidance Policies
- F. Consideration of Resolution for Local Water Supply Plan
- G. Consideration of Contract for Engineering Services for New Elevated Water Storage Tank
- H. Consideration of Request for Concurrence for NCDOT - Speed Limit Change on section of Hwy 49
- I. Consideration of Street Sweeping Contract with NCDOT

7. ACTION ITEMS

8. CLOSED SESSION

9. ADJOURNMENT

Town of Harrisburg's Vision Statement

Harrisburg will be the best small town in North Carolina based on low density housing, excellent economic opportunities, a safe living environment, and efficient and effective municipal services. Amenities such as excellent recreational programs, adequate open space, attractive shopping opportunities, a diversity of restaurants, and a connected system of roadways, sidewalks, greenways, and bicycle lanes will continue to enhance the quality of life of the Town. These services and amenities will be provided while retaining reasonable tax rates and debt levels.



TOWN OF HARRISBURG

Agenda Item Details

Title:

Consider the minutes of the December 10, 2018 Town Council Meeting.

Presenting Personnel:

Suggested Motion or Action:

To approve the Consent Agenda.

Description/Background:

December 10, 2018 Town Council Meeting Minutes.

Recommendation:

Fiscal Impact:

None

Attachments:

1. Minutes December 10, 2018

**TOWN OF HARRISBURG, NORTH CAROLINA
TOWN COUNCIL MEETING
MONDAY, DECEMBER 10, 2018
6:00 PM**

MINUTES

Mayor Steve Sciascia called the meeting to order.

PRESENT: Mayor Steve Sciascia; Mayor Pro-Tem John Booth, Councilmembers Troy Selberg, Diamond Staton-Williams, Benita Conrad, Ron Smith and Christopher Barfield

ABSENT: Councilmember Rick Russo

**1A.
AGENDA ADOPTION**

MOTION:

Mayor Pro-Tem Booth made a motion to adopt the agenda as presented. Second was made by Councilmember Selberg. **The motion passed 6-0.**

**1B.
INVOCATION**

Councilmember Conrad conducted the invocation.

**1C.
PLEDGE OF ALLEGIANCE**

**1D.
SPECIAL PRESENTATIONS**

1. Public Address by Sheriff Van Shaw.

**1E.
PUBLIC COMMENT**

None

**2.
CONSENT AGENDA**

- A. Consider the minutes of the November 12, 2018 Town Council meeting.
- B. Consider the minutes of the November 12, 2018 Closed Session.
- C. Consider amending the FY2019 budget ordinance for the settlement of system development fees cases.

MOTION:

Councilmember Selberg made a motion to approve the Consent Agenda. Second was made by Mayor Pro-Tem Booth. **The motion passed 6-0.**

**3A.
COMMUNICATIONS
TOWN MANAGER'S REPORT**

- Thanked Public Works, Parks and Public Safety for their handling of the winter storm over the last couple of days. They did a great job preparing for and responding to issues related to the weather. Due to the nature of the wet heavy snow, we understand that several mailboxes were damaged while employees were plowing the roads. Encouraged anyone who has damage to their mailbox to contact our Customer Service department to report it so that we can make the necessary repairs.
- Sanitation services will operate on a one day delay this week due to the weather and will most likely operate on a 2-hour delay tomorrow. They hope to be caught up by Saturday of this week.

- There will be a neighborhood meeting here at Town Hall on December 13 to discuss Town center rezoning. This rezoning could be a transformative project for Town Center and we are very excited to see how it progresses.
- The Town launched a new updated website last week that should provide residents with a lot more features and functionality. It is not completely finished yet and we will be adding more features as well as a mobile app in the near future. Looking forward to feedback from the public.

3B.

COMMUNICATIONS

MAYOR'S COMMENTS

- Asked about the possibility of prioritizing road improvements in the schedule for the transportation bonds that were approved last year. Town Manager Haynes Brigman explained that there are 5 intersections that were identified for improvement with the transportation bonds and the Engineering department is currently going through qualification assessments with firms to design the improvements. Once the designs are complete we will work with NCDOT to get the improvements scheduled. We are probably two years from actually seeing improvements begin. The Town feels that the Tom Query/Caldwell Road intersection is the highest priority for improvement and we have asked DOT to conduct a safety audit to see if there are any actions that can help that intersection in the interim while we wait for the long term improvement. DOT turned down the idea of making the intersection a 4-way stop.

3C.

COMMUNICATIONS

COUNCIL'S COMMENTS

Councilmember Barfield

- There was no meeting of the MPO in November and right now it looks like the December meeting will be cancelled as well.

4A.

PUBLIC HEARING

Consider the Farmington Ridge Parkway Project Development District Plan for adoption, resolution to create the Farmington Ridge Parkway Project Development District, and the related Infrastructure Reimbursement Agreement.

Assistant Town Manager/Finance Director Lee Connor presented the background information.

In association with the future Farmington mixed-use development project, the developer, Jim Merrifield, has approached the Town to request establishing a project development district to fund the Farmington Ridge Parkway (road) construction.

Farmington Ridge Parkway will provide access to all portions of the new Farmington development, as well as create a new north-south connector road from Rocky River Road to Caldwell Road.

Town Council approved the road design in October 2017, which will consist of a four-lane road with a divided median to connect Rocky River Road and Caldwell Road.

By using a project development district to fund the cost of the road, it is proposed that 90% of the incremental increase of taxes received on the value of the developed property would go to the developer to repay them for the cost of debt payments associated with the road improvements over a period of 14 years, as they will be responsible for borrowing the money and constructing the road.

The current estimated cost of the project is \$6,000,000 with an estimated 5% interest, which would yield a total project cost, including borrowing, of approximately \$9.2M.

The developer is asking for both the Town and County to issue the same tax reimbursement, if agreed, over a 12-year repayment period. The approximate payment would be \$3.1M from the Town and \$6.1M from the County.

In order for the District to be created, the following must occur:

- A Project Development District Plan must be developed.
- A Resolution of Council to approve the Plan and the establishment of the District.

- An Agreement with the Developer outlining the financing arrangement of the incremental tax revenue funding (Infrastructure Reimbursement Agreement).
- A Public Hearing to consider all of the above information.

The benefit to the Town is that the Farmington mixed-use project would not occur but for the implementation of the Infrastructure Reimbursement Agreement. The Farmington mixed-use development will bring office/retail/residential development to the southern part of Harrisburg, in a corridor designated for this type of growth by the HALUP.

In addition to the tax base growth, job opportunities, sales tax growth, and additional service opportunities, the Town will also benefit from the new Farmington Ridge Road connector, relieving stress from other road corridors throughout Town. This is both an economic development benefit and a road and traffic improvement project.

Using the developer financing method for this Infrastructure Reimbursement Agreement means that there is little to no risk for the Town. The developer will be responsible for the financial commitment to construct the road before the development of the project can begin. If the development never happens, or does not build out as anticipated, the full burden of the road construction is on the developer, not the Town.

The Town will be responsible for providing general services to the project area (mostly sanitation services and street light expenses), but staff believes that these expenses will be covered by the 10% of new tax base growth collected during the reimbursement period.

Recommended Motion: To approve the Farmington Ridge Parkway Project Development District Plan, Resolution to Create the District, and the related Infrastructure Reimbursement Agreement.

Town Manager Brigman took questions from Council concerning this project.

The public hearing was opened.

Speaking:

- Patrick Rhyne, 7250 Streamhaven Drive, Harrisburg – questions about impact to schools.
- Rodney Dellinger, 3713 Ayrshire Court, Harrisburg – questions about the process.
- Everett Lyons, 7156 Bovine Lane, Harrisburg – questions about tax implications for residents.

The public hearing was then closed.

After much discussion concerning the pros and cons of this proposal, the following action was taken:

MOTION:

Councilmember Conrad made a motion to approve the Farmington Ridge Parkway Project Development District Plan, Resolution to Create the District, and the related Infrastructure Reimbursement Agreement. Second was made by Councilmember Selberg. **The motion passed 5-1 (Councilmember Smith voting against).** Resolution hereby incorporated by reference.

5.

OLD BUSINESS

None

6A.

NEW BUSINESS

Consider resolution adopting the Official Flag for the Town of Harrisburg, North Carolina. A flag design has been selected by the public via online voting methods. Adoption of this flag design will make it the Town of Harrisburg's official flag.

In March 2018, Hickory Ridge High School student Jonathan Andrus proposed that the Town hold a contest to select an official Town of Harrisburg flag. The Town received more than 50 entries from graphic designers, school children and other Harrisburg residents. Town Council, Town staff and Andrus reviewed the entries and reduced to pool to the top five designs. Harrisburg residents voted this fall and Flag Design #2, which was submitted anonymously, was chosen.

Flag Design #2 description from the designer: The flag represents all characteristics of the town. The railroad tracks are prominently showcased as they are the genesis of the town's foundation. Flowing with the railroad tracks are waves that represent the rivers that are also prominent in Harrisburg's history and current development. From left to right above the railroad tracks and river are representations of a naturally wooded and agricultural area (shown with tree lines, silo, and harvested fields) which were the most common land uses historically. From the farmland it rolls into the

residential/suburban characteristics of the town (shown by the outline of homes), which has been growing exponentially over the past decade. Beyond the suburban residential areas is the Harrisburg Town Hall showcased as the most recognizable building in town. Moving further right from the Town Hall is additional natural areas and tree lines, with the skyline of Charlotte in the background. Harrisburg having the small town rural characteristics of rolling farmland, but also the developed residential areas and close proximity to the Charlotte metro area make it one of the most desirable places to live in North Carolina, and I think this flag represents all of those elements.

If approved, the Town will consult with a graphic artist to refine the details of the flag and come up with a 'final' production using the main features of the flag design. The flag design shown will not be the final product.

The flag will be flown at all town facilities where possible.

Recommended Motion: To approve the resolution to adopt the official Town flag of the Town of Harrisburg, North Carolina.

MOTION:

Mayor Pro-Tem Booth made a motion to approve the resolution to adopt the official Town flag of the Town of Harrisburg, North Carolina with the addition of adding recognition of Jonathan Andrus to the resolution. Second was made by Councilmember Staton-Williams. **The motion passed 6-0.**

6B.

NEW BUSINESS

Discussion of Meter Charge change for Fire Suppression Meters. The Town is currently seeing an increase in the number of residential homes which have fire sprinkler systems installed as a means of fire suppression. Per the Fire Code, these sprinkler-ed systems must be served by a one-inch meter separate from the one that provides potable water to the home.

It has been requested by developers that the Town consider reducing the charge for water meters designated as fire suppression meters. The thought process is that the fire suppression meters are not used frequently (maybe ever) for regular water usage, and will only be used in the event of a fire, and thus they should not have to pay as high of a rate as typical water meters which will serve the needs of the homeowner.

Currently the Town charges a System Development Charge of \$8,375 and a Facility Charge of \$725, for a total of \$9,100 per one-inch meter.

Town staff has reviewed the request by the developers, and is willing to consider amending the meter charge for fire suppression meters.

Staff Recommendation: If Council supports discussing and considering amending the charge for fire suppression water meters, a public hearing will need to be scheduled for the January 14, 2019 Council meeting to consider updating the Fee Schedule.

Pending support from Council, staff will generate a recommended fee for the fire suppression meters to be presented to Council for consideration during the Public Hearing.

MOTION:

Councilmember Conrad made a motion to set a public hearing for January 14, 2019 to consider a change to the meter charge for fire suppression meters. Second was made by Councilmember Barfield. **The motion passed 6-0.**

6C.

NEW BUSINESS

Consider an update to the Town's Vision Statement. The current Vision Statement was adopted in July 2008, with the help of an outside consultant group, the Urban Institute. If it is decided that the Vision Statement should be updated, Council should give staff direction as to whether they prefer contracting with an outside consultant for assistance, or if they will direct staff to complete the project internally. With either option, staff recommends that several exercises, including community engagement meetings and surveys of Town Council, be utilized to help shape the core values of the Statement.

Staff will use the direction of Council to determine its next steps. Discussion and direction from Council is appreciated.

MOTION:

Councilmember Selberg made a motion to direct staff to look into engaging an outside firm to work on revising the Town's Vision Statement and bring back the numbers to Council for consideration. Second was made by Councilmember Conrad. **The motion passed 6-0.**

6D.

NEW BUSINESS

Consider appointing a new member to the Planning and Zoning and Board of Adjustment. The Planning and Zoning Board and the Board of Adjustment currently have a vacancy created by the resignation of Scott Noel. His term expires in June 2020. Staff has advertised the vacancy and received 8 applicants.

The candidates were interviewed by a sub-committee of the Planning and Zoning Board during the week of November 5, 2018. The committee recommended appointing Jake Carpenter to fulfill the remaining term of a 3 year appointment. At the Planning Board meeting on November 20th, the Planning and Zoning Board accepted committee recommendation and unanimously recommended that Jake Carpenter be appointed to the Planning and Zoning Board and Board of Adjustment.

Andy Rathke, Planning and Zoning Board Chair was nominated to present this recommendation to the Town Council by the Planning and Zoning Board.

Staff recommends that Mr. Jake Carpenter be appointed to fulfill the remainder of the three year term for the Planning and Zoning Board and the Board of Adjustment.

Recommended Motion:

To appoint Jake Carpenter to the Planning and Zoning Board and the Board of Adjustment through June 30, 2020.

MOTION:

Councilmember Conrad made a motion to appoint Jake Carpenter to the Planning and Zoning Board and the Board of Adjustment through June 30, 2020. Second was made by Councilmember Staton-Williams. **The motion passed 6-0.**

6E.

NEW BUSINESS

Consider adoption of the 2019 Town Council meeting calendar. Council has been provided the proposed 2019 calendar year meeting dates. The only date that will be altered due to holidays is the November 11th date, due to Veterans Day. This meeting is proposed to move back one day to the Tuesday following the normally scheduled meeting, for the same time and location.

There is also a conflict for the October 14th Council meeting date with the Columbus Day holiday; however, the Town does not recognize this holiday as an official holiday for Town office closure, so the date of this meeting has not been altered for this holiday. This can be altered by Council if they desire.

Staff recommends approval.

Recommended Motion:

To approve the proposed 2019 Town Council Meeting Schedule.

MOTION:

Councilmember Barfield made a motion to approve the proposed 2019 Town Council Meeting Schedule. Second was made by Councilmember Conrad. **The motion passed 6-0.**

7.

ACTION ITEMS

- Amend the Flag resolution to add recognition of Jonathan Andrus
- Replace bows on Christmas wreaths for next year

8.

CLOSED SESSION

MOTION:

Councilmember Staton-Williams made a motion to go into Closed Session to discuss personnel matters. Second was made by Councilmember Conrad. **The motion passed 6-0.**

Upon returning from Closed Session the following action was taken:

MOTION:

Councilmember Barfield made a motion to come out of Closed Session and return to regular business. Second was made by Mayor Pro-Tem Booth. **The motion passed 6-0.**

9.

ADJOURNMENT

MOTION:

There being no further business, Mayor Pro-Tem Booth made a motion to adjourn the meeting with a second from Councilmember Conrad. **The motion passed 6-0.**

ATTEST:

Steve Sciascia, Mayor

Janet Rackley, Town Clerk



TOWN OF HARRISBURG

Agenda Item Details

Title:

Consider the minutes of the December 10, 2018 Closed Session.

Presenting Personnel:

Suggested Motion or Action:

To approve the Consent Agenda.

Description/Background:

December 10, 2018 Closed Session.

Recommendation:

Fiscal Impact:

None

Attachments:

None



TOWN OF HARRISBURG

Agenda Item Details

Title:

Proclamation - Dr. Martin Luther King, Jr. Day

Presenting Personnel:

Suggested Motion or Action:

Motion to approve the Consent Agenda.

Description/Background:

Recommendation:

Fiscal Impact:

None

Attachments:

1. Proclamation - Martin Luther King



Proclamation

WHEREAS, Dr. Martin Luther King, Jr. inspired millions of Americans by becoming a visionary leader of the civil rights movement with a goal of creating a society tolerant of all races, cultures and nationalities; and

WHEREAS, Dr. King's enduring contributions to America remind us that people should "...not be judged by the color of their skin but by the content of their character"; and

WHEREAS, the ideals of Dr. King and of the Town of Harrisburg's commitment to human rights are worthy of reflection and serve as a reminder that improving the quality of life for all members of our community is a responsibility of every citizen; and

WHEREAS, the celebration of Dr. King's birthday is intended to honor an American who dedicated his life to the fundamental principles of freedom, opportunity, and equal justice for all,

NOW, THEREFORE, I, Steven Sciascia, Mayor of the Town of Harrisburg, North Carolina, do hereby proclaim Monday, January 21, 2019 as:

"DR. MARTIN LUTHER KING, JR. DAY"

in the Town of Harrisburg and encourage all citizens to rededicate themselves to the principles of respect for human rights and freedom, of belief in non-violence, and of commitment to improving our community.

ADOPTED, this 14th day of January 2019.

Steven J. Sciascia, Mayor

Attest:

Janet Rackley, Town Clerk



TOWN OF HARRISBURG

Agenda Item Details

Title:

Proclamation - Health for Humanity Yogathon.

Presenting Personnel:

Suggested Motion or Action:

To approve consent agenda.

Description/Background:

Request from Hindu Swayamsevak Sangh, U.S.A., Inc. (HSS), a non-profit organization to recognize their Health for Humanity Yogathon Event.

Recommendation:

Fiscal Impact:

None

Attachments:

1. Proclamation - Health for Humanity Yogathon



PROCLAMATION

In Recognition of Surya Namaskar (SUN Salutation) Awareness Period
January 12 - 27, 2019

WHEREAS, YOGA is an ancient process of keeping the human mind and body in good health. Spiritual training is considered a part of physical training from ancient times in India. The Surya Namaskar (SUN Salutation) is a special sequence of YOGA postures that provides the key health benefits of YOGA in a very succinct package; and

WHEREAS, Hindu Swayamsevak Sangh (HSS) is a voluntary, non-profit, social and cultural organization, which aims at preserving and passing on the ancient Hindu heritage and cultural values to the next generation of Hindus and raise awareness around the world; and

WHEREAS, HSS is organizing a Health for Humanity Yogathon and the goal is to complete One Million Surya Namaskar (SUN Salutations) by Twelve Thousand participants, collectively and individually, to promote friendship, mutual understanding and good health among multi-cultural and diverse members of the community; and

WHEREAS, YOGA enthusiasts, YOGA Studios, and local schools and organizations are participating in this event. SUN Salutations can be included daily during this time as a part of physical activity and/or spiritual training.

NOW, THEREFORE, BE IT RESOLVED, I, Steven J. Sciascia, Mayor of the Town of Harrisburg, North Carolina, do hereby recognize the

Health for Humanity Yogathon

and thank HSS for their outstanding job with helping to preserve and promote the ancient heritage and cultural values around the world.

This the 14th day of January, 2019.

Steven J. Sciascia, Mayor

ATTEST:

Janet Rackley, Town Clerk



TOWN OF HARRISBURG

Agenda Item Details

Title:

Proclamation - School Choice Week

Presenting Personnel:

Suggested Motion or Action:

To approve the Consent Agenda.

Description/Background:

Recommendation:

Fiscal Impact:

None

Attachments:

1. Proclamation - School Choice Week



PROCLAMATION

A Proclamation Commemorating Harrisburg School Choice Week

WHEREAS, all children in the Town of Harrisburg should have access to the highest-quality education possible; and,

WHEREAS, the Town of Harrisburg recognizes the important role that an effective education plays in preparing all students in Harrisburg to be successful adults; and,

WHEREAS, quality education is critically important to the economic vitality of the Town of Harrisburg; and,

WHEREAS, the Town of Harrisburg is home to a multitude of excellent education options from which parents can choose for their children; and,

WHEREAS, educational variety not only helps to diversify our economy, but also enhances the vibrancy of our community; and,

WHEREAS, our area has many high-quality teaching professionals who are committed to educating our children; and,

WHEREAS, School Choice Week is celebrated across the country by millions of students, parents, educators, schools and organizations to raise awareness of the need for effective educational options;

NOW, THEREFORE, I, Steven J. Sciascia, do hereby recognize January 20-26, 2019 as

HARRISBURG SCHOOL CHOICE WEEK

and call this observance to the attention of all of our citizens.

This the 14th day of January, 2019.

Steven J. Sciascia, Mayor

ATTEST:

Janet Rackley, Town Clerk



TOWN OF HARRISBURG

Agenda Item Details

Title:

Consideration of Town Hall Upfit Budget Amendment

Presenting Personnel:

Suggested Motion or Action:

To approve amending the General Fund, Capital Reserve Fund - General Services, the Capital Reserve Fund - Water and Sewer, and the Water and Sewer Fund budget ordinances in the amount of \$5,000 from each fund, as attached, to cover the additional project costs for the Town Hall renovation.

Description/Background:

At the November 12, 2018 Town Council meeting, a budget amendment was approved for \$35,000 to renovate and increase office space in Town Hall based upon a preliminary quote provided by the contractor. The final quote received from the contractor is approximately \$10,000 more than originally anticipated for a total project cost of \$45,000. This is primarily due to the more extensive electrical and HVAC work once the construction plans were completed and the scope of that work was fully realized.

The General Fund and the Water and Sewer Fund share in the cost of this project 50-50. Each fund's capital reserve fund will transfer an additional \$5,000 to its Capital Outlay account.

Recommendation:

Staff recommends approval of the budget amendments as presented.

Fiscal Impact:

Total available in the Capital Reserve funds after accounting for all current year budgeted capital expenditures is as follows:

General Fund CRF - \$1,221,000

Water and Sewer CRF - \$4,225,000

If approved, each of these funds will decrease by \$5,000.

Attachments:

1. Amendment -GF Renovations 01142019
2. Amendment -GFCRF Renovation 01142019
3. Amendment -WS Renovations 01142019
4. Amendment -WSFCRF Renovations 01142019



AN ORDINANCE AMENDING THE 2018-2019 BUDGET ORDINANCE OF THE TOWN OF HARRISBURG, NORTH CAROLINA

Be it ordained by the Town Council of the Town of Harrisburg, North Carolina, that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2019:

- Section 1.** Amend General Fund line items to account for Town Hall renovation transfer.
- Section 2.** To amend the General Fund, the appropriations are to be changed as follows:
- | | |
|-----------------------------------|----------|
| Increase line item 100-1100-57103 | \$ 5,000 |
| Capital Outlay | |
- Section 3.** To amend the General Fund, the revenues are to be changed as follows:
- | | |
|------------------------------|----------|
| Increase line item 100-49905 | \$ 5,000 |
| Transfers In - CRF | |
- Section 4.** Copies of this budget amendment shall be furnished to the Clerk of the Town Council, and to the Budget Officer and the Finance Officer for their direction.
- Section 5.** That this ordinance shall be effective upon its passage. Adopted this 14th day of January 2019.

Steve Sciascia, Mayor

ATTEST:

Janet Rackley, Town Clerk



AN ORDINANCE AMENDING THE 2018-2019 BUDGET ORDINANCE OF THE TOWN OF HARRISBURG, NORTH CAROLINA

Be it ordained by the Town Council of the Town of Harrisburg, North Carolina, that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2019:

Section 1. Amend Capital Reserve Fund – General Services line items to account for Town Hall renovation transfer.

Section 2. To amend the Capital Reserve Fund – General Services, the appropriations are to be changed as follows:

Increase line item 200-8500-59100	\$ 5,000
Transfers Out – GF	

Section 3. To amend the Capital Reserve Fund – General Services, the revenues are to be changed as follows:

Increase line item 200-48599	\$ 5,000
Appropriated Fund Balance	

Section 4. Copies of this budget amendment shall be furnished to the Clerk of the Town Council, and to the Budget Officer and the Finance Officer for their direction.

Section 5. That this ordinance shall be effective upon its passage. Adopted this 14th day of January 2019.

Steve Sciascia, Mayor

ATTEST:

Janet Rackley, Town Clerk



AN ORDINANCE AMENDING THE 2018-2019 BUDGET ORDINANCE OF THE TOWN OF HARRISBURG, NORTH CAROLINA

Be it ordained by the Town Council of the Town of Harrisburg, North Carolina, that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2019:

Section 1. Amend Water and Sewer Fund line items to account for Town Hall renovation transfer.

Section 2. To amend the Water and Sewer Fund, the appropriations are to be changed as follows:

Increase line item 400-6000-57103	\$ 5,000
Capital Outlay	

Section 3. To amend the Water and Sewer Fund, the revenues are to be changed as follows:

Increase line item 400-49555	\$ 5,000
Transfer In - WSCRF	

Section 4. Copies of this budget amendment shall be furnished to the Clerk of the Town Council, and to the Budget Officer and the Finance Officer for their direction.

Section 5. That this ordinance shall be effective upon its passage. Adopted this 14th day of January 2019.

Steve Sciascia, Mayor

ATTEST:

Janet Rackley, Town Clerk



AN ORDINANCE AMENDING THE 2018-2019 BUDGET ORDINANCE OF THE TOWN OF HARRISBURG, NORTH CAROLINA

Be it ordained by the Town Council of the Town of Harrisburg, North Carolina, that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2019:

Section 1. Amend Water and Sewer Capital Reserve Fund line items to account for Town Hall renovation transfer.

Section 2. To amend the Water and Sewer Capital Reserve Fund, the appropriations are to be changed as follows:

Increase line item 650-8500-59111	\$ 5,000
Transfers Out	

Section 3. To amend the Water and Sewer Capital Reserve Fund, the revenues are to be changed as follows:

Increase line item 650-48599	\$ 5,000
Appropriated Fund Balance	

Section 4. Copies of this budget amendment shall be furnished to the Clerk of the Town Council, and to the Budget Officer and the Finance Officer for their direction.

Section 5. That this ordinance shall be effective upon its passage. Adopted this 14th day of January 2019.

Steve Sciascia, Mayor

ATTEST:

Janet Rackley, Town Clerk



TOWN OF HARRISBURG

Agenda Item Details

Title:

Consideration of 2019 Board and Committee Assignments

Presenting Personnel:

Suggested Motion or Action:

To approve detailed Board and Committee assignments for Town Council.

Description/Background:

Below are the Board and Committee Assignments that are currently in place and are recommended to continue into 2019.

Planning & Zoning Board - Diamond Staton-Williams (Primary), John Booth and Christopher Barfield (Alternates)

Fire Advisory Board - Troy Selberg (Primary), John Booth (Alternate)

Parks and Recreation Advisory Board - Ron Smith and Benita Conrad

Economic Development Committee - Steve Sciascia, Benita Conrad, John Booth and Troy Selberg

Arts Committee - Steve Sciascia, Troy Selberg and Diamond Staton-Williams

MPO - Benita Conrad (Primary), Christopher Barfield (Alternate)

HBA - Steve Sciascia and Troy Selberg

WSACC - Steve Sciascia (primary) and Haynes Brigman (Alternate)

Recommendation:

Fiscal Impact:

None

Attachments:

None



TOWN OF HARRISBURG

Agenda Item Details

Title:

Consideration of FY2018 Financial Statements

Presenting Personnel:

Suggested Motion or Action:

To approve the Town's FY2018 Financial Statements and Independent Auditor's Report.

Description/Background:

The FY2018 Financial Statements have been prepared by Town staff in accordance with accounting principles generally accepted in the United States of America. Elliott Davis, PLLC has provided an Independent Auditor's Report which states that, in their opinion, the financial statements are presented fairly in all material respects. The NC Local Government Commission has reviewed and accepted the financial statements without comment or correction.

Recommendation:

Staff recommends approving the FY2018 Financial Statements as presented.

Fiscal Impact:

None.

Attachments:

1. TOH - FY2018 Financial Statements

**TOWN OF HARRISBURG,
NORTH CAROLINA**

BASIC FINANCIAL STATEMENTS AND ACCOMPANYING INFORMATION

FOR FISCAL YEAR ENDED JUNE 30, 2018

TOWN COUNCIL MEMBERS

**STEVE SCIASCIA, MAYOR
JOHN BOOTH, MAYOR PRO TEM
CHRISTOPHER BARFIELD
BENITA CONRAD
RICK RUSSO
TROY SELBERG
RON SMITH
DIAMOND STATON-WILLIAMS**

ADMINISTRATION AND FINANCIAL STAFF

**HAYNES BRIGMAN, TOWN MANAGER
LEE CONNOR, ASST. TOWN MANAGER/FINANCE DIRECTOR
BRIAN LEE, DEPUTY FINANCE DIRECTOR**

Town of Harrisburg, North Carolina

Table of Contents For Fiscal Year June 30, 2018

	<u>Exhibit</u>	<u>Page(s)</u>
FINANCIAL SECTION		
Independent Auditor's Report		1-2
Management's Discussion and Analysis		3-11
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	A	12
Statement of Activities	B	13-14
Fund Financial Statements:		
Balance Sheet – Governmental Funds	C	15
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position	C	16
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	D	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Funds to the Statement of Activities	D	18
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	E	19
Statements of Net Position – Proprietary Funds	F	20
Statements of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	G	21
Statements of Cash Flows – Proprietary Funds	H	22
Notes to the Basic Financial Statements		23-54
Required Supplementary Financial Data:		
Schedule of the Proportionate Share of the Net Pension Liability-Local Government Employees' Retirement System	A-1	55
Schedule of Contributions – Local Government Employees' Retirement System	A-2	56

Town of Harrisburg, North Carolina

Table of Contents For Fiscal Year June 30, 2018

	<u>Schedule</u>	<u>Page(s)</u>
FINANCIAL SECTION (CONTINUED)		
Combining and Individual Fund Financial Statements and Schedules:		
General Fund:		
Comparative Balance Sheets	1	57
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2017)	2	58-68
Capital Project Fund – Public Safety:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - From Inception and for the Fiscal Year Ended June 30, 2018	3	69
Combining Balance Sheets – Nonmajor Governmental Funds	4	70
Combining Statements of Revenues, Expenditures, and Changes in Fund Balance Nonmajor Governmental Funds - For the Fiscal Year Ended June 30, 2018	5	71
Capital Project Fund - Streets:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - From Inception and for the Fiscal Year Ended June 30, 2018	6	72
Capital Reserve Fund – General Services:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - For the Fiscal Year Ended June 30, 2018	7	73
Capital Reserve Fund – Fire Services:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - For the Fiscal Year Ended June 30, 2018	8	74
Capital Reserve Fund – Parks and Recreation:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - For the Fiscal Year Ended June 30, 2018	9	75
Capital Reserve Fund – Economic Development:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - For the Fiscal Year Ended June 30, 2018	10	76
Enterprise Funds:		
Water and Sewer Fund:		
Comparative Statements of Net Position	11	77
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)	12	78-80

Town of Harrisburg, North Carolina

Table of Contents For Fiscal Year June 30, 2018

	<u>Schedule</u>	<u>Page(s)</u>
FINANCIAL SECTION (CONTINUED)		
Combining and Individual Fund Financial Statements and Schedules:		
Enterprise Funds (continued):		
Water and Sewer Capital Projects Fund: Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – From Inception and for the Fiscal Year Ended June 30, 2018	13	81
Water and Sewer Capital Reserve Fund: Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – From Inception and for the Fiscal Year Ended June 30, 2018	14	82
Storm Water Fund: Comparative Statements of Net Position	15	83
Storm Water Fund: Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)	16	84-85
Storm Water Capital Projects Fund: Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – From Inception and for the Fiscal Year Ended June 30, 2018	17	86-87
Other Schedules:		
Schedule of Ad Valorem Taxes Receivable	18	88
Schedule of Current Tax Levy	19	89
COMPLIANCE SECTION:		
Report On Internal Control Over Financial Reporting and On Compliance and Other Matters Based On An Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		90-91
Schedule of Findings		92
Corrective Action Plan		93
Summary Schedule of Prior Year's Audit Findings		94

TOWN OF HARRISBURG, NORTH CAROLINA

(This Page Intentionally Left Blank)

FINANCIAL SECTION

TOWN OF HARRISBURG, NORTH CAROLINA

(This Page Intentionally Left Blank)

Independent Auditor's Report

The Honorable Mayor and
Members of Town Council
Town of Harrisburg, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Harrisburg, North Carolina (the "Town") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit includes 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 fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town'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 Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2018, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of the Proportionate Share of the Net Pension Liability – Local Government Employees' Retirement System, and Schedule of Contributions – Local Government Employee's Retirement System, as listed in the Table of Contents, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements, budget to actual comparisons, schedule of ad valorem taxes receivable, and schedule of current tax levy, as listed in the Table of Contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements, budget to actual comparisons, schedule of ad valorem taxes receivable, and schedule of current tax levy are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the combining and individual fund financial statements, budget to actual comparisons, schedule of ad valorem taxes receivable, and schedule of current tax levy are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2018, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Raleigh, North Carolina
October 31, 2018

TOWN OF HARRISBURG, NORTH CAROLINA

(This Page Intentionally Left Blank)

Town of Harrisburg, North Carolina

Management's Discussion and Analysis

As management of the Town of Harrisburg (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Harrisburg for the fiscal year ended June 30, 2018. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the Town of Harrisburg exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$52,837,644 (*net position*). Of this amount, \$18,320,583 (*unrestricted net position*) may be used to meet the Town's needs.
- The Town's total net position increased by \$7,612,159, due to increases in both the governmental and business-type activities net position.
- As of the close of the current fiscal year, the Town of Harrisburg's governmental funds reported combined ending fund balances of \$13,360,021, with a net change of \$5,199,477 in fund balance. Approximately 58.72% of this total amount, or \$7,844,878, is non-spendable, restricted or committed.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,713,469, or 40.16%, of total General Fund expenditures for the fiscal year.
- The Town of Harrisburg's total long-term outstanding liabilities increased by \$9,477,870 (60.21%) during the current fiscal year. The key factor in this change was the financing the construction of Fire Station #2 and the Public Works facility.

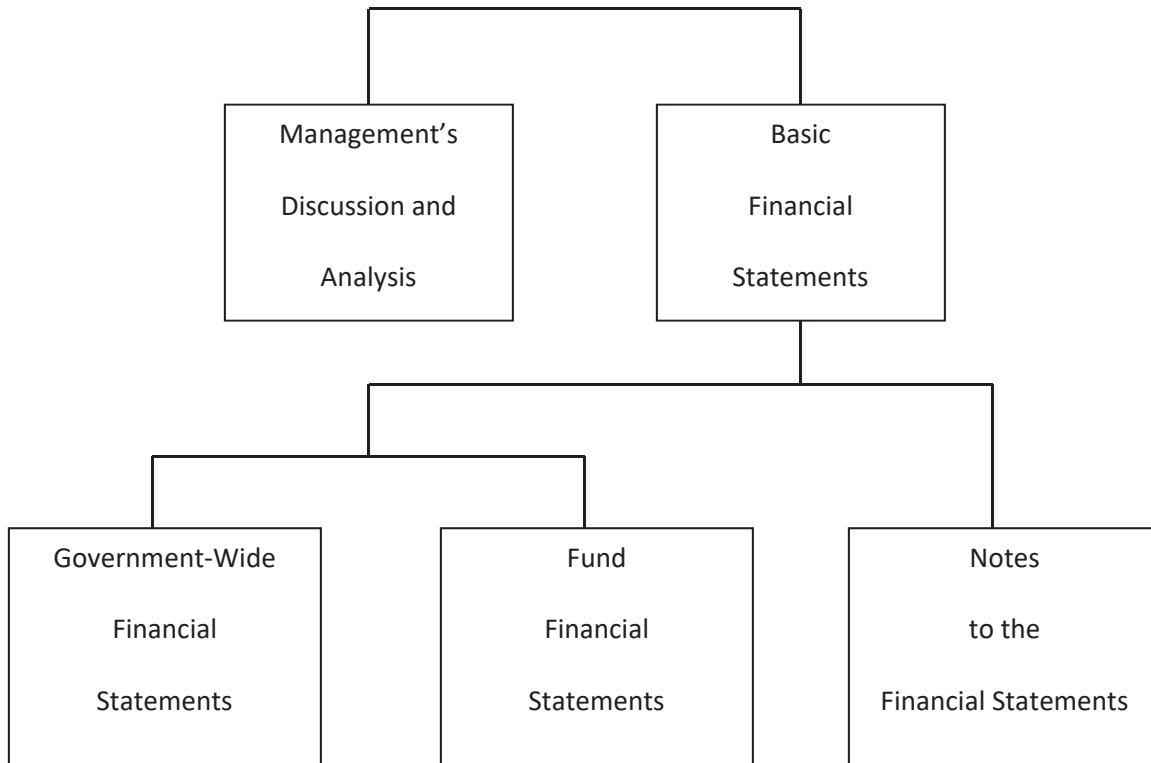
Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Harrisburg's basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of Harrisburg.

Town of Harrisburg, North Carolina

Management's Discussion and Analysis (continued)

Required Components of Annual Financial Report
Figure 1



Summary → Detail

Basic Financial Statements

The first two statements (Exhibits A and B) in the basic financial statements are the **Government-Wide Financial Statements**. They provide both short and long-term information about the Town's financial status.

The next statements (Exhibits C through H) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are three parts to the fund financial statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the **Notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **Supplemental Information** is provided to show details about the Town's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Town of Harrisburg, North Carolina

Management's Discussion and Analysis (continued)

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the Town's basic services, such as general government, planning and zoning, public safety, transportation, environmental protection, and cultural and recreational. Property taxes and State-collected local taxes and utility franchise taxes finance most of these activities. The business-type activities are those that the Town charges customers to provide. This includes the water and sewer services offered by the Town of Harrisburg.

The government-wide financial statements are Exhibits A and B of this report.

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Harrisburg, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town of Harrisburg can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town of Harrisburg adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Town Council about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Town Council; 2) the final budget as amended by the Town Council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Town of Harrisburg, North Carolina

Management's Discussion and Analysis (continued)

Fund Financial Statements (continued)

Proprietary Funds – The Town of Harrisburg has only one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Harrisburg uses enterprise funds to account for its water and sewer activity, along with its storm water activity. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 24-55 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Harrisburg's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 56 of this report.

Interdependence with Other Entities – The Town depends on the financial resources flowing from, or associated with, both the federal government and the State of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign governments and other holders of publicly held U.S. Treasury Securities.

Government-Wide Financial Analysis

**The Town of Harrisburg's Net Position
Figure 2**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 13,892,086	\$ 8,542,749	\$ 13,152,368	\$ 11,614,321	\$ 27,044,454	\$ 20,157,070
Capital assets	19,612,982	17,473,577	31,746,330	23,323,134	51,359,312	40,796,711
Deferred outflows of resources	781,910	992,252	260,216	326,639	1,042,126	1,318,891
Total assets and deferred outflows of resources	34,286,978	27,008,578	45,158,914	35,264,094	79,445,892	62,272,672
Long-term liabilities outstanding	10,361,105	5,533,020	14,857,820	8,641,738	25,218,925	14,174,758
Other liabilities	534,022	1,529,255	710,856	1,133,322	1,244,878	2,662,577
Total liabilities	10,895,127	7,062,275	15,568,676	9,775,060	26,463,803	16,837,335
Deferred inflows of resources	98,188	147,897	46,257	61,955	144,445	209,852
Net position:						
Net investment in capital assets	15,493,660	12,797,917	17,921,905	14,789,485	33,415,565	27,587,402
Restricted	1,101,496	2,017,658	-	-	1,101,496	2,017,658
Unrestricted	6,698,507	4,982,831	11,622,076	10,637,594	18,320,583	15,620,425
Total net position	\$ 23,293,663	\$ 19,798,406	\$ 29,543,981	\$ 25,427,079	\$ 52,837,644	\$ 45,225,485

Town of Harrisburg, North Carolina

Management's Discussion and Analysis (continued)

As noted earlier, net position may serve, over time, as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the Town of Harrisburg exceeded liabilities and deferred inflows of resources by \$52,837,644 as of June 30, 2018. The Town's net position increased by \$7,612,159 for the fiscal year ended June 30, 2018. However, the largest portion (63.24%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town of Harrisburg uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Harrisburg's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town's net position, \$1,101,496, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$18,320,583, may be used to meet the Town's ongoing obligations to citizens and creditors.

Several particular aspects of the Town's financial operations positively influenced the total unrestricted governmental net position:

- Continued diligence in the collection of property taxes by maintaining a current levy collection percentage of 99.64%, which is comparable to the statewide average in fiscal year 2018 of 98.78%.
- Growth in the tax base, particularly in new residential growth combined with strong collection rates helped strengthen the Town's financial position.
- New residential and commercial growth positively impacted water and sewer receipts.

The Town of Harrisburg Changes in Net Position
Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues						
Charges for services	\$ 1,140,542	\$ 613,918	\$ 9,426,494	\$ 8,809,328	\$ 10,567,036	\$ 9,423,246
Operating grants and contributions	1,748,123	2,231,940	3,968	-	1,752,091	2,231,940
Capital grants and contributions	2,713,069	521,537	1,616,190	114,500	4,329,259	636,037
General revenues:						
Property taxes	6,188,636	5,871,603	-	-	6,188,636	5,871,603
Grants and contributions not restricted to specific programs	2,622,205	2,645,784	-	-	2,622,205	2,645,784
Other	444,316	236,733	82,891	144,289	527,207	381,022
Total revenues	<u>14,856,891</u>	<u>12,121,515</u>	<u>11,129,543</u>	<u>9,068,117</u>	<u>25,986,434</u>	<u>21,189,632</u>
Expenses:						
General government	1,510,762	1,603,133	-	-	1,510,762	1,603,133
Planning and zoning	476,467	380,825	-	-	476,467	380,825
Public safety	4,719,879	4,593,261	-	-	4,719,879	4,593,261
Transportation	872,668	634,462	-	-	872,668	634,462
Environmental protection	1,498,275	1,284,361	-	-	1,498,275	1,284,361
Cultural and recreational	1,648,872	1,532,710	-	-	1,648,872	1,532,710
Water and sewer	-	-	7,293,549	7,315,772	7,293,549	7,315,772
Storm water	-	-	195,001	207,373	195,001	207,373
Interest	158,802	81,816	-	-	158,802	81,816
Total expenses	<u>10,885,725</u>	<u>10,110,568</u>	<u>7,488,550</u>	<u>7,523,145</u>	<u>18,374,275</u>	<u>17,633,713</u>
Transfers	<u>(475,909)</u>	<u>-</u>	<u>475,909</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase in net position	3,495,257	2,010,947	4,116,902	1,544,972	7,612,159	3,555,919
Net position, beginning	<u>19,798,406</u>	<u>17,787,459</u>	<u>25,427,079</u>	<u>23,882,107</u>	<u>45,225,485</u>	<u>41,669,566</u>
Net position, ending	<u>\$ 23,293,663</u>	<u>\$ 19,798,406</u>	<u>\$ 29,543,981</u>	<u>\$ 25,427,079</u>	<u>\$ 52,837,644</u>	<u>\$ 45,225,485</u>

Town of Harrisburg, North Carolina

Management's Discussion and Analysis (continued)

Government-Wide Financial Analysis (continued)

Governmental Activities. Governmental activities increased the Town of Harrisburg's net position by \$3,495,257 thereby accounting for 45.92% of the total growth in the net position of the Town. Key elements of this increase are as follows:

- Tax revenues increased approximately 4.79%, or \$282,000.
- Permits and fees revenues increased by approximately 185.72%, or \$277,500.

Business-Type Activities. Business-type activities increased the Town of Harrisburg's net position by \$4,116,902 accounting for 54.08% of the total growth in the Town's net position. Key elements of this increase are as follows:

- Water and sewer charges increased approximately \$207,000, due largely to the new residential and commercial developments.
- Taps, development charges, and service connection revenue increased approximately \$500,000, due to new residential and commercial developments.

Financial Analysis of the Town's Funds

As noted earlier, the Town of Harrisburg uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Town of Harrisburg's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town of Harrisburg's financing requirements. Specifically, unassigned (available) fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the Town of Harrisburg. At the end of the current fiscal year, available fund balance in the General Fund was \$4,713,469, while total fund balance reached \$5,931,088. The Town Council of the Town of Harrisburg has determined that the Town should maintain an available fund balance of 40% of General Fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the Town. The Town currently has an available fund balance of 40.16% of General Fund expenditures, while total fund balance represents 50.53% of the same amount.

At June 30, 2018, the governmental funds of the Town of Harrisburg reported a combined fund balance of \$13,360,021, a 63.71% increase from last year.

General Fund Budgetary Highlights. During the fiscal year, the Town revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants; and 3) increases in appropriations that become necessary to maintain services and to prevent budget overruns.

Revenues were more than the budgeted amounts primarily because of tax collections, permits and fees, and sales and services revenues coming in at higher levels than were budgeted. While there were some variations of budgeted to actual expenditures at the line item level, the Town was able to comply with its budgetary requirements based on an approved budget ordinance at the department level.

Town of Harrisburg, North Carolina

Management's Discussion and Analysis (continued)

Financial Analysis of the Town's Funds (continued)

Proprietary Funds. The Town of Harrisburg's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$9,993,578, and those for the Storm Water Fund amounted to \$1,628,498. The total change in net position for both funds was \$3,714,069 and \$402,833, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the Town of Harrisburg's business-type activities.

Revenues were more than budgeted amounts primarily because of an increase in water and sewer fees and the continued growth in new development. This growth impacted the receipt of development charges, connection fees, penalties, and storm water fees. With the addition of goal-setting efforts in the budgetary process, more efficient use of funds allowed for expenditures to be lower than the anticipated budgeted amounts.

Capital Asset and Debt Administration

Capital Assets. The Town of Harrisburg's investment in capital assets for its governmental and business-type activities as of June 30, 2018, totals \$51,359,312 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, water and sewer facilities, and vehicles.

Major capital asset transactions during the year include the following additions (there were no significant demolitions or disposals):

- Purchase of vehicles and equipment.
- Construction nearing completion on the Public Works Facility.
- Contributions of capital including streets and related infrastructure.
- Purchase of a Fire Engine.
- Park and Recreation land improvements and walking trails.

**The Town of Harrisburg's Capital Assets
(net of depreciation)
Figure 4**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Construction in progress	\$ 1,024,242	\$ 287,716	\$ 6,538,832	\$ 848,223	\$ 7,563,074	\$ 1,135,939
Land	1,693,537	1,693,537	858,549	890,575	2,552,086	2,584,112
Buildings and systems	6,829,628	8,669,115	1,671,057	28,972	8,500,685	8,698,087
Improvements other than buildings	1,828,572	1,751,717	10,094	10,575	1,838,666	1,762,292
Water lines	-	-	15,422,779	14,977,297	15,422,779	14,977,297
Machinery and equipment	2,035,994	1,459,437	1,069,617	921,424	3,105,611	2,380,861
Interceptors	-	-	122,168	146,316	122,168	146,316
Collection system	-	-	5,645,329	5,076,029	5,645,329	5,076,029
Infrastructure	6,201,009	3,612,055	407,905	423,723	6,608,914	4,035,778
Total	<u>\$ 19,612,982</u>	<u>\$ 17,473,577</u>	<u>\$ 31,746,330</u>	<u>\$ 23,323,134</u>	<u>\$ 51,359,312</u>	<u>\$ 40,796,711</u>

Additional information on the Town's capital assets can be found in note III.A on pages 36-37 of this report.

Town of Harrisburg, North Carolina

Management's Discussion and Analysis (continued)

Capital Asset and Debt Administration (continued)

Long-Term Debt. As of June 30, 2018, the Town of Harrisburg had total debt outstanding of \$23,307,792. Of this debt, \$14,385,188 is secured by the assets of the water and sewer system. However, in the event water and sewer revenues are insufficient to repay the debt, the total outstanding debt, including the remainder of the debt (\$8,922,604), is backed by the full faith and credit of the Town.

Long-Term Obligations Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Notes payable	\$ 8,922,604	\$ 5,254,160	\$ 14,385,188	\$ 8,533,649	\$ 23,307,792	\$ 13,787,809
Total	\$ 8,922,604	\$ 5,254,160	\$ 14,385,188	\$ 8,533,649	\$ 23,307,792	\$ 13,787,809

The Town of Harrisburg's Outstanding Debt

The Town of Harrisburg's total long-term outstanding debt increased by \$9,519,983 (69.05%) during the past fiscal year, primarily due to new General Fund debt resulting from construction of Fire Station #2 and the Public Works Facility.

North Carolina General Statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Town of Harrisburg is \$170,904,996.

Additional information regarding the Town of Harrisburg's long-term debt can be found in note II.B on pages 45-53 of this report.

Economic Factors and Next Year's Budgets and Rates

The following key economic factors reflect the growth and general prosperity of the Town:

- **New Residential Growth.** The Town continues to experience significant increases in both actual and planned residential growth over previous years. With several residential subdivisions currently under construction and several proposed plans being considered, the Town is in great position to grow and strengthen its residential market with low-density, high quality homes.
- **Non-Residential Growth.** The Town awaits the construction of the Farmington mixed-use development along Rocky River Road and I-485, as the southern portion of Town needs more commercial growth to support the continued residential growth in the area. The Harris Square Shopping Center on Highway 49 has generated several new businesses, with outparcels beginning to sprout up around the new development. The Town's economic development initiative in the Morehead West area will also help to jump-start development in this currently underutilized section of Town.

Town of Harrisburg, North Carolina

Management's Discussion and Analysis (continued)

Economic Factors and Next Year's Budgets and Rates (continued)

- **Governmental Projects.** The Town recently completed construction on the new Public Works Facility and have begun construction on Fire Station #2. The Town is also in the process of designing improvements to Harrisburg Park, where we expect to construct an amphitheater, splash-pad, additional multipurpose fields, shelters, bike trails, and other active amenities within the park. The Town also continues to invest in our aging utility infrastructure by replacing or up-sizing existing water and sewer lines in the older portions of our community.

Budget Highlights for the Fiscal Year Ending June 30, 2019

The approved FY2019 General Operating Budget is a balanced budget totaling \$25,876,450 for the General Fund and the two enterprise funds; Water and Sewer; and Storm Water. This compares to \$22,471,570 in FY2018, an increase of approximately \$3,315,000. The General Fund, which comprises the core services provided by the Town, accounts for \$14,768,450 of the total budget, Water and Sewer Fund, \$10,465,000, and Storm Water Fund, \$643,000, account for the remainder of the budget. The budget addresses current departmental needs and anticipates future needs as the Town continues to experience growth.

Overview:

The Town continues to make exponential strides in improving our internal operations. Investment in our personnel, our greatest asset, has been a focus of the Town Council and management of the Town, and that helps to continue to improve our service delivery to our residents, while also making Harrisburg an attractive and competitive workplace. The continued refinement and commitment to our capital improvement plan outlines the needs and priorities of the Town moving forward; and with the recent completion of the Harrisburg Area Land Use Plan and the upcoming start of the Transportation Plan, the Town will have placed itself in a great position to navigate the roads ahead. Significant efforts must be made to ensure community engagement and education remains a priority of the Town, as growth and development within Town can draw polarizing opinions. Making smart growth decisions, becoming more transparent, promoting and strengthening our local businesses, generating new economic development buzz within our stagnant Town Center, and being proactive in our decision making ensures that what we do today will prepare and protect the Town now and into the future.

We want to maintain the small-town feel of Harrisburg, but operate the Town with the efficiencies and effectiveness of a larger city. Financial stability and security are paramount to the future success of the Town, and the continued development and implementation of financial policies and modeling will help ensure we successfully meet all of our goals, and at the same time maintaining and building upon our solid financial standing.

The budget represents a commitment to not only maintain, but to further improve the wonderful qualities Harrisburg offers its residents and businesses. High-quality, efficient, and customer-service oriented operations are Harrisburg's most important objectives, and the budget reflects those efforts by providing the resources necessary to make Harrisburg a safe and prosperous community.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Assistant Town Manager/Finance Director, Lee Connor, Town of Harrisburg, 4100 Main Street, Suite 101, Harrisburg, North Carolina 28075.

BASIC FINANCIAL STATEMENTS

TOWN OF HARRISBURG, NORTH CAROLINA

(This Page Intentionally Left Blank)

Town of Harrisburg, North Carolina

Statement of Net Position
June 30, 2018

	Primary Government			Harrisburg Youth Association, Inc.
	Governmental Activities	Business-Type Activities	Total	
Assets				
Current assets:				
Cash and cash equivalents	\$ 7,861,245	\$ 10,793,295	\$ 18,654,540	\$ 49,316
Taxes receivables (net)	38,769	-	38,769	-
Accrued interest receivable on taxes	9,011	-	9,011	-
Accounts receivable (net)	959	1,532,157	1,533,116	-
Due from other governments	593,473	-	593,473	-
Prepaid expenses	116,123	-	116,123	-
Restricted cash and cash equivalents	5,272,506	826,916	6,099,422	-
Total current assets	13,892,086	13,152,368	27,044,454	49,316
Noncurrent assets:				
Capital assets:				
Non-depreciable	2,717,779	7,397,381	10,115,160	-
Depreciable, net of accumulated depreciation	16,895,203	24,348,949	41,244,152	-
Total noncurrent assets	19,612,982	31,746,330	51,359,312	-
Total assets	33,505,068	44,898,698	78,403,766	49,316
Deferred outflows of resources				
Pension deferrals	781,910	260,216	1,042,126	-
Total deferred outflows of resources	781,910	260,216	1,042,126	-
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	321,115	444,703	765,818	-
Prepaid fees	12,740	-	12,740	-
Payables from restricted assets:				
Performance bond deposits	200,167	-	200,167	-
Customer deposits	-	266,153	266,153	-
Long-term liabilities-due within one year	1,048,199	1,488,261	2,536,460	-
Total current liabilities	1,582,221	2,199,117	3,781,338	-
Long-term liabilities:				
Net pension liability	1,090,258	363,232	1,453,490	-
Long-term liabilities-due in more than one year	8,222,648	13,006,327	21,228,975	-
Total long-term liabilities	9,312,906	13,369,559	22,682,465	-
Total liabilities	10,895,127	15,568,676	26,463,803	-
Deferred inflows of resources				
Pension deferrals	98,188	46,257	144,445	-
Total deferred inflows of resources	98,188	46,257	144,445	-
Net position				
Net investment in capital assets	15,493,660	17,921,905	33,415,565	-
Restricted for:				
Stabilization by State statute	861,270	-	861,270	-
Streets	150,982	-	150,982	-
Public safety	89,244	-	89,244	-
Cultural and recreational	-	-	-	49,316
Unrestricted	6,698,507	11,622,076	18,320,583	-
Total net position	\$ 23,293,663	\$ 29,543,981	\$ 52,837,644	\$ 49,316

The notes to the financial statements are an integral part of this statement.

Town of Harrisburg, North Carolina

Statement of Activities For the Fiscal Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 1,510,762	\$ 19,770	\$ -	\$ -
Planning and zoning	476,467	83,184	-	-
Public safety	4,719,879	323,964	1,314,767	-
Transportation	872,668	-	422,207	2,713,069
Environmental protection	1,498,275	-	11,149	-
Cultural and recreational	1,648,872	713,624	-	-
Interest on long-term debt	158,802	-	-	-
Total governmental activities	10,885,725	1,140,542	1,748,123	2,713,069
Business-type activities:				
Water and sewer	7,293,549	8,836,650	-	1,616,190
Storm water	195,001	589,844	-	-
Total business-type activities	7,488,550	9,426,494	-	1,616,190
Total primary government	\$ 18,374,275	\$ 10,567,036	\$ 1,748,123	\$ 4,329,259
Component unit:				
Harrisburg Youth Association, Inc.	\$ 9,361	\$ -	\$ 25,000	\$ -
Total component unit	\$ 9,361	\$ -	\$ 25,000	\$ -

The notes to the financial statements are an integral part of this statement.

Town of Harrisburg, North Carolina

Statement of Activities For the Fiscal Year Ended June 30, 2018

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Harrisburg Youth Association, Inc.
Functions/Programs	Governmental Activities	Business-Type Activities	Total	
Primary government:				
Governmental activities:				
General government	\$ (1,490,992)	\$ -	\$ (1,490,992)	\$ -
Planning and zoning	(393,283)	-	(393,283)	-
Public safety	(3,081,148)	-	(3,081,148)	-
Transportation	2,262,608	-	2,262,608	-
Environmental protection	(1,487,126)	-	(1,487,126)	-
Cultural and recreational	(935,248)	-	(935,248)	-
Interest on long-term debt	(158,802)	-	(158,802)	-
Total governmental activities	(5,283,991)	-	(5,283,991)	-
Business-type activities:				
Water and sewer	-	3,159,291	3,159,291	-
Stormwater	-	394,843	394,843	-
Total business-type activities	-	3,554,134	3,554,134	-
Total primary government	(5,283,991)	3,554,134	(1,729,857)	-
Component unit:				
Harrisburg Youth Association, Inc.	-	-	-	15,639
Total component unit	-	-	-	15,639
General revenues:				
Taxes:				
Property taxes, levied for general purpose	6,188,636	-	6,188,636	-
Unrestricted intergovernmental	2,622,205	-	2,622,205	-
Gain on sale of capital assets	18,329	13,903	32,232	-
Investment earnings	170,865	68,988	239,853	-
Miscellaneous	255,122	3,968	259,090	-
Total general revenues not including transfers	9,255,157	86,859	9,342,016	-
Transfers	(475,909)	475,909	-	-
Total general revenues and transfers	8,779,248	562,768	9,342,016	-
Change in net position	3,495,257	4,116,902	7,612,159	15,639
Net position, beginning	19,798,406	25,427,079	45,225,485	33,677
Net position, ending	\$ 23,293,663	\$ 29,543,981	\$ 52,837,644	\$ 49,316

The notes to the financial statements are an integral part of this statement.

Town of Harrisburg, North Carolina

Balance Sheet
Governmental Funds
June 30, 2018

	General	Capital Project Fund - Public Safety	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 5,253,447	\$ -	\$ 2,607,798	\$ 7,861,245
Restricted cash and cash equivalents	440,393	4,832,113	-	5,272,506
Receivables, net:				
Property taxes	38,769	-	-	38,769
Other	959	-	-	959
Due from other governments	593,473	-	-	593,473
Prepaid items	116,123	-	-	116,123
Total assets	<u>6,443,164</u>	<u>4,832,113</u>	<u>2,607,798</u>	<u>13,883,075</u>
Liabilities				
Accounts payable and accrued liabilities	260,400	10,978	-	271,378
July 4th Celebration unearned revenue	12,740	-	-	12,740
Payable from restricted assets:				
Performance bonds on deposit	200,167	-	-	200,167
Total liabilities	<u>473,307</u>	<u>10,978</u>	<u>-</u>	<u>484,285</u>
Deferred inflows of resources				
Property taxes receivable	38,769	-	-	38,769
Total deferred inflows of resources	<u>38,769</u>	<u>-</u>	<u>-</u>	<u>38,769</u>
Fund balances				
Non-spendable				
Prepays	116,123	-	-	116,123
Restricted				
Stabilization by State statute	861,270	-	-	861,270
Streets	150,982	-	-	150,982
Public safety	89,244	4,821,135	-	4,910,379
Committed	-	-	1,806,123	1,806,123
Assigned	-	-	801,675	801,675
Unassigned	4,713,469	-	-	4,713,469
Total fund balances	<u>5,931,088</u>	<u>4,821,135</u>	<u>2,607,798</u>	<u>13,360,021</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,443,164</u>	<u>\$ 4,832,113</u>	<u>\$ 2,607,798</u>	<u>\$ 13,883,075</u>

Town of Harrisburg, North Carolina

Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position June 30, 2018

Amounts reported for governmental activities in the Statement of Net Position are different because:

Ending fund balance - governmental funds	\$ 13,360,021
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	19,612,982
Deferred outflows of resources related to pensions are not reported in the funds.	781,910
Other long-term assets are not available to pay for current-period expenditures and, therefore, are inflows of resources in the funds:	
Accrued interest on taxes receivable	9,011
Earned revenues considered deferred inflows of resources in fund statements	38,769
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Accrued interest payable	(49,737)
Compensated absences	(348,243)
Notes payable	(8,922,604)
Net pension liability	(1,090,258)
Deferred inflows of resources related to pensions are not reported in the funds.	<u>(98,188)</u>
Net position of governmental activities	<u><u>\$ 23,293,663</u></u>

Town of Harrisburg, North Carolina

Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds For the Fiscal Year Ended June 30, 2018

	General	Capital Project Fund - Public Safety	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Ad valorem taxes	\$ 6,184,430	\$ -	\$ -	\$ 6,184,430
Unrestricted intergovernmental	2,622,205	-	-	2,622,205
Restricted intergovernmental	1,748,123	-	-	1,748,123
Permits and fees	426,918	-	-	426,918
Sales and services	713,624	-	-	713,624
Investment earnings	147,904	20,498	2,463	170,865
Other general revenues	255,122	-	-	255,122
Total revenues	12,098,326	20,498	2,463	12,121,287
Expenditures				
Current:				
General government	1,356,238	-	-	1,356,238
Planning and zoning	505,401	-	-	505,401
Engineering	64,575	-	-	64,575
Public safety	4,977,032	702,804	-	5,679,836
Transportation	748,273	-	-	748,273
Environmental protection	1,587,210	-	-	1,587,210
Cultural and recreational	1,747,596	-	-	1,747,596
Debt service:				
Principal retirement	627,312	-	-	627,312
Interest	123,698	-	-	123,698
Total expenditures	11,737,335	702,804	-	12,440,139
Excess (deficiency) of revenues over expenditures	360,991	(682,306)	2,463	(318,852)
Other financing sources (uses)				
Transfers from other funds	560,050	-	2,298,550	2,858,600
Transfers to other funds	(2,190,000)	-	(668,600)	(2,858,600)
Proceeds from sale of assets	18,329	-	-	18,329
Installment note issued	-	5,500,000	-	5,500,000
Total other financing sources (uses)	(1,611,621)	5,500,000	1,629,950	5,518,329
Net change in fund balances	(1,250,630)	4,817,694	1,632,413	5,199,477
Fund balances, beginning	7,181,718	3,441	975,385	8,160,544
Fund balances, ending	\$ 5,931,088	\$ 4,821,135	\$ 2,607,798	\$ 13,360,021

The notes to the financial statements are an integral part of this statement.

Town of Harrisburg, North Carolina

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Funds to the Statement of Activities For the Fiscal Year Ended June 30, 2018

Amounts reported for governmental activities in the Statement of Activities are different because:

Net changes in fund balances - total governmental funds	\$ 5,199,477
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay expenditures	1,805,282
Depreciation expense	<u>(698,793)</u>
	1,106,489
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Amount of donated assets	2,713,069
Other	240
Change in unavailable revenue for tax revenues	<u>3,966</u>
	2,717,275
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of those differences in the treatment of long-term debt and related items.	
Debt service payments	627,312
Long-term debt issuance	(5,500,000)
Pension expense	(74,900)
Compensated absences	<u>(69,383)</u>
	(5,016,971)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in accrued interest payable	(35,104)
Transfer of capital assets and related debt from governmental activities to Water and Sewer Fund	<u>(475,909)</u>
Changes in net position of governmental activities	<u><u>\$ 3,495,257</u></u>

The notes to the financial statements are an integral part of this statement.

Town of Harrisburg, North Carolina

Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - General Fund For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive / (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Ad valorem taxes	\$ 6,085,000	\$ 6,085,000	\$ 6,184,430	\$ 99,430
Unrestricted intergovernmental	2,646,000	2,646,000	2,622,205	(23,795)
Restricted intergovernmental	1,924,500	1,884,100	1,748,123	(135,977)
Permits and fees	309,000	309,000	426,918	117,918
Sales and services	642,800	666,300	713,624	47,324
Investment earnings	38,000	38,000	147,904	109,904
Other general revenues	245,600	308,850	273,451	(35,399)
Total revenues	11,890,900	11,937,250	12,116,655	179,405
Expenditures:				
Current:				
General government	1,379,450	1,633,800	1,356,238	277,562
Planning and zoning	486,010	622,110	505,401	116,709
Engineering	213,140	213,790	64,575	149,215
Public safety	4,383,215	5,161,915	4,977,032	184,883
Transportation	741,800	824,700	748,273	76,427
Environmental protection	1,618,625	1,620,825	1,587,210	33,615
Cultural and recreational	1,707,600	1,916,200	1,747,596	168,604
Debt service:				
Principal retirement	874,750	874,750	627,312	247,438
Interest	228,800	228,800	123,698	105,102
Contingency	683,010	339,960	-	339,960
Total expenditures	12,316,400	13,436,850	11,737,335	1,699,515
Revenues over (under) expenditures	(425,500)	(1,499,600)	379,320	1,878,920
Other financing sources (uses)				
Proceeds from note	155,000	155,000	-	(155,000)
Transfers from other funds	370,500	612,650	560,050	(52,600)
Transfers to other funds	(100,000)	(2,190,000)	(2,190,000)	-
Appropriated fund balance	-	2,921,950	-	(2,921,950)
Total other financing sources (uses)	425,500	1,499,600	(1,629,950)	(3,129,550)
Net change in fund balance	\$ -	\$ -	(1,250,630)	\$ (1,250,630)
Fund balance, beginning			7,181,718	
Fund balance, ending (Exhibit D)			\$ 5,931,088	

The notes to the financial statements are an integral part of this statement.

Town of Harrisburg, North Carolina

Statements of Net Position Proprietary Funds June 30, 2018

	Major Enterprise Funds		
	Water and Sewer Fund	Storm Water Fund	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 9,262,370	\$ 1,530,925	\$ 10,793,295
Accounts receivable (net) - customers	1,345,395	97,183	1,442,578
Accounts receivable - other	89,146	433	89,579
Restricted cash and cash equivalents	826,916	-	826,916
Total current assets	<u>11,523,827</u>	<u>1,628,541</u>	<u>13,152,368</u>
Non-current assets:			
Capital assets:			
Non-depreciable	7,069,727	327,654	7,397,381
Depreciable, net of accumulated depreciation	23,804,832	544,117	24,348,949
Total non-current assets	<u>30,874,559</u>	<u>871,771</u>	<u>31,746,330</u>
Total assets	<u>42,398,386</u>	<u>2,500,312</u>	<u>44,898,698</u>
Deferred outflows of resources			
Pension deferrals	260,216	-	260,216
Total deferred outflows of resources	<u>260,216</u>	<u>-</u>	<u>260,216</u>
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	444,660	43	444,703
Long-term debt, current portion	1,378,861	-	1,378,861
Compensated absences, current portion	109,400	-	109,400
Payable from restricted assets:			
Customer deposits	266,153	-	266,153
Total current liabilities	<u>2,199,074</u>	<u>43</u>	<u>2,199,117</u>
Non-current liabilities:			
Long-term debt, non-current portion	13,006,327	-	13,006,327
Net pension liability	363,232	-	363,232
Total noncurrent liabilities	<u>13,369,559</u>	<u>-</u>	<u>13,369,559</u>
Total liabilities	<u>15,568,633</u>	<u>43</u>	<u>15,568,676</u>
Deferred inflows of resources			
Pension deferrals	46,257	-	46,257
Total deferred inflows of resources	<u>46,257</u>	<u>-</u>	<u>46,257</u>
Net position			
Net investment in capital assets	17,050,134	871,771	17,921,905
Unrestricted	9,993,578	1,628,498	11,622,076
Total net position	<u>\$ 27,043,712</u>	<u>\$ 2,500,269</u>	<u>\$ 29,543,981</u>

The notes to the financial statements are an integral part of this statement.

Town of Harrisburg, North Carolina

Statements of Revenues, Expenses, and Changes in Fund Net Position Proprietary Funds For the Fiscal Year Ended June 30, 2018

	Major Enterprise Funds		
	Water and Sewer Fund	Storm Water Fund	Total
Operating revenues			
Charges for services	\$ 7,050,566	\$ 586,894	\$ 7,637,460
Water and sewer taps	8,480	-	8,480
Water and sewer development charges	1,317,135	-	1,317,135
Service connection fees	122,644	-	122,644
Plan review fees	-	2,950	2,950
Other operating revenues	337,825	-	337,825
Total operating revenues	<u>8,836,650</u>	<u>589,844</u>	<u>9,426,494</u>
Operating expenses			
Water administration and distribution	5,854,344	-	5,854,344
Storm water operations	-	155,338	155,338
Depreciation and amortization	1,165,794	39,663	1,205,457
Total operating expenses	<u>7,020,138</u>	<u>195,001</u>	<u>7,215,139</u>
Operating income	<u>1,816,512</u>	<u>394,843</u>	<u>2,211,355</u>
Non-operating revenues (expenses)			
Investment earnings	60,998	7,990	68,988
Interest and other charges	(273,411)	-	(273,411)
Gain on sale of capital assets	13,903	-	13,903
Insurance proceeds	3,968	-	3,968
Total non-operating revenues (expenses)	<u>(194,542)</u>	<u>7,990</u>	<u>(186,552)</u>
Income before contributions and transfers	<u>1,621,970</u>	<u>402,833</u>	<u>2,024,803</u>
Transfers from other funds	475,909	-	475,909
Contributions of infrastructure	1,616,190	-	1,616,190
Change in net position	<u>3,714,069</u>	<u>402,833</u>	<u>4,116,902</u>
Total net position, beginning	<u>23,329,643</u>	<u>2,097,436</u>	<u>25,427,079</u>
Total net position, ending	<u>\$ 27,043,712</u>	<u>\$ 2,500,269</u>	<u>\$ 29,543,981</u>

The notes to the financial statements are an integral part of this statement.

Town of Harrisburg, North Carolina

Statements of Cash Flows Proprietary Funds For the Fiscal Year Ended June 30, 2018

	Major Enterprise Funds		
	Water and Sewer Fund	Storm Water Fund	Total
Cash flows from operating activities			
Cash received from customers	\$ 8,493,383	\$ 577,039	\$ 9,070,422
Cash paid for goods and services	(4,527,118)	(155,831)	(4,682,949)
Cash paid to or on behalf of employees for services	(1,347,917)	-	(1,347,917)
Customer deposits received and returned, net	10,533	-	10,533
Net cash provided by operating activities	2,628,881	421,208	3,050,089
Cash flows from capital and related financing activities			
Proceeds from sale of capital assets	50,382	-	50,382
Proceeds from insurance settlements	3,968	-	3,968
Acquisition and construction of capital assets	(6,329,383)	(39,406)	(6,368,789)
Principal paid on long-term debt	(1,252,705)	-	(1,252,705)
Proceeds from issuance of long-term debt	5,900,000	-	5,900,000
Interest paid on long-term debt	(269,957)	-	(269,957)
Net cash used by capital and related financing activities	(1,897,695)	(39,406)	(1,937,101)
Cash flows from investing activities			
Interest on investments	60,998	7,990	68,988
Net increase (decrease) in cash and cash equivalents	792,184	389,792	1,181,976
Balances, beginning	9,297,102	1,141,133	10,438,235
Balances, ending	\$ 10,089,286	\$ 1,530,925	\$ 11,620,211
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income	\$ 1,816,512	\$ 394,843	\$ 2,211,355
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation and amortization	1,165,794	39,663	1,205,457
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable - customers	(292,105)	(12,558)	(304,663)
(Increase) decrease in accounts receivable - other	(51,162)	(247)	(51,409)
Increase (decrease) in accounts payable and accrued liabilities	(45,653)	(493)	(46,146)
Increase (decrease) in compensated absences	1,311	-	1,311
(Increase) decrease in deferred outflows of resources for pensions	66,423	-	66,423
Increase (decrease) in deferred inflows of resources for pensions	(15,698)	-	(15,698)
Increase (decrease) in net pension liability	(27,074)	-	(27,074)
Increase (decrease) in customer deposits	10,533	-	10,533
Total adjustments	812,369	26,365	838,734
Net cash provided by operating activities	\$ 2,628,881	\$ 421,208	\$ 3,050,089

Noncash investing, capital, and financing activities:

The Town received noncash capital contributions in the Water and Sewer Fund in the amount of \$1,616,190 representing donated assets.

The Town transferred capital assets with net book value of \$1,680,153 and long-term debt with outstanding principal of \$1,204,244 from governmental activities to the Water and Sewer Fund.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

I. Summary of Significant Accounting Policies

The accounting policies of the Town of Harrisburg (the "Town") and its discretely presented component unit conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Town is a municipal corporation, which is governed by an elected Mayor and a seven-member Council. As required by generally accepted accounting principles, these financial statements present the Town and its component unit, a legally separate entity for which the Town is financially accountable. The discretely presented component unit presented below is reported in a separate column in the Town's financial statements in order to emphasize that it is legally separate from the Town.

Harrisburg Youth Association, Inc.

The members of the Harrisburg Youth Association, Inc.'s (HYA) governing board are designated within HYA's bylaws to include specified current employees of the Town. HYA is presented discretely in the government wide statements. Complete financial statements for HYA may be obtained from the entity's administrative offices at the Town of Harrisburg, 4100 Main Street, Suite 101, Harrisburg, NC 28075.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government and its component unit. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

I. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

The Town reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, sanitation services, parks and recreation, and other general government services.

Capital Project Fund – Public Safety – This fund is used to account for the construction of Fire Station #2.

The Town reports the following non-major governmental funds:

Capital Project Fund – Streets – This fund is used to account for the construction of streets and sidewalks through the CMAQ grant program.

Capital Reserve Fund – General Services – This fund is established to accumulate funds to be used for future capital expenditures for General Services.

Capital Reserve Fund – Fire Services – This fund is established to accumulate funds to be used for future capital expenditures for Fire Services.

Capital Reserve Fund – Parks and Recreation – This fund is established to accumulate development-related funds to be used for Parks and Recreation per Town Ordinance.

Capital Reserve Fund – Economic Development – This fund is established to accumulate funds to be used for future capital expenditures for economic development/economic incentives.

The Town reports the following major enterprise funds:

Water and Sewer Fund – This fund is used to account for the Town's water and sewer operations. A Water and Sewer Capital Projects Fund and a Water and Sewer Capital Reserve Fund have been consolidated into the Water and Sewer Fund for financial reporting purposes. The budgetary comparisons for the Water and Sewer Capital Projects Fund and the Water and Sewer Capital Reserve Fund have been included in the supplemental information.

Storm Water Fund – This fund is used to account for the Town's storm water operations. A Storm Water Capital Projects Fund has been consolidated into the Storm Water Fund for financial reporting purposes. The budgetary comparison for the Storm Water Capital Projects Fund has been included in the supplemental information.

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the Town are maintained during the year using the modified accrual basis of accounting.

Government-Wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide,

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of development fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Harrisburg because the tax is levied by Cabarrus County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

for specific purposes are reported as general revenues rather than program revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Capital Reserve Funds, and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Capital Projects Fund – Streets, Capital Projects Fund – Public Safety, and the Enterprise Funds Capital Projects Funds. The enterprise fund projects are consolidated with their respective operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the department level for all annually budgeted funds and at the project level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change departmental appropriations. The budget ordinance must be adopted by July 1 of the fiscal year, or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity

Deposits and Investments

All deposits of the Town and HYA are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Town and HYA may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town and HYA may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the Town and HYA to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT). The Town's and HYA's investments are reported at fair value. Non-participating interest earning investment contracts are accounted for at cost. The NCCMT Government Portfolio, a SEC-registered (2a-7) external pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value.

Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be cash and cash equivalents.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

I. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (continued)

Restricted Assets

The North Carolina Firemen's Relief Fund funds are classified as restricted cash and cash equivalents because it can be expended only for the purposes of financially assisting firefighters that have been injured or killed while performing fire department duties, educational benefits, supplemental retirement, purchase other insurance, and pension protection per G.S. 58-84-1 through 58-84-60. Customer deposits, refundable tap fees, and performance bond deposits held by the Town before any services are supplied or completed are restricted to the service for which the deposit was collected.

The unexpended debt proceeds of the General Fund are classified as restricted assets because their use is completely restricted to the purpose for which the debt was originally issued. Powell Bill funds are also classified as restricted cash because it can be expended only for the purposes of maintaining, repairing, constructing, reconstructing, or widening of local streets per G.S. 136-41.1 through 136-41.4.

Town of Harrisburg Restricted Cash

	<u>General Fund</u>	<u>Total</u>
Governmental Activities		
Public safety	\$ 89,244	\$ 89,244
Streets	150,982	150,982
Performance bonds	200,167	200,167
Unspent debt proceeds	<u>4,803,282</u>	<u>4,803,282</u>
Total governmental activities	<u>\$ 5,243,675</u>	5,243,675
Business-type Activities		
Water and Sewer Fund		
Customer deposits		266,153
Unspent debt proceeds		<u>560,763</u>
Total business-type activities		<u>826,916</u>
Total restricted cash		<u>\$ 6,070,591</u>

Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2017. As allowed by State law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

I. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (continued)

Utility Service Revenues – Unbilled Usage

An estimated amount has been recorded for utility services provided, but not billed, as of the end of the year, and is included in accounts receivable, net of uncollectible amounts.

Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and are defined by the Town as assets with an initial individual cost of more than a certain amount and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: land, \$10,000; buildings, improvements, substations, lines, and other plant and distribution systems, \$15,000; infrastructure, \$20,000; furniture and equipment, \$5,000; and vehicles, \$10,000. Donated capital assets received prior to June 30, 2015, are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015, are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Estimated Useful Lives</u>
Buildings	50 years
Improvements	25 years
Vehicles	5-6 years
Furniture and equipment	10 years
Computer equipment	3 years
Infrastructure and distribution systems	30-40 years

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

I. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has one item that meets this criterion, pension deferrals for the 2018 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has two items that meet the criteria for this category – property taxes receivable and pension deferrals.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

The vacation policy of the Town provides for the accumulation of up to thirty days of earned vacation leave to full-time employees based upon the number of years of service, with such leave being fully vested when earned. Years of service are determined, and vacation time is earned based on each employee's hire date. An employee accrues but may not use any paid vacation days until he/she completes their six months' probationary period with the Town. An employee can carry vacation time over into the following year. For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of accumulated compensated time. Since accrued vacation time may be carried over no more than one year, the entire liability has been designated as a current liability in the government-wide financial statements.

The Town's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

The Town's compensatory time policy provides for up to 240 hours of accumulated compensatory time for non-exempt employees and up to an unlimited number of hours for exempt employees. Compensatory leave only vests with non-exempt employees, for which accumulated time may be paid upon separation. Exempt employees' compensatory time does not vest and any accumulated time at separation is forfeited. Since non-exempt employees' accrued compensatory time is payable upon separation, the entire liability has been designated as a current liability in the government-wide financial statements. As the Town has no obligation for exempt employees' accrued compensatory time until it is actually taken, no accrual for this time has been made.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

I. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (continued)

Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Net Investment in Capital Assets

Net investment in capital assets at June 30, 2018, is computed as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets, net of accumulated depreciation	\$ 19,612,982	\$ 31,746,330
Long-term debt	(8,922,604)	(14,385,188)
Unspent debt proceeds	4,803,282	560,763
Net investment in capital assets	<u>\$ 15,493,660</u>	<u>\$ 17,921,905</u>

Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Non-spendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in the spendable form or (b) legally or contractually required to be maintained intact.

Prepays – portion of fund balance that is not an available resource because it represents the year-end balance of prepaid expenditures, which are not spendable resources.

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State Statute – portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

Restricted for Streets – Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

Restricted for Public Safety – portion of fund balance totaling \$89,244 that is restricted by revenue source for certain Firemen's Relief Fund expenditures.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

I. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (continued)

Net Position/Fund Balances (continued)

Fund Balances (continued)

Restricted for Public Safety – portion of fund balance totaling \$4,821,135 that represents proceeds for debt issuance and other amounts that has not been spent for the designated project.

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Committed for Capital Outlay – portion of fund balance that is committed, per the fund balance policy, to fund future capital outlay.

Assigned Fund Balance – portion of fund balance that the Town of Harrisburg intends to use for specific purposes. The Town Council has the authority to assign fund balance.

Subsequent Year's Expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified as restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds up to \$50,000.

Unassigned Fund Balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The Town has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-Town funds, Town funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Town.

The Town has also adopted a minimum fund balance policy for the General Fund and the Water and Sewer Fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 40% of operating and debt service expenditures. The Town will adjust this minimum as appropriate based upon recommendation from the LGC and the current financial outlook. Once the forty percent (40%) goal is realized, all revenues in excess of expenditures realized at the end of any given fiscal year will be credited as capital reserves. Should the available fund balance fall below the forty percent (40%) threshold, a plan shall be created, with Town Council approval, to restore the reserves within two (2) years. If the restoration cannot be accomplished within such time period without severe hardship to the Town, then the Council will establish a different but appropriate time period.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

I. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (continued)

Net Position/Fund Balances (continued)

Fund Balances (continued)

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation:

Total fund balance - General Fund	\$ 5,931,088
Less:	
Prepays	116,123
Stabilization by State statute	861,270
Streets	150,982
Public safety - Firemen's Relief Fund	89,244
Fund balance policy	4,709,090
Remaining fund balance	<u>\$ 4,379</u>

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. The outstanding encumbrances for the General Fund were \$266,838.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LERS), and additions to/deductions from LERS' fiduciary net position have been determined on the same basis as they are reported by LERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town of Harrisburg's employer contributions are recognized when due and the Town of Harrisburg has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LERS. Investments are reported at fair value.

F. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

II. Stewardship, Compliance, and Accountability

A. Significant Violations of Finance-Related Legal and Contractual Provisions

Non-Compliance with North Carolina General Statutes

In accordance with G.S. {159-13}(b)(3) a contingency appropriation shall not exceed five (5)% of the total of all other appropriations in the same fund. In the current year, there was a violation of the N.C. General Statute with regard to the contingency appropriation exceeding the aforementioned passage in the General Fund.

Budget Amendments were made during the year to correct the violation. The original budget for the General Fund and Storm Water Fund included the contingency appropriation budgeted at 5.82% and 9.68%, respectively, of all other total budgeted appropriations. As of June 30, 2018, the contingency appropriation for the General Fund was budgeted at 1.84% of all other total budgeted appropriations.

III. Detail Notes On All Funds

A. Assets

Deposits

All the deposits of the Town and HYA are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's or HYA's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town and HYA, these deposits are considered to be held by the Town's and HYA's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town, HYA, or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town and HYA under the Pooling Method, the potential exists for under-collateralization. This risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. HYA has no formal policy regarding custodial credit risk for deposits.

At June 30, 2018, the Town's deposits had a carrying amount of \$4,838,515 and a bank balance of \$4,021,659. Of the bank balance, \$339,244 was covered by federal depository insurance, and the remainder was covered by collateral held under the Pooling Method. The carrying amount of deposits for HYA was \$49,316 and the bank balance was \$49,316. All of the bank balance was covered by federal depository insurance. At June 30, 2018, the Town's petty cash totaled \$390.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

III. Detail Notes On All Funds (continued)

A. Assets (continued)

Investments

At June 30, 2018, the Town's investment balances were as follows:

<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Book Value at 6/30/2018</u>	<u>Maturity</u>	<u>Rating</u>
NC Capital Management Trust -				
Government Portfolio	Amortized Cost	\$ 605,747	N/A	AAAm
Term Portfolio	Fair Value Level 1	<u>19,309,310</u>	.09 Years	Unrated
Total		<u>\$ 19,915,057</u>		

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1 debt securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

The Town has no formal investment policies regarding credit, interest rate, or custodial credit risks.

Receivables - Allowances for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2018, are net of the following allowances for doubtful accounts:

General Fund:	
Taxes receivable	\$ 2,192
Water and Sewer Fund:	
Accounts receivable	<u>10,000</u>
Total	<u>\$ 12,192</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

III. Detail Notes On All Funds (continued)

A. Assets (continued)

Capital Assets

Primary Government

Capital asset activity for the Primary Government for the year ended June 30, 2018, was as follows:

	<u>July 1, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2018</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 1,693,537	\$ -	\$ -	\$ -	\$ 1,693,537
Construction in progress	287,716	742,782	-	(6,256)	1,024,242
Total capital assets not being depreciated	<u>1,981,253</u>	<u>742,782</u>	<u>-</u>	<u>(6,256)</u>	<u>2,717,779</u>
Capital assets being depreciated:					
Buildings	9,859,114	1,289	-	(1,843,191)	8,017,212
Other improvements	2,550,199	149,101	-	-	2,699,300
Equipment	4,779,389	912,110	112,382	6,256	5,585,373
Infrastructure	4,092,739	2,713,069	-	-	6,805,808
Total capital assets being depreciated	<u>21,281,441</u>	<u>3,775,569</u>	<u>112,382</u>	<u>(1,836,935)</u>	<u>23,107,693</u>
Less accumulated depreciation for:					
Buildings	1,189,999	160,623	-	(163,038)	1,187,584
Other improvements	798,482	72,246	-	-	870,728
Equipment	3,319,952	341,809	112,382	-	3,549,379
Infrastructure	480,684	124,115	-	-	604,799
Total accumulated depreciation	<u>5,789,117</u>	<u>\$ 698,793</u>	<u>\$ 112,382</u>	<u>\$ (163,038)</u>	<u>6,212,490</u>
Total capital assets being depreciated, net	<u>15,492,324</u>				<u>16,895,203</u>
Governmental activity capital assets, net	<u>\$ 17,473,577</u>				<u>\$ 19,612,982</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

General government	\$ 84,166
Public safety	298,232
Transportation	124,395
Environmental protection	55,563
Cultural and recreational	136,437
Total	<u>\$ 698,793</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

III. Detail Notes On All Funds (continued)

A. Assets (continued)

Capital Assets (continued)

	<u>July 1, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2018</u>
Business-type activities:				
Storm Water Fund:				
Capital assets not being depreciated:				
Construction in progress	\$ 321,874	\$ 5,780	\$ -	\$ 327,654
Total capital assets not being depreciated	<u>321,874</u>	<u>5,780</u>	<u>-</u>	<u>327,654</u>
Capital assets being depreciated:				
Land Improvements	12,017	-	-	12,017
Equipment	220,453	33,626	21,058	233,021
Infrastructure	474,504	-	-	474,504
Total capital assets being depreciated	<u>706,974</u>	<u>33,626</u>	<u>21,058</u>	<u>719,542</u>
Less accumulated depreciation for:				
Land Improvements	1,442	481	-	1,923
Equipment	104,597	23,364	21,058	106,903
Infrastructure	50,781	15,818	-	66,599
Total accumulated depreciation	<u>156,820</u>	<u>\$ 39,663</u>	<u>\$ 21,058</u>	<u>175,425</u>
Total capital assets being depreciated, net	<u>550,154</u>			<u>544,117</u>
Storm water fund capital assets, net	<u>\$ 872,028</u>			<u>\$ 871,771</u>

	<u>July 1, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2018</u>
Business-type activities:					
Water and Sewer Fund:					
Capital assets not being depreciated:					
Land and rights-of-way	\$ 890,575	\$ -	\$ 32,026	\$ -	\$ 858,549
Construction in progress	526,349	5,684,829	-	-	6,211,178
Total capital assets not being depreciated	<u>1,416,924</u>	<u>5,684,829</u>	<u>32,026</u>	<u>-</u>	<u>7,069,727</u>
Capital assets being depreciated:					
Buildings	60,187	-	-	1,843,191	1,903,378
Water lines	20,403,142	1,106,333	-	-	21,509,475
Equipment	1,741,032	310,259	141,685	-	1,909,606
Interceptors	724,436	-	-	-	724,436
Collection system	8,534,337	844,152	-	-	9,378,489
Total capital assets being depreciated	<u>31,463,134</u>	<u>2,260,744</u>	<u>141,685</u>	<u>1,843,191</u>	<u>35,425,384</u>
Less accumulated depreciation for:					
Buildings	31,215	38,068	-	163,038	232,321
Water lines	5,425,845	660,851	-	-	6,086,696
Equipment	935,464	167,875	137,232	-	966,107
Interceptors	578,120	24,148	-	-	602,268
Collection system	3,458,308	274,852	-	-	3,733,160
Total accumulated depreciation	<u>10,428,952</u>	<u>\$ 1,165,794</u>	<u>\$ 137,232</u>	<u>\$ 163,038</u>	<u>11,620,552</u>
Total capital assets being depreciated, net	<u>21,034,182</u>				<u>23,804,832</u>
Water and sewer fund capital assets, net	<u>\$ 22,451,106</u>				<u>\$ 30,874,559</u>
Business-type activities capital assets, net	<u>\$ 23,323,134</u>				<u>\$ 31,746,330</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

III. Detail Notes On All Funds (continued)

A. Assets (continued)

Construction Commitments

The government has active construction projects as of June 30, 2018. At year-end, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Fire Station #2	\$ 728,194	\$ 4,771,806
Public Works Facility	5,306,557	1,293,443
Total	<u>\$ 6,034,751</u>	<u>\$ 6,065,249</u>

B. Liabilities

Accounts Payable and Accrued Items

Payables at the government-wide level at June 30, 2018 were as follows:

	<u>Vendors</u>	<u>Accrued Interest</u>	<u>Total</u>
Governmental activities:			
General Fund	\$ 460,567	\$ 49,737	\$ 510,304
Capital Project Fund - Public Safety	10,978	-	10,978
Total governmental activities	<u>\$ 471,545</u>	<u>\$ 49,737</u>	<u>\$ 521,282</u>
Business-type activities			
Water and Sewer Fund	\$ 435,351	\$ 9,309	\$ 444,660
Storm Water Fund	43	-	43
Total business-type activities	<u>\$ 435,394</u>	<u>\$ 9,309</u>	<u>\$ 444,703</u>

Pension Plan Obligations

Local Governmental Employees' Retirement System

Plan Description. The Town of Harrisburg is a participating employer in the State-wide Local Governmental Employees' Retirement System (LGERS), a cost-sharing, multiple-employer, defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOSs) of participating local government entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer of State Superintendent who serve as ex-officio members. The LGERS is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1140 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

III. Detail Notes On All Funds (continued)

B. Liabilities (continued)

Pension Plan Obligations (continued)

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Harrisburg employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of Harrisburg's contractually required contribution rate for the year ended June 30, 2018, was 7.50% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Harrisburg were \$350,956 for the year ended June 30, 2018.

Refunds of Contributions – Town employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By State law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

III. Detail Notes On All Funds (continued)

B. Liabilities (continued)

Pension Plan Obligations (continued)

Local Governmental Employees' Retirement System (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the Town reported a liability of \$1,453,490 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2017, the Town's proportion was 0.09514%, which was an increase of 0.02134% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Town recognized pension expense of \$449,507. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 83,734	\$ 41,143
Changes of assumptions	207,576	-
Net difference between projected and actual earnings on pension plan investments	352,906	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	46,954	103,302
Town contributions subsequent to the measurement date	350,956	-
Total	<u>\$ 1,042,126</u>	<u>\$ 144,445</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

III. Detail Notes On All Funds (continued)

B. Liabilities (continued)

Pension Plan Obligations (continued)

Local Governmental Employees' Retirement System (continued)

\$350,956 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending June 30:</u>	
2019	\$ 37,553
2020	399,990
2021	205,759
2022	(96,577)
2023	-
Thereafter	-
	<u>\$ 546,725</u>

Actuarial Assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.20 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer), and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2016, valuation were based on the results of an actuarial experience study for the period January 1, 2010, through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

III. Detail Notes On All Funds (continued)

B. Liabilities (continued)

Pension Plan Obligations (continued)

Local Governmental Employees' Retirement System (continued)

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2017, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

III. Detail Notes On All Funds (continued)

B. Liabilities (continued)

Pension Plan Obligations (continued)

Local Governmental Employees' Retirement System (continued)

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate. The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.20%, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.20%) or one percentage point higher (8.20%) than the current rate:

	<u>1% Decrease (6.20%)</u>	<u>Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
Town's proportionate share of the net pension liability (asset)	\$ 4,363,367	\$ 1,453,490	\$ (975,365)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

Deferred Outflows and Inflows of Resources

The Town has several deferred outflows of resources. Deferred outflows of resources is comprised of following:

<u>Source</u>	<u>Amount</u>
Contributions to pension plan in current fiscal year	\$ 350,956
Differences between expected and actual experience	83,734
Changes of assumptions	207,576
Net difference between projected and actual earnings on pension plan investments	352,906
Changes in proportion and differences between Town contributions and proportionate share of contributions	46,954
Total	<u>\$ 1,042,126</u>

Deferred inflows of resources at year-end are comprised of the following:

	<u>Statement of Net Position</u>	<u>General Fund Balance Sheet</u>
Taxes receivable, less penalties (General Fund)	\$ -	\$ 38,769
Differences between expected and actual experience	41,143	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	103,302	-
Total	<u>\$ 144,445</u>	<u>\$ 38,769</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

III. Detail Notes On All Funds (continued)

B. Liabilities (continued)

Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability coverage of \$3 million per occurrence, auto liability coverage of \$1 million per occurrence, public officials liability coverage of \$1 million each claim and, annual property coverage up to the total insurance values of the property policy, workers' compensation coverage up to statutory limits, boiler and machinery coverage of \$5 million comprehensive coverage, and employee health coverage up to a \$1 million lifetime limit. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Excess insurance coverage is purchased by the Board of Trustees to protect against large workers' compensation claims that exceed certain dollar cost levels. Medical stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request.

The Town carries flood insurance through the Interlocal Risk Financing Fund of North Carolina in the amount of \$5 million for a single occurrence.

The Town carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The Finance Officer and Tax Collector are each individually bonded for \$50,000 and \$10,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$10,000.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

III. Detail Notes On All Funds (continued)

B. Liabilities (continued)

Operating Leases

The Town leases certain office equipment, temporary buildings, and a park under operating leases. Lease expenditures for these and other rental agreements during the year ended June 30, 2018 totaled \$47,579.

Future minimum lease payments are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2019	\$ 8,813	\$ 1,181
2020	8,551	-
2021	7,763	-
2022	5,962	-
2023	1	-
2024-2028	5	-
2029-2033	5	-
2034-2038	5	-
	<u>\$ 31,105</u>	<u>\$ 1,181</u>

Long-Term Obligations

Installment Purchases

Serviced by General Fund:

In the year ended June 30, 2001, the Town borrowed \$430,135 to finish construction of a library. Semi-annual payments of \$8,529 are due through December 15, 2019. The interest rate on the loan is 5.00% per annum. The note is collateralized by various commercial properties.

The future minimum payments of the installment purchase as of June 30, 2018 are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 31,759	\$ 2,359
2020	26,640	722
	<u>\$ 58,399</u>	<u>\$ 3,081</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

III. Detail Notes On All Funds (continued)

B. Liabilities (continued)

Long-Term Obligations (continued)

Installment Purchases (continued)

In January 2008, the Town borrowed \$1,050,000 from a local financial institution to complete the purchase of a portion of the building that houses Town Hall. The terms of the loan state that the interest will accrue at the rate of 4.28% per annum. Principal and interest payments are payable semi-annually beginning in July 2008 and ending in January 2023. The debt is secured by the property. The debt is serviced equally by the General Fund and the Water and Sewer Fund.

The General Fund's portion of the future minimum payments of the installment purchase as of June 30, 2018, is as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2019	\$ 35,000	\$ 7,126
2020	35,000	5,609
2021	35,000	4,111
2022	35,000	2,613
2023	34,800	1,115
	<u>\$ 174,800</u>	<u>\$ 20,574</u>

In October 2013, the Town borrowed \$527,000 from a local financial institution to purchase a new fire engine. The terms of the loan state that the interest will accrue at the rate of 2.00% per annum. Principal and interest payments are payable semi-annually beginning in November 2013 and ending in November 2020. The debt is secured by the property.

The future minimum payments of the installment purchase as of June 30, 2018 are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2019	\$ 77,611	\$ 3,130
2020	79,197	1,544
2021	34,167	173
	<u>\$ 190,975</u>	<u>\$ 4,847</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

III. Detail Notes On All Funds (continued)

B. Liabilities (continued)

Long-Term Obligations (continued)

Installment Purchases (continued)

In May 2015, the Town borrowed \$2,000,000 from a local financial institution to construct Fire Station #3. The terms of the loan state that the interest will accrue at the rate of 2.80% per annum. Principal and interest payments are payable monthly beginning in July 2015 and ending in June 2030. The debt is secured by the property.

The future minimum payments of the installment purchase as of June 30, 2018 are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2019	\$ 133,333	\$ 43,212
2020	133,333	39,356
2021	133,333	35,622
2022	133,333	31,889
2023	133,333	28,156
2024-2028	666,667	84,778
2029-2030	266,668	7,777
	<u>\$ 1,600,000</u>	<u>\$ 270,790</u>

In January 2017, the Town borrowed \$582,000 from a local financial institution to purchase a new fire engine. The terms of the loan state that the interest will accrue at the rate of 1.97% per annum. Principal and interest payments are payable monthly beginning in February 2017 and ending in January 2024. The debt is secured by the property.

The future minimum payments of the installment purchase as of June 30, 2018, are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2019	\$ 80,586	\$ 8,572
2020	82,214	6,945
2021	83,848	5,310
2022	85,515	3,643
2023	87,215	1,943
2024	51,271	336
	<u>\$ 470,649</u>	<u>\$ 26,749</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

III. Detail Notes On All Funds (continued)

B. Liabilities (continued)

Long-Term Obligation (continued)

Installment Purchases (continued)

In May 2017, the Town borrowed \$2,000,000 from a local financial institution to purchase the remaining portion of the building that houses Town Hall. The terms of the loan state that the interest will accrue at the rate of 2.96% per annum. Principal and interest payments are payable monthly beginning in May 2017 and ending in May 2032. The debt is secured by the property. The debt is serviced equally by the General Fund and the Water and Sewer Fund.

The General Fund's portion of the future minimum payments of the installment purchase as of June 30, 2018 is as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2019	\$ 66,667	\$ 26,633
2020	66,667	24,585
2021	66,667	22,611
2022	66,667	20,638
2023	66,667	18,665
2024-2028	333,334	63,722
2029-2032	261,112	15,458
	<u>\$ 927,781</u>	<u>\$ 192,312</u>

In April 2018, the Town borrowed \$5,500,000 from a financial institution to construct Fire Station #2. The terms of the loan state that the interest will accrue at the rate of 3.90% per annum. Principal and interest payments are payable semi-annually beginning in September 2018 and ending in March 2038. The debt is secured by the property.

Year Ending June 30	Governmental Activities	
	Principal	Interest
2019	\$ 275,000	\$ 183,229
2020	276,000	201,084
2021	276,000	190,320
2022	276,000	179,556
2023	276,000	168,792
2024-2028	1,380,000	682,500
2029-2034	1,371,000	414,102
2035-2038	1,370,000	146,932
	<u>\$ 5,500,000</u>	<u>\$ 2,166,515</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

III. Detail Notes On All Funds (continued)

B. Liabilities (continued)

Long-Term Obligation (continued)

Installment Purchases (continued)

Serviced by the Water and Sewer Fund:

In January 2008, the Town borrowed \$1,050,000 from a local financial institution to complete the purchase of a portion of the building that houses Town Hall. The terms of the loan state that the interest will accrue at the rate of 4.28% per annum. Principal and interest payments are payable semi-annually beginning in July 2008 and ending in January 2023. The debt is secured by the property. The debt is serviced equally by the General Fund and the Water and Sewer Fund.

The Water and Sewer Fund's portion of the future minimum payments of the installment purchase as of June 30, 2018 is as follows:

Year Ending June 30	Business-Type Activities	
	Principal	Interest
2019	\$ 35,000	\$ 7,125
2020	35,000	5,609
2021	35,000	4,111
2022	35,000	2,613
2023	34,800	1,115
	<u>\$ 174,800</u>	<u>\$ 20,573</u>

In January 2012, the Town entered into a water asset purchase agreement with the City of Charlotte, North Carolina, in the amount of \$5,945,341. The agreement obligates the Town to pay \$247,722 semi-annually, through January 31, 2024. The agreement states that no interest shall accrue for each payment except that each payment that is past due shall bear interest at the current Charlotte water and sewer revenue bond rate for the period the installment is delinquent.

The future minimum payments of the installment purchase as of June 30, 2018, are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2019	\$ 495,444	\$ -
2020	495,444	-
2021	495,444	-
2022	495,444	-
2023	495,444	-
2024	495,457	-
	<u>\$ 2,972,677</u>	<u>\$ -</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

III. Detail Notes On All Funds (continued)

B. Liabilities (continued)

Long-Term Obligation (continued)

Installment Purchases (continued)

In March 2012, the Town borrowed \$1,900,000 from a local financial institution to finance construction of two water wells. The terms of the loan state that interest will accrue at the rate of 3.99% per annum. Principal and interest payments of \$11,866 are payable monthly, through March 2, 2031. The debt is secured by certain property and improvements. In July 2013, the loan terms were modified by the financial institution. The new terms state that interest will accrue at a rate of 2.90% per annum. Principal and interest payments of \$12,374 are payable monthly, through August 2, 2028.

The future minimum payments of the installment purchase as of June 30, 2018, are as follows:

<u>Year Ending June 30</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 111,930	\$ 36,558
2020	115,431	33,056
2021	118,824	29,664
2022	122,316	26,172
2023	125,911	22,577
2024-2028	687,281	55,157
2029	22,736	79
	<u>\$ 1,304,429</u>	<u>\$ 203,263</u>

In October 2012, the Town borrowed \$1,500,000 from a local financial institution to finance the extension and replacement of water lines in town. The terms of the loan state that interest will accrue at the rate of 3.15% per annum. Principal payments in the amount of \$8,475 plus applicable interest payments are payable monthly, through December 31, 2027. The debt is secured by certain property and improvements.

The future minimum payments of the installment purchase as of June 30, 2018, are as follows:

<u>Year Ending June 30</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 101,695	\$ 28,409
2020	101,695	25,123
2021	101,695	21,920
2022	101,695	18,716
2023	101,695	15,513
2024-2028	437,385	30,205
	<u>\$ 945,860</u>	<u>\$ 139,886</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

III. Detail Notes On All Funds (continued)

B. Liabilities (continued)

Long-Term Obligation (continued)

Installment Purchases (continued)

In January 2014, the Town borrowed \$1,800,000 from a local financial institution to finance the extension of water lines in town and the decommissioning of two sewer treatment plants. The terms of the loan state that interest will accrue at the rate of 3.02% per annum. Principal and interest payments in the amount of \$12,448 are payable monthly, through January 23, 2029. The debt is secured by certain property and improvements.

The future minimum payments of the installment purchase as of June 30, 2018, are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2019	\$ 109,861	\$ 39,515
2020	113,340	36,036
2021	116,810	32,566
2022	120,387	28,989
2023	124,074	25,302
2024-2028	679,740	67,140
2029	90,564	946
	<u>\$ 1,354,776</u>	<u>\$ 230,494</u>

In January 2016, the Town borrowed \$1,300,000 from a local financial institution to finance the extension of water lines in town and the decommissioning of two sewer treatment plants. The terms of the loan state that interest will accrue at the rate of 2.39% per annum. Principal and interest payments in the amount of \$12,217 are payable monthly, through February 5, 2026. The debt is secured by certain property and improvements.

The future minimum payments of the installment purchase as of June 30, 2018, are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2019	\$ 123,287	\$ 23,311
2020	126,115	20,483
2021	129,260	17,338
2022	132,427	14,171
2023	135,672	10,926
2024-2026	378,246	12,683
	<u>\$ 1,025,007</u>	<u>\$ 98,912</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

III. Detail Notes On All Funds (continued)

B. Liabilities (continued)

Long-Term Obligation (continued)

Installment Purchases (continued)

In May 2017, the Town borrowed \$2,000,000 from a local financial institution to purchase the remaining portion of the building that houses Town Hall. The terms of the loan state that the interest will accrue at the rate of 2.96% per annum. Principal and interest payments are payable monthly beginning in May 2017 and ending in May 2032. The debt is secured by the property. The debt is serviced equally by the General Fund and the Water and Sewer Fund.

The Water and Sewer Fund's portion of the future minimum payments of the installment purchase as of June 30, 2018, is as follows:

Year Ending June 30	Business-Type Activities	
	Principal	Interest
2019	\$ 66,666	\$ 26,633
2020	66,666	24,584
2021	66,666	22,611
2022	66,666	20,638
2023	66,666	18,664
2024-2028	333,333	63,722
2029-2032	261,111	15,458
	<u>\$ 927,774</u>	<u>\$ 192,310</u>

In October 2017, the Town borrowed \$5,900,000 from a local financial institution to construct the Public Works Facility. The terms of the loan state that the interest will accrue at the rate of 2.45% per annum. Principal and interest payments are payable monthly beginning in November 2017 and ending in October 2032. The debt is secured by the property.

The future minimum payments of the installment purchase as of June 30, 2018, are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2019	\$ 334,978	\$ 135,444
2020	343,278	127,145
2021	351,783	118,639
2022	360,499	109,923
2023	369,431	100,991
2024-2028	1,989,078	363,033
2029-2033	1,930,818	106,349
	<u>\$ 5,679,865</u>	<u>\$ 1,061,524</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

III. Detail Notes On All Funds (continued)

B. Liabilities (continued)

Long-Term Obligation (continued)

Installment Purchases (continued)

The following tables summarize the annual requirements to amortize notes payable to maturity:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 699,956	\$ 274,261	\$ 1,378,861	\$ 296,996
2020	699,056	279,843	1,396,970	272,036
2021	629,015	258,148	1,415,483	246,848
2022	596,515	238,339	1,434,435	221,221
2023	598,015	218,670	1,453,693	195,089
2024-2028	2,431,271	831,335	5,000,521	591,939
2029-2033	1,898,776	437,337	2,305,225	122,834
2034-2038	1,370,000	146,933	-	-
	<u>\$ 8,922,604</u>	<u>\$ 2,684,866</u>	<u>\$ 14,385,188</u>	<u>\$ 1,946,963</u>

The Town's legal debt margin at June 30, 2018, is \$147,597,204.

Changes in Long-Term Liabilities:

	Beginning Balance	Transfer	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental activities:						
Notes payable	\$ 5,254,160	\$ (1,204,244)	\$ 5,500,000	\$ 627,312	\$ 8,922,604	\$ 699,956
Compensated absences	278,860	-	331,927	262,544	348,243	348,243
Net pension obligation (LGRS)	1,175,991	-	-	85,733	1,090,258	-
Total	<u>6,709,011</u>	<u>(1,204,244)</u>	<u>5,831,927</u>	<u>975,589</u>	<u>10,361,105</u>	<u>1,048,199</u>
Business-type activities:						
<u>Water and Sewer Fund</u>						
Notes payable	8,533,649	1,204,244	5,900,000	1,252,705	14,385,188	1,378,861
Compensated absences	108,089	-	88,119	86,808	109,400	109,400
Net pension obligation (LGRS)	390,306	-	-	27,074	363,232	-
Total	<u>9,032,044</u>	<u>1,204,244</u>	<u>5,988,119</u>	<u>1,366,587</u>	<u>14,857,820</u>	<u>1,488,261</u>
Total	<u>\$ 15,741,055</u>	<u>\$ -</u>	<u>\$ 11,820,046</u>	<u>\$ 2,342,176</u>	<u>\$ 25,218,925</u>	<u>\$ 2,536,460</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

III. Detail Notes On All Funds (continued)

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2018, consist of the following:

From the General Fund to the Capital Reserve Fund - General Services to fund the Capital Reserve Fund per Fund Balance Policy	\$ 2,090,000
From the General Fund to the Capital Reserve Fund - Economic Development to fund the Capital Reserve Fund used for future capital expenditures and economic incentives	100,000
From the Water Sewer Fund to the Water Sewer Capital Reserve Fund to fund Water/Sewer Capital Projects	5,000,000
From the Water Sewer Capital Reserve Fund to the Water Sewer Fund to fund Water/Sewer Capital Projects	535,800
From the Capital Reserve Fund - General Services to the General Fund to fund actual Capital Outlay expenditures per the Fund Balance Policy	487,500
From the Capital Reserve Fund - General Services to the Capital Project Fund - Streets to fund actual Capital Outlay expenditures	108,550
From the Capital Reserve Fund - Fire Services to the General Fund to fund actual Capital Outlay expenditures per the Fund Balance Policy	61,000
From the Capital Reserve Fund - Economic Development to the General Fund to fund façade grants and other economic development projects	11,550
From the Storm Water Fund to the Storm Water Capital Project Fund to fund Storm Water Capital Projects	200,000
From Governmental Activities to Water and Sewer Fund for transfers of capital assets and related debt	<u>475,909</u>
	<u>\$ 9,070,309</u>

Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

IV. Summary Disclosure of Significant Contingencies

Federal and State-Assisted Programs

The Town has received proceeds from several federal and State grants. Periodic audits of these grants are required, and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2018

V. Significant Dependence

The Town is dependent upon other government entities for water purchases and sewer transportation services in the Water and Sewer Fund. The Town purchases the majority of its water from the City of Concord and all of its sewer transportation services from WSACC.

VI. Jointly Governed Organizations

The Town, Cabarrus County, and three other municipalities established the Water and Sewer Authority of Cabarrus County (WSACC). WSACC was established to provide water and sewer services to the citizens of Cabarrus County. The Town appoints one member to the nine-member Board. In the year ended June 30, 2018, the Town purchased sewer treatment services amounting to \$1,036,468 from WSACC. At June 30, 2018, there was no amount due to WSACC, which would need to be reflected in accounts payable of the Water and Sewer Fund.

VII. Joint Ventures

The Town and the members of the Town's fire department each appoint two members to the five-member local Board of Trustees for the Firemen's Relief Fund. The State Insurance Commissioner appoints one additional member to the local Board of Trustees. The Firemen's Relief Fund is funded by a portion of the fire and lightning insurance premiums that insurers remit to the State. The State passes these monies to the local Board of the Firemen's Relief Fund. The funds are used to assist firefighters in various ways. The Town obtains an ongoing financial benefit from the Fund for the on-behalf of payments for salaries and fringe benefits made to members of the Town's fire department by the Board of Trustees. During the fiscal year ended June 30, 2018, the Town made no payments through the Firemen's Relief Fund and reported no revenues and expenditures. The participating governments do not have any equity interest in the joint venture, so no equity has been reflected in the financial statements at June 30, 2018. The Firemen's Relief Fund does not issue separate audited financial statements. Instead, the local Board of Trustees files an annual financial report with the State Firemen's Association. This report can be obtained from the Association at 323 West Jones Street, Suite 401, Raleigh, North Carolina 27603.

VII. Claims, Judgments and Contingent Liabilities

At June 30, 2018, the Town was involved in various lawsuits involving damages and potential claims. It is the opinion of the Attorney and Town management that none of these lawsuits would have any adverse financial impact upon the Town or its financial position.

TOWN OF HARRISBURG, NORTH CAROLINA

(This Page Intentionally Left Blank)

REQUIRED SUPPLEMENTARY FINANCIAL DATA

This section contains additional information required by accounting principles generally accepted in the United States of America.

- Schedule of Proportionate Share of Net Pension Liability for Local Government Employees' Retirement System
- Schedule of Contributions to Local Government Employees' Retirement System

Town of Harrisburg, North Carolina

Town of Harrisburg's Proportionate Share of Net Pension Liability (Asset) Required Supplementary Information Last Five Fiscal Years*

Local Government Employees' Retirement System

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Harrisburg's proportion of the net pension liability (asset) (%)	0.095140%	0.073800%	0.080200%	0.077430%	0.077000%
Harrisburg's proportion of the net pension liability (asset) (\$)	\$ 1,453,490	\$ 1,566,297	\$ 359,920	\$ (456,640)	\$ 928,146
Harrisburg's covered-employee payroll	\$ 4,623,537	\$ 3,786,002	\$ 3,533,569	\$ 3,329,996	\$ 2,897,960
Harrisburg's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	31.44%	41.37%	10.19%	-13.71%	32.03%
Plan fiduciary net position as a percentage of the total pension liability**	94.18%	91.47%	98.09%	102.64%	94.35%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

** This will be the same percentage for all participant employers in the LGERS plan.

This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Town of Harrisburg, North Carolina

Town of Harrisburg's Contributions Required Supplementary Information Last Five Fiscal Years

Local Government Employees' Retirement System

	2018	2017	2016	2015	2014
Contractually required contribution	\$ 350,956	\$ 316,231	\$ 252,632	\$ 232,442	\$ 222,421
Contributions in relation to the contractually required contribution	350,956	316,231	252,632	232,442	222,421
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Harrisburg's covered-employee payroll	\$ 4,679,408	\$ 4,623,537	\$ 3,786,002	\$ 3,533,569	\$ 3,329,996
Contributions as a percentage of covered-employee payroll	7.50%	6.84%	6.67%	6.58%	6.68%

This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

TOWN OF HARRISBURG, NORTH CAROLINA

(This Page Intentionally Left Blank)

INDIVIDUAL
FUND FINANCIAL STATEMENTS AND SCHEDULES

TOWN OF HARRISBURG, NORTH CAROLINA

(This Page Intentionally Left Blank)

Town of Harrisburg, North Carolina

General Fund Comparative Balance Sheets June 30, 2018 and 2017

	June 30, 2018	June 30, 2017
Assets		
Cash and cash equivalents	\$ 5,253,447	\$ 5,415,876
Restricted cash and cash equivalents	440,393	1,012,017
Receivables - net:		
Property taxes	38,769	34,803
Other	959	-
Due from government agencies	593,473	1,008,755
Prepaid items	116,123	81,035
	<u>116,123</u>	<u>81,035</u>
Total assets	<u>\$ 6,443,164</u>	<u>\$ 7,552,486</u>
Liabilities, deferred inflows of resources and fund balance		
Liabilities:		
Accounts payable and accrued liabilities	\$ 260,400	\$ 121,816
July 4th celebration revenue	12,740	7,585
Payable from restricted assets		
Performance bonds on deposit	200,167	206,564
Total liabilities	<u>473,307</u>	<u>335,965</u>
Deferred inflows of resources:		
Property taxes receivable	38,769	34,803
Total deferred inflows of resources	<u>38,769</u>	<u>34,803</u>
Fund balance:		
Non-spendable:		
Prepays	116,123	81,035
Restricted:		
Stabilization by State statute	861,270	1,790,705
Streets	150,982	153,514
Public safety	89,244	73,439
Unspent debt proceeds	-	578,500
Unassigned	4,713,469	4,504,525
Total fund balance	<u>5,931,088</u>	<u>7,181,718</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 6,443,164</u>	<u>\$ 7,552,486</u>

Town of Harrisburg, North Carolina

General Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2018
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance Over/(Under)	Actual
Revenues:				
Ad valorem taxes:				
Current year	\$ 6,035,000	\$ 6,112,829	\$ 77,829	\$ 5,838,558
Prior years	32,000	60,525	28,525	45,415
Penalties and interest	18,000	11,076	(6,924)	17,983
Total	6,085,000	6,184,430	99,430	5,901,956
Unrestricted intergovernmental:				
Local option sales tax	1,750,000	1,695,734	(54,266)	1,740,007
Utility franchise tax	830,000	856,395	26,395	836,133
Beer and wine tax	66,000	70,076	4,076	69,644
Total	2,646,000	2,622,205	(23,795)	2,645,784
Restricted intergovernmental:				
Powell Bill allocation	410,000	422,207	12,207	419,182
Grants - other	9,600	14,550	4,950	5,000
Fire taxes	1,055,000	1,005,456	(49,544)	1,058,621
SAFER Grant	399,500	294,761	(104,739)	738,671
Solid waste disposal	10,000	11,149	1,149	10,466
Total	1,884,100	1,748,123	(135,977)	2,231,940
Permits and fees:				
Compliance permits	71,000	53,784	(17,216)	61,624
Passport acceptance fees	35,000	19,770	(15,230)	30,875
Traffic review fees	75,000	29,400	(45,600)	34,000
Plan review fees	74,000	317,829	243,829	17,869
Inspection fees and fines	54,000	6,135	(47,865)	5,050
Total	309,000	426,918	117,918	149,418
Sales and services:				
Parks and recreation shelter rental	4,000	8,055	4,055	5,885
Rental income - Town Hall	265,300	250,870	(14,430)	23,634
Parks and recreation athletics	332,000	400,263	68,263	382,367
Recreation program fees	62,500	48,275	(14,225)	52,614
Concessions and merchandise	2,500	5,601	3,101	-
Facility usage fees	-	560	560	-
Total	666,300	713,624	47,324	464,500

Town of Harrisburg, North Carolina

General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2018 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance Over/(Under)	Actual
Revenues (continued):				
Investment earnings	38,000	147,904	109,904	37,260
Other general revenues:				
July 4th celebration	55,000	34,335	(20,665)	61,550
Municipal complex rental	-	3,392	3,392	-
Parks and recreation - special events	10,000	16,097	6,097	6,686
HYA contributions	25,000	9,361	(15,639)	25,000
Contributions - other	-	67,883	67,883	-
Donations	2,500	16,505	14,005	200
Cabarrus County - EMS facilities at Station 3 reimbursement	11,000	10,490	(510)	7,720
Insurance proceeds	39,000	42,943	3,943	24,184
Sale of surplus property	121,100	18,329	(102,771)	1,474
Miscellaneous	45,250	54,116	8,866	68,297
Total	308,850	273,451	(35,399)	195,111
Total revenues	11,937,250	12,116,655	179,405	11,625,969
Expenditures:				
General government:				
Mayor and Council:				
Salaries	48,000	48,731	(731)	48,192
Employee benefits	4,000	3,708	292	3,609
Employee relations	1,000	636	364	-
Uniforms	1,200	269	931	-
Workers' compensation	150	137	13	128
Department supplies	1,585	1,213	372	365
Travel and training	2,100	1,241	859	201
Meetings and conferences	2,284	2,216	68	916
Dues and subscriptions	44,520	33,171	11,349	15,458
Sponsorships	7,200	7,065	135	7,065
Technology services	9,910	8,965	945	7,511
Telephone	13,300	10,781	2,519	3,725
Special projects	2,731	3,000	(269)	2,938
Total	137,980	121,133	16,847	90,108
Administration:				
Salaries	830,500	796,003	34,497	552,560
Employee benefits	283,400	252,719	30,681	150,192
Cost allocation	(487,000)	(486,996)	(4)	(277,250)

Town of Harrisburg, North Carolina

General Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2018
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance Over/(Under)	Actual
Expenditures (continued):				
General government (continued):				
Administration (continued):				
Workers' compensation	3,250	3,170	80	1,683
Insurance and bonds	9,950	10,857	(907)	6,829
Employee relations	15,800	14,629	1,171	8,979
Uniforms	1,500	1,443	57	1,341
Training	19,325	15,565	3,760	4,309
Travel	9,650	5,255	4,395	1,820
Meetings and conferences	5,200	5,235	(35)	2,038
Fuel	2,000	1,785	215	898
Maintenance and repairs - buildings	63,250	56,053	7,197	20,688
Maintenance and repairs - vehicles	525	375	150	345
Dues and subscriptions	6,925	6,047	878	4,643
Pre-employment	1,000	302	698	2,489
Advertising	2,500	5,382	(2,882)	6,599
Tires	2,250	-	2,250	-
Department supplies	23,675	20,307	3,368	21,315
Small tools	7,250	1,240	6,010	1,670
Legal services	45,000	70,675	(25,675)	30,995
Printing	17,250	10,185	7,065	10,830
Telephone	28,250	43,801	(15,551)	30,954
Postage	13,800	12,557	1,243	7,379
Utilities - electric	49,400	54,708	(5,308)	30,561
Utilities - water	8,000	5,806	2,194	-
Utilities - street lights	-	-	-	159,894
Contracted services	11,000	8,539	2,461	16,824
Professional services	61,600	44,229	17,371	44,987
Technology services	50,190	43,865	6,325	91,067
Buildings and grounds contracted services	16,070	21,438	(5,368)	121,783
Shipping and handling	500	704	(204)	1,123
Copier lease	7,200	12,803	(5,603)	6,671
Lease - other	1,200	1,105	95	1,123
Fines and penalties	23,500	11,818	11,682	3,195
Capital outlay	-	-	-	2,022,727
Debt service:				
Principal retirement	130,250	131,839	(1,589)	109,802
Interest	42,500	41,606	894	22,991
Total	1,306,660	1,225,049	81,611	3,224,054

Town of Harrisburg, North Carolina

General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2018 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance Over\ (Under)	Actual
Expenditures (continued):				
General government (continued):				
Communications:				
Salaries	54,000	41,837	12,163	54,001
Employee benefits	21,450	13,281	8,169	17,384
Cost allocation	-	-	-	(18,750)
Workers' compensation	150	140	10	151
Meetings and conferences	2,250	1,970	280	172
Uniforms	150	139	11	-
Training	-	-	-	140
Travel	1,700	1,480	220	855
Dues and subscriptions	745	840	(95)	1,688
Pre-employment	105	104	1	-
Advertising	9,680	4,646	5,034	7,297
Supplies	1,700	1,831	(131)	1,519
Small tools & equipment	6,270	5,742	528	1,987
Postage	250	-	250	176
Shipping and handling	250	530	(280)	184
Printing	15,700	10,414	5,286	7,249
Telephone	1,400	1,173	227	1,237
Casualty insurance/bonds	425	379	46	275
Professional services	53,130	32,318	20,812	22,357
Maintenance and repairs - branded signage	7,500	7,603	(103)	-
Programming	4,830	-	4,830	804
Technology services	57,555	23,900	33,655	7,126
Capital outlay	73,000	-	73,000	85,790
Total	312,240	148,327	163,913	191,642
Economic development:				
Salaries	3,300	5,729	(2,429)	75,561
Employee benefits	1,970	1,945	25	23,954
Workers' compensation	-	-	-	151
Meetings and conferences	2,850	1,170	1,680	3,502
Uniforms	-	-	-	139
Training	-	-	-	49
Contracted services	800	-	800	-
Dues and subscriptions	10,000	9,400	600	8,396
Advertising	7,000	-	7,000	-
Supplies	-	-	-	502
Shipping and handling	-	-	-	189
Legal services	-	-	-	80
Telephone	-	-	-	1,413

Town of Harrisburg, North Carolina

General Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2018
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance Positive Over\ (Under)	Actual
Expenditures (continued):				
General government (continued):				
Economic development:				
Casualty insurance/bonds	-	-	-	550
Professional services	-	-	-	122
Incentive grants	14,150	14,082	68	26,631
Technology services	-	-	-	1,099
Capital outlay	9,600	2,848	6,752	6,256
Total	49,670	35,174	14,496	148,594
Total general government	1,806,550	1,529,683	276,867	3,654,398
Planning and zoning:				
Salaries	240,600	213,833	26,767	197,516
Employee benefits	79,850	67,965	11,885	60,997
Cost allocation	-	-	-	(8,800)
Workers' compensation	3,500	3,241	259	2,458
Insurance and bonds	1,300	1,256	44	1,300
Pre-employment	100	50	50	-
Training	3,450	1,185	2,265	1,456
Travel	4,500	2,349	2,151	2,449
Meetings and conferences	1,300	1,516	(216)	1,108
Fuel	2,500	951	1,549	819
Maintenance and repair - equipment	-	-	-	30
Maintenance and repair - signage	1,500	-	1,500	829
Maintenance and repair - vehicles	400	800	(400)	-
Dues and subscriptions	2,000	370	1,630	746
Advertising	4,000	4,741	(741)	2,037
Tires	600	-	600	-
Supplies	4,500	5,306	(806)	2,883
Legal services	20,000	12,945	7,055	12,906
Printing	1,000	508	492	-
Telephone	4,500	3,862	638	3,768
Postage	750	374	376	162
Uniforms	1,000	908	92	718
Professional services	203,900	148,986	54,914	88,842
Technology services	10,810	8,649	2,161	6,687
Shipping and handling	50	28	22	8
Utilities - electric	-	-	-	140
Capital outlay	30,000	25,578	4,422	-
Total	622,110	505,401	116,709	379,059

Town of Harrisburg, North Carolina

General Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2018
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance Over/(Under)	Actual
Expenditures (continued):				
Engineering:				
Salaries	151,000	150,822	178	-
Employee benefits	47,900	49,943	(2,043)	-
Insurance and bonds	650	616	34	-
Cost allocation	(185,000)	(185,004)	4	-
Meetings and conferences	2,100	299	1,801	-
Travel	600	205	395	-
Training	2,800	1,678	1,122	-
Department supplies	1,300	1,300	-	-
Small tools and equipment	400	692	(292)	-
Uniforms	350	335	15	-
Telephone	2,120	2,831	(711)	-
Maintenance and repairs - vehicles	-	1,780	(1,780)	-
Fuel	2,040	1,572	468	-
Dues and subscriptions	750	555	195	-
Professional services	131,910	991	130,919	-
Technology services	19,370	5,356	14,014	-
Legal services	2,000	250	1,750	-
Postage	300	21	279	-
Shipping and handling	200	73	127	-
Printing	500	462	38	-
Capital outlay	32,500	29,798	2,702	-
Total	213,790	64,575	149,215	-
Public safety:				
Police:				
County contract - deputy salaries	789,000	785,035	3,965	684,478
Insurance and bonds	7,800	7,777	23	5,602
Fuel	30,000	31,714	(1,714)	19,846
Maintenance and repairs - vehicles	21,000	24,647	(3,647)	35,164
Maintenance and repairs - equipment	1,250	33	1,217	282
Supplies	5,500	5,287	213	5,541
Telephone	3,450	2,518	932	2,263
Training	1,600	707	893	-
Shipping and handling	600	20	580	293
Technology services	7,370	356	7,014	6,804
Special equipment	3,400	2,976	424	2,937
Capital outlay	92,000	888	91,112	62,141
Total	962,970	861,958	101,012	825,351

Town of Harrisburg, North Carolina

General Fund

Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2018

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance Over/(Under)	Actual
Expenditures (continued):				
Public Safety (continued):				
Fire:				
Salaries	2,051,000	2,037,788	13,212	2,093,016
Employee benefits	755,500	708,601	46,899	700,479
Cost allocation	25,000	24,996	4	-
Workers compensation	80,000	76,805	3,195	80,434
Insurance and bonds	25,000	22,531	2,469	25,510
Uniforms	59,075	60,871	(1,796)	50,311
Training	27,400	25,784	1,616	24,460
Travel	6,950	5,884	1,066	5,496
Fuel	25,000	38,833	(13,833)	27,590
Maintenance and repair - vehicles	64,850	69,331	(4,481)	47,223
Maintenance and repair - grounds	75,260	81,673	(6,413)	79,199
Miscellaneous	1,000	28	972	493
Dues and subscriptions	4,820	3,637	1,183	4,908
Pre-employment	800	267	533	316
Public education	6,700	6,400	300	5,732
Advertising	700	-	700	-
Tires	12,800	14,251	(1,451)	9,648
Security	3,800	1,042	2,758	1,080
Supplies	5,000	4,858	142	2,632
Legal services	1,500	4,965	(3,465)	50
Chemicals	3,400	2,340	1,060	64
Printing	2,100	1,085	1,015	1,386
Telephone	31,700	39,027	(7,327)	25,009
Postage	300	-	300	30
Utilities - electric	38,000	32,752	5,248	32,506
Utilities - water	5,700	5,658	42	3,605
Professional services	52,300	51,032	1,268	32,350
Technology services	30,695	18,955	11,740	65,635
Maintenance and repairs - signage	100	-	100	-
Maintenance and repairs - fire hydrants	2,750	2,085	665	5,012
Maintenance and repairs - equipment	40,960	34,368	6,592	34,464
Shipping and handling	4,400	3,060	1,340	4,269
Copier lease	1,860	3,647	(1,787)	2,604
Special equipment	50,725	52,730	(2,005)	29,199
Medical supplies	10,100	8,465	1,635	9,629
Employee relations	-	-	-	6,725
Physicals	28,200	25,859	2,341	29,680
Capital outlay	663,500	645,466	18,034	176,969
Debt service:				
Principal retirement	724,000	495,473	228,527	463,074
Interest	181,300	82,092	99,208	48,901
Total	5,104,245	4,692,639	411,606	4,129,688
Total public safety	6,067,215	5,554,597	512,618	4,955,039

Town of Harrisburg, North Carolina

General Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2018
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance Over/(Under)	Actual
Expenditures (continued):				
Transportation:				
Streets and highways:				
Utilities - street lights	223,450	261,459	(38,009)	-
Small tools	500	515	(15)	193
Chemicals	14,350	2,413	11,937	5,397
Street maintenance and repair	134,750	92,635	42,115	98,134
Signs	27,500	23,126	4,374	17,518
Equipment rental	13,000	7,315	5,685	8,413
Professional services	9,000	8,200	800	-
Shipping and handling	300	107	193	2,934
Capital outlay	401,850	352,503	49,347	482,853
Total transportation	824,700	748,273	76,427	615,442
Environmental Protection:				
Sanitation:				
Sanitation services	838,200	848,132	(9,932)	731,175
Public works:				
Cost allocation	546,000	546,000	-	468,010
Seasonal salaries	5,000	2,424	2,576	2,949
Workers' compensation	13,000	11,403	1,597	12,235
Insurance and bonds	7,000	7,496	(496)	4,800
Employee relations	100	-	100	81
Small tools & equipment	1,500	1,500	-	693
Travel and training	1,000	499	501	-
Uniforms	2,225	1,963	262	1,381
Shipping & handling	500	286	214	471
Fuel	23,000	3,495	19,505	4,520
Utilities - electric	-	23	(23)	-
Maintenance and repair - vehicles	14,500	9,081	5,419	11,660
Maintenance and repair - equipment	2,000	1,560	440	1,455
Pre-employment	500	-	500	-
Tires	5,500	4,021	1,479	3,771
Physicals	1,000	-	1,000	-
Printing	1,000	708	292	949
Technology services	2,500	4,052	(1,552)	2,143
Professional services	300	69	231	283
Legal services	1,000	-	1,000	-
Other	-	-	-	50
Capital outlay	155,000	144,498	10,502	22,780
Debt service:				
Principal retirement	20,500	-	20,500	-
Interest	5,000	-	5,000	-
Total	808,125	739,078	69,047	538,231
Total environmental protection	1,646,325	1,587,210	59,115	1,269,406

Town of Harrisburg, North Carolina

General Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2018
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance Over/(Under)	Actual
Expenditures (continued):				
Cultural and recreational:				
Parks and recreation:				
Salaries	460,000	456,166	3,834	410,578
Employee benefits	169,800	150,040	19,760	137,942
Cost allocation	(297,000)	(297,000)	-	(242,500)
Employee relations	700	292	408	532
Workers' compensation	11,000	10,019	981	10,751
Insurance and bonds	12,050	12,021	29	10,922
Uniforms	3,200	2,541	659	2,736
Training	2,700	2,797	(97)	1,211
Travel	1,900	715	1,185	171
Fuel	15,000	12,479	2,521	7,787
Dues and subscriptions	2,000	1,935	65	1,280
Pre-employment	1,300	1,156	144	429
Advertising	3,000	1,582	1,418	1,663
Tires	1,550	1,441	109	99
Supplies	3,000	4,274	(1,274)	2,639
Small tools	2,500	1,760	740	2,652
Legal services	5,000	3,176	1,824	6,350
Chemicals	5,000	3,021	1,979	4,040
Printing	4,000	3,168	832	4,050
Programs	45,400	45,752	(352)	43,344
Telephone	12,200	13,467	(1,267)	16,732
Postage	2,000	-	2,000	34
Utilities - electric	10,000	15,540	(5,540)	6,106
Utilities - water	7,500	7,615	(115)	5,899
Professional services	5,850	4,489	1,361	2,994
Technology services	5,760	8,471	(2,711)	1,024
Maintenance and repairs - equipment	6,500	5,312	1,188	5,212
Maintenance and repairs - vehicles	4,500	4,234	266	2,504
Maintenance and repairs - buildings	38,750	39,121	(371)	48,171
Shipping and handling	2,000	559	1,441	4,604
Copier lease	3,600	6,362	(2,762)	3,939
Office/building lease	6,320	8,790	(2,470)	20,651
Taxes and licenses	-	-	-	14,416
Special projects	96,100	92,030	4,070	71,843

Town of Harrisburg, North Carolina

General Fund

Schedule of Revenues, Expenditures, and Changes in

Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2018

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance Positive Over/(Under)	Actual
Expenditures (continued):				
Cultural and Recreational (continued):				
Parks and recreation (continued):				
July 4th event	135,550	123,352	12,198	116,881
Physicals	300	40	260	845
Special equipment	850	1,066	(216)	9,311
Medical supplies	1,250	265	985	140
Capital outlay	334,000	257,540	76,460	357,424
Total	1,125,130	1,005,588	119,542	1,095,406
Athletics:				
Salaries	83,500	82,328	1,172	51,582
Employee benefits	23,800	18,810	4,990	15,647
Cost allocation	267,900	266,230	1,670	242,250
Maintenance and repairs - grounds	16,500	17,128	(628)	21,986
Athletics	-	-	-	4,757
Contributions - HYA	25,000	11,359	13,641	11,669
Operating costs	307,750	292,330	15,420	249,636
Chemicals	11,050	11,413	(363)	14,093
Utilities - electric	50,000	37,161	12,839	46,737
Professional services	910	449	461	453
Technology services	1,750	1,552	198	-
Telephone	910	1,235	(325)	698
Shipping and handling	2,000	2,013	(13)	773
Total	791,070	742,008	49,062	660,281
Total cultural and recreational	1,916,200	1,747,596	168,604	1,755,687
Contingency	339,960	-	339,960	-
Total expenditures	13,436,850	11,737,335	1,699,515	12,629,031
Revenues over (under) expenditures	(1,499,600)	379,320	1,878,920	(1,003,062)

Town of Harrisburg, North Carolina

General Fund

Schedule of Revenues, Expenditures, and Changes in

Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2018

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance Positive Over/(Under)	Actual
Other Financing Sources (Uses):				
Transfers to other funds:				
Capital Reserve - General Services	(2,090,000)	(2,090,000)	-	(664,000)
Capital Reserve - Fire Services	-	-	-	(61,000)
Capital Reserve - Economic Development	(100,000)	(100,000)	-	(60,000)
Capital Project Fund - Streets	-	-	-	(57,000)
Transfers from other funds:				
Capital Reserve - General Services	487,500	487,500	-	1,057,600
Capital Reserve - Fire Services	61,000	61,000	-	-
Capital Reserve - Economic Development	14,150	11,550	(2,600)	6,500
Capital Reserve - Parks and Recreation	50,000	-	(50,000)	-
Debt issued	155,000	-	(155,000)	2,582,000
Total other financing sources (uses)	(1,422,350)	(1,629,950)	(207,600)	2,804,100
Revenues and other financing sources over (under) expenditures and other financing uses	(2,921,950)	(1,250,630)	1,671,320	1,801,038
Appropriated fund balance	2,921,950	-	(2,921,950)	-
Net change in fund balance	\$ -	(1,250,630)	\$ (1,250,630)	1,801,038
Fund balance				
Fund Balance - beginning		7,181,718		5,380,680
Fund Balance - ending		\$ 5,931,088		\$ 7,181,718

Town of Harrisburg, North Carolina

Capital Project Fund - Public Safety Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual From Inception and for the Fiscal Year Ended June 30, 2018

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over / (Under)
Revenues					
Investment earnings	\$ -	\$ 5,239	\$ 20,498	\$ 25,737	\$ 25,737
Other general revenues	-	23,592	-	23,592	23,592
Total	-	28,831	20,498	49,329	49,329
Expenditures - Fire Station #2					
Engineering	300,000	25,390	192,156	217,546	(82,454)
Construction	5,200,000	-	510,648	510,648	(4,689,352)
Total expenditures	5,500,000	25,390	702,804	728,194	(4,771,806)
Revenues over / (under) expenditures	(5,500,000)	3,441	(682,306)	(678,865)	4,821,135
Other financing sources					
Debt issued	5,500,000	-	5,500,000	5,500,000	-
Total other financing sources	5,500,000	-	5,500,000	5,500,000	-
Net change in fund balance	\$ -	\$ 3,441	4,817,694	\$ 4,821,135	\$ 4,821,135
Fund balance					
Fund Balance - beginning			3,441		
Fund Balance - ending			\$ 4,821,135		

Town of Harrisburg, North Carolina

Combining Balance Sheets

Nonmajor Governmental Funds

June 30, 2018

	Capital Projects Fund - Streets	Capital Reserve Fund - General Services	Capital Reserve Fund - Fire Services	Capital Reserve Fund - Parks and Recreation	Capital Reserve Fund - Economic Development	Total Nonmajor Governmental Funds
Assets						
Cash and cash equivalents	\$ 165,783	\$ 2,145,340	\$ 92	\$ 154,406	\$ 142,177	\$ 2,607,798
Total assets	165,783	2,145,340	92	154,406	142,177	2,607,798
Fund balance						
Committed	165,783	1,343,665	92	154,406	142,177	1,806,123
Assigned	-	801,675	-	-	-	801,675
Total fund balances	165,783	2,145,340	92	154,406	142,177	2,607,798
Total liabilities and fund balance	\$ 165,783	\$ 2,145,340	\$ 92	\$ 154,406	\$ 142,177	\$ 2,607,798

Town of Harrisburg, North Carolina

Combining Statements of Revenues, Expenditures, and Changes in Fund Balance Nonmajor Governmental Funds For the Fiscal Year Ended June 30, 2018

	Capital Projects Fund - Streets	Capital Reserve Fund - General Services	Capital Reserve Fund - Fire Services	Capital Reserve Fund - Parks and Recreation	Capital Reserve Fund - Economic Development	Total Nonmajor Governmental Funds
Revenues						
Investment earnings	\$ 233	\$ 1,340	\$ 92	\$ 629	\$ 169	\$ 2,463
Total revenues	233	1,340	92	629	169	2,463
Other financing sources (uses)						
Transfers from other funds	108,550	2,090,000	-	-	100,000	2,298,550
Transfers to other funds	-	(596,050)	(61,000)	-	(11,550)	(668,600)
Total other financing sources	108,550	1,493,950	(61,000)	-	88,450	1,629,950
Net change in fund balance	108,783	1,495,290	(60,908)	629	88,619	1,632,413
Fund balance						
Beginning of year - July 1	57,000	650,050	61,000	153,777	53,558	975,385
End of year - June 30	\$ 165,783	\$ 2,145,340	\$ 92	\$ 154,406	\$ 142,177	\$ 2,607,798

Town of Harrisburg, North Carolina

Capital Project Fund - Streets

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2018

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over / (Under)
Revenues					
Investment earnings	\$ -	\$ -	\$ 233	\$ 233	\$ (233)
Grant proceeds	451,000	-	-	-	451,000
Total	451,000	-	233	233	450,767
Expenditures - CMAQ Sidewalk Project					
Engineering	195,000	-	-	-	195,000
Construction	530,000	-	-	-	530,000
Total expenditures	725,000	-	-	-	725,000
Revenues over (under) expenditures	(274,000)	-	233	233	(274,233)
Other financing sources:					
Transfers from other funds	274,000	-	108,550	108,550	165,450
Total other financing sources	274,000	-	108,550	108,550	165,450
Net change in fund balance	\$ -	\$ -	108,783	\$ 108,783	\$ (108,783)
Fund balance					
Fund Balance - beginning			57,000		
Fund Balance - ending			\$ 165,783		

Town of Harrisburg, North Carolina

Capital Reserve Fund - General Services Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Over/(Under)
Revenues:			
Non-operating revenues:			
Interest income	\$ 5,000	\$ 1,340	\$ (3,660)
Total non-operating revenues	<u>5,000</u>	<u>1,340</u>	<u>(3,660)</u>
Other financing sources (uses)			
Transfer from General Fund	2,090,000	2,090,000	-
Transfer to General Fund	(487,500)	(487,500)	-
Transfer to GFCPF - Streets	<u>(108,550)</u>	<u>(108,550)</u>	-
Total other financing sources (uses)	<u>1,493,950</u>	<u>1,493,950</u>	-
Revenues and other financing sources over (under) expenditures and other financing uses	<u>1,498,950</u>	<u>1,495,290</u>	<u>(3,660)</u>
Appropriated fund balance	<u>(1,498,950)</u>	<u>-</u>	<u>1,498,950</u>
Net change in fund balance	<u>\$ -</u>	<u>1,495,290</u>	<u>\$ 1,495,290</u>
Fund balance:			
Fund Balance - beginning		<u>650,050</u>	
Fund Balance - ending		<u>\$ 2,145,340</u>	

Town of Harrisburg, North Carolina

Capital Reserve Fund - Fire Services Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Over/(Under)
Revenues:			
Non-operating revenues:			
Interest income	\$ -	\$ 92	\$ 92
Total non-operating revenues	-	92	92
Other financing sources (uses)			
Transfer to General Fund	(61,000)	(61,000)	-
Total other financing sources (uses)	(61,000)	(61,000)	-
Revenues and other financing sources over (under) expenditures and other financing uses	(61,000)	(60,908)	92
Appropriated fund balance	61,000	-	(61,000)
Net change in fund balance	<u>\$ -</u>	(60,908)	<u>\$ 92</u>
Fund balance:			
Fund Balance - beginning		61,000	
Fund Balance - ending		<u>\$ 92</u>	

Town of Harrisburg, North Carolina

Capital Reserve Fund - Parks and Recreation Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
Revenues:			
Non-operating revenues:			
Interest income	\$ -	\$ 629	\$ 629
Contributions - Fee in lieu of	50,000	-	(50,000)
Total non-operating revenues	<u>50,000</u>	<u>629</u>	<u>(49,371)</u>
Revenues over (under) expenditures	<u>50,000</u>	<u>629</u>	<u>(49,371)</u>
Other financing sources (uses)			
Transfer to General Fund Capital Projects			
Fund - Parks and Recreation	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
Total other financing sources (uses)	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>-</u>	<u>629</u>	<u>629</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>629</u>	<u><u>\$ 629</u></u>
Fund Balance - beginning		<u>153,777</u>	
Fund Balance - ending		<u><u>\$ 154,406</u></u>	

Town of Harrisburg, North Carolina

Capital Reserve Fund - Economic Development Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
Non-operating revenues:			
Interest income	\$ -	\$ 169	\$ 169
Total non-operating revenues	<u>-</u>	<u>169</u>	<u>169</u>
Expenditures:			
Contingency	85,850	-	85,850
Total expenditures	<u>85,850</u>	<u>-</u>	<u>85,850</u>
Revenues over (under) expenditures	<u>(85,850)</u>	<u>169</u>	<u>86,019</u>
Other financing sources (uses)			
Transfer from General Fund	100,000	100,000	-
Transfer to General Fund	<u>(14,150)</u>	<u>(11,550)</u>	<u>2,600</u>
Total other financing sources (uses)	<u>85,850</u>	<u>88,450</u>	<u>2,600</u>
Net change in fund balance	<u>\$ -</u>	<u>88,619</u>	<u>\$ 88,619</u>
Fund Balance - beginning		<u>53,558</u>	
Fund Balance - ending		<u>\$ 142,177</u>	

Town of Harrisburg, North Carolina

Water and Sewer Fund Comparative Statements of Net Position June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 9,262,370	\$ 9,041,482
Accounts receivable (net) - customers	1,345,395	1,053,290
Accounts receivable - other	89,146	37,984
Restricted cash and cash equivalents	826,916	255,620
Total current assets	<u>11,523,827</u>	<u>10,388,376</u>
Non-current assets:		
Capital assets, net of depreciation	<u>30,874,559</u>	<u>22,451,106</u>
Total assets	<u>42,398,386</u>	<u>32,839,482</u>
Deferred outflows of resources		
Pension deferrals	<u>260,216</u>	<u>326,639</u>
Total deferred outflows of resources	<u>260,216</u>	<u>326,639</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	444,660	486,859
Long-term debt, current portion	1,378,861	932,337
Compensated absences, current portion	109,400	108,089
Payables due from restricted assets:		
Customer deposits	<u>266,153</u>	<u>255,620</u>
Total current liabilities	<u>2,199,074</u>	<u>1,782,905</u>
Non-current liabilities:		
Long-term debt, non-current portion	13,006,327	7,601,312
Net pension liability	<u>363,232</u>	<u>390,306</u>
Total noncurrent liabilities	<u>13,369,559</u>	<u>7,991,618</u>
Total liabilities	<u>15,568,633</u>	<u>9,774,523</u>
Deferred inflows of resources		
Pension deferrals	<u>46,257</u>	<u>61,955</u>
	<u>46,257</u>	<u>61,955</u>
Net position		
Net investment in capital assets	17,050,134	13,917,457
Unrestricted	<u>9,993,578</u>	<u>9,412,186</u>
Total net position	<u>\$ 27,043,712</u>	<u>\$ 23,329,643</u>

Town of Harrisburg, North Carolina

Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2018
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance Over/(Under)	Actual
Revenues:				
Operating revenues:				
Water sales	\$ 4,275,000	\$ 3,792,419	\$ (482,581)	\$ 3,649,081
Sewer charges	3,360,000	3,258,147	(101,853)	3,194,729
Water and sewer taps	60,000	8,480	(51,520)	406,198
Water and sewer development charges	545,750	1,317,135	771,385	422,763
Set-up fees	24,000	20,470	(3,530)	23,750
Service connection fees	187,500	122,644	(64,856)	197,923
Penalties	162,000	122,680	(39,320)	158,199
Plan review fees	20,000	300	(19,700)	43,592
Rental fees	81,120	80,171	(949)	83,406
Credit card fees	60,000	13,676	(46,324)	-
Miscellaneous revenues	-	100,528	100,528	30,028
Total operating revenues	8,775,370	8,836,650	61,280	8,209,669
Non-operating revenues:				
Interest income	65,000	55,415	(9,585)	52,456
Insurance proceeds	4,000	3,968	(32)	-
Gain on sale of capital assets	50,000	50,382	382	81,928
Total non-operating revenues	119,000	109,765	(9,235)	134,384
Total revenues	8,894,370	8,946,415	52,045	8,344,053
Expenditures:				
Water administration and distribution:				
Salaries	1,029,000	1,000,145	28,855	1,072,387
Employee benefits	379,100	347,772	31,328	363,331
Cost allocation	(21,000)	(21,000)	-	(293,950)
Workers' compensation	22,000	22,297	(297)	22,644
Inspections	29,000	18,594	10,406	15,200
M/R - water/sewer	102,000	77,032	24,968	136,202
Casualty insurance/bonds	23,400	25,334	(1,934)	20,461
Employee relations	600	585	15	199
Water purchases	2,116,200	1,730,644	385,556	1,996,837
Sewer treatment	927,000	1,036,468	(109,468)	729,734
Uniforms	6,750	6,686	64	5,515
Training	6,200	6,322	(122)	3,561
Travel	3,500	3,254	246	364
Fuel	54,000	53,071	929	39,906
Maintenance and repairs - vehicles	14,900	9,062	5,838	7,003
Maintenance and repairs - building and grounds	20,700	20,322	378	2,879
Miscellaneous	500	-	500	2,700

Town of Harrisburg, North Carolina

Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP) (continued)
For the Fiscal Year Ended June 30, 2018
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance Over/(Under)	Actual
Expenditures (continued):				
Water administration and distribution (continued):				
Dues and subscriptions	16,010	6,688	9,322	9,494
Pre-employment	500	413	87	4,288
Public education	1,000	980	20	488
Advertising	2,200	103	2,097	-
Tires	10,500	4,793	5,707	6,451
Department supplies	5,800	6,053	(253)	4,587
Meter services	60,000	40,202	19,798	47,724
Small tools	6,000	5,113	887	3,180
Pipe and fittings	6,500	4,897	1,603	5,734
Legal services	50,000	23,768	26,232	50,553
Chemicals	41,100	22,860	18,240	25,969
Printing	13,500	13,779	(279)	14,395
Telephone and internet	14,900	34,431	(19,531)	30,008
Postage	38,000	30,135	7,865	38,727
Utilities - electric	85,800	72,665	13,135	91,726
Utilities - water	4,000	2,537	1,463	2,541
Contracted services	4,955	80	4,875	6,568
Professional services	98,650	86,604	12,046	93,719
Technology services	18,270	12,189	6,081	57,810
Contracted services - buildings & grounds	30,700	297	30,403	139,213
Maintenance and repairs - equipment	15,900	15,008	892	13,645
New services	81,000	60,137	20,863	177,459
Shipping and handling	5,700	2,144	3,556	2,452
Copier lease	1,500	2,937	(1,437)	4,844
Building lease	13,200	11,934	1,266	12,954
Permits	5,500	4,835	665	860
Fire hydrants	7,000	7,235	(235)	12
Fines and penalties	5,000	16,235	(11,235)	3,782
Credit card & Insite fees	60,000	70,645	(10,645)	50,631
Special equipment	10,150	10,027	123	12,409
Medical supplies	1,000	864	136	953
Physicals	500	240	260	210
Safety	7,000	4,208	2,792	6,910
Security	540	540	-	-
Contingency	288,245	-	288,245	-
Lawsuit settlements	902,000	902,000	-	915,000
Total administration and distribution	6,626,470	5,814,164	812,306	5,960,269

Town of Harrisburg, North Carolina

Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP) (continued)
For the Fiscal Year Ended June 30, 2018
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance Over/(Under)	Actual
Expenditures (continued):				
Debt service:				
Principal retirement	1,285,250	1,252,705	32,545	675,338
Interest expense	324,500	269,957	54,543	173,756
Total debt service	1,609,750	1,522,662	87,088	849,094
Capital outlay:				
Equipment	1,000,550	714,662	285,888	361,922
Total capital outlay	1,000,550	714,662	285,888	361,922
Total expenditures	9,236,770	8,051,488	1,185,282	7,171,285
Revenues over(under) expenditures	(342,400)	894,927	1,237,327	1,172,768
Other financing sources (uses):				
Transfer from capital reserve fund	610,800	535,800	(75,000)	-
Transfer to other funds:				
Capital reserve funds	(5,000,000)	(5,000,000)	-	(1,250,000)
Capital project funds	-	-	-	(265,000)
Total other financing sources (uses)	(4,389,200)	(4,464,200)	(75,000)	(1,515,000)
Revenues and other financing sources over (under) expenditures and other financing uses	(4,731,600)	(3,569,273)	1,162,327	(342,232)
Appropriated fund balance	4,731,600	-	(4,731,600)	-
Revenues and other sources over expenditures	<u>\$ -</u>	<u>(3,569,273)</u>	<u>\$ (3,569,273)</u>	<u>(342,232)</u>
Reconciliation of modified accrual basis with accrual basis:				
Reconciling items:				
Payment of debt principal		1,252,705		675,338
Capital outlay		699,444		312,773
(Increase) decrease in accrued vacation pay		(1,311)		(39,416)
Increase (decrease) in pension expense		-		(14,449)
(Increase) decrease in interest expense accrual		(3,454)		484
Depreciation and amortization		(1,165,794)		(1,079,217)
Retirements of assets		(36,479)		-
Contribution of water lines		1,616,190		114,500
Increase (decrease) in deferred outflows of resources - pensions		(66,423)		-
(Increase) decrease in net pension liability		27,074		-
(Increase) decrease in deferred inflows of resources - pensions		15,698		-
Transfer from Water and Sewer Capital Reserve Fund		(535,800)		-
Transfer to Water and Sewer Capital Project Fund		-		265,000
Transfer to Water and Sewer Capital Reserve Fund		5,000,000		1,250,000
Interest earned in Water and Sewer Capital Reserve Fund		5,024		-
Interest earned in Water and Sewer Capital Projects Fund		559		3,088
Transfer of capital assets and debt from Governmental Activities		475,909		-
		<u>7,283,342</u>		<u>1,488,101</u>
Change in net position (Exhibit G)		<u>\$ 3,714,069</u>		<u>\$ 1,145,869</u>

Town of Harrisburg, North Carolina

**Capital Projects Fund - Water and Sewer
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)**

From Inception and for the Fiscal Year Ended June 30, 2018

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Over / (Under)
Revenues					
Investment earnings	\$ -	\$ 8,633	\$ 559	\$ 9,192	\$ 9,192
Total	-	8,633	559	9,192	9,192
<u>Expenditures - Williams Road 6-inch Main Upgrade</u>					
Engineering	40,000	19,006	4,833	23,839	16,161
Construction	225,000	-	217,380	217,380	7,620
Total expenditures	265,000	19,006	222,213	241,219	23,781
<u>Expenditures - Lakeview Drive 6-inch Main Upgrade</u>					
Engineering	40,000	19,006	4,833	23,839	16,161
Construction	220,000	-	210,986	210,986	9,014
Total expenditures	260,000	19,006	215,819	234,825	25,175
<u>Expenditures - Hudson Drive 6-inch Main Upgrade A</u>					
Engineering	35,000	16,631	4,229	20,860	14,140
Construction	175,000	-	166,232	166,232	8,768
Total expenditures	210,000	16,631	170,461	187,092	22,908
<u>Expenditures - Hudson Drive 6-inch Main Upgrade B</u>					
Engineering	10,000	4,752	1,208	5,960	4,040
Construction	50,000	-	44,755	44,755	5,245
Total expenditures	60,000	4,752	45,963	50,715	9,285
<u>Expenditures - Public Works Facility</u>					
Engineering	475,000	204,121	20,189	224,310	250,690
Construction	6,600,000	126,953	4,955,294	5,082,247	1,517,753
Total expenditures	7,075,000	331,074	4,975,483	5,306,557	1,768,443
Revenues over (under) expenditures	(7,870,000)	(381,836)	(5,629,380)	(6,011,216)	(1,858,784)
Other financing sources:					
Installment financing	5,900,000	-	5,900,000	5,900,000	-
Transfers from other funds	1,970,000	1,277,612	-	1,277,612	(692,388)
Total other financing sources	7,870,000	1,277,612	5,900,000	7,177,612	(692,388)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 895,776	\$ 270,620	\$ 1,166,396	\$ (2,551,172)

Town of Harrisburg, North Carolina

Capital Reserve Fund - Water and Sewer Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
Revenues:			
Non-operating revenues:			
Interest income	\$ -	\$ 5,024	\$ 5,024
Total non-operating revenues	<u>-</u>	<u>5,024</u>	<u>5,024</u>
Expenditures:			
Contingency	94,200	-	94,200
Total expenditures	<u>94,200</u>	<u>-</u>	<u>94,200</u>
Revenues over (under) expenditures	<u>(94,200)</u>	<u>5,024</u>	<u>99,224</u>
Other financing sources (uses)			
Transfer from Water and Sewer Fund	5,000,000	5,000,000	-
Transfer to Water and Sewer Fund	<u>(1,405,800)</u>	<u>(535,800)</u>	<u>870,000</u>
Total other financing sources (uses)	<u>3,594,200</u>	<u>4,464,200</u>	<u>870,000</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>3,500,000</u>	<u>4,469,224</u>	<u>969,224</u>
Net change in fund balance	<u>\$ 3,500,000</u>	<u>4,469,224</u>	<u>\$ 969,224</u>
Fund Balance - beginning		<u>1,250,000</u>	
Fund Balance - ending		<u>\$ 5,719,224</u>	

Town of Harrisburg, North Carolina

Storm Water Fund Comparative Statements of Net Position June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,530,925	\$ 1,141,133
Accounts receivable (net) - customers	97,183	84,625
Accounts receivable - other	433	186
Total current assets	<u>1,628,541</u>	<u>1,225,944</u>
Non-current assets:		
Capital assets, net of depreciation	<u>871,771</u>	<u>872,028</u>
Total assets	<u>2,500,312</u>	<u>2,097,972</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	<u>43</u>	<u>536</u>
Total liabilities	<u>43</u>	<u>536</u>
Net position		
Net investment in capital assets	871,771	872,028
Unrestricted	<u>1,628,498</u>	<u>1,225,408</u>
Total net position	<u>\$ 2,500,269</u>	<u>\$ 2,097,436</u>

Town of Harrisburg, North Carolina

Storm Water Fund

Schedule of Revenues and Expenditures

Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2018

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance Over/(Under)	Actual
Revenues:				
Operating revenues:				
Storm water plan review fees	\$ 20,000	\$ 2,950	\$ (17,050)	\$ 18,765
Streetsweeping	2,000	-	(2,000)	-
Storm water services	602,000	586,894	(15,106)	580,894
Total operating revenues	624,000	589,844	(34,156)	599,659
Non-operating revenues:				
Interest income	5,000	5,816	816	4,171
Total non-operating revenues	5,000	5,816	816	4,171
Total revenues	629,000	595,660	(33,340)	603,830
Administration:				
Cost allocation	122,000	122,004	(4)	122,000
Casualty insurance/bonds	2,100	2,077	23	1,100
Uniforms	350	339	11	350
Training	2,500	250	2,250	1,014
Fuel	5,000	1,326	3,674	1,441
Advertising	500	-	500	-
Tires	1,750	-	1,750	-
Department supplies	1,000	325	675	471
Small tools	2,000	920	1,080	182
Legal services	6,000	680	5,320	2,560
Technology services	1,400	-	1,400	-
Maintenance and repairs - vehicles	2,100	1,854	246	480
Maintenance and repairs - drainage	22,500	3,520	18,980	621
Shipping and handling	250	110	140	50
Travel	1,500	-	1,500	-
Dues and subscriptions	4,500	860	3,640	575
Public education	2,000	-	2,000	-
Printing	1,000	179	821	-
Telephone	-	-	-	1,188
Postage	500	-	500	-
Contracted services	68,000	20,894	47,106	35,594
Contingency	62,550	-	62,550	-
Total administration	309,500	155,338	154,162	167,626

Town of Harrisburg, North Carolina

Storm Water Fund

Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP) (continued)

For the Fiscal Year Ended June 30, 2018

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance Over/(Under)	Actual
Expenditures (continued):				
Debt service:				
Principal retirement	64,000	-	64,000	-
Interest expense	28,000	-	28,000	-
Total debt service	92,000	-	92,000	-
Capital outlay:				
Equipment	35,500	33,626	1,874	-
Total capital outlay	35,500	33,626	1,874	-
Total expenditures	437,000	188,964	248,036	167,626
Revenues over expenditures	192,000	406,696	214,696	436,204
Other financing sources (uses):				
Transfer to other funds	(200,000)	(200,000)	-	(228,000)
Total other financing sources (uses)	(200,000)	(200,000)	-	(228,000)
Revenues and other financing sources over (under) expenditures and other financing uses	(8,000)	206,696	214,696	208,204
Appropriated fund balance	8,000	-	(8,000)	-
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>206,696</u>	<u>\$ 206,696</u>	<u>208,204</u>
Reconciling items:				
Capital outlay		33,626		-
Transfer to Storm Water Capital Projects Fund		200,000		228,000
Interest earned in Storm Water Capital Projects Fund		2,174		2,646
Depreciation and amortization		(39,663)		(39,747)
		<u>196,137</u>		<u>190,899</u>
Change in net position (Exhibit G)		<u>\$ 402,833</u>		<u>\$ 399,103</u>

Town of Harrisburg, North Carolina

Storm Water Capital Projects Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2018

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Over / (Under)
Revenues					
Investment earnings	\$ -	\$ 3,751	\$ 2,174	\$ 5,925	\$ 5,925
Grant proceeds	500,000	-	-	-	(500,000)
Total	500,000	3,751	2,174	5,925	(494,075)
Expenditures - Hillcrest Drive					
Engineering	10,000	8,142	-	8,142	1,858
Construction	28,000	3,875	-	3,875	24,125
Total expenditures	38,000	12,017	-	12,017	25,983
Expenditures - Leatherwood Lane					
Engineering	25,000	21,942	-	21,942	3,058
Construction	73,000	32,760	-	32,760	40,240
Total expenditures	98,000	54,702	-	54,702	43,298
Expenditures - System A					
Engineering	103,000	182,026	5,780	187,806	(84,806)
Construction	1,510,000	107,967	-	107,967	1,402,033
Total expenditures	1,613,000	289,993	5,780	295,773	1,317,227
Expenditures - System B					
Engineering	40,000	24,930	-	24,930	15,070
Construction	460,000	-	-	-	460,000
Total expenditures	500,000	24,930	-	24,930	475,070
Expenditures - Autumn Lane					
Engineering	12,000	2,317	-	2,317	9,683
Construction	50,000	-	-	-	50,000
Total expenditures	62,000	2,317	-	2,317	59,683

Town of Harrisburg, North Carolina

Stormwater Capital Projects Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2018

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Over / (Under)
<u>Expenditures - Pine Street</u>					
Engineering	6,500	2,317	-	2,317	4,183
Construction	35,000	-	-	-	35,000
Total expenditures	41,500	2,317	-	2,317	39,183
<u>Expenditures - Willow Lane</u>					
Engineering	13,000	2,317	-	2,317	10,683
Construction	50,000	-	-	-	50,000
Total expenditures	63,000	2,317	-	2,317	60,683
Revenues over (under) expenditures	(1,915,500)	(384,842)	(3,606)	(388,448)	1,527,052
<u>Other financing sources:</u>					
Installment financing	900,000	-	-	-	(900,000)
Transfers from other funds	1,015,500	823,697	200,000	1,023,697	8,197
Total other financing sources	1,915,500	823,697	200,000	1,023,697	(891,803)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 438,855	\$ 196,394	\$ 635,249	\$ 635,249

Town of Harrisburg, North Carolina

Schedule of Ad Valorem Taxes Receivable June 30, 2018

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2017</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2018</u>
2007-2008	\$ 69	\$ -	\$ 69	\$ -
2008-2009	996	-	8	988
2009-2010	985	-	90	895
2010-2011	1,138	-	27	1,111
2011-2012	2,268	-	-	2,268
2012-2013	4,405	-	2,099	2,306
2013-2014	4,134	-	2,620	1,514
2014-2015	3,222	-	173	3,049
2015-2016	3,938	-	617	3,321
2016-2017	15,480	-	12,336	3,144
2017-2018	<u>-</u>	<u>6,205,514</u>	<u>6,183,149</u>	<u>22,365</u>
Total	<u>\$ 36,635</u>	<u>\$ 6,205,514</u>	<u>\$ 6,201,188</u>	40,961
Less allowance for uncollectible ad valorem taxes receivable				<u>(2,192)</u>
Ad valorem taxes receivable - net				<u>\$ 38,769</u>
Reconciliation with revenues:				
Taxes - ad valorem - General Fund (Exhibit D)				\$ 6,184,430
Less penalties and interest collected				(11,076)
Net releases and discounts allowed				<u>27,834</u>
Total collections and credits				<u>\$ 6,201,188</u>

Town of Harrisburg, North Carolina

Analysis of Current Tax Levy Town-Wide Levy June 30, 2018

	Town-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 2,116,555,703	\$ 0.290	\$ 6,138,748	\$ 5,566,894	\$ 571,854
Penalties	-		11,837	11,837	-
Total	2,116,555,703		6,150,585	5,578,731	571,854
Discoveries					
Current year taxes	8,690,110	0.290	25,201	25,201	-
Prior years' rates	13,601,869		36,705	36,705	-
Abatements	(2,535,231)	0.290	(6,977)	(6,977)	-
Total property valuation	<u>\$ 2,136,312,451</u>				
Net levy			6,205,514	5,633,660	571,854
Unpaid (by taxpayer) taxes at June 30, 2018			(22,365)	(22,365)	-
Current year's taxes collected			<u>\$ 6,183,149</u>	<u>\$ 5,611,295</u>	<u>\$ 571,854</u>
Current levy collection percentage			<u>99.64%</u>	<u>99.60%</u>	<u>100.00%</u>

TOWN OF HARRISBURG, NORTH CAROLINA

(This Page Intentionally Left Blank)

COMPLIANCE SECTION

**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
Government Auditing Standards**

The Honorable Mayor and
Members of Town Council
Town of Harrisburg, North Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Harrisburg, North Carolina (the "Town") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated October 31, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies in internal control may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings as item 2018-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as item 2018-001.

The Town's Response to Findings

The Town's response to the finding identified in our audit is described in the accompanying Schedule of Findings. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Elliott Davis, PLLC". The signature is written in a cursive, flowing style.

Raleigh, North Carolina
October 31, 2018

Town of Harrisburg, North Carolina

Schedule of Findings

For the year ended June 30, 2018

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☐ Yes ☒ No

Significant deficiency(ies) identified?

☒ Yes ☐ None reported

Noncompliance material to the financial statements noted?

☒ Yes ☐ No

II. FINANCIAL STATEMENT FINDING

Finding 2018-001 (repeat finding from the immediate previous audit 2017-002):

Significant Deficiency

Criteria: Management should have a system in place to ensure the Town complies with State statutes. Per North Carolina State Statute [159-13](b)(3), a contingency appropriation shall not exceed five (5) percent of the total of all other appropriations in the same fund.

Condition: In the current year, there were violations of the N.C. General Statute with regards to contingency appropriation exceeding the aforementioned percentage in the General Fund. The original budget included the contingency appropriation budgeted at 5.82 percent of the General fund.

Effect: The Town was in violation of North Carolina General Statutes.

Cause: Insufficient monitoring controls during budget preparation by management.

Recommendation: Continue stringent budgetary monitoring controls implemented for the fiscal year 2019 to prevent exceeding allowable contingency percentages.

Views of Responsible Officials and Corrective Action Plan: Management concurs with this finding and will adhere to the corrective action plan in this audit report.

Town of Harrisburg, North Carolina

**Corrective Action Plan
For the Fiscal Year Ended June 30, 2018**

Financial Statement Findings

Significant Deficiency

Finding 2018-001

Name of Contact Person: Lee Connor

Corrective Action: Management concurs and has implemented stringent budget monitoring controls to prevent exceeding allowable contingency percentages. This additional monitoring has been performed for the FY2019 budget by the newly created position of Assistant Town Manager along with the Finance department. It is important to note that while the General Fund contingency exceeded the 5% threshold of budgeted appropriations by 0.82% in its original budget, by the end of the year, the contingency budget amounted to 1.84% of all other budgeted appropriations. There are no budget violations in the FY2019 original budget.

Proposed Completion Date: Immediately

Town of Harrisburg, North Carolina

**Summary Schedule of Prior Year's Audit Findings
For the Fiscal Year Ended June 30, 2018**

Finding 2017-001:

Status: Corrected

Finding 2017-002:

Status: Repeated as finding 2018-001



TOWN OF HARRISBURG

Agenda Item Details

Title:

H-2018-13(R) Public Hearing for Zoning Map Amendment

Presenting Personnel:

Sushil Nepal, Planning & Economic Development Director

Suggested Motion or Action:

If approved, the following motion is suggested:

To approve the rezoning request from C-1 (light commercial and office) to C-2 (general commercial) as requested by the applicant for the related property located in H-2018-13(R).

If denied, the following motion is suggested:

To deny the rezoning request from C-1 (light commercial and office) to C-2 (general commercial) as requested by the applicant for the related property located in H-2018-13(R).

Description/Background:

Jeremy Roberts with Eagle Engineering, Inc. on behalf of Sam's Investments II, LLC. has submitted a request to rezone approximately 6.26 acres located at 4015 NC HWY 49, beside the Shell gas station and across from Town Center. The request is to rezone the property from C-1, Light Commercial and Office to C-2, General Commercial.

Rezoning of site to C-2, General Commercial District, would permit the applicant's desires to build a car wash as the principal use of the property. This is a general rezoning request (and not a conditional rezoning), a site plan is not required and does not need to be approved by the Town Council. A staff report is attached for more information. Upon the rezoning approval, staff will review the site plan in accordance with our Unified Development Ordinance (UDO).

At the December 18th Planning and Zoning Board meeting, the board voted unanimously to recommend approval of the rezoning request by the Town Council. The board also adopted a consistency statement finding the request reasonable and in public interest, and generally consistent with the Harrisburg Area Land Use Plan.

Recommendation:

In the evaluation of current development patterns, land uses, and recent rezoning approvals in the area surrounding this rezoning request, Planning and Zoning staff have determined that the proposed rezoning fits the context of the area. Therefore, Planning and Zoning staff support the rezoning request.

Fiscal Impact:

None.

Attachments:

1. H_2018_13_R_Rezoning Application - Signed
2. H_2018_13_R Staff Report_TownCouncil

3. H_2018_13_R_Sams Express Map
4. 11 15 18 Neighborhood Meeting Report - Harrisburg Rezoning _2_



APPLICATION FOR ZONING MAP AMENDMENT

**The following steps are required in order for your application to be considered complete.
Incomplete applications will be returned to the applicant and will not be processed.**

1. Schedule a pre-application meeting with staff.
2. Submit a completed application for an amendment to the official zoning map. All applications must include:
 - a. A list of all adjacent property owners (include owner name, address, and Parcel Identification Number)
 - b. A recent survey or legal description of the property or area to be rezoned.
 - c. A copy of the letter, minutes, and the sign-up sheet from the Neighborhood Meeting.
 - d. Copies of the Traffic Impact Analysis (TIA), proposed site plan, landscape plan, and proposed building elevations (applicability determined at pre-application meeting with staff).
3. Submit cash, check or money order made payable to the Town of Harrisburg

Overview of the Rezoning Process:

1. Hold a pre-application meeting with staff to discuss your rezoning request and the map amendment process.
2. Hold a **neighborhood meeting** with the adjacent property owners. All adjacent property owners must be contacted and given an opportunity to meet with the applicant at a meeting established at a reasonable time. No member of the Town decision-making entity may participate in this meeting.
3. Submit a Zoning Map Amendment application to the Town of Harrisburg Planning Department. All applications must be submitted by the third Tuesday of the Month to go before the Planning and Zoning Board on the following month. NOTE: If the request is a Conditional Zoning request, complete and submit, with this application, a Conditional Rezoning Application.
4. Planning staff will review your application and subsequent information, prepare a staff report for the Board and take your request to the Planning and Zoning Board for a recommendation to the Town Council. Planning Board meetings are held on the third Tuesday of every month at 7:00 PM.
5. Once the Planning and Zoning Board has made a recommendation, staff will notify the adjacent property owners of the public hearing, post a sign on the property, and place announcements of the hearing in the local newspaper.
6. Town Council meetings are held on the second Monday of every month at 7:00 PM. At this meeting the Council will hold a public hearing and may vote on your request. Meetings are held at the Harrisburg Town Hall located at 4100 Main Street, Suite 101.

Questions: Contact the Town of Harrisburg Planning Department with any questions regarding rezonings in the Town of Harrisburg. Staff can be reached at 704-455-0709.



Subject Property Information

1. Street Address 4025 NC Highway 49
2. PIN(s) (10 digit#) 5517 -- 06 -- 1247; + -- --
3. Deed Reference Book 11112 Page 250
4. Township # 1

Description of Subject Property

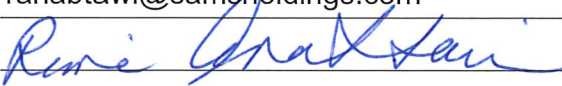
5. Size (square feet or acreage) 65,412 sq ft
6. Street Frontage (feet) 194 ft
7. Current Land Use Convenience Store
8. Surrounding Land Use and Zoning Classification
- | | | | |
|---------------|------------|----------|--------------------------------|
| North: Zoning | <u>N/A</u> | Land Use | <u>NC HWY. 49 Right of Way</u> |
| South: Zoning | <u>N/A</u> | Land Use | <u>NCRR Right of Way</u> |
| East: Zoning | <u>C-1</u> | Land Use | <u>Open</u> |
| West: Zoning | <u>C-1</u> | Land Use | <u>Convenience Store</u> |
9. Request to Change Zoning From C-1 to C-2
10. Is this a request for a Conditional Rezoning? YES NO
- (If YES, you must also submit an application for a Conditional Rezoning)
11. Purpose for Request: To allow car wash as a primary use.
- _____
- _____
- _____
- _____
- _____
- _____



Owner/Agent/Applicant Information

It is understood by all parties hereto that while this application will be carefully considered and reviewed, the burden of providing its need and providing all required evidence rests with the below named petitioner.

I do hereby certify that all information which I have provided for this application is, to the best of my/our knowledge, correct.

12. Property Owner	SAM'S INVESTMENTS II LLC
Address	7935 Council PL Suite 200, Matthews, NC
Phone	704-563-3981
Fax	
Email:	ranabtawi@samsholdings.com
Signature	
13. Agent (if any)	
Address	
Phone	
Fax	
Email	
Signature	
14. Applicant (if any)	
Address	
Phone	
Fax	
Email	
Signature	

NOTE: If multiple parcels are involved in a request, property owners must sign an application identifying the individual parcel(s) represented. Each parcel included in the request must be accounted for in the application process for the application to be considered complete.



Town of Harrisburg
Planning and Zoning Department

DATE: January 09, 2019

SUBJECT:

Request H2018-13-(R): To rezone approximately 6.26 acres from C-1, Light Commercial and Office to C-2, General Commercial.

Location: The subject property is located on NC HWY 49 beside the Shell gas station and across from Town Center. Address 4015 NC HWY 49, PIN 55170612470000.

Applicant: Jeremy Roberts with Eagle Engineering, Inc. on behalf of Sam's Investments II, LLC.

Staff Report Prepared by: Ashley Kale, Interim Planner

Neighborhood Meeting: Held November 15th, 2018

BACKGROUND:

Area: ±6.26 acres Total

Existing Land Use: Vacant / Warehouse / Gas Station

Zoning within 500 ft: North – PUD, Town Center PUD
South – RE, Rural Estate
East – C-1, Light Commercial and Office
C-2, General Commercial
West – C-2, General Commercial

Land Uses within 500 ft: North – Retail / Commercial
South – NC Railroad Corridor / Residential
East – Vacant
West – Vacant / Commercial

APPLICATION SUMMARY:

- The applicant is requesting that the property be rezoned from the current C-1 district to C-2. The applicant desires the rezoning to C-2 to permit a car wash as the principal use of the property. (A site plan is not required for this rezoning application approval)
- The applicant is representing Sam's Xpress Car Wash.

APPROVAL CRITERIA:

1. The size of the tract in question;

The subject property is approximately 6.26 acres in size.

2. Whether the proposal conforms with and is in furtherance of the implementation of the goals and policies of the Comprehensive Plan, other adopted plans, and the goals, objectives and policies of the Ordinance;

Per the Unified Development Ordinance, the C-2 district is established to provide areas for general commercial activities designed to serve the community such as shopping centers, repair shops, wholesale businesses, and retail sales with limited outdoor display of goods and limited outdoor operations. This district promotes a broad range of commercial operations and services necessary for large regions of the County, providing community balance. Rezoning to the C-2 zone should be avoided adjacent to any Single Family Residential Zoning District (RE, RL, RM-1 or RM-2). C-2 zones should be located on or within proximity to major thoroughfares.

Per the Harrisburg Area Plan, the subject property is located in an area designated as Mixed Use Center: These areas are intended to be centers of activity that include a mix of retail, restaurant, service, commercial, and office uses in addition to a variety of residential housing types. The mix of uses can be horizontal as well as vertical where a change in use can occur between floors of the same building. Buildings of two stories and above are common, and connected streets include short block lengths and pedestrian facilities. Open space is integrated in the form of plazas and greens.

3. The benefits or detriments for the owner, neighbors and surrounding community;

The benefits to the owner of the property would be that a car wash as a primary use of the property could be achieved under the proposed zoning. The existing zoning restricts the development of a car wash as a primary use. Detriments to the neighbors and surrounding community are consistent with those expected with additional commercial development; approval of this development would not introduce any new negative impacts that do not already exist in this primarily commercial area. Benefits to the neighbors and surrounding

community include improved driveway access from NC HWY 49 to the site and the existing gas station.

4. Whether the proposed request is in compliance with the adequate public facilities criteria;

a. Utilities:

Utilities are available in this area, and are sufficient to meet the needs of this property. Water and sewer access are located along NC HWY 49.

b. Transportation:

A Traffic Impact Analysis is not required for a development of this site.

c. Safety and Sanitation Services:

Adequate police, fire, and sanitation services are available for this use.

d. Schools:

Not applicable to this proposal.

5. The relationship of the uses envisioned under the new zoning and the uses currently present in adjacent tracts. The Commission shall consider the following:

a. Whether the proposed zoning is compatible with the surrounding area or whether there will be adverse impacts on the capacity or safety of the portion of street network influenced by the rezoning, parking problems, or environmental impacts that the new use will generate such as excessive storm water runoff, water, air or noise pollution, excessive nighttime lighting or other nuisances;

The proposed rezoning should not have negative impacts of these types on the surrounding area. While the C-2 zoning district is not designated as an appropriate district within the Mixed Use area, as defined by the Harrisburg Area Plan, the area immediately surrounding the property is largely zoned C-2 and is occupied by land uses that are compatible with C-2 zoning.

b. Any change of character in the area due to installation of public facilities, other zoning changes, new growth changes, deterioration, and development;

The most recent changes in this area have been the approvals of the conditional C-2 rezoning for Harris Square (the Publix complex), Chick-fil-a, and Bank of the Ozarks.

c. The zoning districts and existing land uses of the surrounding properties;

The zoning districts of the surrounding properties to the north are within the Town Center PUD and are retail and commercial in nature. The zoning districts to

the south are zoned RE and are residential in nature. It should be noted that the NC railroad corridor runs between these residential properties and the subject property. The zoning districts to the east are zoned C-1 and C-2 and are vacant. The zoning districts to the west are C-2 and CZ-C-2 and are general commercial in nature. This proposed development would be consistent with current development patterns along the NC HWY 49 corridor.

d. Whether the subject property is suitable for the uses to which it has been restricted under the existing zoning classification;

The property is suitable for the uses which it has been restricted to under the existing zoning classification.

e. Whether the rezoning is compatible with the adjacent neighborhood, especially concerning neighborhood stability and character;

The rezoning is compatible with the adjacent neighborhood.

f. The length of time the subject property has remained vacant as zoned (if applicable);

This property has never been developed.

g. Whether there is an adequate supply of land available in the subject area and the surrounding community to accommodate the zoning and community needs;

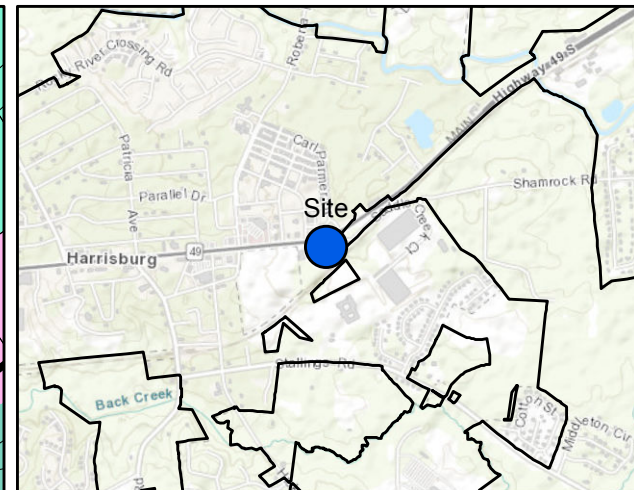
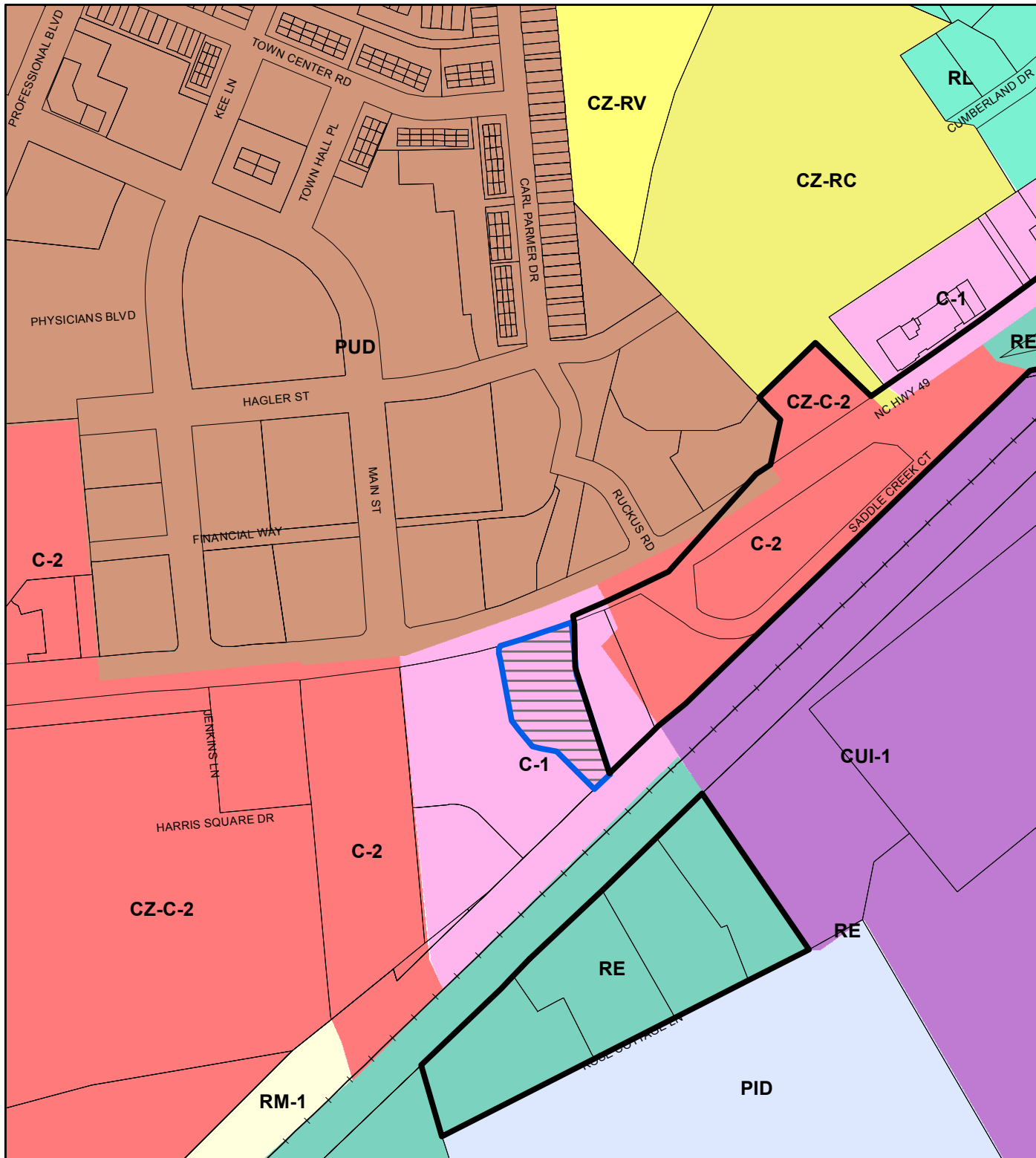
There is an adequate supply land in the area to accommodate the community needs should the Board decide to approve the request.

6. Whether the existing zoning was in error at the time of adoption.

The existing zoning was not in error at the time of adoption.

RECOMMENDATION:

In the evaluation of current development patterns, land uses, and recent rezoning approvals in the area surrounding the rezoning request, Planning and Zoning staff have determined that the proposed rezoning fits the context of the area. Therefore, Planning and Zoning staff support the rezoning request.



H 2018-13- (R) Sam's Express Car Wash

Applicant: Sams Investments II LLC

Current Zoning: C-1 (Light Commercial & Office)

Proposed Zoning: C-2 (General Commercial)

-  Parcels
-  Site
-  Town Limits



0 250 500 1,000 Feet

NEIGHBORHOOD MEETING REPORT

Petitioner: Sam's Investments II, LLC

Rezoning Petition: Sam's Xpress Car Wash, 4025 NC Hwy 49

Persons and Organizations Contacted With Date and Explanation of How Contacted:

A representative of the Town of Harrisburg (the "Town") mailed written notices of the date, time and location of the Neighborhood Meeting to individuals and organizations identified by the Town. Said individuals and organizations included, among others, adjacent property owners.

Date, Time and Location of Meeting:

The Neighborhood Meeting was held on November 15, 2018 at 7:00 pm at the Harrisburg Town Hall, 4100 Main Street, Suite 101, Harrisburg, North Carolina.

Persons in Attendance at Meeting:

The Neighborhood Meeting was attended by individuals representing Sam's Xpress Car Wash. Those individuals included Anthony Fox of Parker Poe Adams & Bernstein LLP, Jeremy Roberts of Eagle Engineering, and Julie Fox Jones of Sam's Mart Xpress Car Wash. One member of the public attended. Several members of the Harrisburg Town Council and one Planning Board member were in attendance.

Summary of Presentation/Discussion (see attached agenda):

The Petitioner, through its agent, Anthony Fox, welcomed the attendees and introduced the Petitioner's team. After providing some background on Sam's Mart and its current projects, Mr. Fox explained that Sam's Mart seeks to rezone 4025 Hwy 49 from C-1 to the C-2 zoning district. He explained that the purpose of the rezoning was to provide for a car wash as a principal use. He further explained that the C-1 zoning district does not allow for car washes as principal uses.

Mr. Fox then called on Jeremy Roberts to present and explain the site plan and layout of the proposed car wash facility. Mr. Roberts identified the location of the car wash and its proximity to Hwy 49. In addition, Mr. Roberts described the buildings, the operation of the car wash, and its layout. Mr. Fox added that the car wash would be constructed of multiple materials including concrete, brick, aluminum and glass.

Mr. Fox discussed the project, the rezoning timeline and identified the dates and times of the Planning Board meeting and the Town Council meeting. Mr. Fox also discussed the existence of a current convenience store on the site and shared that the convenience store would remain.

Then, a discussion of the project schedule occurred. The project schedule identified the Neighborhood Meeting timeframe, as well as the rezoning approval timeframe. The project schedule included the anticipated timeframe for applying for and receiving building permits and grading on the site. A projected car wash completion date was also identified.

Staff indicated no opposition to this site plan and shared that Sam's Mart had agreed to incorporate changes in its elevation consistent with staff's request. There were no questions from the audience and the Neighborhood Meeting concluded at 7:30 pm.



TOWN OF HARRISBURG

Agenda Item Details

Title:

Consideration of Natural Gas Franchise Agreement with PSNC

Presenting Personnel:

Haynes Brigman, Town Manager

Suggested Motion or Action:

To approve the agreement as presented, and give authority to the Town Attorney and Town Manager to execute the agreement.

Description/Background:

In 1989, the Town entered a Franchise Agreement with PSNC (Company) to allow the Company access and use of public places and ways (rights of ways) within the Town for purposes of constructing, installing, replacing, repairing, and maintaining gas transmission mains, pipes, service lines, and other apparatus and facilities necessary to operate a natural gas system. This agreement was for thirty years, and is set to expire in November 2019.

The Town and PSNC have been working over the past several months to negotiate a renewal of the agreement. There are some significant updates and changes to the agreement that protect the Town and its interest in the rights of ways to ensure there is proper notification and permit acquisition before work is done.

Of these updates, the most significant update is the change from giving PSNC carte blanche authority to work within the rights of ways without notifying the Town. In 2017, the Town implemented a right of way permitting process so that we could more accurately track work being done in the right of way and address problems with contractors who conducted this work. The new agreement will require PSNC to adhere to these permitting procedures.

There is no fiscal impact to this new agreement.

The agreement has been reviewed and approved by the Town Attorney and Town Engineer.

Per North Carolina General Statutes, the Town must hear/approve the agreement in two Council meetings. The first of these two meetings was December 10, 2018. This is the second and final meeting.

Recommendation:

To approve the agreement and allow the Town Attorney and Town Manager execute the agreement accordingly.

Fiscal Impact:

None.

Attachments:

1. Franchise Agreement - PSNC 2018
2. Franchise Agreement - PSNC 1989

ORDINANCE

AN ORDINANCE GRANTING TO PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INCORPORATED, A SUBSIDIARY OF SCANA CORPORATION, ITS SUCCESSORS AND ASSIGNS, THE RIGHT TO USE AND OCCUPY THE PUBLIC WAYS OF THE TOWN OF HARRISBURG, NORTH CAROLINA, FOR THE CONSTRUCTION, OPERATION AND MAINTENANCE OF A GAS UTILITY SYSTEM AND ALL NECESSARY MEANS FOR TRANSMITTING AND DISTRIBUTING GAS WITHIN SAID TOWN FOR A PERIOD OF THIRTY YEARS.

WHEREAS, Public Service Company of North Carolina, Incorporated proposes to continue to construct, operate and maintain a Gas Utility System and all necessary means for transmission and distribution of gas within the Town of Harrisburg, North Carolina, and

NOW, THEREFORE, BE IT ORDAINED by the Council of the Town of Harrisburg, North Carolina as follows:

SECTION 1. DEFINITIONS.

Whenever and wherever used in this Ordinance the following words and names shall have the following meanings:

- (a) **TOWN COUNCIL** shall mean the governing body of the Town of Harrisburg, North Carolina, as now or hereafter constituted.
- (b) **COMPANY** shall mean Public Service Company of North Carolina, Incorporated, dba PSNC Energy, a subsidiary of SCANA Corporation, its successors and assigns.
- (c) **TOWN** shall mean the Town of Harrisburg, North Carolina, including its present and future boundaries.
- (d) **DEPARTMENT OF TRANSPORTATION** shall mean the North Carolina Department of Transportation or its successor.
- (e) **GAS** shall mean natural gas, mixed gas and substitute fuels carried over the Company's facilities as authorized by the North Carolina Utilities Commission.
- (f) **GAS UTILITY SYSTEM** shall mean all facilities of the Company in the Town used for the transmission or distribution of Gas within the Town.

- (g) **FERC** shall mean any reference made to the Federal Energy Regulatory Commission or its successor.
- (h) **COMMISSION** shall mean the North Carolina Utilities Commission, or any successor body lawfully constituted.
- (i) **PUBLIC WAY OR WAYS** shall mean any public street, avenue, road, alley, lane, bridge, or other public right-of-way within the Town over which the Town has jurisdiction or exercises control.
- (j) **GOOD UTILITY PRACTICES** shall mean the practices, methods and acts engaged in or approved by a significant portion of the gas industry during the relevant time period or other practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result consistent with reliability, safety, expedition, requirements of governmental agencies having jurisdiction, and at the lowest reasonable cost.

SECTION 2. Grant of Authority

The right, power and authority is hereby granted to and vested in the Company to construct, install, replace, repair, maintain and operate transmission mains, gas mains, pipes, equipment, service lines, communications lines, facilities and other appurtenant apparatus of the gas system, for the purpose of operating a natural gas system along, across, and under the streets, alleys, bridges, rights-of-way, and other public places of the Town together with any necessary rights of access thereto; and to use that natural gas system to conduct a gas business. This granting of authority is provided that the Town as of the applicable time, has jurisdiction or exercises control of the public ways. In emergencies involving public safety, the Company shall proceed with all necessary operations without the necessity of having first obtained the permit prescribed by this subsection. In such emergencies, however, the Company shall obtain the required permit at the earliest practical opportunity.

SECTION 3. Conditions on Use of Public Ways

(a) No street, alley, bridge, right-of-way or other public place used by the Company shall be obstructed longer than reasonably necessary during its work of construction or repair, and shall be restored to the same good order and condition as when said work was commenced. However, should any such damage occur due to the Company's failure to use due care, the Company shall repair the same as promptly as possible, and, in default thereof, the Town, after written notice and opportunity for the Company to repair, may make such repairs and charge the reasonable cost thereof and collect the same from the Company.

(b) All work upon the streets and public places of the Town shall be done subject to reasonable inspection of the Town Manager or designee (or other legally constituted governing body) of the Town, all sidewalks or street pavements or street surfaces which may be displaced by reason of such work shall be properly replaced by the Company, its successors and assigns, to the reasonable requirements of the Town.

SECTION 4. Annexation Notification

The Town shall mail to the Company areas annexed into the Town. Said notices shall include pertinent maps and/or tax map numbers, so that newly annexed customers may be identified. Any written notice to the Company shall be sent to Public Service Company of North Carolina, GIS Services-Annexations, 800-A Gaston Road, Gastonia, NC 28056.

SECTION 5. Service

(a) The Company may supply any form of gas containing approximately one thousand (1,000) BTU's per cubic foot, and its obligation in respect thereto shall continue only so long as it is able to reasonably obtain an adequate supply of such gas hereunder, provided, however, that in the supply of such gas the customers within the Town shall enjoy equal rights with respect to other similar customers served by the Company consistent with Commission rules and regulations.

(b) The Company shall, as to all other conditions and elements of service not fixed herein, be and remain subject to the rules and regulations of the Commission, Department of Transportation, and FERC or its successors, applicable to gas service in the Town.

SECTION 6. Nonexclusive Grant and Term

(a) The gas franchise granted by this Ordinance is not exclusive. The Town may grant the same or similar rights and privileges to other certified persons or companies at any time, provided that any such grants shall be made under terms and conditions which do not materially impair the exercise of the rights and privileges granted to the Company under this franchise.

(b) Upon ratification and acceptance, this franchise shall constitute a contract between the Town and the Company, and shall be in force and effect for an initial term of 30 years, and shall continue in force and effect year-to-year thereafter until properly terminated by either party. Either party may terminate the contract at the end of its initial term or its anniversary date any year thereafter, by giving written notice of its intention to do so no less than one (1) year before the proposed date of termination.

SECTION 7. Franchise Not Waiver of Law

This franchise is subject to the constitution and laws of the State of North Carolina, and is not a waiver of any present or future law or regulation. This franchise is not a limitation of the authority of the Town to enact any ordinance or policy that does not diminish, conflict or impair the rights and authority granted to the Company in this franchise or otherwise impose additional obligations on the Company in order to exercise the rights granted herein.

SECTION 8. Regulations, Safety and Customer Service

- (a) Gas utility service is not guaranteed to be free from interruptions, supply failure or outages.
- (b) The Company will restore gas utility service using Good Utility practices.
- (c) The Company shall maintain and operate its Gas Utility System in compliance with applicable State and Federal maintenance and safety regulations.
- (d) Company vehicles, responding to natural gas emergencies, may park as close to the location of the emergency as is practicable.

SECTION 9. Commission Rules and Rates

The Company may from time to time declare, make and enforce such rules and regulations as shall have been fixed or allowed by the Commission as to the sale or distribution of Gas to any of its customers in the Town. The rates to be charged for Gas at all times shall be such rates as are fixed or allowed by the Commission, including such rates as shall be negotiated by the Company with certain industrial or commercial customers pursuant to authority granted by the Commission.

SECTION 10. Plat of Gas Utility System

The Company shall maintain maps or plats of its Gas Utility System within the area covered by this franchise. Such maps or plats shall be maintained in the Company's offices, and the Town may review the same during any regular business hours of the Company.

SECTION 11. Bankruptcy, Successors, Assigns

In the event the Company is adjudged bankrupt or its assets are placed in the hands of a receiver or other court officer, either voluntarily or involuntarily, then the interest, rights and remedies of the Town in respect to said properties and operations shall not be affected or prejudiced, and any receiver, assignee, trustee, purchaser or successor, whether by operation of law or otherwise, so succeeding to or representing the interest or position of the Company, shall be bound by this Ordinance and the terms and provisions hereof and shall be bound to carry out and perform the obligations and duties imposed upon the Company by this Ordinance. Likewise, if the Company reorganizes, merges, or consolidates with any other company, then the Town is bound by this Ordinance.

SECTION 12. Revocation

In the event the Company fails to comply with the provisions of this Ordinance and, within thirty (30) days after receipt of written notice from the Town, the Company fails to cure or remedy such default, or to have begun reasonable measures to do so, then the Town may cause the Company to appear at a hearing before the Town upon thirty (30) days prior written notice. Any written notice to the Company shall be sent to Public Service Company of North Carolina, 15 Overland Industrial Blvd., Asheville, NC 28806, Attention: Local Government and Economic Development Manager. If at such hearing the Town should determine that the Company's failure or default has been substantial, or repeated, or flagrant, then upon such determination the Town may revoke and terminate this franchise; provided, however, that the Company may file with the Town within ten (10) days after such determination the Company's election to appeal to the proper North Carolina court, during the pendency of which the Ordinance shall remain in full force and effect. In that event the Town and Company agree that such court shall hear and determine *de novo* whether there has been substantial, or repeated, or flagrant failure or default by the Company of the terms, conditions or obligations of this Ordinance. Failure or default which cannot be corrected by the Company shall not be grounds for revocation or termination, unless such failure or default shall be determined to be material and continuing.

SECTION 13. Indemnification:

The Company shall indemnify and hold harmless the Town, its officers, and employees from any losses, costs, expenses, claims, judgments, suits, or demands resulting or in any manner arising from the action or inaction of the Company in constructing, operating, or maintaining a gas system, in carrying on the business of selling, transmitting or distributing gas, or in exercising or failure to exercise any right or privilege granted by this franchise and save and except for any such losses, costs, expenses, claims, judgments, suits, or demands resulting or in any manner arising from, or contributed to, by the negligent action or inaction of the Town or any of its officers, agents, or employees. Provided, however, the Company's indemnification at any time is conditioned on the

Town having notified the Company in writing of any such claim, demand, or suit within such time as to give the Company reasonable opportunity to resolve or defend the same in behalf of the Town. In the event of such notification, the Company shall have the sole and full responsibility for the resolution and defense of any such claim, demand, or suit in behalf of the Town, and the Town shall cooperate fully with the Company in any such undertaking. If after proper notification, the Company fails to undertake any such responsibility, the Town shall have the right to resolve or defend any such claim, demand, or suit at the expense of the Company.

SECTION 14. Severability, Third Party Rights

(a) If any provision in this contract is determined to be invalid, void or unenforceable by any court or regulatory body having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or gas supply, this Contract or transaction or any provisions thereof.

(b) The rights hereunder in this Ordinance accrue exclusively to the parties, their successors and assigns. It is the express intent of the parties that this franchise shall not create any rights in third parties.

SECTION 15. Effective Date, Term, Adoption, and Ratification

(a) This Ordinance shall be effective from and after the ____ day of _____, 2018, after having been considered by the Harrisburg Town Council at two consecutive regular Town Council meetings, provided the Company shall have executed the written acceptance hereof at the end of this Ordinance, and shall exist in force for a period of 30 years hereafter, and continue in force year to year thereafter until cancelled upon written notice of either party at least one year in advance.

(b) All other Ordinances and clauses of Ordinances in conflict herewith are hereby repealed.

Adopted by the Town of _____ the ____ day of _____, 2018, and hereby ratified.

Steve Sciascia, Mayor

ATTEST:

Janet Rackley, Clerk

APPROVED AS TO FORM:

Richard M. Koch
Harrisburg Town Attorney

ACCEPTANCE BY COMPANY

Public Service Company of North Carolina, Incorporated does hereby accept and acknowledge the foregoing Ordinance, and in consideration of the benefits and privileges granted to it does hereby agree to the terms and conditions therein provided.

This the _____ day of _____, 2018.

PUBLIC SERVICE COMPANY
OF NORTH CAROLINA, INCORPORATED

By: _____
M. Shaun Randall
Vice President-Gas Operations

ATTEST:

Carol O'Shields
(Corporate Seal)

Its: Assistant Corporate Secretary

TOWN OF HARRISBURG

FRANCHISE TO PUBLIC SERVICE COMPANY OF N. C., INCORPORATED

WHEREAS, heretofore, on the 9th day of October, 1989 at a regular meeting of the Town Council of the Town of Harrisburg, at which a quorum of the members of the Town Council were present in person, an Ordinance granting and constituting a Franchise to Public Service Company of North Carolina, Incorporated, was unanimously adopted on its first reading; and,

WHEREAS, thereafter, at a regular meeting of the Town Council of the Town of Harrisburg held on the 13th day of November, 1989 at which a quorum of the members of the Town Council were present in person, the said Ordinance was duly adopted, and in ratification of the second and final reading and passage of said Ordinance, the same is duly signed by the Mayor and attested by the Town Clerk of the Town of Harrisburg, under the official seal of the Town of Harrisburg, and said Ordinance is as follows:

AN ORDINANCE GRANTING TO PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC., ITS SUCCESSORS AND ASSIGNS, THE RIGHT TO USE AND OCCUPY THE PUBLIC PLACES AND WAYS OF THE TOWN OF HARRISBURG, NORTH CAROLINA, FOR CONSTRUCTING, OPERATING AND MAINTAINING A GAS UTILITY SYSTEM AND ALL NECESSARY MEANS FOR PRODUCING, TRANSMITTING, DISTRIBUTING AND SELLING GAS WITHIN SAID TOWN OF HARRISBURG FOR A PERIOD OF THIRTY **YEARS**.

WHEREAS, Public Service Company of North Carolina, Inc. proposes to construct, operate and maintain a gas system and all necessary means for producing, transmitting, distributing and selling gas

within said TOWN OF HARRISBURG and is desirous of obtaining a franchise therefor for a term of thirty (30) years;

NOW, THEREFORE, BE IT ORDAINED by the Town Council of the Town of Harrisburg, North Carolina:

SECTION 1. That whenever the word "COMPANY" appears hereafter in this Ordinance, it is intended to designate and shall be held to mean not only PUBLIC SERVICE COMPANY OF NORTH CAROLINA, **INC.**, but also its successors and assigns; that whenever the word "TOWN" appears herein, it is intended to be designated and shall be held to mean the TOWN OF HARRISBURG, NORTH CAROLINA, as now or hereafter constituted, including future as well as present territorial limits; and that whenever the unqualified word "GAS" appears herein, it is intended to designate and shall be held to mean either natural or artificial gas, by whatsoever process or processes derived or manufactured, or both such gases either separately or a mixture of them.

SECTION 2. That the COMPANY be and hereby is granted the right to construct, operate and maintain a gas utility system within the Town for the production, transmission, distribution and sale of gas to consumers or users within the TOWN and to the TOWN and any and all departments thereof.

SECTION 3. That the COMPANY be and hereby is granted the right, authority and privilege to construct, install, operate, maintain, lay or relay, renew, replace and repair gas pipes, mains, pipe lines, conduits, regulators, fixtures, connections, apparatus and services, and appurtenances and appendages thereto, in, through, across, along and under the streets, avenues, roads, alleys, lanes, bridges, parks and squares, and other public places and ways, in the TOWN for the

production, pumping, handling, transmission, distribution and sale of gas for any and all purposes; and, for such other objects and purposes, to take up the pavements and sidewalks and to make such excavations and changes therein as may be necessary therefor.

SECTION 4. That said gas utility system shall be so constructed as not to interfere unreasonably with the proper use of the public places and ways in the TOWN and shall be maintained in reasonably good condition and repair

SECTION 5. That whenever the COMPANY shall cause any opening or alterations to be made in any of the public places and ways in the TOWN for the purpose of construction, operating and maintaining a gas utility system, the COMPANY shall first apply for and obtain a written permit from the Town Clerk and use reasonable care and caution to prevent injury to persons and property and shall replace and restore such portions of such public places and ways so disturbed by the COMPANY to their former condition, as nearly as practicable and within a reasonable time, and shall not unreasonably obstruct or impede traffic upon the streets and public ways of the TOWN.

SECTION 6. That the COMPANY shall indemnify and hold the TOWN harmless from any and all liability, loss, or damage the TOWN may suffer as a result of claims, demands, costs, or judgments against it arising out of any negligence, breach of contract, or breach of warranty by the COMPANY in the construction, operation, and maintenance of said gas utility system. It is provided that the COMPANY shall be notified promptly in writing of any such claim against the TOWN and the COMPANY shall be granted ample opportunity to defend the same for and on behalf of the TOWN. The rights and

remedies set forth in this section are in addition to, and not in lieu of, other rights and remedies available to the TOWN and COMPANY under applicable law.

SECTION 7. That the COMPANY may from time to time declare, make and enforce reasonable rules and regulations as a condition for the sale or distribution by it of gas to any person, firm, or corporation or location in the TOWN.

SECTION 8. The rates charged and to be charged for gas at all times shall be such as are fixed and approved by the North Carolina Utilities Commission or by such public authority as from time to time may be lawfully constituted for such purposes. The power is expressly reserved unto the Mayor and Town Council at all times to exercise, in the interest of the public welfare, all matters connected with the police powers of the TOWN.

SECTION 9. That in the event of any interruption or impairment of service or failure of supply of gas by reason of force majeure, act of God, strike, breakdown, accident or other happening beyond the reasonable control of the COMPANY, the COMPANY shall use due diligence to restore such service within a reasonable time and such interruption or failure shall not constitute a breach of this Ordinance, nor shall the COMPANY be liable for damages by reason of such interruptions or failures, but shall indemnify and hold the TOWN harmless pursuant to Section 6 for such interruptions or failures.

SECTION 10. The franchise is not a waiver of any present or future law. Also, the franchise is not a limitation on the Town's right to adopt new laws.

SECTION 11. The COMPANY is to comply with all franchise provisions except when in conflict with state or federal laws or regulations. The COMPANY is also subject to all present and future town ordinances or state laws.

SECTION 12.1. All excavations by COMPANY in public streets, alleys, rights-of-way, or public places shall be in compliance with all local laws at the time of excavation.

12.2. Prior to excavation in any public street, etc., the COMPANY must receive a written permit from the Town Clerk. The permit prescribes the area of excavation, the time required for completion, and any other conditions. In emergencies involving public safety, the COMPANY may proceed without a permit, but must obtain one at the earliest practical opportunity.

12.3. After any company repair or installation, all trenches must be filled immediately. The COMPANY must promptly replace and restore, to their former condition, any damaged sidewalks, curbs, gutters, streets, etc., at the COMPANY'S expense. Damaged sidewalk paving must be restored by whole section, and all restored areas are subject to inspection by the TOWN. Failure to comply with provision, within 10 days, allows the Town to make the necessary repairs and to require reimbursement by the COMPANY within 30 days.

12.4. The COMPANY may not encumber any more of a public street, sidewalk, or public way, than deemed necessary by the TOWN, in order for the COMPANY to properly service its facilities. Public ways so encumbered may not be disturbed for a period of time longer than deemed necessary by the TOWN. The COMPANY, while engaged in any excavation, must take all precautions necessary to insure public safety, such as erecting or installing signs, barricades,

or other warning devices.

12.5. The COMPANY must, at the request of the Town Clerk, promptly change any COMPANY facility located in, along, under, or across any regraded street, sidewalk, or public way, to conform to a new grade. The cost is to be borne by the COMPANY. Also, at the request of the Town Clerk and at the COMPANY'S expense, all COMPANY facilities must be promptly removed from any permanently closed or abandoned public way

12.6. If the TOWN gives the COMPANY 90 days notice of the TOWN'S intention to pave a street, then the COMPANY must perform all work that the COMPANY deems necessary for the extension of new facilities, or the repair of existing facilities, prior to the time the TOWN begins paving. If the COMPANY fails to perform such work prior to paving, then the COMPANY may not excavate in the newly paved street for three years. Exceptions: 1) if excavation is authorized by the TOWN, 2) excavation is necessary in an emergency situation, or 3) is necessary to serve new customers.

12.7. The COMPANY must preserve and protect the TOWN'S trees from damage by the COMPANY. The COMPANY may trim, at their own expense, trees coming into contact with COMPANY facilities. The Town Clerk must be notified whenever it is necessary for the COMPANY to trim trees, or excavate by means of trenching around trees. In emergencies, the Town Clerk must be notified as soon after the event as practical. Trees damaged by COMPANY work are to be treated or replaced at COMPANY expense.

SECTION 13. The TOWN is to have the right of access to COMPANY business records at all reasonable times, except those containing trade secret or personnel information, or which are otherwise made private by state or federal law.

SECTION 14. The TOWN has the right to inspect all construction and installation work performed by the COMPANY and make other necessary inspections to insure compliance with the franchise.--

SECTION 15. The COMPANY is required to maintain and provide on request, free of charge to the TOWN, maps of all COMPANY facilities within the TOWN.

SECTION 16. When the COMPANY makes any application to the North Carolina Utilities Commission for a general rate case, the COMPANY will simultaneously give written notice to the Town Clerk of such application. Upon request, a representative of the COMPANY will meet with the Town Council or its representative to explain the reasons for the requested general rate increase.

SECTION 17: Should any term of the franchise agreement be
...
found illegal the remaining portions of the franchise are not to be affected.

SECTION 18. The TOWN retains the right to grant the same or similar rights to other persons at any time.

SECTION 19. This Ordinance shall be effective from and after its final adoption.

SECTION 20. In the event the North Carolina General Statutes or other applicable laws should be changed, modified, or amended so as to allow the TOWN to impose upon the COMPANY a franchise, privilege, or license tax in addition to or in lieu of that currently payable to the TOWN pursuant to the North Carolina General Statutes, then, in that event, the TOWN and COMPANY shall negotiate a

reasonable franchise tax to be payable by the COMPANY to the TOWN
from and after the date such statute or statutes are so changed,
modified, or amended. Adopted November 13, 1989

ATTEST:

Lyndell B. Bogan

Donald F. Nelson

~~Mayor~~
Mayor

C

ACCEPTANCE BY PUBLIC SERVICE COMPANY OF N. C., INCORPORATED

The franchise authority described and fully set forth in the foregoing Ordinance, legally adopted by the Mayor and Town Council of Harrisburg, is hereby accepted.

This the / & day **of mkr' / 989**

PUBLIC SERVICE COMPANY OF
NORTH CAROLINA, INCORPORATED

By:

Cu...
S, i,
Chairman of the resident and
Chief Executive Officer

ATTEST:

C
Secretary

NORTH CAROLINA
CABARRUS COUNTY
TOWN OF HARRISBURG

The undersigned, being the duly elected and acting Clerk of the Town of Harrisburg, in whose custody the public records of the Town of Harrisburg are kept, hereby certifies that the foregoing eight pages of typewritten matter is a true and correct copy and excerpt from the official minutes of the Town of Harrisburg as the same appears of record in my office.

WITNESS my hand and the official seal of the Town of Harrisburg, this the **dD ay** of **'lLt.,rv.i./fMi_x,<....<l qJc:i**

Lynnda M. Boger
Clerk of the Town of Harrisburg

(SEAL)



TOWN OF HARRISBURG

Agenda Item Details

Title:

Consideration of H2018-02-(S) Davis Creek Subdivision Preliminary Plat

Presenting Personnel:

Sushil Nepal, Planning & Economic Development Director

Suggested Motion or Action:

To approve the Preliminary Plat for Davis Creek Subdivision along with the conditions attached to the application, as detailed in H2018-02-(S).

Description/Background:

Timothy Arey with Arey Properties has submitted a preliminary plat application for a 44 lot single-family subdivision located off of NC Highway 49, directly east of and adjoining, the eastern edge of the Town Center. The submitted preliminary plat is consistent with the conditional zoning site plan that was approved by the Town Council on February 12, 2018 (H2017-13-R).

The conditional rezoning request to CZ-RC, Residential Compact, was approved with condition to restrict the density to 2.87 dwelling units per acre, as well as restrict this property to single-family detached type development and restrict the cladding materials to exclude vinyl siding. More information is included in the attached staff report and site plan.

At the December 18th Planning and Zoning Board meeting, the board voted unanimously to recommend approval of the submitted Preliminary Plat by the Town Council.

Recommendation:

The preliminary plat is consistent with the Harrisburg Area Land Use Plan and the CZ-RC zoning standards, and approved conditional zoning site plan. Therefore, the Planning and Zoning Department recommends approval of this preliminary plat application for the Davis Creek Subdivision.

Fiscal Impact:

None.

Attachments:

1. H2018-02-(S) Davis Creek Application
2. H2018-02-(S) Davis Creek Staff Report_TC
3. H2018-02-(S) Davis Creek Map
4. H2018-02-(S) Preliminary Plat 12.10.18



HarrisburgNC

The right side of opportunity

Application for Preliminary Plat Review and Approval

For an application to be considered complete, you must submit the following information to the Town of Harrisburg Planning Department:

1. One (1) copy of the signed Pre-submittal Meeting Checklist completed at the required pre-submittal meeting.
2. One (1) complete Town of Harrisburg Preliminary Plat Application
3. Fifteen (15) FOLDED copies of the final plat (blue/black lines), and One (1) digital version (PDF)
4. Plat review fee (\$1000.00 + \$5 per lot)
5. One (1) completed Street Name Review and Confirmation Form
6. Required number of copies of the Transportation Impact Analysis (Number of copies to be submitted to be determined at pre-submittal meeting)

NOTE: Incomplete Applications will not be processed by the Planning and Zoning Department, and will be returned to the Applicant.

Project Information	
1. Name of Subdivision:	DAVIS CREEK
2. Location of Subdivision:	6330 CAMBRIDGE DR.
3. Cabarrus County PIN Numbers:	5517077683
4. Current Zoning:	CZ-RC
5. Project Classification (Residential, Commercial, etc.):	RESIDENTIAL
6. Is this a CU or CZ Project?	☒ YES: Case Number: ☐ NO
7. Date of Preliminary Plat Approval:	Subdivision Case #:
Owner/Developer Information	
1. Property Owner Name:	Property Owner Phone:
Property Owner Email:	
2. Agent/Developer Name:	Agent/Developer Phone:
Agent/Developer Email:	
3. Contact for Comments Name:	Contact for Comments Phone:
Contact for Comments Email:	
CHRIS MCINTYRE 704-573-1621 cmmcintyre@amicuseng.com	
Utilities	
Water Sewer	
1. Who will provide water and sewer services for this site?	☐ Private ☒ Public ☐ Private ☒ Public
Provider	Provider
Overlay District (Article 4)	
Is the subject property located in an Overlay Zone? ☐ YES: ☒ NO	
If YES, which one(s):	

Flood Panel and RSOD Information (Article 4)

Is the subject property located in an area regulated by the Floodplain Overlay District? ☒ YES: ☐ NO

Flood Panel Number(s) _____ Map Date _____

Is the subject property in the RSOD? ☐ YES: ☐ NO

If YES, has the RSOD been shown on the plan and have the calculations been submitted with the plan?

☐ YES: ☐ NO

Verification of Process

I, Timothy AREY, submit that all of the information contained in this application is true and correct and also understand that incomplete applications will not be processed by the Town of Harrisburg Planning Department.

Date: 7/11/18

Signed: _____

Title: _____

(Owner, Agent, Developer, LLC Member, etc.)

Do not write below this point

For Staff Use Only:

Subdivision application fee paid: _____ Check Number: _____



Town of Harrisburg
Planning and Zoning Department

DATE: January 9, 2019

SUBJECT: H2018-02-(S) Davis Creek Subdivision Preliminary Plat

Owner/ Developer: Timothy Arey with NGC Properties, LLC

Location: The subject property is located on the north side of NC Highway 49, just east of, and adjacent to the Town Center. Parcel Identification Number: 5517077683

Area: Approximately 15.3 acres

Zoning: CZ-RC (Case #: H-2017-13-R)

Staff Report prepared by: Vagn K. Hansen II, AICP

GENERAL DISCUSSION:

- The subject property was rezoned in February 2018 to CZ-RC, Residential Compact – Conditional District, in order to develop a single family residential community consisting of 44 lots.
- The applicant is seeking preliminary plat approval consistent with the underlying CZ-RC zoning, including the approved conditional rezoning site plan.
- Staff has reviewed the submitted preliminary plat, and has found it to be consistent with the approved conditional zoning site plan and the standards of the UDO.

APPROVAL CRITERIA:

1. **The proposed land uses are in accord with the adopted *Comprehensive Plan* and the *Official Zoning Map*, or that the means for reconciling any differences have been addressed. A Preliminary Plat may be processed concurrently with a rezoning request.**

At the time of the approval of the conditional zoning map amendment for the subject property, the Harrisburg Area Plan was in place, and the staff report for the rezoning noted that the proposed rezoning and associated site plan were consistent with the *Downtown Mixed Use* land use designation effective for the subject property at that time. Subsequently, the new Harrisburg Area Land Use Plan (HALUP) has been adopted, and the site now falls primarily within the *Mixed Use Center* future land use classification, with a portion of the site designated as *Mixed Use*. The approved conditional RC zoning and

site plan remain consistent with the new comprehensive plan future land use designations for the site.

- 2. The proposed subdivision conforms to all relevant requirements of this ordinance and to any variances that have been granted to permit any nonconformance. The plat shall meet all requirements of this Ordinance with respect to lot size and area, and in no way create a violation of any applicable current ordinances, statutes or regulations.**

The preliminary plat, as presented, is consistent with the approved conditional zoning site plan, which governs the development standards for the site.

- 3. The proposed development, including its lot sizes, density, access and circulation, are compatible with the existing and/or permissible future use of adjacent property.**

The approval of the conditional zoning map amendment and associated site plan and conditions for the subject property established that the proposed development is compatible with the surrounding area.

- 4. That the proposed subdivision will not have detrimental impacts on the safety or viability of permitted uses on adjacent properties.**

The proposed project is a single-family residential detached subdivision. Nothing has been identified by staff that would indicate that the proposed subdivision would detrimentally impact the ability of the surrounding property to be used in a safe or viable manner.

- 5. That the soils and topography have been adequately studied to ensure that all lots are developable for their designated purposes.**

The subject property will be served by public utilities (water and sewer) therefore; soil suitability is not a primary concern. Regarding the topography, the applicant will be required to submit a Soil and Erosion Control Plan to NCDEQ for review and approval. In addition, the applicant will also be required to submit construction drawings to the Town of Harrisburg for review and approval regarding utility placement and lot design standards.

- 6. That any land located within Zone AE, as shown on the currently adopted Flood Insurance Rate Maps of the Flood Insurance Study, is determined to be suitable for its intended use and that the proposed subdivision adequately mitigates the risks of flooding, inadequate drainage, soil and rock formations with severe limitations for development, severe erosion potential, or any other floodplain-related risks to the health, safety or welfare of the future residents of the proposed subdivision in a manner consistent with this ordinance, as described in § 4.14 of this Ordinance.**

The proposed development will be subject to the regulations set forth in the Unified Development Ordinance as well as any State or Federal regulations related to floodplain development and/or wetlands regulations. In addition, the development will be subject to NCDEQ sedimentation and erosion control standards. Since the conditional zoning site plan was approved at the time of the rezoning, the official floodplain areas that were originally indicated on the site plan have been greatly reduced in terms of the extent of their impact on the property due to changes associated with the new FIRMs that became effective on November 16, 2018. Any fill within a floodplain area to prepare it for development will be required to be coordinated with FEMA and the town's flood damage prevention regulations.

APFO REVIEW:

SCHOOLS:

This part of the Unified Development Ordinance is no longer enforceable as determined by the NC Supreme Court. However, the schools provided the following data on school capacity was provided by Cabarrus County Schools at the time of the rezoning:

The schools serving this area are Pitts School Elementary, Hickory Ridge Middle School, and Hickory Ridge High School. Cabarrus County Schools expects this subdivision to add 18 elementary students, 9 middle school students, and 12 high school students. Cabarrus County Schools indicated at the time of rezoning that the future capacity, based on unbuilt lots and including this request, would be as follows:

Elementary (Pitts School) -	<u>116.77%</u>
Middle (Hickory Ridge) -	<u>136.01%</u>
High (Hickory Ridge) -	<u>133.45%</u>

TRANSPORTATION

A Traffic Impact Analysis was not required for the proposed development when the rezoning was approved and it does not meet the threshold for requiring one under the revised TIA standards adopted earlier this year. NCDOT reviewed the preliminary plat, and provided comments to the Town, which were limited to the requirement for the applicant to obtain an NCDOT driveway permit for connection to NC Highway 49.

FIRE, POLICE, SANITATION

Adequate fire, police and sanitation services are available through the Town of Harrisburg.

PARKS AND RECREATION

A condition of approval of the rezoning for this project is that the developer is required to provide a fee-in-lieu of public open space to the Town in the amount of \$63,650.32.

UTILITIES

Utilities are available through the Town of Harrisburg. The applicant will be required to extend water and sewer lines to their site.

CONDITIONS:

In considering an application for a subdivision plat, the decision-making agency shall consider and may impose modifications or conditions to the extent that such modifications or conditions are necessary to ensure compliance with the criteria of Section 6.2 of the UDO.

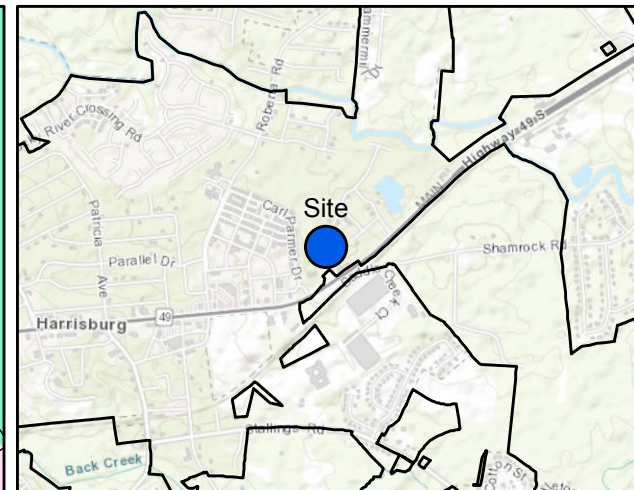
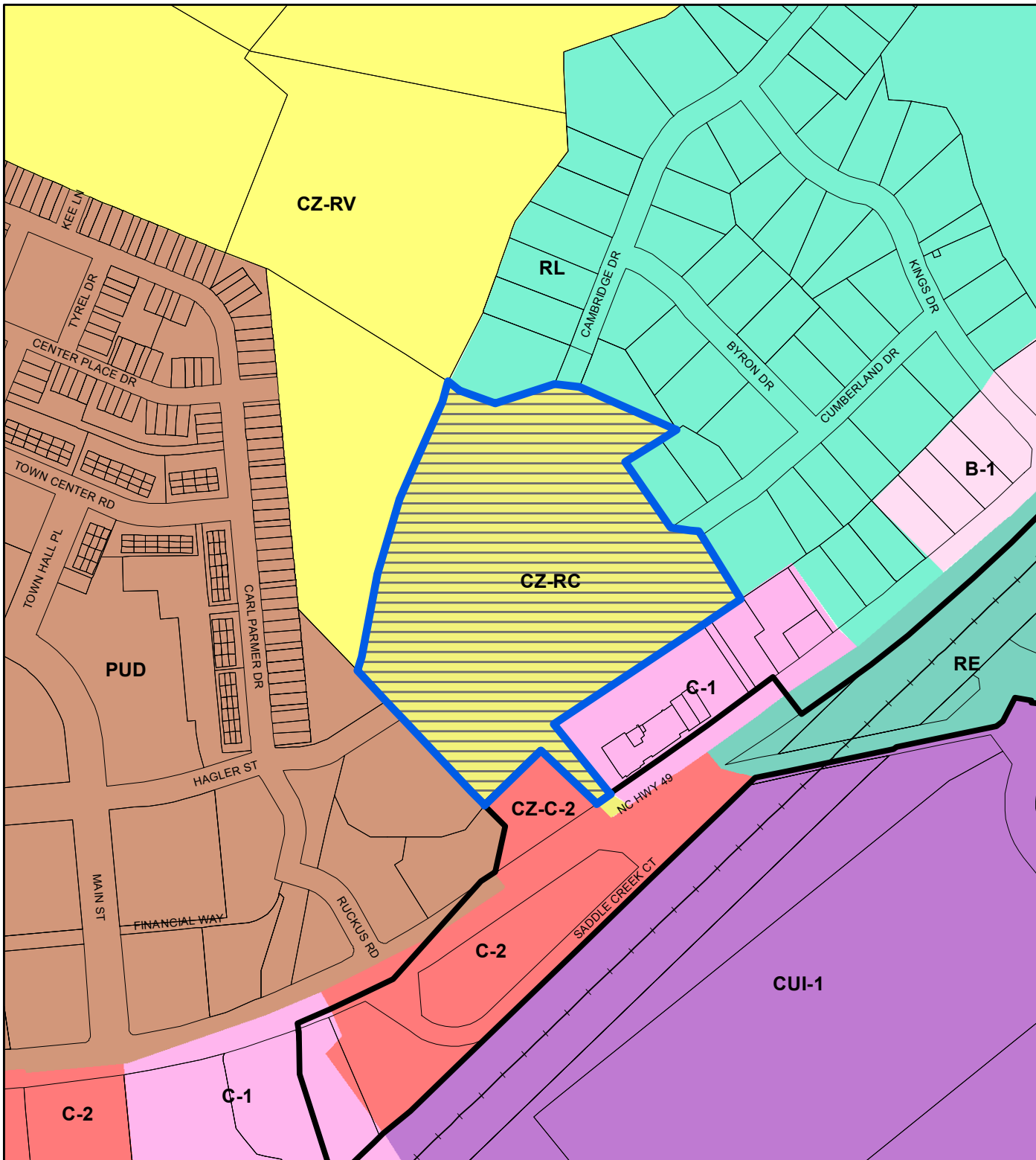
Should the Planning Board recommend approval of the preliminary plat for the Davis Creek Subdivision, staff requests that the following conditions become part of the approval, which are inclusive of the conditions agreed to as part of the approval of the conditional zoning map amendment for the project (H-2017-13-R):

1. Applicant agrees to obtain any and all applicable local, state, and federal permits required for development before any development activity can take place. (Planning)
2. Applicant agrees to restrict cladding materials for all buildings to masonry products; vinyl siding will not be used. (Applicant)
3. Applicant agrees to restrict outside storage. (Applicant)
4. Applicant agrees to design and construct Cambridge Drive and Cumberland Drive to the 50' right-of-way standards that are shown in the Town of Harrisburg Unified Development Ordinance. (Planning)

5. Applicant agrees to dedicate a fee in lieu of Public Open Space dedication for the 1.26 acres of required Public Open Space, in the amount of \$50,516.13 per acre, for a total of \$63,650.32. All fee in lieu of dedications shall be made to the Town prior to final plat approval. (Parks and Recreation Advisory Board)
6. Applicant agrees to work with town staff to implement traffic calming measures on Cambridge Drive. (Planning/Engineering)
7. Applicant agrees to complete a LOMR-F prior to any fill activity taking place within the floodplain. (Applicant/Planning)
8. Applicant agrees to dedicate a blanket greenway easement on the common open space behind lots 6-19 adjacent to Davis Creek. (Parks and Recreation Advisory Board)
9. Applicant agrees that all lots shall be a minimum of 54ft wide. (Applicant)

RECOMMENDATION:

The preliminary plat is consistent with the Harrisburg Area Land Use Plan and the CZ-RC zoning standards, and approved conditional zoning site plan. Therefore, the Planning and Zoning Department recommends approval of this preliminary plat application for the Davis Creek Subdivision.



H-2018-02-(S) Davis Creek Preliminary Plat

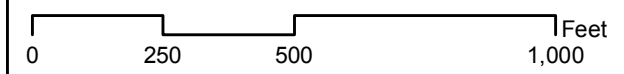
Applicant: Timothy Arey

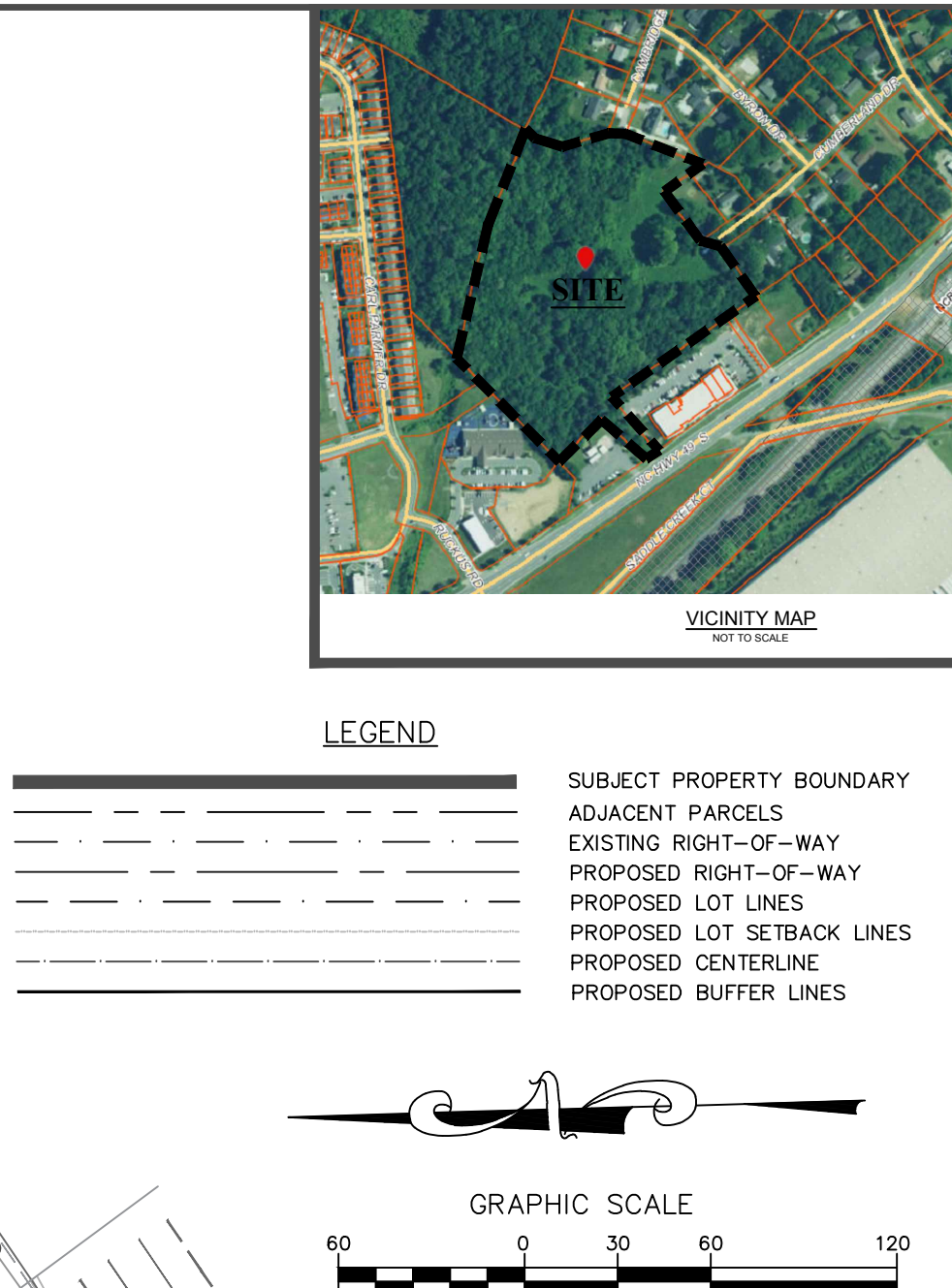
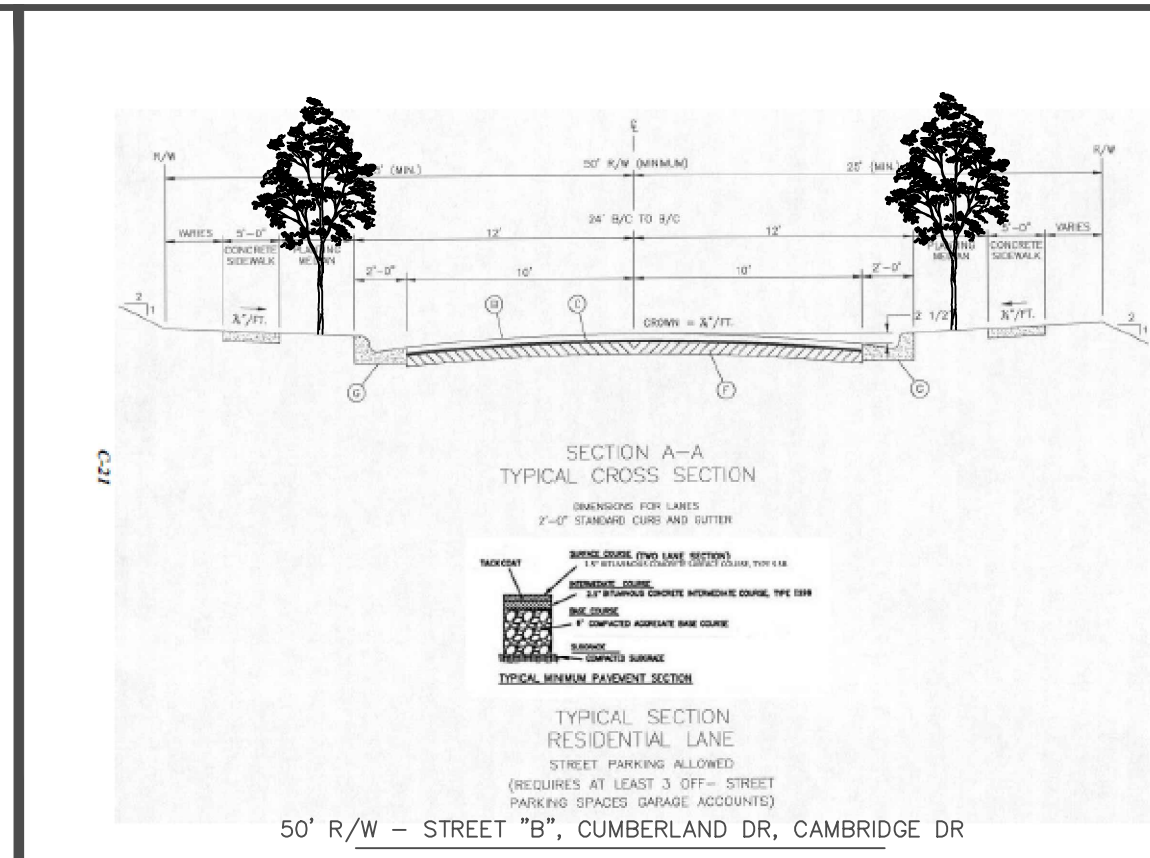
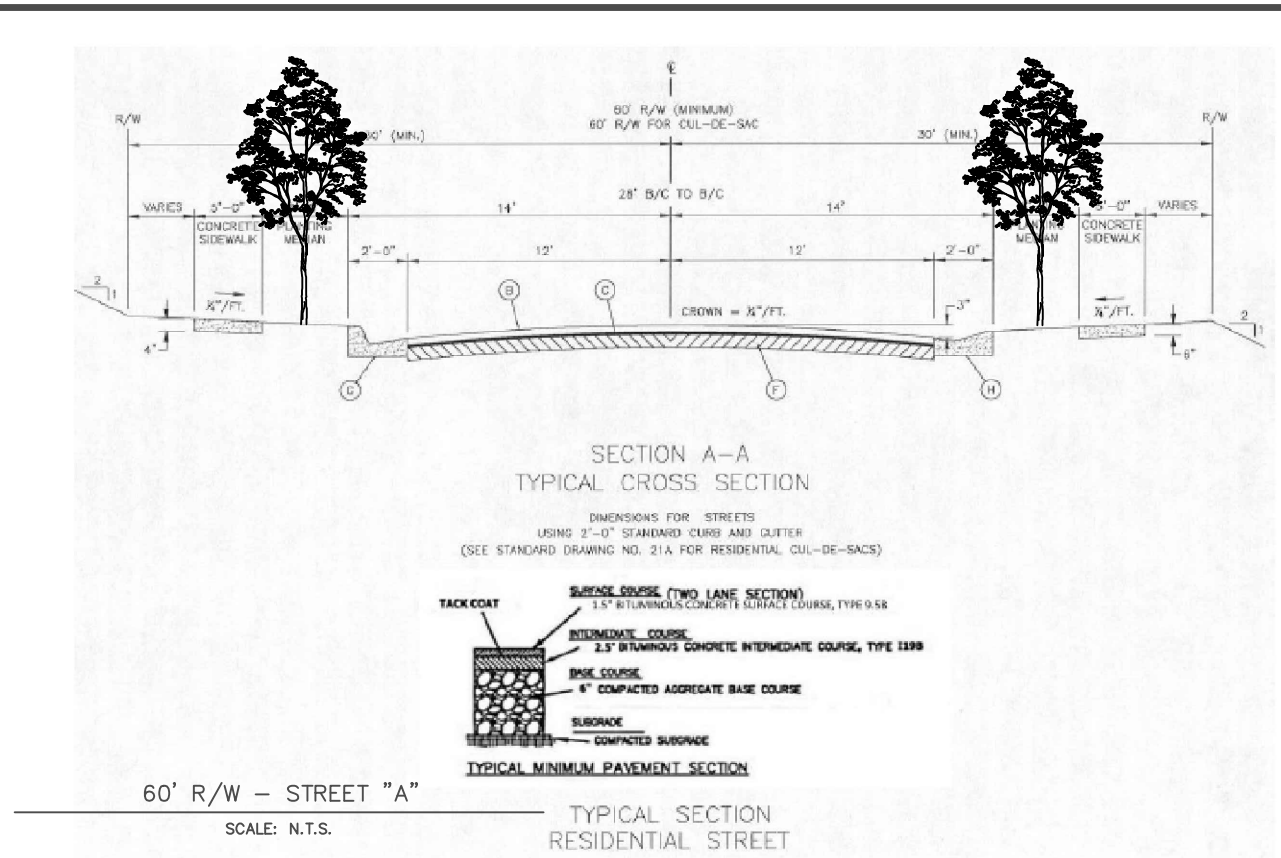
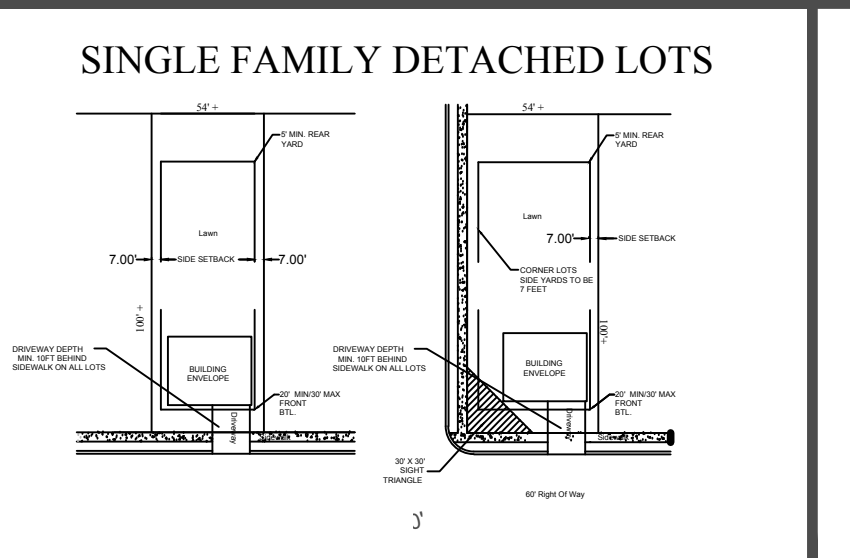
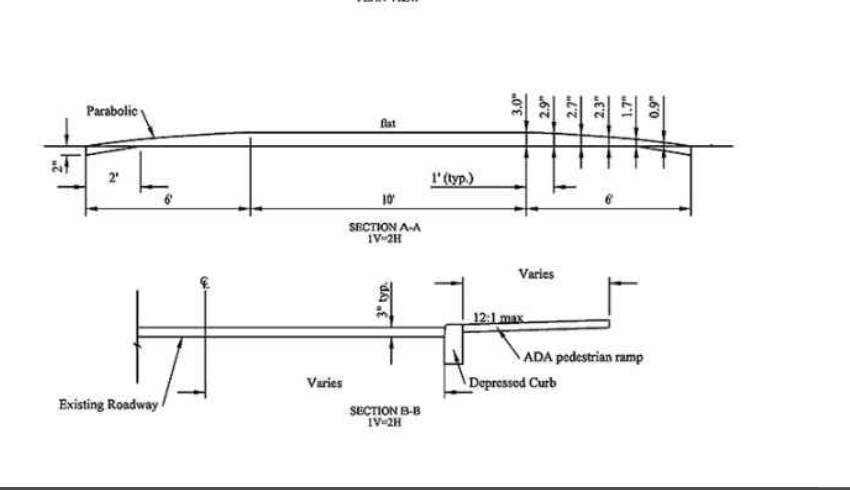
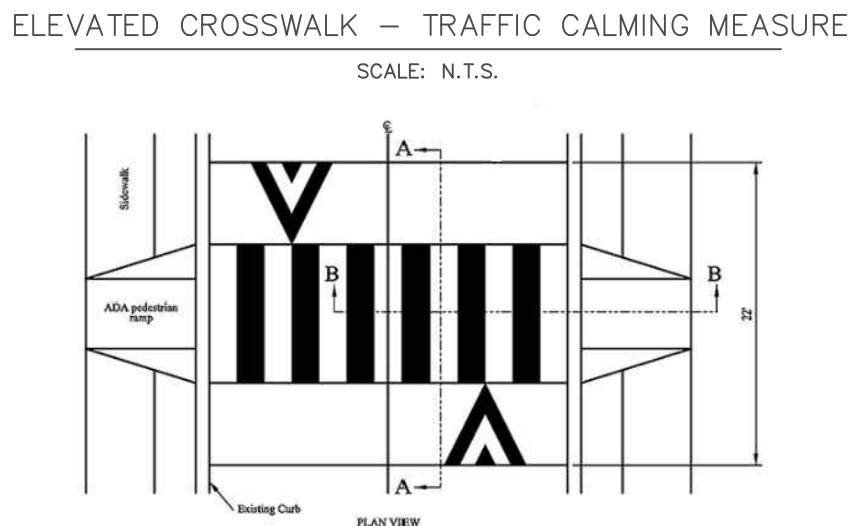
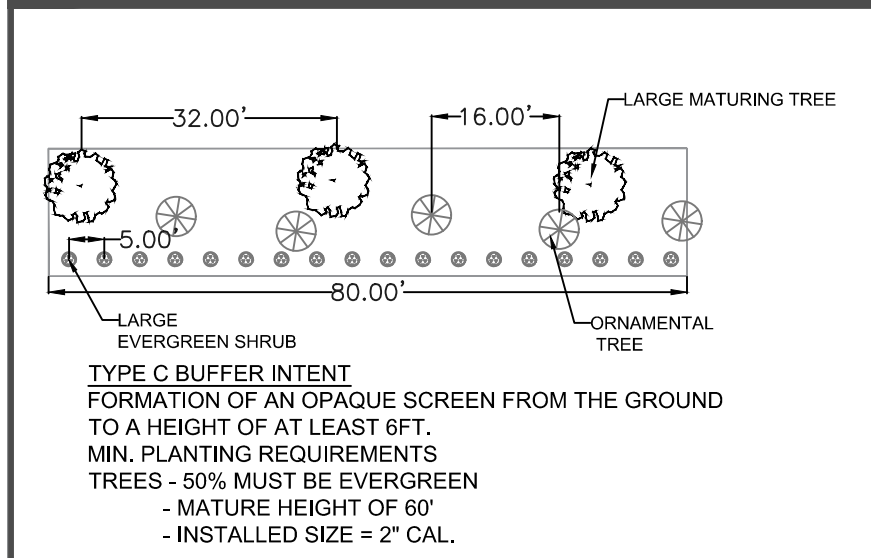
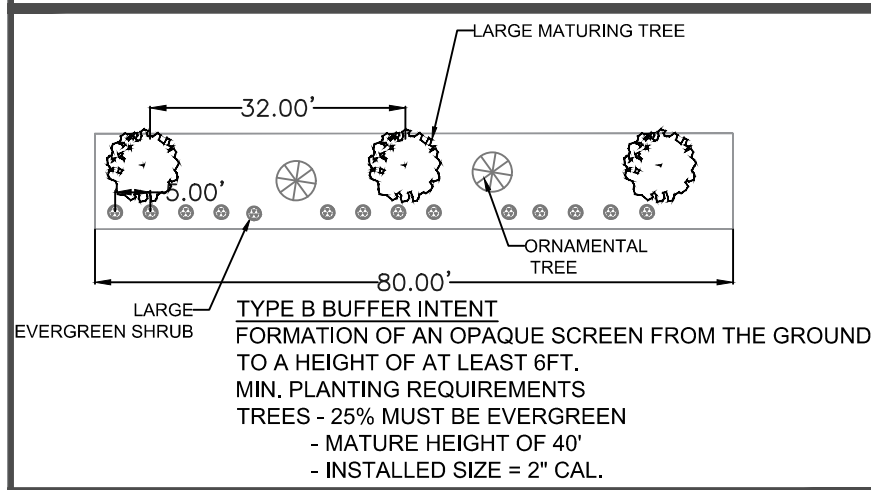
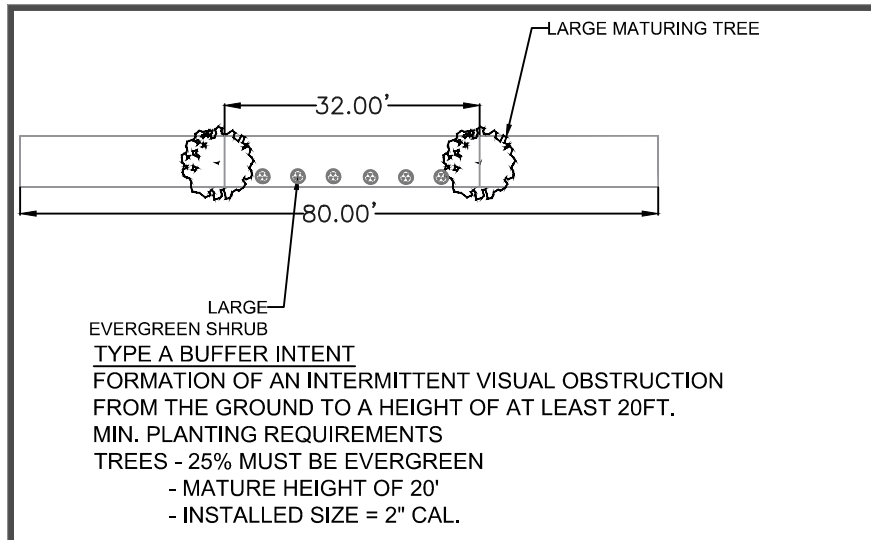
Zoning: CZ-RC (H-2017-13-(R))

Proposed Lots: 44

Acreage: 15.3

-  Parcels
-  Site
-  Town Limits



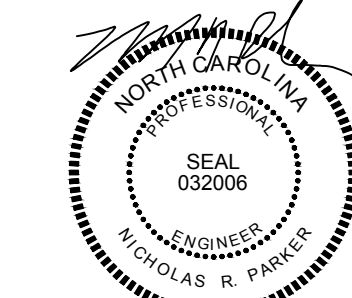


Firm License # P-1191
7140 Weddington Road
Suite 140
Concord, NC 28027

Civil Site Design
Low Impact Development
Small-Scale Building Design

Telephone: 704.573.1621
Facsimile: 704.248.7951

Seals:



12-10-2018

REZONING CONDITIONS OF APPROVAL

1. APPLICANT AGREES TO OBTAIN ANY AND ALL APPLICABLE LOCAL, STATE, AND FEDERAL PERMITS REQUIRED FOR DEVELOPMENT BEFORE ANY DEVELOPMENT ACTIVITY CAN TAKE PLACE (PLANNING)
2. APPLICANT AGREES TO RESTRICT CLADDING MATERIALS FOR ALL BUILDINGS TO MASONRY PRODUCTS: VINYL SIDING WILL NOT BE USED (APPLICANT)
3. APPLICANT AGREES TO RESTRICT OUTSIDE STORAGE (APPLICANT)
4. APPLICANT AGREES TO DESIGN CAMBRIDGE DRIVE AND CUMBERLAND DRIVE TO THE 50' RIGHT-OF-WAY STANDARDS THAT ARE SHOWN IN THE TOWN OF HARRISBURG UNITED DEVELOPMENT ORDINANCE (PLANNING)
5. APPLICANT AGREES TO DEDICATE A FEE IN LIEU OF PUBLIC OPEN SPACE DEDICATION FOR THE 1.26 ACRES REQUIRED OF PUBLIC OPEN SPACE, IN THE AMOUNT OF \$50,516.13 PER ACRE, FOR A TOTAL OF \$63,650.32. ALL FEES IN LIEU OF DEDICATIONS SHALL BE MADE TO THE TOWN PRIOR TO FINAL PLAT APPROVAL (PARKS AND RECREATION)
6. APPLICANT AGREES TO WORK WITH TOWN STAFF TO IMPLEMENT TRAFFIC CALMING MEASURES ON CAMBRIDGE DRIVE (PLANNING)
7. APPLICANT AGREES TO COMPLETE A LOW-R BEFORE ANY FILL ACTIVITY MAY TAKE PLACE IN THE FLOODPLAIN (APPLICANT)

GENERAL NOTES:

1. REQUIRED FIRE FLOW, 1,000 GPM @ 20 PSI. HYDRANTS ARE TO BE WITHIN 400 FEET OF EACH HOME.
2. ACCESS AND WATER SUPPLY SHALL BE ESTABLISHED AND MAINTAINED PRIOR TO VERTICAL CONSTRUCTION. (NFPA 241)
3. APPROVED FIRE APPARATUS ACCESS SHALL BE PROVIDED FOR EVERY FACILITY OR BUILDING WITHIN THE JURISDICTION. ACCESS SHALL BE PROVIDED TO WITHIN 150 FEET OF ALL PORTIONS OF THE EXTERIOR OF THE BUILDING AS MEASURED BY AN APPROVED ROUTE AROUND THE EXTERIOR OF THE BUILDING. (FC 503.1.1)
4. ACCESS ROADS ARE REQUIRED TO BE 20 FEET WIDE MEASURED PAVEMENT TO EDGE OF PAVEMENT AND 26 FEET WIDE IF THE BUILDINGS HEIGHT IS GREATER THAN 30 FEET TO ROOF PEAK. (FC D103.6.1) NOTE: ALL ROADS WITH HYDRANTS INSTALLED ARE REQUIRED TO BE 26 FEET IN WIDTH. (FC D103.1)
5. FIRE HYDRANTS SHALL BE PROVIDED WITH A TRAVEL DISTANCE AS DETERMINED BY APPENDIX C TABLE C105.1 (FC TABLE C105.1) NOTE: DISTANCE VARES BASED UPON NEEDED FIRE FLOW.
6. FIRE HYDRANTS SHALL BE PLACED NOT GREATER THAN 200 FEET FROM THE END OF EACH CUL DE SAC. (FC TABLE C105.1)
7. WATER MAINS AND HYDRANTS INSTALLED SHALL BE DESIGNED FOR FLOW AND DURATION AS REQUIRED IN APPENDIX B TABLE 105.1 (FC)
8. MINIMUM FIRE FLOW IS 1,000 GPM @ 20 PSI. FOR DWELLINGS. DWELLINGS OVER 3,600 S.F. NEEDED FIRE FLOW ARE TO BE BASED ON TABLE B105.1 (FC APPENDIX B)
9. CUL DE SAC RADIUS FOR RESIDENTIAL INSTALLATION SHALL BE 38'6" (FC)
10. RESIDENTIAL PROJECTS HAVING MORE THAN 100 DWELLING SHALL BE EQUIPPED WITH 2 SEPARATE AND REMOTE FIRE ACCESS ROADS. (FC D106.1)
11. THE REQUIRED TURNING RADIUS OF THE FIRE APPARATUS ACCESS ROAD SHALL BE 42 FEET. (FC D103.3)
12. RESIDENTIAL PROJECTS MAY ONLY HAVE 29 HOMES ON EACH CUL DE SAC. A GREATER NUMBER REQUIRES A SECOND ACCESS CONNECTION.

ENVIRONMENTAL NOTES:

1. DEVELOPER WILL BE REQUIRED TO PROVIDE A BMP ACCESS EASEMENT IN AND AROUND ANY BMPS USED FOR STORMWATER TREATMENT AND DETENTION AND EXECUTE A MAINTENANCE AGREEMENT.

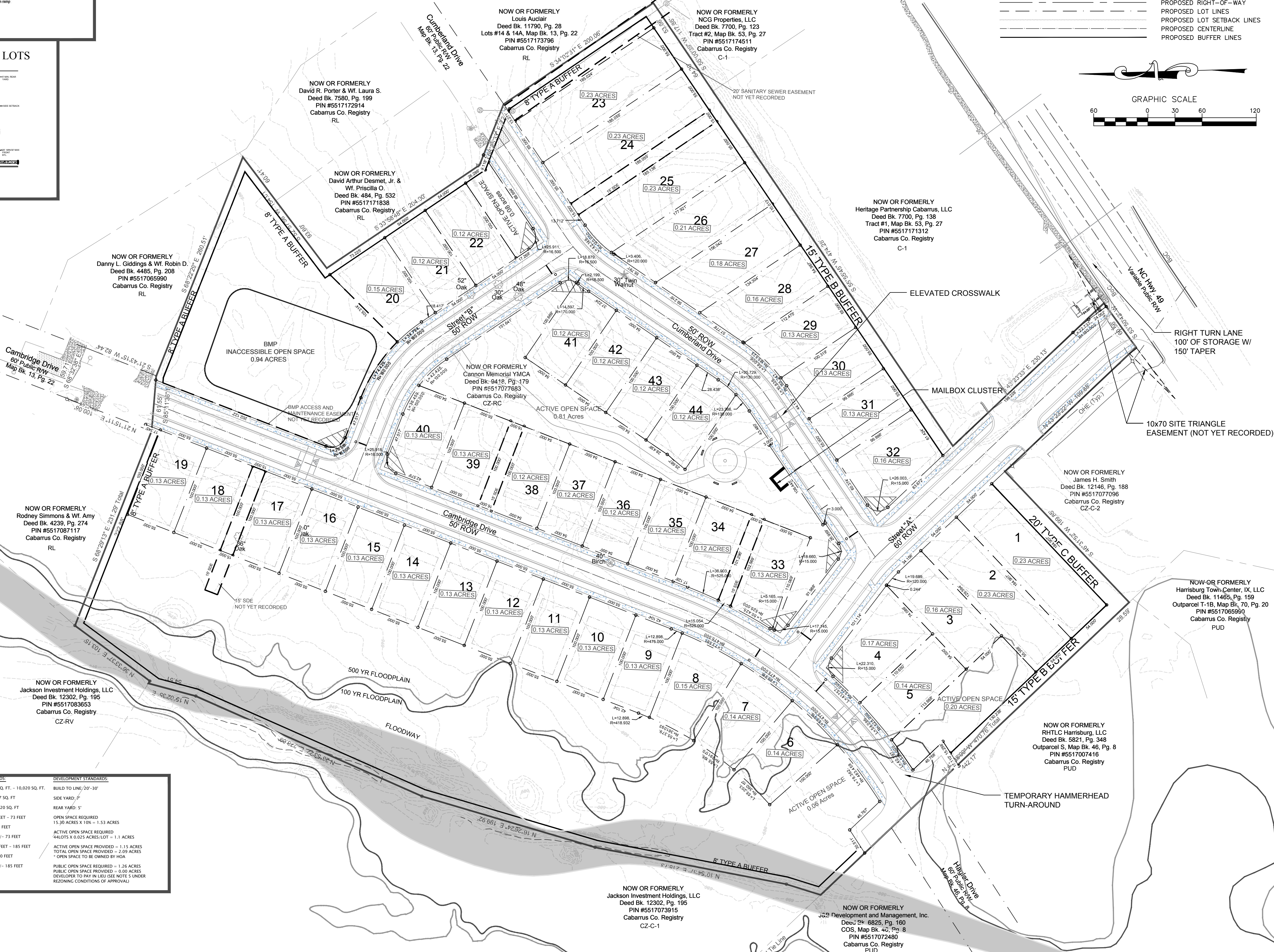
LANDSCAPE/BUFFER NOTES:

1. NO PLANTINGS REQUIRED FOR THE 8-FT TYPE A BUFFER LOCATED WITHIN FLOODWAY/FLOODPLAIN. DEVELOPER TO ENSURE AREA REMAINS UNDISTURBED IN ORDER TO KEEP THE EXISTING NATURAL BUFFER IN PLACE.

PROJECT DATA	PROJECT DATA	TOTAL ACREAGE OF LOTS	DEVELOPMENT STANDARDS	DEVELOPMENT STANDARDS
PROPOSED SUBDIVISION NAME: DAVIS CREEK SUBDIVISION	PARCEL NUMBERS: NOW OR FORMERLY: 5517077683	± 6.44 ACRES	LOT SIZE RANGE: 5,227 SQ. FT. - 10,020 SQ. FT.	BUILD TO LINE: 30'-30'
DEVELOPER: ARRY PROPERTIES	CURRENT ZONING: CZ-C		MINIMUM LOT SIZE: 5,227 SQ. FT.	SIDE YARD: 5'
1401 EAST 7TH ST. SUITE 300	SITE AREA: 15.30 ACRES	TOTAL ROAD LENGTH	MAXIMUM LOT SIZE: 10,020 SQ. FT.	REAR YARD: 5'
CHARLOTTE, NORTH CAROLINA 28204	PROPOSED USE: SINGLE FAMILY DETACHED	STREET A = 530'F	LOT WIDTH RANGE: 54 FEET - 73 FEET	OPEN SPACE REQUIRED
704-782-1800	PROPOSED DENSITY: 2.87 DENSITY UNITS PER ACRE	STREET B = 300'F	MINIMUM LOT WIDTH: 54 FEET	15.30 ACRES X 10% = 1.53 ACRES
DESIGNER: ANNICUS PARTNERS, PLLC	MAX ALLOWABLE DENSITY = 15 UNITS PER ACRE	CUMBERLAND DR = 643'F	LOT DEPTH RANGE: 100 FEET - 185 FEET	ACTIVE OPEN SPACE REQUIRED
7140 WEDDINGTON RD. SUITE 140	PROPOSED BUILDING DENSITY = 15 UNITS PER ACRE	CAMBRIDGE DR = 971'F	MINIMUM LOT DEPTH: 100 FEET	14.025 X 6.025 ACRES LOT = 1.1 ACRES
CONCORD, NORTH CAROLINA 28027	PROJECT DATA	± 2,513 LINEAR FEET		TOTAL OPEN SPACE PROVIDED = 2.89 ACRES
704-573-1621	PROPOSED LOTS: 44 LOTS			OPEN SPACE TO BE OWNED BY HOW
	LOT WIDTH 54'-MIN			PUBLIC OPEN SPACE REQUIRED = 1.26 ACRES
	LOT DEPTH 100' - 185'			PUBLIC OPEN SPACE PROVIDED = 0.30 ACRES
				DEVELOPER TO PAY IN LIEU (SEE NOTE 5 UNDER REZONING CONDITIONS OF APPROVAL)

COPYRIGHT © 2018, ANNICUS PARTNERS, PLLC.
ALL RIGHTS RESERVED. REPRODUCTION OR USE OF THE CONTENTS OF THIS DOCUMENT, OR ADDITIONS OR OMISSIONS TO THIS DOCUMENT, IN WHOLE OR IN PART, WITHOUT WRITTEN CONSENT OF ANNICUS ENGINEERING, IS STRICTLY PROHIBITED. ONLY COPIES FROM THE ORIGINAL OF THIS DOCUMENT, AS APPROVED BY THE ENGINEER, SHALL BE CONSIDERED TO BE VALID, TRUE COPIES.

REFERENCE: ALL PARCEL AND BOUNDARY INFORMATION FOR THIS PROPERTY AND ADJACENT PROPERTIES REFERENCED FROM A SURVEY CONDUCTED BY NORSTAR LAND SURVEYING, PROPERTY MEASUREMENTS AND COORDINATES FOR PROPERTY REFERENCED FROM A SURVEY CONDUCTED BY NORSTAR LAND SURVEYING.



DAVIS CREEK SUBDIVISION
PRELIMINARY PLAT
HARRISBURG, NORTH CAROLINA
FOR:
AERY PROPERTIES

Project Number: 17.17.165

Date: 12/10/2018

Drawn By: CMM

Checked By: NRP

Revisions:
07-12-18 Original Submittal
12-10-18 Revised Floodplain

Sheet Title:

PRELIMINARY
PLAT

Sheet No:

C-0.0



TOWN OF HARRISBURG

Agenda Item Details

Title:

Consideration of Contract for Construction Manager at Risk Services for Harrisburg Park Renovation

Presenting Personnel:

Daniel Stines, Parks & Recreation Director

Suggested Motion or Action:

To approve a contract with J.D. Goodrum Construction for Construction Manager at Risk services and to generate a Guaranteed Maximum Price (GMP), for the Harrisburg Park Renovations.

Description/Background:

Staff is requesting approval of the attached AIA contract with J.D. Goodrum construction, for the services of Construction Management @ Risk for Harrisburg Park.

The contract specifies all relevant fees, as associated with the costs of performance and management from J.D. Goodrum, and the attached fee structure provides the percentages of works, as it will be calculated, once the Guaranteed Maximum Price (GMP) has been confirmed. The services in this contract will carry the Harrisburg Park project to completion. J.D. Goodrum was selected based on a qualifications bid process. Their portfolio excelled in relevant projects, response to the RFQ, and exceptional professionalism from paper to conversation. J.D. Goodrum's project history includes, but is not limited to: Romare Bearden Park (Downtown Charlotte "Epicenter"), Sports Complex in Mathews and Lake Wylie Park, all of which have received regional and national recognition within the Parks and Recreation profession.

Recommendation:

To approve the associated CMR contract with J.D. Goodrum, as presented.

Fiscal Impact:

This project is part of the adopted FY19 CIP project budget. Funding for this project is assigned to Project Account 2019-5000-007-01. Staff is working from the \$7,000,000 project account, at which services from this CMR contract are estimated \$6,000,000-\$6,500,000. The following fees are represented, at this time:

- Preconstruction Services (Fixed Fee): \$49,850
- General Conditions (14 month estimated timeframe): \$477,400
- CMAR Fee (based on GMP once established): 6.75%

Once the final GMP has been established, these numbers will be brought to Council prior to moving into construction phases. Staff is determined to maintain the project within or as close to being within the projected cost estimate of \$7,000,000.

Attachments:

1. JD Goodrum_Harrisburg Park_AIA 133 Contract Draft 01.08.19
2. JD Goodrum_Harrisburg Park_Exhibit A

3. JD Goodrum_Harrisburg Park_Exhibit B (002)

AIA® Document A133™ – 2009

Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price

AGREEMENT made as of the Second day of January in the year 2019
(In words, indicate day, month and year.)

BETWEEN the Owner:
(Name, legal status and address)

Town of Harrisburg
4100 Main Street, Suite 103
Harrisburg, NC 28075

and the Construction Manager:
(Name, legal status and address)

J.D. Goodrum Company, Inc.
18339-F Old Statesville Road
Cornelius, NC 28031

for the following Project:
(Name and address or location)

Harrisburg Park Expansion
130 Sims Parkway
Harrisburg, NC 28075

The Architect:
(Name, legal status and address)

Jon Wood
Alfred Benesch & Company
2359 Perimeter Pointe Parkway, Suite 350
Charlotte, NC 28208
Phone: 704-943-3185
Email: jwood@benesch.com
*Alfred Benesch and Company for purposes of this agreement will be referred to as the architect

The Owner's Designated Representative:
(Name, address and other information)

Daniel Stines
4100 Main Street, Suite 103
Harrisburg, NC 28075
Phone: 704-455-7275
Fax: 704-455-1416

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

AIA Document A201™–2007, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

ELECTRONIC COPYING of any portion of this AIA® Document to another electronic file is prohibited and constitutes a violation of copyright laws as set forth in the footer of this document.

The Construction Manager's Designated Representative:
(Name, address and other information)

Jamie Yoxtheimer
18339-F Old Statesville Road
Cornelius, NC 28031
Phone: 704-895-8842
Fax: 704-895-8779
Email: Jamie@Jdgoodrum.com

The Architect's Designated Representative:
(Name, address and other information)

The Owner and Construction Manager agree as follows.

TABLE OF ARTICLES

1	GENERAL PROVISIONS
2	CONSTRUCTION MANAGER'S RESPONSIBILITIES
3	OWNER'S RESPONSIBILITIES
4	COMPENSATION AND PAYMENTS FOR PRECONSTRUCTION PHASE SERVICES
5	COMPENSATION FOR CONSTRUCTION PHASE SERVICES
6	COST OF THE WORK FOR CONSTRUCTION PHASE
7	PAYMENTS FOR CONSTRUCTION PHASE SERVICES
8	INSURANCE AND BONDS
9	DISPUTE RESOLUTION
10	TERMINATION OR SUSPENSION
11	MISCELLANEOUS PROVISIONS
12	SCOPE OF THE AGREEMENT

EXHIBIT A GUARANTEED MAXIMUM PRICE AMENDMENT

ARTICLE 1 GENERAL PROVISIONS

§ 1.1 The Contract Documents

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to the execution of this Agreement, other documents listed in this Agreement, and Modifications issued after execution of this Agreement, all of which form the Contract and are as fully a part of the Contract as if attached to this Agreement or repeated herein. Upon the Owner's acceptance of the Construction Manager's Guaranteed Maximum Price proposal, the Contract Documents will also include the documents described in Section 2.2.3 and identified in the Guaranteed Maximum Price Amendment and revisions prepared by the Architect and furnished by the Owner as described in Section 2.2.8. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. If anything in the other Contract Documents, other than a Modification, is inconsistent with this Agreement, this Agreement shall govern.

§ 1.2 Relationship of the Parties

The Construction Manager accepts the relationship of trust and confidence established by this Agreement and covenants with the Owner to cooperate with the Architect and exercise the Construction Manager's skill and judgment in furthering the interests of the Owner; to furnish efficient construction administration, management services and supervision; to furnish at all times an adequate supply of workers and materials; and to perform the Work in an expeditious and economical manner consistent with the Owner's interests. The Owner agrees to furnish or approve, in a timely manner, information required by the Construction Manager and to make payments to the Construction Manager in accordance with the requirements of the Contract Documents.

§ 1.3 General Conditions

For the Preconstruction Phase, AIA Document A201™–2007, General Conditions of the Contract for Construction, shall apply only as specifically provided in this Agreement. For the Construction Phase, the general conditions of the contract shall be as set forth in A201–2007, which document is incorporated herein by reference. The term "Contractor" as used in A201–2007 shall mean the Construction Manager.

ARTICLE 2 CONSTRUCTION MANAGER'S RESPONSIBILITIES

The Construction Manager's Preconstruction Phase responsibilities are set forth in Sections 2.1 and 2.2. The Construction Manager's Construction Phase responsibilities are set forth in Section 2.3. The Owner and Construction Manager may agree, in consultation with the Architect, for the Construction Phase to commence prior to completion of the Preconstruction Phase, in which case, both phases will proceed concurrently. The Construction Manager shall identify a representative authorized to act on behalf of the Construction Manager with respect to the Project.

§ 2.1 Preconstruction Phase

§ 2.1.1 The Construction Manager shall provide a preliminary evaluation of the Owner's program, schedule and construction budget requirements, each in terms of the other.

§ 2.1.2 Consultation

The Construction Manager shall schedule and conduct meetings with the Architect and Owner to discuss such matters as procedures, progress, coordination, and scheduling of the Work. The Construction Manager shall advise the Owner and the Architect on proposed site use and improvements, selection of materials, and building systems and equipment. The Construction Manager shall also provide recommendations consistent with the Project requirements to the Owner and Architect on constructability; availability of materials and labor; time requirements for procurement, installation and construction; and factors related to construction cost including, but not limited to, costs of alternative designs or materials, preliminary budgets, life-cycle data, and possible cost reductions.

§ 2.1.3 When Project requirements in Section 3.1.1 have been sufficiently identified, the Construction Manager shall prepare and periodically update a Project schedule for the Architect's review and the Owner's acceptance. The Construction Manager shall obtain the Architect's approval for the portion of the Project schedule relating to the performance of the Architect's services. The Project schedule shall coordinate and integrate the Construction Manager's services, the Architect's services, other Owner consultants' services, and the Owner's responsibilities and identify items that could affect the Project's timely completion. The updated Project schedule shall include the following: submission of the Guaranteed Maximum Price proposal; components of the Work; times of commencement and completion required of each Subcontractor; ordering and delivery of products, including those that must be ordered well in advance of construction; and the occupancy requirements of the Owner.

§ 2.1.4 Phased Construction

The Construction Manager shall provide recommendations with regard to accelerated or fast-track scheduling, procurement, or phased construction. The Construction Manager shall take into consideration cost reductions, cost information, constructability, provisions for temporary facilities and procurement and construction scheduling issues.

§ 2.1.5 Preliminary Cost Estimates

§ 2.1.5.1 Based on the preliminary design and other design criteria prepared by the Architect, the Construction Manager shall prepare preliminary estimates of the Cost of the Work or the cost of program requirements using area, volume or similar conceptual estimating techniques for the Architect's review and Owner's approval. If the Architect or Construction Manager suggests alternative materials and systems, the Construction Manager shall provide cost evaluations of those alternative materials and systems.

§ 2.1.5.2 As the Architect progresses with the preparation of the Schematic Design, Design Development and Construction Documents, the Construction Manager shall prepare and update, at appropriate intervals agreed to by the Owner, Construction Manager and Architect, estimates of the Cost of the Work of increasing detail and refinement and allowing for the further development of the design until such time as the Owner and Construction Manager agree on a Guaranteed Maximum Price for the Work. Such estimates shall be provided for the Architect's review and the Owner's approval. The Construction Manager shall inform the Owner and Architect when estimates of the Cost of the Work exceed the latest approved Project budget and make recommendations for corrective action.

§ 2.1.6 Subcontractors and Suppliers

The Construction Manager shall develop bidders' interest in the Project.

§ 2.1.7 The Construction Manager shall prepare, for the Architect's review and the Owner's acceptance, a procurement schedule for items that must be ordered well in advance of construction. The Construction Manager shall expedite and coordinate the ordering and delivery of materials that must be ordered well in advance of construction. If the Owner agrees to procure any items prior to the establishment of the Guaranteed Maximum Price, the Owner shall procure the

items on terms and conditions acceptable to the Construction Manager. Upon the establishment of the Guaranteed Maximum Price, the Owner shall assign all contracts for these items to the Construction Manager and the Construction Manager shall thereafter accept responsibility for them.

§ 2.1.8 Extent of Responsibility

The Construction Manager shall exercise reasonable care in preparing schedules and estimates. The Construction Manager, however, does not warrant or guarantee estimates and schedules except as may be included as part of the Guaranteed Maximum Price. The Construction Manager is not required to ascertain that the Drawings and Specifications are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Construction Manager shall promptly report to the Architect and Owner any nonconformity discovered by or made known to the Construction Manager as a request for information in such form as the Architect may require.

§ 2.1.9 Notices and Compliance with Laws

The Construction Manager shall comply with applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to its performance under this Contract, and with equal employment opportunity programs, and other programs as may be required by governmental and quasi governmental authorities for inclusion in the Contract Documents.

§ 2.2 Guaranteed Maximum Price Proposal and Contract Time

§ 2.2.1 At a time to be mutually agreed upon by the Owner and the Construction Manager and in consultation with the Architect, the Construction Manager shall prepare a Guaranteed Maximum Price proposal for the Owner's review and acceptance. The Guaranteed Maximum Price in the proposal shall be the sum of the Construction Manager's estimate of the Cost of the Work, including contingencies described in Section 2.2.4, and the Construction Manager's Fee.

§ 2.2.2 To the extent that the Drawings and Specifications are anticipated to require further development by the Architect, the Construction Manager shall provide in the Guaranteed Maximum Price for such further development consistent with the Contract Documents and reasonably inferable therefrom. Such further development does not include such things as changes in scope, systems, kinds and quality of materials, finishes or equipment, all of which, if required, shall be incorporated by Change Order.

§ 2.2.3 The Construction Manager shall include with the Guaranteed Maximum Price proposal a written statement of its basis, which shall include the following:

- .1 A list of the Drawings and Specifications, including all Addenda thereto, and the Conditions of the Contract;
- .2 A list of the clarifications and assumptions made by the Construction Manager in the preparation of the Guaranteed Maximum Price proposal, including assumptions under Section 2.2.2, to supplement the information provided by the Owner and contained in the Drawings and Specifications;
- .3 A statement of the proposed Guaranteed Maximum Price, including a statement of the estimated Cost of the Work organized by trade categories or systems, allowances, contingency, and the Construction Manager's Fee;
- .4 The anticipated date of Substantial Completion upon which the proposed Guaranteed Maximum Price is based; and
- .5 A date by which the Owner must accept the Guaranteed Maximum Price.

§ 2.2.4 In preparing the Construction Manager's Guaranteed Maximum Price proposal, the Construction Manager shall include its contingency for the Construction Manager's exclusive use to cover those costs considered reimbursable as the Cost of the Work but not included in a Change Order.

§ 2.2.5 The Construction Manager shall meet with the Owner and Architect to review the Guaranteed Maximum Price proposal. In the event that the Owner and Architect discover any inconsistencies or inaccuracies in the information presented, they shall promptly notify the Construction Manager, who shall make appropriate adjustments to the Guaranteed Maximum Price proposal, its basis, or both.

§ 2.2.6 If the Owner notifies the Construction Manager that the Owner has accepted the Guaranteed Maximum Price proposal in writing before the date specified in the Guaranteed Maximum Price proposal, the Guaranteed Maximum Price proposal shall be deemed effective without further acceptance from the Construction Manager. Following

acceptance of a Guaranteed Maximum Price, the Owner and Construction Manager shall execute the Guaranteed Maximum Price Amendment amending this Agreement, a copy of which the Owner shall provide to the Architect. The Guaranteed Maximum Price Amendment shall set forth the agreed upon Guaranteed Maximum Price with the information and assumptions upon which it is based.

§ 2.2.7 The Construction Manager shall not incur any cost to be reimbursed as part of the Cost of the Work prior to the commencement of the Construction Phase, unless the Owner provides prior written authorization for such costs.

§ 2.2.8 The Owner shall authorize the Architect to provide the revisions to the Drawings and Specifications to incorporate the agreed upon assumptions and clarifications contained in the Guaranteed Maximum Price Amendment. The Owner shall promptly furnish those revised Drawings and Specifications to the Construction Manager as they are revised. The Construction Manager shall notify the Owner and Architect of any inconsistencies between the Guaranteed Maximum Price Amendment and the revised Drawings and Specifications.

§ 2.2.9 The Construction Manager shall include in the Guaranteed Maximum Price all sales, consumer, use and similar taxes for the Work provided by the Construction Manager that are legally enacted, whether or not yet effective, at the time the Guaranteed Maximum Price Amendment is executed.

§ 2.3 Construction Phase

§ 2.3.1 General

§ 2.3.1.1 For purposes of Section 8.1.2 of A201–2007, the date of commencement of the Work shall mean the date of commencement of the Construction Phase.

§ 2.3.1.2 The Construction Phase shall commence upon the Owner's acceptance of the Construction Manager's Guaranteed Maximum Price proposal or the Owner's issuance of a Notice to Proceed, whichever occurs earlier.

§ 2.3.2 Administration

§ 2.3.2.1 Those portions of the Work that the Construction Manager does not customarily perform with the Construction Manager's own personnel shall be performed under subcontracts or by other appropriate agreements with the Construction Manager. The Owner may designate specific persons from whom, or entities from which, the Construction Manager shall obtain bids. The Construction Manager shall obtain bids from Subcontractors and from suppliers of materials or equipment fabricated especially for the Work and shall deliver such bids to the Architect. The Owner shall then determine, with the advice of the Construction Manager and the Architect, which bids will be accepted. The Construction Manager shall not be required to contract with anyone to whom the Construction Manager has reasonable objection.

§ 2.3.2.2 If the Guaranteed Maximum Price has been established and when a specific bidder (1) is recommended to the Owner by the Construction Manager, (2) is qualified to perform that portion of the Work, and (3) has submitted a bid that conforms to the requirements of the Contract Documents without reservations or exceptions, but the Owner requires that another bid be accepted, then the Construction Manager may require that a Change Order be issued to adjust the Contract Time and the Guaranteed Maximum Price by the difference between the bid of the person or entity recommended to the Owner by the Construction Manager and the amount and time requirement of the subcontract or other agreement actually signed with the person or entity designated by the Owner.

§ 2.3.2.3 Subcontracts or other agreements shall conform to the applicable payment provisions of this Agreement, and shall not be awarded on the basis of cost plus a fee without the prior consent of the Owner. If the Subcontract is awarded on a cost plus fee basis, the Construction Manager shall provide in the Subcontract for the Owner to receive the same audit rights with regard to the Subcontractor as the Owner receives with regard to the Construction Manager in Section 6.11 below.

§ 2.3.2.4 If the Construction Manager recommends a specific bidder that may be considered a "related party" according to Section 6.10, then the Construction Manager shall promptly notify the Owner in writing of such relationship and notify the Owner of the specific nature of the contemplated transaction, according to Section 6.10.2.

§ 2.3.2.5 The Construction Manager shall schedule and conduct meetings to discuss such matters as procedures, progress, coordination, scheduling, and status of the Work. The Construction Manager shall prepare and promptly distribute minutes to the Owner and Architect.

§ 2.3.2.6 Upon the execution of the Guaranteed Maximum Price Amendment, the Construction Manager shall prepare and submit to the Owner and Architect a construction schedule for the Work and submittal schedule in accordance with Section 3.10 of A201–2007.

§ 2.3.2.7 The Construction Manager shall record the progress of the Project. On a monthly basis, or otherwise as agreed to by the Owner, the Construction Manager shall submit written progress reports to the Owner and Architect, showing percentages of completion and other information required by the Owner. The Construction Manager shall also keep, and make available to the Owner and Architect, a daily log containing a record for each day of weather, portions of the Work in progress, number of workers on site, identification of equipment on site, problems that might affect progress of the work, accidents, injuries, and other information required by the Owner.

§ 2.3.2.8 The Construction Manager shall develop a system of cost control for the Work, including regular monitoring of actual costs for activities in progress and estimates for uncompleted tasks and proposed changes. The Construction Manager shall identify variances between actual and estimated costs and report the variances to the Owner and Architect and shall provide this information in its monthly reports to the Owner and Architect, in accordance with Section 2.3.2.7 above.

§ 2.4 Professional Services

Section 3.12.10 of A201–2007 shall apply to both the Preconstruction and Construction Phases.

§ 2.5 Hazardous Materials

Section 10.3 of A201–2007 shall apply to both the Preconstruction and Construction Phases.

ARTICLE 3 OWNER'S RESPONSIBILITIES

§ 3.1 Information and Services Required of the Owner

§ 3.1.1 The Owner shall provide information with reasonable promptness, regarding requirements for and limitations on the Project, including a written program which shall set forth the Owner's objectives, constraints, and criteria, including schedule, space requirements and relationships, flexibility and expandability, special equipment, systems, sustainability and site requirements.

§ 3.1.2 Prior to the execution of the Guaranteed Maximum Price Amendment, the Construction Manager may request in writing that the Owner provide reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. Thereafter, the Construction Manager may only request such evidence if (1) the Owner fails to make payments to the Construction Manager as the Contract Documents require, (2) a change in the Work materially changes the Contract Sum, or (3) the Construction Manager identifies in writing a reasonable concern regarding the Owner's ability to make payment when due. The Owner shall furnish such evidence as a condition precedent to commencement or continuation of the Work or the portion of the Work affected by a material change. After the Owner furnishes the evidence, the Owner shall not materially vary such financial arrangements without prior notice to the Construction Manager and Architect.

§ 3.1.3 The Owner shall establish and periodically update the Owner's budget for the Project, including (1) the budget for the Cost of the Work as defined in Section 6.1.1, (2) the Owner's other costs, and (3) reasonable contingencies related to all of these costs. If the Owner significantly increases or decreases the Owner's budget for the Cost of the Work, the Owner shall notify the Construction Manager and Architect. The Owner and the Architect, in consultation with the Construction Manager, shall thereafter agree to a corresponding change in the Project's scope and quality.

§ 3.1.4 Structural and Environmental Tests, Surveys and Reports. During the Preconstruction Phase, the Owner shall furnish the following information or services with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Construction Manager's performance of the Work with reasonable promptness after receiving the Construction Manager's written request for such information or services. The Construction Manager shall be entitled to rely on the accuracy of information and services furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

§ 3.1.4.1 The Owner shall furnish tests, inspections and reports required by law and as otherwise agreed to by the parties, such as structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials.

§ 3.1.4.2 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site. The surveys and legal information shall include, as applicable, grades and lines of streets, alleys, pavements and adjoining property and structures; designated wetlands; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions and necessary data with respect to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a Project benchmark.

§ 3.1.4.3 The Owner, when such services are requested, shall furnish services of geotechnical engineers, which may include but are not limited to test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, seismic evaluation, ground corrosion tests and resistivity tests, including necessary operations for anticipating subsoil conditions, with written reports and appropriate recommendations.

§ 3.1.4.4 During the Construction Phase, the Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Construction Manager's performance of the Work with reasonable promptness after receiving the Construction Manager's written request for such information or services.

§ 3.2 Owner's Designated Representative

The Owner shall identify a representative authorized to act on behalf of the Owner with respect to the Project. The Owner's representative shall render decisions promptly and furnish information expeditiously, so as to avoid unreasonable delay in the services or Work of the Construction Manager. Except as otherwise provided in Section 4.2.1 of A201–2007, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

§ 3.2.1 **Legal Requirements.** The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests.

§ 3.3 Architect

The Owner shall retain an Architect to provide services, duties and responsibilities as described in AIA Document B133™–2014, Standard Form of Agreement Between Owner and Architect, Construction Manager as Constructor Edition. The Owner shall provide the Construction Manager a copy of the executed agreement between the Owner and the Architect, and any further modifications to the agreement.

ARTICLE 4 COMPENSATION AND PAYMENTS FOR PRECONSTRUCTION PHASE SERVICES

§ 4.1 Compensation

§ 4.1.1 For the Construction Manager's Preconstruction Phase services, the Owner shall compensate the Construction Manager as follows:

§ 4.1.2 For the Construction Manager's Preconstruction Phase services described in Sections 2.1 and 2.2:
(Insert amount of, or basis for, compensation and include a list of reimbursable cost items, as applicable.)

Fixed Fee: \$49,850.00 (Forty-nine Thousand Eight Hundred Fifty Dollars)

§ 4.1.3 If the Preconstruction Phase services covered by this Agreement have not been completed within () months of the date of this Agreement, through no fault of the Construction Manager, the Construction Manager's compensation for Preconstruction Phase services shall be equitably adjusted.

§ 4.1.4 Compensation based on Direct Personnel Expense includes the direct salaries of the Construction Manager's personnel providing Preconstruction Phase services on the Project and the Construction Manager's costs for the mandatory and customary contributions and benefits related thereto, such as employment taxes and other statutory employee benefits, insurance, sick leave, holidays, vacations, employee retirement plans and similar contributions.

§ 4.2 Payments

§ 4.2.1 Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed.

§ 4.2.2 Payments are due and payable upon presentation of the Construction Manager's invoice. Amounts unpaid 45 (Forty-five) days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Construction Manager.
(Insert rate of monthly or annual interest agreed upon.)

1.5 % Monthly

ARTICLE 5 COMPENSATION FOR CONSTRUCTION PHASE SERVICES

§ 5.1 For the Construction Manager's performance of the Work as described in Section 2.3, the Owner shall pay the Construction Manager the Contract Sum in current funds. The Contract Sum is the Cost of the Work as defined in Section 6.1.1 plus the Construction Manager's Fee.

§ 5.1.1 The Construction Manager's Fee:

(State a lump sum, percentage of Cost of the Work or other provision for determining the Construction Manager's Fee.)

Fee as Percent of Total Guaranteed Maximum Price Value – 6.75%

General Conditions for CMAR: Monthly Rate of \$34,100.00 (Estimated Duration Basis 14 Months)

§ 5.1.2 The method of adjustment of the Construction Manager's Fee for changes in the Work:

Plus (+) Seven and One Half Percent (7.5%) of the Cost of Work for Additive Changes

Minus (-) One Percent (1%) of the Cost of Work for Deductive Changes

§ 5.1.3 Limitations, if any, on a Subcontractor's overhead and profit for increases in the cost of its portion of the Work:

15% Maximum

§ 5.1.4 Rental rates for Construction Manager-owned equipment shall not exceed One Hundred percent (100 %) of the standard rate paid at the place of the Project.

§ 5.1.5 Unit prices, if any:

(Identify and state the unit price; state the quantity limitations, if any, to which the unit price will be applicable.)

Item	Units and Limitations	Price per Unit (\$0.00)
------	-----------------------	-------------------------

§ 5.2 Guaranteed Maximum Price

§ 5.2.1 The Construction Manager guarantees that the Contract Sum shall not exceed the Guaranteed Maximum Price set forth in the Guaranteed Maximum Price Amendment, as it is amended from time to time. To the extent the Cost of the Work exceeds the Guaranteed Maximum Price, the Construction Manager shall bear such costs in excess of the Guaranteed Maximum Price without reimbursement or additional compensation from the Owner.

(Insert specific provisions if the Construction Manager is to participate in any savings.)

All Savings to be Split 50/50 between Owner and Construction Manager at Risk

§ 5.2.2 The Guaranteed Maximum Price is subject to additions and deductions by Change Order as provided in the Contract Documents and the Date of Substantial Completion shall be subject to adjustment as provided in the Contract Documents.

§ 5.3 Changes in the Work

§ 5.3.1 The Owner may, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions. The Owner shall issue such changes in writing. The Architect may make minor changes in the Work as provided in Section 7.4 of AIA Document A201-2007, General Conditions of the Contract for Construction. The Construction Manager shall be entitled to an equitable adjustment in the Contract Time as a result of changes in the Work.

§ 5.3.2 Adjustments to the Guaranteed Maximum Price on account of changes in the Work subsequent to the execution of the Guaranteed Maximum Price Amendment may be determined by any of the methods listed in Section 7.3.3 of AIA Document A201–2007, General Conditions of the Contract for Construction.

§ 5.3.3 In calculating adjustments to subcontracts (except those awarded with the Owner's prior consent on the basis of cost plus a fee), the terms "cost" and "fee" as used in Section 7.3.3.3 of AIA Document A201–2007 and the term "costs" as used in Section 7.3.7 of AIA Document A201–2007 shall have the meanings assigned to them in AIA Document A201–2007 and shall not be modified by Sections 5.1 and 5.2, Sections 6.1 through 6.7, and Section 6.8 of this Agreement. Adjustments to subcontracts awarded with the Owner's prior consent on the basis of cost plus a fee shall be calculated in accordance with the terms of those subcontracts.

§ 5.3.4 In calculating adjustments to the Guaranteed Maximum Price, the terms "cost" and "costs" as used in the above-referenced provisions of AIA Document A201–2007 shall mean the Cost of the Work as defined in Sections 6.1 to 6.7 of this Agreement and the term "fee" shall mean the Construction Manager's Fee as defined in Section 5.1 of this Agreement.

§ 5.3.5 If no specific provision is made in Section 5.1.2 for adjustment of the Construction Manager's Fee in the case of changes in the Work, or if the extent of such changes is such, in the aggregate, that application of the adjustment provisions of Section 5.1.2 will cause substantial inequity to the Owner or Construction Manager, the Construction Manager's Fee shall be equitably adjusted on the same basis that was used to establish the Fee for the original Work, and the Guaranteed Maximum Price shall be adjusted accordingly.

ARTICLE 6 COST OF THE WORK FOR CONSTRUCTION PHASE

§ 6.1 Costs to Be Reimbursed

§ 6.1.1 The term Cost of the Work shall mean costs necessarily incurred by the Construction Manager in the proper performance of the Work. Such costs shall be at rates not higher than the standard paid at the place of the Project except with prior consent of the Owner. The Cost of the Work shall include only the items set forth in Sections 6.1 through 6.7.

§ 6.1.2 Where any cost is subject to the Owner's prior approval, the Construction Manager shall obtain this approval prior to incurring the cost. The parties shall endeavor to identify any such costs prior to executing Guaranteed Maximum Price Amendment.

§ 6.2 Labor Costs

§ 6.2.1 Wages of construction workers directly employed by the Construction Manager to perform the construction of the Work at the site or, with the Owner's prior approval, at off-site workshops.

§ 6.2.2 Wages or salaries of the Construction Manager's supervisory and administrative personnel when stationed at the site with the Owner's prior approval.

(If it is intended that the wages or salaries of certain personnel stationed at the Construction Manager's principal or other offices shall be included in the Cost of the Work, identify in Section 11.5, the personnel to be included, whether for all or only part of their time, and the rates at which their time will be charged to the Work.)

§ 6.2.3 Wages and salaries of the Construction Manager's supervisory or administrative personnel engaged at factories, workshops or on the road, in expediting the production or transportation of materials or equipment required for the Work, but only for that portion of their time required for the Work.

§ 6.2.4 Costs paid or incurred by the Construction Manager for taxes, insurance, contributions, assessments and benefits required by law or collective bargaining agreements and, for personnel not covered by such agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Sections 6.2.1 through 6.2.3.

§ 6.2.5 Bonuses, profit sharing, incentive compensation and any other discretionary payments paid to anyone hired by the Construction Manager or paid to any Subcontractor or vendor, with the Owner's prior approval.

§ 6.3 Subcontract Costs

Payments made by the Construction Manager to Subcontractors in accordance with the requirements of the subcontracts.

§ 6.4 Costs of Materials and Equipment Incorporated in the Completed Construction

§ 6.4.1 Costs, including transportation and storage, of materials and equipment incorporated or to be incorporated in the completed construction.

§ 6.4.2 Costs of materials described in the preceding Section 6.4.1 in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall become the Owner's property at the completion of the Work or, at the Owner's option, shall be sold by the Construction Manager. Any amounts realized from such sales shall be credited to the Owner as a deduction from the Cost of the Work.

§ 6.5 Costs of Other Materials and Equipment, Temporary Facilities and Related Items

§ 6.5.1 Costs of transportation, storage, installation, maintenance, dismantling and removal of materials, supplies, temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Construction Manager at the site and fully consumed in the performance of the Work. Costs of materials, supplies, temporary facilities, machinery, equipment and tools that are not fully consumed shall be based on the cost or value of the item at the time it is first used on the Project site less the value of the item when it is no longer used at the Project site. Costs for items not fully consumed by the Construction Manager shall mean fair market value.

§ 6.5.2 Rental charges for temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Construction Manager at the site and costs of transportation, installation, minor repairs, dismantling and removal. The total rental cost of any Construction Manager-owned item may not exceed the purchase price of any comparable item. Rates of Construction Manager-owned equipment and quantities of equipment shall be subject to the Owner's prior approval.

§ 6.5.3 Costs of removal of debris from the site of the Work and its proper and legal disposal.

§ 6.5.4 Costs of document reproductions, facsimile transmissions and long-distance telephone calls, postage and parcel delivery charges, telephone service at the site and reasonable petty cash expenses of the site office.

§ 6.5.5 That portion of the reasonable expenses of the Construction Manager's supervisory or administrative personnel incurred while traveling in discharge of duties connected with the Work.

§ 6.5.6 Costs of materials and equipment suitably stored off the site at a mutually acceptable location, subject to the Owner's prior approval.

§ 6.6 Miscellaneous Costs

§ 6.6.1 Premiums for that portion of insurance and bonds required by the Contract Documents that can be directly attributed to this Contract. Self-insurance for either full or partial amounts of the coverages required by the Contract Documents, with the Owner's prior approval.

§ 6.6.2 Sales, use or similar taxes imposed by a governmental authority that are related to the Work and for which the Construction Manager is liable.

§ 6.6.3 Fees and assessments for the building permit and for other permits, licenses and inspections for which the Construction Manager is required by the Contract Documents to pay.

§ 6.6.4 Fees of laboratories for tests required by the Contract Documents, except those related to defective or nonconforming Work for which reimbursement is excluded by Section 13.5.3 of AIA Document A201-2007 or by other provisions of the Contract Documents, and which do not fall within the scope of Section 6.7.3.

§ 6.6.5 Royalties and license fees paid for the use of a particular design, process or product required by the Contract Documents; the cost of defending suits or claims for infringement of patent rights arising from such requirement of the Contract Documents; and payments made in accordance with legal judgments against the Construction Manager resulting from such suits or claims and payments of settlements made with the Owner's consent. However, such costs

of legal defenses, judgments and settlements shall not be included in the calculation of the Construction Manager's Fee or subject to the Guaranteed Maximum Price. If such royalties, fees and costs are excluded by the last sentence of Section 3.17 of AIA Document A201-2007 or other provisions of the Contract Documents, then they shall not be included in the Cost of the Work.

§ 6.6.6 Costs for electronic equipment and software, directly related to the Work with the Owner's prior approval.

§ 6.6.7 Deposits lost for causes other than the Construction Manager's negligence or failure to fulfill a specific responsibility in the Contract Documents.

§ 6.6.8 Legal, mediation and arbitration costs, including attorneys' fees, other than those arising from disputes between the Owner and Construction Manager, reasonably incurred by the Construction Manager after the execution of this Agreement in the performance of the Work and with the Owner's prior approval, which shall not be unreasonably withheld.

§ 6.6.9 Subject to the Owner's prior approval, expenses incurred in accordance with the Construction Manager's standard written personnel policy for relocation and temporary living allowances of the Construction Manager's personnel required for the Work.

§ 6.7 Other Costs and Emergencies

§ 6.7.1 Other costs incurred in the performance of the Work if, and to the extent, approved in advance in writing by the Owner.

§ 6.7.2 Costs incurred in taking action to prevent threatened damage, injury or loss in case of an emergency affecting the safety of persons and property, as provided in Section 10.4 of AIA Document A201-2007.

§ 6.7.3 Costs of repairing or correcting damaged or nonconforming Work executed by the Construction Manager, Subcontractors or suppliers, provided that such damaged or nonconforming Work was not caused by negligence or failure to fulfill a specific responsibility of the Construction Manager and only to the extent that the cost of repair or correction is not recovered by the Construction Manager from insurance, sureties, Subcontractors, suppliers, or others.

§ 6.7.4 The costs described in Sections 6.1 through 6.7 shall be included in the Cost of the Work, notwithstanding any provision of AIA Document A201-2007 or other Conditions of the Contract which may require the Construction Manager to pay such costs, unless such costs are excluded by the provisions of Section 6.8.

§ 6.8 Costs Not To Be Reimbursed

§ 6.8.1 The Cost of the Work shall not include the items listed below:

- .1 Salaries and other compensation of the Construction Manager's personnel stationed at the Construction Manager's principal office or offices other than the site office, except as specifically provided in Section 6.2, or as may be provided in Article 11;
- .2 Expenses of the Construction Manager's principal office and offices other than the site office;
- .3 Overhead and general expenses, except as may be expressly included in Sections 6.1 to 6.7;
- .4 The Construction Manager's capital expenses, including interest on the Construction Manager's capital employed for the Work;
- .5 Except as provided in Section 6.7.3 of this Agreement, costs due to the negligence or failure of the Construction Manager, Subcontractors and suppliers or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable to fulfill a specific responsibility of the Contract;
- .6 Any cost not specifically and expressly described in Sections 6.1 to 6.7;
- .7 Costs, other than costs included in Change Orders approved by the Owner, that would cause the Guaranteed Maximum Price to be exceeded; and
- .8 Costs for services incurred during the Preconstruction Phase.

§ 6.9 Discounts, Rebates and Refunds

§ 6.9.1 Cash discounts obtained on payments made by the Construction Manager shall accrue to the Owner if (1) before making the payment, the Construction Manager included them in an Application for Payment and received payment from the Owner, or (2) the Owner has deposited funds with the Construction Manager with which to make payments; otherwise, cash discounts shall accrue to the Construction Manager. Trade discounts, rebates, refunds and

amounts received from sales of surplus materials and equipment shall accrue to the Owner, and the Construction Manager shall make provisions so that they can be obtained.

§ 6.9.2 Amounts that accrue to the Owner in accordance with the provisions of Section 6.9.1 shall be credited to the Owner as a deduction from the Cost of the Work.

§ 6.10 Related Party Transactions

§ 6.10.1 For purposes of Section 6.10, the term "related party" shall mean a parent, subsidiary, affiliate or other entity having common ownership or management with the Construction Manager; any entity in which any stockholder in, or management employee of, the Construction Manager owns any interest in excess of ten percent in the aggregate; or any person or entity which has the right to control the business or affairs of the Construction Manager. The term "related party" includes any member of the immediate family of any person identified above.

§ 6.10.2 If any of the costs to be reimbursed arise from a transaction between the Construction Manager and a related party, the Construction Manager shall notify the Owner of the specific nature of the contemplated transaction, including the identity of the related party and the anticipated cost to be incurred, before any such transaction is consummated or cost incurred. If the Owner, after such notification, authorizes the proposed transaction, then the cost incurred shall be included as a cost to be reimbursed, and the Construction Manager shall procure the Work, equipment, goods or service from the related party, as a Subcontractor, according to the terms of Sections 2.3.2.1, 2.3.2.2 and 2.3.2.3. If the Owner fails to authorize the transaction, the Construction Manager shall procure the Work, equipment, goods or service from some person or entity other than a related party according to the terms of Sections 2.3.2.1, 2.3.2.2 and 2.3.2.3.

§ 6.11 Accounting Records

The Construction Manager shall keep full and detailed records and accounts related to the cost of the Work and exercise such controls as may be necessary for proper financial management under this Contract and to substantiate all costs incurred. The accounting and control systems shall be satisfactory to the Owner. The Owner and the Owner's auditors shall, during regular business hours and upon reasonable notice, be afforded access to, and shall be permitted to audit and copy, the Construction Manager's records and accounts, including complete documentation supporting accounting entries, books, correspondence, instructions, drawings, receipts, subcontracts, Subcontractor's proposals, purchase orders, vouchers, memoranda and other data relating to this Contract. The Construction Manager shall preserve these records for a period of three years after final payment, or for such longer period as may be required by law.

ARTICLE 7 PAYMENTS FOR CONSTRUCTION PHASE SERVICES

§ 7.1 Progress Payments

§ 7.1.1 Based upon Applications for Payment submitted to the Architect by the Construction Manager and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Construction Manager as provided below and elsewhere in the Contract Documents.

§ 7.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

N/A

§ 7.1.3 Provided that an Application for Payment is received by the Architect not later than the 25 day of a month, the Owner shall make payment of the certified amount to the Construction Manager not later than the 25 day of the following month. If an Application for Payment is received by the Architect after the application date fixed above, payment shall be made by the Owner not later than 30 (Thirty) days after the Architect receives the Application for Payment.

(Federal, state or local laws may require payment within a certain period of time.)

§ 7.1.4 With each Application for Payment, the Construction Manager shall submit payrolls, petty cash accounts, receipted invoices or invoices with check vouchers attached, and any other evidence required by the Owner or Architect to demonstrate that cash disbursements already made by the Construction Manager on account of the Cost of the Work equal or exceed progress payments already received by the Construction Manager, less that portion of those

payments attributable to the Construction Manager's Fee, plus payrolls for the period covered by the present Application for Payment.

§ 7.1.5 Each Application for Payment shall be based on the most recent schedule of values submitted by the Construction Manager in accordance with the Contract Documents. The schedule of values shall allocate the entire Guaranteed Maximum Price among the various portions of the Work, except that the Construction Manager's Fee shall be shown as a single separate item. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Construction Manager's Applications for Payment.

§ 7.1.6 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment. The percentage of completion shall be the lesser of (1) the percentage of that portion of the Work which has actually been completed, or (2) the percentage obtained by dividing (a) the expense that has actually been incurred by the Construction Manager on account of that portion of the Work for which the Construction Manager has made or intends to make actual payment prior to the next Application for Payment by (b) the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values.

§ 7.1.7 Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

- .1 Take that portion of the Guaranteed Maximum Price properly allocable to completed Work as determined by multiplying the percentage of completion of each portion of the Work by the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values. Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute shall be included as provided in Section 7.3.9 of AIA Document A201-2007;
- .2 Add that portion of the Guaranteed Maximum Price properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work, or if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing;
- .3 Add the Construction Manager's Fee, less retainage of Five percent (5 %). The Construction Manager's Fee shall be computed upon the Cost of the Work at the rate stated in Section 5.1 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, shall be an amount that bears the same ratio to that fixed-sum fee as the Cost of the Work bears to a reasonable estimate of the probable Cost of the Work upon its completion;
- .4 Subtract retainage of Five percent (5 %) from that portion of the Work that the Construction Manager self-performs;
- .5 Subtract the aggregate of previous payments made by the Owner;
- .6 Subtract the shortfall, if any, indicated by the Construction Manager in the documentation required by Section 7.1.4 to substantiate prior Applications for Payment, or resulting from errors subsequently discovered by the Owner's auditors in such documentation; and
- .7 Subtract amounts, if any, for which the Architect has withheld or nullified a Certificate for Payment as provided in Section 9.5 of AIA Document A201-2007.

§ 7.1.8 The Owner and Construction Manager shall agree upon (1) a mutually acceptable procedure for review and approval of payments to Subcontractors and (2) the percentage of retainage held on Subcontracts, and the Construction Manager shall execute subcontracts in accordance with those agreements.

§ 7.1.9 Except with the Owner's prior approval, the Construction Manager shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

§ 7.1.10 In taking action on the Construction Manager's Applications for Payment, the Architect shall be entitled to rely on the accuracy and completeness of the information furnished by the Construction Manager and shall not be deemed to represent that the Architect has made a detailed examination, audit or arithmetic verification of the documentation submitted in accordance with Section 7.1.4 or other supporting data; that the Architect has made exhaustive or continuous on-site inspections; or that the Architect has made examinations to ascertain how or for what purposes the Construction Manager has used amounts previously paid on account of the Contract. Such examinations, audits and verifications, if required by the Owner, will be performed by the Owner's auditors acting in the sole interest of the Owner.

§ 7.2 Final Payment

§ 7.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Construction Manager when

- .1 the Construction Manager has fully performed the Contract except for the Construction Manager's responsibility to correct Work as provided in Section 12.2.2 of AIA Document A201–2007, and to satisfy other requirements, if any, which extend beyond final payment;
- .2 the Construction Manager has submitted a final accounting for the Cost of the Work and a final Application for Payment; and
- .3 a final Certificate for Payment has been issued by the Architect.

The Owner's final payment to the Construction Manager shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows:

§ 7.2.2 The Owner's auditors will review and report in writing on the Construction Manager's final accounting within 30 days after delivery of the final accounting to the Architect by the Construction Manager. Based upon such Cost of the Work as the Owner's auditors report to be substantiated by the Construction Manager's final accounting, and provided the other conditions of Section 7.2.1 have been met, the Architect will, within seven days after receipt of the written report of the Owner's auditors, either issue to the Owner a final Certificate for Payment with a copy to the Construction Manager, or notify the Construction Manager and Owner in writing of the Architect's reasons for withholding a certificate as provided in Section 9.5.1 of the AIA Document A201–2007. The time periods stated in this Section supersede those stated in Section 9.4.1 of the AIA Document A201–2007. The Architect is not responsible for verifying the accuracy of the Construction Manager's final accounting.

§ 7.2.3 If the Owner's auditors report the Cost of the Work as substantiated by the Construction Manager's final accounting to be less than claimed by the Construction Manager, the Construction Manager shall be entitled to request mediation of the disputed amount without seeking an initial decision pursuant to Section 15.2 of A201–2007. A request for mediation shall be made by the Construction Manager within 30 days after the Construction Manager's receipt of a copy of the Architect's final Certificate for Payment. Failure to request mediation within this 30-day period shall result in the substantiated amount reported by the Owner's auditors becoming binding on the Construction Manager. Pending a final resolution of the disputed amount, the Owner shall pay the Construction Manager the amount certified in the Architect's final Certificate for Payment.

§ 7.2.4 If, subsequent to final payment and at the Owner's request, the Construction Manager incurs costs described in Section 6.1.1 and not excluded by Section 6.8 to correct defective or nonconforming Work, the Owner shall reimburse the Construction Manager such costs and the Construction Manager's Fee applicable thereto on the same basis as if such costs had been incurred prior to final payment, but not in excess of the Guaranteed Maximum Price. If the Construction Manager has participated in savings as provided in Section 5.2.1, the amount of such savings shall be recalculated and appropriate credit given to the Owner in determining the net amount to be paid by the Owner to the Construction Manager.

ARTICLE 8 INSURANCE AND BONDS

For all phases of the Project, the Construction Manager and the Owner shall purchase and maintain insurance, and the Construction Manager shall provide bonds as set forth in Article 11 of AIA Document A201–2007.

(State bonding requirements, if any, and limits of liability for insurance required in Article 11 of AIA Document A201–2007.)

Type of Insurance or Bond	Limit of Liability or Bond Amount (\$0.00)
General Liability	\$1,000,000
Automobile Liability	\$1,000,000
Umbrella Liability	\$5,000,000
Workers Compensation and Employers Liability	\$1,000,000
Payment and Performance Bond	Bond to be Calculated at (0.92) Percent of the Total Guaranteed Maximum Price

ARTICLE 9 DISPUTE RESOLUTION

§ 9.1 Any Claim between the Owner and Construction Manager shall be resolved in accordance with the provisions set forth in this Article 9 and Article 15 of A201–2007. However, for Claims arising from or relating to the Construction Manager's Preconstruction Phase services, no decision by the Initial Decision Maker shall be required as a condition precedent to mediation or binding dispute resolution, and Section 9.3 of this Agreement shall not apply.

§ 9.2 For any Claim subject to, but not resolved by mediation pursuant to Section 15.3 of AIA Document A201–2007, the method of binding dispute resolution shall be as follows:

(Check the appropriate box. If the Owner and Construction Manager do not select a method of binding dispute resolution below, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.)

- ☒ [X] Arbitration pursuant to Section 15.4 of AIA Document A201–2007
- ☐ [] Litigation in a court of competent jurisdiction
- ☐ [] Other: *(Specify)*

§ 9.3 Initial Decision Maker

The Architect will serve as the Initial Decision Maker pursuant to Section 15.2 of AIA Document A201–2007 for Claims arising from or relating to the Construction Manager's Construction Phase services, unless the parties appoint below another individual, not a party to the Agreement, to serve as the Initial Decision Maker.

(If the parties mutually agree, insert the name, address and other contact information of the Initial Decision Maker, if other than the Architect.)

ARTICLE 10 TERMINATION OR SUSPENSION**§ 10.1 Termination Prior to Establishment of the Guaranteed Maximum Price**

§ 10.1.1 Prior to the execution of the Guaranteed Maximum Price Amendment, the Owner may terminate this Agreement upon not less than seven days' written notice to the Construction Manager for the Owner's convenience and without cause, and the Construction Manager may terminate this Agreement, upon not less than seven days' written notice to the Owner, for the reasons set forth in Section 14.1.1 of A201–2007.

§ 10.1.2 In the event of termination of this Agreement pursuant to Section 10.1.1, the Construction Manager shall be equitably compensated for Preconstruction Phase services performed prior to receipt of a notice of termination. In no event shall the Construction Manager's compensation under this Section exceed the compensation set forth in Section 4.1.

§ 10.1.3 If the Owner terminates the Contract pursuant to Section 10.1.1 after the commencement of the Construction Phase but prior to the execution of the Guaranteed Maximum Price Amendment, the Owner shall pay to the Construction Manager an amount calculated as follows, which amount shall be in addition to any compensation paid to the Construction Manager under Section 10.1.2:

- .1 Take the Cost of the Work incurred by the Construction Manager to the date of termination;
- .2 Add the Construction Manager's Fee computed upon the Cost of the Work to the date of termination at the rate stated in Section 5.1 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum Fee as the Cost of the Work at the time of termination bears to a reasonable estimate of the probable Cost of the Work upon its completion; and
- .3 Subtract the aggregate of previous payments made by the Owner for Construction Phase services.

The Owner shall also pay the Construction Manager fair compensation, either by purchase or rental at the election of the Owner, for any equipment owned by the Construction Manager which the Owner elects to retain and which is not otherwise included in the Cost of the Work under Section 10.1.3.1. To the extent that the Owner elects to take legal assignment of subcontracts and purchase orders (including rental agreements), the Construction Manager shall, as a condition of receiving the payments referred to in this Article 10, execute and deliver all such papers and take all such steps, including the legal assignment of such subcontracts and other contractual rights of the Construction Manager, as the Owner may require for the purpose of fully vesting in the Owner the rights and benefits of the Construction Manager under such subcontracts or purchase orders. All Subcontracts, purchase orders and rental agreements entered into by the Construction Manager will contain provisions allowing for assignment to the Owner as described above.

If the Owner accepts assignment of subcontracts, purchase orders or rental agreements as described above, the Owner will reimburse or indemnify the Construction Manager for all costs arising under the subcontract, purchase order or rental agreement, if those costs would have been reimbursable as Cost of the Work if the contract had not been terminated. If the Owner chooses not to accept assignment of any subcontract, purchase order or rental agreement that would have constituted a Cost of the Work had this agreement not been terminated, the Construction Manager will terminate the subcontract, purchase order or rental agreement and the Owner will pay the Construction Manager the costs necessarily incurred by the Construction Manager because of such termination.

§ 10.2 Termination Subsequent to Establishing Guaranteed Maximum Price

Following execution of the Guaranteed Maximum Price Amendment and subject to the provisions of Section 10.2.1 and 10.2.2 below, the Contract may be terminated as provided in Article 14 of AIA Document A201–2007.

§ 10.2.1 If the Owner terminates the Contract after execution of the Guaranteed Maximum Price Amendment, the amount payable to the Construction Manager pursuant to Sections 14.2 and 14.4 of A201–2007 shall not exceed the amount the Construction Manager would otherwise have received pursuant to Sections 10.1.2 and 10.1.3 of this Agreement.

§ 10.2.2 If the Construction Manager terminates the Contract after execution of the Guaranteed Maximum Price Amendment, the amount payable to the Construction Manager under Section 14.1.3 of A201–2007 shall not exceed the amount the Construction Manager would otherwise have received under Sections 10.1.2 and 10.1.3 above, except that the Construction Manager's Fee shall be calculated as if the Work had been fully completed by the Construction Manager, utilizing as necessary a reasonable estimate of the Cost of the Work for Work not actually completed.

§ 10.3 Suspension

The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201–2007. In such case, the Guaranteed Maximum Price and Contract Time shall be increased as provided in Section 14.3.2 of AIA Document A201–2007, except that the term "profit" shall be understood to mean the Construction Manager's Fee as described in Sections 5.1 and 5.3.5 of this Agreement.

ARTICLE 11 MISCELLANEOUS PROVISIONS

§ 11.1 Terms in this Agreement shall have the same meaning as those in A201–2007.

§ 11.2 Ownership and Use of Documents

Section 1.5 of A201–2007 shall apply to both the Preconstruction and Construction Phases.

§ 11.3 Governing Law

Section 13.1 of A201–2007 shall apply to both the Preconstruction and Construction Phases.

§ 11.4 Assignment

The Owner and Construction Manager, respectively, bind themselves, their agents, successors, assigns and legal representatives to this Agreement. Neither the Owner nor the Construction Manager shall assign this Agreement without the written consent of the other, except that the Owner may assign this Agreement to a lender providing financing for the Project if the lender agrees to assume the Owner's rights and obligations under this Agreement. Except as provided in Section 13.2.2 of A201–2007, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 11.5 Other provisions:

ARTICLE 12 SCOPE OF THE AGREEMENT

§ 12.1 This Agreement represents the entire and integrated agreement between the Owner and the Construction Manager and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Construction Manager.

§ 12.2 The following documents comprise the Agreement:

- .1 AIA Document A133–2009, Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price
- .2 AIA Document A201–2007, General Conditions of the Contract for Construction
- .3 AIA Document E201™–2007, Digital Data Protocol Exhibit, if completed, or the following:

N/A

- .4 AIA Document E202™–2008, Building Information Modeling Protocol Exhibit, if completed, or the following:

N/A

- .5 Other documents:
(List other documents, if any, forming part of the Agreement.)

Exhibit "A" – Pages 1-2, A133-2009 Exhibit "A" (Blank form to be completed when final GMP established)

Exhibit "B" – pages 1-2, Basis of Calculation for Guaranteed Maximum Price Contract Value

This Agreement is entered into as of the day and year first written above.

OWNER (Signature)

(Printed name and title)

CONSTRUCTION MANAGER (Signature)

Jamie Yoxtheimer, President

(Printed name and title)

AIA® Document A133™ – 2009 Exhibit A

Guaranteed Maximum Price Amendment

for the following PROJECT:

(Name and address or location)

Harrisburg Park Expansion
130 Sims Parkway
Harrisburg, NC 28075

THE OWNER:

(Name, legal status and address)

Town of Harrisburg
4100 Main Street, Suite 103
Harrisburg, NC 28075

THE CONSTRUCTION MANAGER:

(Name, legal status and address)

J.D. Goodrum Company, Inc.
18339-F Old Statesville Road
Cornelius, NC 28031

ARTICLE A.1

§ A.1.1 Guaranteed Maximum Price

Pursuant to Section 2.2.6 of the Agreement, the Owner and Construction Manager hereby amend the Agreement to establish a Guaranteed Maximum Price. As agreed by the Owner and Construction Manager, the Guaranteed Maximum Price is an amount that the Contract Sum shall not exceed. The Contract Sum consists of the Construction Manager's Fee plus the Cost of the Work, as that term is defined in Article 6 of this Agreement.

§ A.1.1.1 The Contract Sum is guaranteed by the Construction Manager not to exceed (\$), subject to additions and deductions by Change Order as provided in the Contract Documents.

§ A.1.1.2 Itemized Statement of the Guaranteed Maximum Price. Provided below is an itemized statement of the Guaranteed Maximum Price organized by trade categories, allowances, contingencies, alternates, the Construction Manager's Fee, and other items that comprise the Guaranteed Maximum Price.
(Provide below or reference an attachment.)

§ A.1.1.3 The Guaranteed Maximum Price is based on the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:
(State the numbers or other identification of accepted alternates. If the Contract Documents permit the Owner to accept other alternates subsequent to the execution of this Amendment, attach a schedule of such other alternates showing the amount for each and the date when the amount expires.)

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

AIA Document A201™–2007, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

ELECTRONIC COPYING of any portion of this AIA® Document to another electronic file is prohibited and constitutes a violation of copyright laws as set forth in the footer of this document.

§ A.1.1.4 Allowances included in the Guaranteed Maximum Price, if any:
(Identify allowance and state exclusions, if any, from the allowance price.)

Item	Price (\$0.00)

§ A.1.1.5 Assumptions, if any, on which the Guaranteed Maximum Price is based:

§ A.1.1.6 The Guaranteed Maximum Price is based upon the following Supplementary and other Conditions of the Contract:

Document	Title	Date	Pages

§ A.1.1.7 The Guaranteed Maximum Price is based upon the following Specifications:
(Either list the Specifications here, or refer to an exhibit attached to this Agreement.)

Section	Title	Date	Pages

§ A.1.1.8 The Guaranteed Maximum Price is based upon the following Drawings:
(Either list the Drawings here, or refer to an exhibit attached to this Agreement.)

Number	Title	Date

§ A.1.1.9 The Guaranteed Maximum Price is based upon the following other documents and information:
(List any other documents or information here, or refer to an exhibit attached to this Agreement.)

ARTICLE A.2

§ A.2.1 The anticipated date of Substantial Completion established by this Amendment:

OWNER (Signature)

(Printed name and title)

CONSTRUCTION MANAGER (Signature)

Jamie Yoxtheimer Vice President

(Printed name and title)



HARRISBURG PARK-----EXHIBIT "B"
PROPOSED CMAR COST & FEE STRUCTURE
01.02.19

CMAR-PreConstruction Services (Fixed Fee)

Preconstruction- Reference Schedule of Cost Inclusions \$49,850

Total PreConstruction (Fixed Fee) \$49,850

(A) CMAR-General Conditions (Projected @ 14 Months)- Monthly Bill Rate

General Conditions- Reference Schedule For Cost Inclusions \$34,100

Subtotal @ 14 Months x Monthly Bill Rate: \$477,400

(B) Subcontractor Trades & Vendors (Cost of the Work)

Subcontractor Bids & Material Vendors & Other Misc Items Detailed in Schedule as "Cost of Work" To Be Determined

Subtotal: To Be Determined

(C) CMAR Payment and Performance Bond

.92 Percent (x) Total GMP Value \$0

Subtotal: \$0

(D) CMAR Insurances (General Liability, W/C, Umbrella)

.285 Percent (x) Total GMP Value \$0

Subtotal: \$0

CMAR Fee (Item A + Item B + Item C + Item D x CMAR Fee)

Item A + Item B + Item C + Item D x **6.75 %** **6.75 %**

Subtotal: \$0

Total GMP Value: \$\$\$

Exhibit B
**GENERAL CONTRACTOR SCHEDULE OF COST of Work vs.
 PRE-CONSTRUCTION SERVICES, GENERAL CONDITIONS, and FEE**

DESCRIPTION	PRE-CONST. SERVICES	GENERAL CONDITIONS	CONSTRUCTION FEE
PERMITS AND BUILDER'S RISK INSURANCE	NO	NO	NO
PERFORMANCE AND PAYMENT BONDS	NO	NO	NO
BUSINESS LICENSE FEES, TOWN OR COUNTY BUSINESS FEES	NO	YES	NO
SALES TAX ON ANY ITEMS INCLUDED IN PRE-CONSTRUCTION SERVICES, GENERAL CONDITIONS, AND FEE	NO	YES	NO
PROFIT FOR THE PROJECT	NO	NO	YES
ESTIMATING, VALUE ENGINEERING, BUDGETING, LIFE CYCLE COST ANALYSIS, PHASING ANALYSIS	YES	NO	NO
CONSTRUCTION SCHEDULING AND PRODUCTION OF SCHEDULE DOCUMENTS	NO	YES	NO
UPDATES OF PROJECT SCHEDULE DURING CONSTRUCTION	NO	YES	NO
DESIGN REVIEWS, CONSTRUCTABILITY REVIEWS, ATTENDANCE OF DESIGN MEETINGS	YES	NO	NO
BIDDING TO INCLUDE SOLICITATION OF BIDS, BID FORMS, EVALUATION, AND CONTRACTING	YES	NO	NO
PUNCH LIST WORK BY MANAGEMENT STAFF/SITE SUPERINTENDENT/SITE FOREMEN	NO	YES	NO
LIABILITY INSURANCES SUCH AS UMBRELLA, WORKER'S COMPENSATION, GENERAL LIABILITY, ETC.	NO	NO	NO
PROJECT MANAGERS + EXPENSES + CARS + BENEFITS, BONUS, VACATION, ETC. & RELATED PAYROLL BURDEN	NO	YES	NO
ASSISTANT PM + EXPENSES + CARS + BENEFITS, BONUS, VACATION, ETC. & RELATED PAYROLL BURDEN	NO	YES	NO
OTHER PERSONNEL STATIONED IN CORPORATE OFFICE, INCLUDING SAFETY COORDINATOR, SCHEDULER, ETC.	NO	NO	YES
PROJECT TRAVEL EXPENSES FOR ALL GC PERSONNEL, UON	NO	YES	NO
TRAVEL EXPENSES SUCH AS OUT OF TOWN VISITS AS AUTHORIZED AND REQUESTED BY THE OWNER ON BEHALF OF THE PROJECT	NO	NO	NO
OUT OF TOWN LIVING EXPENSES FOR ANY SITE PERSONNEL, IF APPLICABLE	NO	YES	NO
SUBMITTAL PROCESSING, CHANGE ORDER PROCESSING, APPLICATION FOR PAYMENT PROCESSING.	NO	YES	NO
FIELD-POSTAGE, OFFICE SUPPLIES, OFFICE SHIPPING COSTS, ETC.	NO	YES	NO
FIELD COPYING AND PRINTING	NO	YES	NO
TOOLS, EQUIPMENT, FUEL, MAINTENANCE RELATED TO FIELD MANAGEMENT, NOT CONSTRUCTION	NO	YES	NO
FIELD PHONES, COMPUTERS/FAX/PRINTERS, ETC., ALL LONG DISTANCE CHARGES	NO	YES	NO
ONSITE SUPERINTENDENTS, FIELD ENGINEERS, OTHER SIMILAR SUPERVISION, INCLUDING BONUSES/BENEFITS/PAYROLL BURDENS, ETC.	NO	YES	NO
ONSITE CLERICAL AND MANAGEMENT ASSISTANT INCLUDING BONUSES/BENEFITS/PAYROLL BURDENS, ETC	NO	YES	NO
PHOTOGRAPHS, JOB LOGS, AND OTHER MANAGEMENT ACTIVITIES	NO	YES	NO
LIFTS, CRANE, EQUIPMENT USED IN THE ACTUAL CONSTRUCTION (LEASED OR OWNED)	NO	NO	NO
PAYROLL TAXES + INSURANCE FOR STAFF IN GENERAL CONDITIONS	NO	YES	NO
PAYROLL TAXES + INSURANCE FOR STAFF IN FEE	NO	NO	YES
PAYROLL TAXES + INSURANCE FOR CONSTRUCTION LABOR AT SITE	NO	NO	NO
DESIGN DRAWINGS AND SPECIFICATION PRINTING	NO	YES	NO
ONSITE TOILET FACILITIES, INCLUDING PORTABLES	NO	YES	NO
ONSITE POWER + LIGHTS + HEAT FOR TEMPORARY OFFICES	NO	YES	NO
ONSITE POWER FOR TEMPORARY BUILDING LIGHTS + TEMPORARY HEAT + TEMPORARY WATER	NO	NO	NO
PERMANENT POWER + LIGHTS + HEAT FOR NEW BUILDING	NO	NO	NO
ONSITE STONE + BARRICADES + TRAFFIC CONTROL + TEMP FENCING	NO	NO	NO
OFFICE/TOOL TRAILERS + PICKUP TRUCKS W/GAS, MAINTENANCE, ETC.	NO	YES	NO
STORAGE TRAILERS ONSITE	NO	YES	NO
FEES SUCH AS TAP, ACREAGE, IMPACT, SEWER, ETC.	NO	NO	NO
LEGAL EXPENSE TO PROTECT THE OWNER	NO	NO	NO
LEGAL EXPENSE - GC	NO	YES	NO
CORPORATE OFFICE EXPENSES/OVERHEAD, INCLUDING CAPITAL EXPENSE, DEPRECIATION, STAFF, PHONES, POSTAGE, COPYING, SUPPLIES, SHIPPING, EQUIPMENT, ETC.	NO	NO	YES
SALARIES, WAGES, VACATION PAY, BONUSES, AND BENEFITS OF CORPORATE EXECUTIVES, DIRECTOR OF OPERATIONS, AND ANY STAFF OVERSEEING PROJECT OTHER THAN THE PM OR FIELD SUPERVISORS	NO	NO	YES
ICE, CUPS, WATER, ETC.	NO	YES	NO
CONSTRUCTION MATERIALS + LABOR ONSITE	NO	NO	NO
SITE SAFETY + SIGNAGE + CONSTRUCTION SIGNS + MARKETING SIGNS (1) + SITE SECURITY	NO	YES	NO
SITE SURVEYS + LAYOUT BY THOSE OTHER THAN SUPERINTENDENT/FOREMEN/PROJECT ENGINEER	NO	NO	NO
TRADE SUBCONTRACTORS + MATERIAL SUPPLIERS + VENDORS	NO	NO	NO
PROGRESS AND FINAL CLEANUP + DUMPSTERS + TIPPING/DISPOSAL FEES	NO	NO	NO

Items marked 'NO' in ALL THREE (3) columns will be considered as 'Cost of Work'



TOWN OF HARRISBURG

Agenda Item Details

Title:

Consideration of Reallocating Charlotte Symphony Funds

Presenting Personnel:

Daniel Stines, Parks & Recreation Director

Suggested Motion or Action:

To approve reallocating budgeted funds for the Charlotte Symphony to the July 4th Fireworks show and Rockin-the-Burg Concert Series in the amounts detailed with this agenda item and the related budget amendment.

Description/Background:

Staff is requesting Council consider reallocating the \$41,000 budgeted for the Charlotte Symphony to the July 4th Fireworks Show and Rockin-the-Burg Concert series. 80% of the cost of the Charlotte Symphony derives from staging and logistics. The Symphony costs but \$10,000 for the performance. Staff recommends having the Symphony return, once a proper venue has been constructed, but in the meantime, allow budgeted funds to be used to enhance other programs of the Town.

Of the \$41,000 budgeted for the Charlotte Symphony, staff recommends reallocating \$10,000 to the July 4th fireworks show. The fireworks show, for this event, has not had an increase in over 10 years. Staff believes 2019 would be a good year to support the increase, in the wake of uncertainties of park construction, possible venue change etc.

The remaining \$31,000 is recommended to be distributed throughout the Rockin-the-Burg concert series. This would provide staff with funding to obtain better performers for the remaining concerts. This would also enable reestablishing the symphony, without further budget amendment once the amphitheater is completed. It should also be noted, that once the amphitheater is complete, there will be an additional \$2500-\$3000 per concert saved by no longer needing staging and logistics.

This request requires no additional funding, only a redistribution of funds originally allocated to the Charlotte Symphony.

Recommendation:

Staff recommends approval of the reallocation of funds as presented.

Fiscal Impact:

If approved, there is no net fiscal impact to the FY2019 budget. \$10,000 would be transferred from Special Projects account to the July 4th Celebration account, resulting in a total budget of \$160,000 for the July 4th Celebration.

Attachments:

1. Budget Amendment - P&R July 4th



**AN ORDINANCE AMENDING THE 2018-2019 BUDGET ORDINANCE
OF THE TOWN OF HARRISBURG, NORTH CAROLINA**

Be it ordained by the Town Council of the Town of Harrisburg, North Carolina, that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2019:

Section 1. Amend General Fund line items to account for reallocation of funds from the Charlotte Symphony to the July 4th Celebration.

Section 2. To amend the General Fund, the appropriations are to be changed as follows:

Increase line item 100-5000-53901 July 4 th Celebration	\$ 10,000
---	-----------

Decrease line item 100-5000-53900 Special Projects	\$ 10,000
---	-----------

Section 3. Copies of this budget amendment shall be furnished to the Clerk of the Town Council, and to the Budget Officer and the Finance Officer for their direction.

Section 4. That this ordinance shall be effective upon its passage. Adopted this 14th day of January 2019.

Steve Sciascia, Mayor

ATTEST:

Janet Rackley, Town Clerk



TOWN OF HARRISBURG

Agenda Item Details

Title:

Consideration of Amending FY2019 Budget Ordinance for Additional Sheriff Deputies' Personnel and Capital Outlay Costs

Presenting Personnel:

Lee Connor, Assistant Town Manager

Suggested Motion or Action:

To approve the FY2019 budget amendments for contracted services and capital outlay, as presented, relating to the Deputies' department.

Description/Background:

Contracted Sheriff services with Cabarrus County are billed to the Town using salary and associated costs for nine Deputies, one Lieutenant, and 1 Sergeant. Cost for FY2018 totaled \$789,000. The Town originally budgeted approximately a 5% increase across the board, resulting in a total expected cost of \$832,000.

Cabarrus County performed a rate study in the Sheriff's Department for FY2019, which resulted in approximately a 12% increase to salaries and associated costs. When applied to the 11 existing Sheriff Department positions, there is a budget shortfall of \$40,000.

The Cabarrus County Sheriff's Department has also allocated two Deputies to fill the final two positions available for the Town that were previously vacant. The cost for the two additional Deputies for half of FY2019 is approximately \$80,000.

The combined budget shortfall for operations is \$120,000.

The addition of the two Deputies for the Town requires two new vehicles added to the current fleet. The cost for these vehicles and all associated safety equipment is \$46,000 per vehicle for a total capital need of \$92,000.

Recommendation:

Staff recommends approval of this budget amendment.

Fiscal Impact:

Fiscal impact for existing Deputies' increase as a result of the salary study - \$40,000

Fiscal impact for two additional Deputies allocated to the Town from Cabarrus County Sheriff's Department - \$80,000.

Total budget amendment - \$120,000.

Funds will be taken from available General Fund Contingency. Current available balance is \$456,705, which leaves \$336,705 remaining for FY2019.

Fiscal impact for two additional vehicles - \$92,000. Funds will be transferred from the Capital Reserve Fund - General Services. The current available Capital Reserve balance, after consideration for Town Hall Renovations, is \$1,216,000. If approved, this would be reduced by \$92,000.

Attachments:

1. Budget Amendment -Deputies - GF
2. Budget Amendment - Deputies - GFCRF



AN ORDINANCE AMENDING THE 2018-2019 BUDGET ORDINANCE OF THE TOWN OF HARRISBURG, NORTH CAROLINA

Be it ordained by the Town Council of the Town of Harrisburg, North Carolina, that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2019:

Section 1. Amend General Fund line items to account for FY2019 Sheriff Deputy rate study increase, the addition of two new deputies for half of FY2019, and the addition of two new vehicles.

Section 2. To amend the General Fund line items, the appropriations are to be changed as follows:

Increase line item 100-2000-56305 Contracted Services	\$ 120,000
Increase line item 100-2000-57103 Capital Outlay	\$ 92,000
Decrease line item 100-8750-59500 Contingency	\$ 120,000

Section 3. To amend the General Fund line item, the revenues are to be changed as follows:

Increase line item 100-49905 Transfers In	\$ 92,000
--	-----------

Section 4. Copies of this budget amendment shall be furnished to the Clerk of the Town Council, and to the Budget Officer and the Finance Officer for their direction.

Section 5. That this ordinance shall be effective upon its passage. Adopted this 14th day of January 2019.

Steve Sciascia, Mayor

ATTEST:

Janet Rackley, Town Clerk



AN ORDINANCE AMENDING THE 2018-2019 BUDGET ORDINANCE OF THE TOWN OF HARRISBURG, NORTH CAROLINA

Be it ordained by the Town Council of the Town of Harrisburg, North Carolina, that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2019:

Section 1. Amend Capital Reserve Fund – General Services line items to account for the addition of two new Deputy vehicles.

Section 2. To amend the Capital Reserve Fund – General Services, the appropriations are to be changed as follows:

Increase line item 200-8500-59100	\$ 92,000
Transfers Out – GF	

Section 3. To amend the Capital Reserve Fund – General Services, the revenues are to be changed as follows:

Increase line item 200-48599	\$ 92,000
Appropriated Fund Balance	

Section 4. Copies of this budget amendment shall be furnished to the Clerk of the Town Council, and to the Budget Officer and the Finance Officer for their direction.

Section 5. That this ordinance shall be effective upon its passage. Adopted this 14th day of January 2019.

Steve Sciascia, Mayor

ATTEST:

Janet Rackley, Town Clerk



TOWN OF HARRISBURG

Agenda Item Details

Title:

Consideration of Approval for Revised Purchasing Policies and Adoption of Uniform Guidance Policies

Presenting Personnel:

Brian Lee, Deputy Finance Director

Suggested Motion or Action:

To approve the revised Purchasing Policy and Procedures and Purchasing Card Policy and Procedures as well as to approve the Uniform Guidance Procurement Policy and Uniform Guidance Conflict of Interest and Gifts Policy.

Description/Background:

The Purchasing Policy was last revised and adopted at the December 10, 2012 Town Council meeting. The Purchasing Card Policy was adopted in July, 2017.

Finance staff have updated the Town's Purchasing Policy as well as the Purchasing Card Policy to reflect both the changes or updates to the Statutory and other financial reporting requirements as well as to improve the Town's internal control framework and effectiveness. These policies have been expanded to provide Town employees with clear, concise instructions for all financial transactions, contract routing, and quote and bid procedures.

Some of the noteworthy changes and updates consists of the following:

Purchasing Policy and Procedures-

1. Glossary provided with key financial and purchasing terms used throughout the Town's financial policies.
2. Updated the requisition process to include sales tax and all other ancillary charges due to a state-wide focus on Pre-Audit procedures.
3. Removal of petty cash accounts.
4. Addition of a Purchasing Flow Chart, which presents a graphic representation of the entire workflow for purchases, given the four different purchasing thresholds.
5. Reflects prior approval by Council to increase the requisition/purchase order threshold from \$500 to \$1,000.
6. Details what RFQ/RFP's are and when they are required.
7. Provides Special Procurement Procedures for-
 - a) the Town's preference to utilize Public Work's fuel pumps in order to provide significant savings to the Town.
 - b) Travel policies related to fuel purchases, utilization of Town vehicles, and per diems.
 - c) Procedures for Capital Purchases which will be funded with borrowed funds.
8. Added a few classes of transactions that can be centralized to Finance for approval rather than routing through Department Heads, such as utilities, extermination services, branded items, and bulk mailings.
9. Addition of Contract-Routing Flow Chart, given three defined thresholds.
10. Reference to the new Uniform Guidance Policy for purchases made with Federal or State grant funds.

Purchasing Card Policy-

1. Recognizes the update to the Purchase Order threshold of \$1,000 and provides description of "small-dollar" purchases

and "standard" purchases.

Finance staff members have also created two policies for the Town as a result of new requirements promulgated by the Office of Management and Budget. The Uniform Guidance is a government-wide framework for grants management which applies stringently to any local government which receives federal funding in the form of a grant or loan. In order for the Town to be eligible for and in compliance with federal grant requirements, it must first adopt a Uniform Guidance Procurement Policy and a Uniform Guidance Conflict of Interest and Gifts Policy. The Town is not able to utilize federal funds until these policies are adopted and in place. These policies work together with existing Town policies, however, federal requirements are often more restrictive than local policies and must be adhered to in order for the Town to remain eligible for current and future federal awards.

Recommendation:

Approval of the four financial policies.

Fiscal Impact:

No fiscal impact.

Attachments:

1. 1.1 Purchasing Policy
2. 2.1 Pcard Policy and Procedure
3. 3.1 UG Procurement Policy
4. 4.1 UG Conflicts and Gifts Policy



TOWN OF HARRISBURG, NC
PURCHASING POLICY AND PROCEDURES
Adopted 1/14/2019

I. Introduction

A considerable portion of the expenditures of every government is for purchases of goods and services. A local government's power to make purchases and contracts, like other powers, is derived from the Legislature and is subject to such limitations and restrictions as it may impose. The basic grant of power to purchase and contract for municipalities is found in North Carolina General Statute 153A-11. The provisions within this policy shall be in compliance with the North Carolina General Statutes regarding purchasing. This Purchasing Policy establishes rules and regulations to govern all purchases and contracts by the Town of Harrisburg (the "Town").

Purchasing statutes and rules may change from time to time and this policy shall be updated periodically to reflect these changes.

II. Glossary

- **Bid:** A multi-step process required of the Town by North Carolina General Statutes. Quotes from three separate vendors are required during any bid process unless the good or service to be supplied is produced by only one vendor.
 - i. **Informal Bid:** An informal bid is required for contracts for construction or repair work and for the purchase of supplies, materials, or equipment on items \$30,000 and above. Requests for quotes are not required to be advertised to the public. Purchases in this category that are \$50,000 and above require Town Council approval.
 - ii. **Formal Bid:** A formal bid is required on purchases of supplies, materials, or equipment costing \$90,000 and above or on services \$500,000 and above. Public advertisement of the request for bids must be made, three bids must be received, bids must be sealed and opened in a public forum, and Town Council must approve the winning bid.
- **Quote:** A price provided by a vendor for a good or service. Quotes for purchases below the formal bid threshold may be verbal over the telephone (documented), fax, electronic, or in writing. Formal bids must be in writing and sealed.
- **Requisition:** Input into the financial system by a department to request the generation of a purchase order by the Finance Department prior to a purchase.
- **Purchase Order (PO):** Authorization for the purchase of goods sent by the Finance Department to a vendor prior to the purchase.
- **Encumbering:** To commit a given amount of money from the approved budget to the payment of an order. When a purchase order is issued, the budgeted funds have been encumbered, or reserved for that purpose.
- **Purchasing/Procurement:** Interchangeable, how the Town obtains needed goods and services.
- **Department Head:** The individual authorized to make purchasing decisions on behalf of their department.
- **Finance Officer:** The Finance Director or Deputy Finance Director.
- **Professional Service Contract:** Contracts for consultants, attorneys, and auditors.

Town of Harrisburg, NC

Purchasing Policy and Procedures

III. General Procedures

1. Requisitions for products or services shall be entered into the electronic requisition form approved by the Finance Department, by a person designated by the department head. Sales tax should be encumbered on the requisition.
2. If a purchase would result in line item budget overrun, a budget amendment request should be included. The requisition will not be granted until the budget amendment has been approved. Interdepartmental amendments may be approved by the Finance Officer. Amendments that require the use of contingency funds must be approved by Town Council.
3. The Finance Department will review and approve requisitions after the purchaser's Department Head has approved. Once the requisition is approved by Finance, a purchase order will then be generated and forwarded to the department to place the order.
4. Departments must allow ample time for processing for those purchases that require the competitive bidding process. The amount of time needed to complete the process is outlined in the section "Purchasing Procedures."
5. All purchase orders issued which involve multiple departments should have the approval of all participating department heads or appointed employees prior to issuance.
6. All purchases greater than \$1,000, except those made from special or recurring bills (e.g. membership renewals, subscription renewals, utilities, conference registrations, contract billing, permit fees, inter-local fees and assessments, etc.), shall be made with a purchase order.
7. It is the desire of the Town to purchase from vendors located within Harrisburg and Cabarrus County whenever possible. This can be accomplished by ensuring that local vendors who have goods or services available, which are needed by the Town, are included in the competitive purchasing process. The Town has a responsibility to its residents to ensure the maximum value for each dollar spent. The Town cannot and will not make purchasing decisions solely based on vendor residence. Rather, the Town will endeavor to encourage local vendors and suppliers to compete for all Town business.

IV. Purchasing Procedures

See Figure 1 for purchasing flow chart

1. Cash Purchases

Cash purchases should be avoided, but in the event cash is required, a check request can be submitted to the Finance Department prior to the purchase. Receipts must be returned to the Finance Department to be attached to the purchase in the financial software.

2. Purchases less than \$1,000

Purchases may be made with the approval of the Department Head without a purchase order. Purchases below \$1,000 should be made using the Town-provided Purchasing Card whenever possible. See the Purchasing Card Policy and Procedures for requirements regarding these transactions. Employees making purchases below \$1,000 from vendors which do not accept credit card payment must obtain a copy of the invoice or other type of quote and submit to their Department Head for account classification and approval. The Department Head is responsible to submit the signed invoice to the Finance Department for payment. These purchases should be made with reputable vendors who are willing to bill the Town. **Dividing purchases in order to evade having to enter a requisition and obtain an assigned purchase order is prohibited.**

Town of Harrisburg, NC

Purchasing Policy and Procedures

3. Purchases \$1,000 - \$29,999

A requisition must be submitted and approved **prior** to the purchase of any item or group of items exceeding \$1,000. A copy of the quote must accompany the requisition prior to approval. After the requisition has been checked for accuracy and for adequate available budgeted funds and approved by the Finance Department, the requisition will be converted to a purchase order. For items in this price range, the responsibility lies with the Department Head to establish need for goods or services and determine best quality at lowest cost. Notify the Finance Department of items and quantities that are common to other departments to allow for group purchasing whenever possible. There is no minimum number of quotes required for purchases at this level, but more than one quote is considered best practice and shows diligence with taxpayer funds.

4. Purchases \$30,000 - \$89,999 (Informal Bid)

- a. Informal bid procedures must be followed on contracts for the following:
 - i. Purchases or lease-purchases of apparatus, supplies, materials, or equipment expected to require expenditure equal to or greater than \$30,000, but less than \$90,000
 - ii. Construction or repair work when expenditures of \$30,000 to \$500,000 are involved (G.S. 143-131)
- b. Detailed specifications including description, brand/model number, quantity, unit, delivery date required, and any known vendors should be provided to the purchaser's Department Head. The purchaser will obtain quotes from at least three vendors, if possible. However, contracts in the informal range may be awarded even if only one bid is received. Departments should allow ample time (seven to ten working days) for quotes to be obtained. Since informal bids do not have to be publicly opened, telephone and electronic quotes are acceptable. Identity of bidders may not be disclosed until after award of bid. Quotes become a matter of public record after award of bid and will be maintained in the purchaser's department. After quotes have been reviewed by the Department Head, a recommendation based on determination of the lowest responsive, responsible bidder will be made. If the low bid is not desirable, the Department Head shall provide a written explanation. A requisition with the attached quote(s) will be entered into the financial system by the Department Head or designated employee, and after Finance Department approval, will be converted to a purchase order.

5. Purchases \$90,000 and above (Formal Bid)

- a. Formal bid procedures are used for purchase or lease-purchase of apparatus, supplies, material, or equipment expected to require expenditure equal to or greater than \$90,000 and for construction or repair work requiring the estimated expenditure of \$500,000 or more (G.S. 143-129). The Department Head must formally bid these items which generally require more detailed specifications and special conditions. Detailed specifications including description, brand/model, quantity, unit, delivery date required, and any known vendors should be documented by the purchasing department. The Department Head will mail the RFQ/RFP to prospective vendors and advertise the requests publicly after being routed through the Finance Department for approval.
 - i. Request For Qualifications (RFQ) – Publicly advertised description of project specifics and vendor-qualifications that are required for the vendor to propose on a project. Only those who successfully respond to the RFQ and meet the qualification criteria will be included in the subsequent Request For Proposals (RFP) solicitation process.

Town of Harrisburg, NC
Purchasing Policy and Procedures

- ii. Request for Proposals (RFP) – A request (publicly advertised or targeted to RFQ-respondents) that solicits a proposal (bid) on a specified purchase or project. This can also be called an invitation to bid.

The Department Head will send out the Invitation to Bid along with the Instructions to Bidders which has been prepared by the Department Head or designated employee with the assistance/approval of the Finance Department. Sealed bids require advertising in a newspaper which has a general circulation of at least seven (7) days prior to bid opening. Therefore, the time lapse from receipt of information to award of bid may be 30-45 days. An opening date and time are set in the bid conditions and all bids remain in the Finance Department's office sealed until that time. Offerors should be allowed at least fourteen (14) working days (depending on the nature of the bid) from date of issue to return the bid. All bids received will be stamped or marked by the Finance Department as to the date and time of receipt. Bidder names are not announced until opening, except in construction bids. After the bids have been opened, they will be examined and compared by the Finance Department and Department Head, with respect to compliance with specification, quality and suitability of the products, time of delivery and other specific conditions that were included in the bid. A recommendation for the bid award based on determination of the lowest responsive, responsible bidder will be made to the Town Manager. If the low bid is not desirable, the Department Head and/or the Finance Department shall provide a written explanation. After bids have been opened, they will become a matter of public record and maintained in the Finance Department. After approval of the award by the Town Manager's Office, a requisition will be submitted to the Finance Department by a designated employee and a purchase order will be issued.

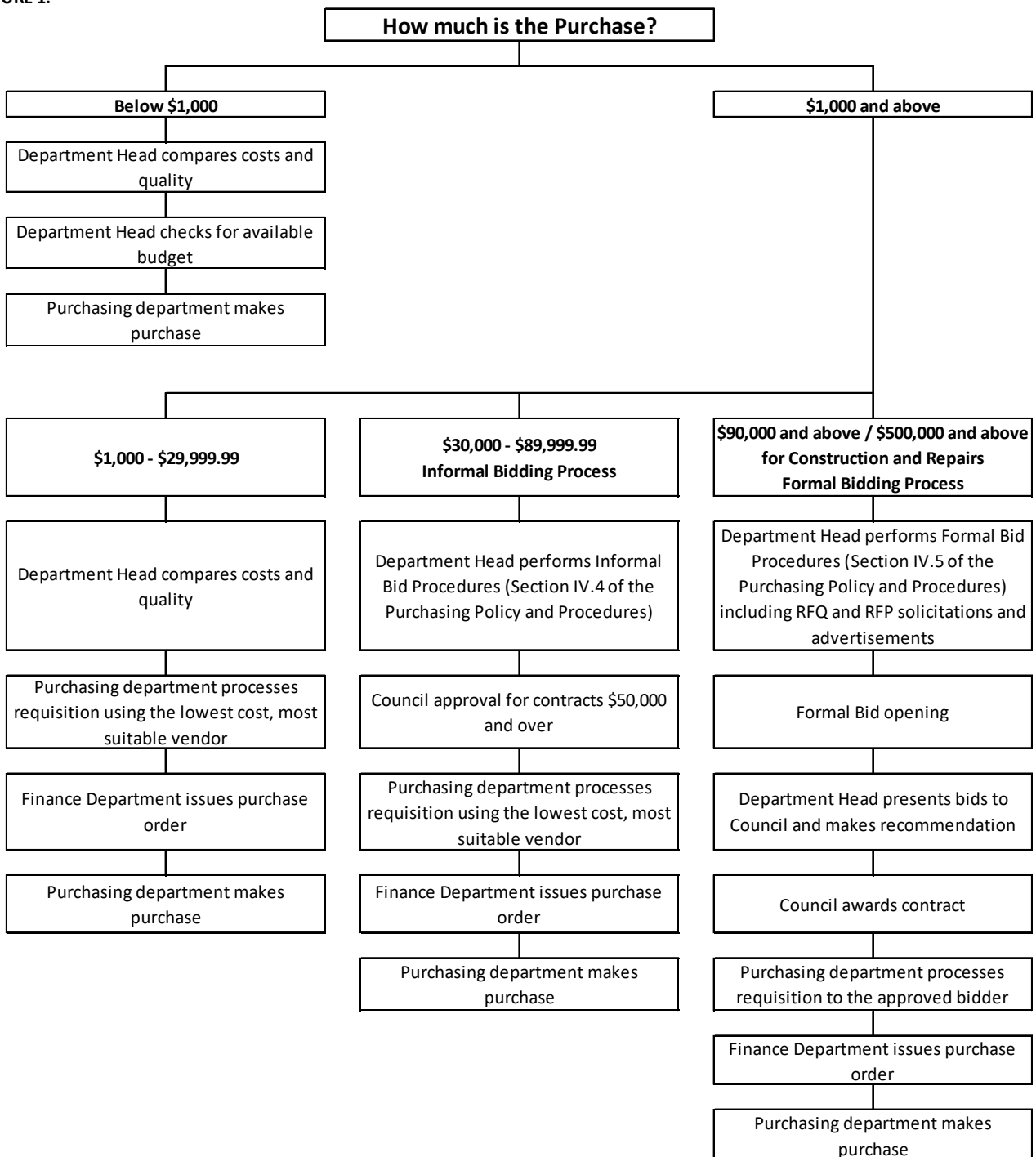
- b. Exceptions to the formal bid process are as follows (G.S. 143-129):
 - i. Purchases of "gasoline, diesel fuel, alcohol fuel, motor oil or fuel oil." These may be purchased after receiving informal bids, regardless of the size of the expenditure.
 - ii. In cases of special emergency involving the health and safety of the people or their property. The emergency must be present, immediate, and existing. It may not be a condition that is merely anticipated and may never actually occur. **Poor planning does not constitute an emergency.**
 - iii. Purchases from other units of government.
 - iv. A construction or repair project undertaken using the permanent work force of the unit, if the total cost of the project does not exceed \$125,000 or if the labor costs do not exceed \$50,000.
 - v. Purchases of information technology through contracts established by the State Office of Information Technology Services as provided in G.S. 147-33.82(b) and G.S. 147-33.92(b).
 - vi. Change order work during the progress of a project that was initially bid.
 - vii. Purchases from federal or State contracts, if the contractor is willing to extend the same or more favorable pricing, terms, and conditions as established in the federal or State contract.
 - viii. "Sole Source" purchases. However, purchases made under this exception must be approved by the governing board. A written explanation or justification must be kept on record.
 - ix. Purchases of used apparatus, supplies, materials, or equipment.
 - x. "Piggybacking" (purchases from supplier to other public agencies). Local governments may purchase apparatus, supplies, materials or equipment from a supplier that has, within the past twelve (12) months, contracted to furnish an item to any government agency. The contractor must be willing to supply the item to the local government for the same or more favorable price. In addition, the prior contract must be one that was entered into following a public bid process. A notice in a newspaper which has a general circulation must appear

Town of Harrisburg, NC
Purchasing Policy and Procedures

ten (10) days prior to the meeting of the governing board indicating the intent to consider a waiver of competitive bidding.

- c. Although the waiver of competitive bidding is permitted, the use of competitive bidding is required whenever practical. All reasons for a waiver of the competitive bidding process **must** be documented.

FIGURE 1:



V. Special Procurement Procedures

a. Fuel – Gasoline or Diesel

Fuel for Town vehicles, equipment, and fuel cans may be obtained using the fuel pumps at the Public Works Facility or using a Voyager card at a gas station. The fuel supplied at Public Works provides significant savings to the Town in comparison to purchases made at gas stations and should be exclusively used except for purchases made on trips or in emergency situations.

- i. Public Works Facility – Each vehicle contains an electronic badge which provides access to the gate at the facility and acts as the vehicle identifier to activate the fuel pump. The badge must remain with the vehicle at all times.
- ii. Voyager Fuel Card – Each vehicle contains a Voyager Credit Card which can be used at gas stations. Employees will swipe the credit card and be prompted for a PIN. Each employee should use the last four digits of their social security number as the PIN. The pump will also prompt the user for vehicle mileage. Regular unleaded gasoline should be used for all Town vehicles not requiring diesel fuel. Gas cans are also assigned Voyager cards, but mileage is not requested by the pump.

b. Travel

Employees should use Town-provided vehicles for travel within and outside of Town limits whenever possible. Fuel purchased on trips outside of Town limits should be made with Voyager cards. When using a Town-provided vehicle, employees are not eligible for mileage reimbursement. Department Heads are responsible for approving the use of a personal vehicle and incurring mileage charges before the trip is taken.

Meals are reimbursable to employees who are traveling for Town business and classes or conferences. Department Heads are responsible for determining if employees should charge meals to Purchasing Cards or if the employee should file for a per diem reimbursement with a check request. Per diems are calculated depending on the destination using the GSA.gov travel website (<https://www.gsa.gov/travel/plan-book/per-diem-rates>). The first and last day of the trip are calculated differently than standard travel days as shown on the GSA website. Per diem check requests must include the following information:

- i. Printout from GSA.gov showing the approved per diem rate for the travel destination.
- ii. Travel dates.
- iii. Proof of registration for conferences or the business-purpose of the trip.
- iv. Department Head approval.

c. Capital Purchases and Borrowed Funds

Capital purchases are purchases of equipment costing more than \$5,000 with a useful life of more than one year or a construction project costing more than \$5,000 that is not considered a repair. A construction project that does not expand the asset or extend the useful life of an existing asset is considered a repair, regardless of cost. Every capital purchase is assigned a project number and identified in the Town's Capital Improvement Plan, which is updated annually during the budget process.

Purchases and projects that will be funded with borrowed funds must be coordinated with the Finance Department well in advance of the expenditure. It can require considerable time for the

Finance Department to get approval from the State for debt issuances as well as bidding out debt to banks.

d. Refunds

Refunds of deposits or for cancelled services such as withdrawing a child from an athletic program should be initiated with a check request through the Finance Department. Indicate the circumstances of the refund and deduct administrative fees on the check request form. The account in which the original revenue was credited towards will be the account number used to disburse the refund.

e. Blanket Purchase Orders

Blanket purchase orders will be issued to selected vendors for the procurement of large volume items or annual services. Blanket Purchase Orders should not be used for items normally carried in stock.

Requests for Blanket Purchase Orders must, in addition to the required information, indicate the items covered by the Blanket Purchase Order and a Not to Exceed (NTE) amount. The issued PO will instruct the vendor that unauthorized purchases will not be allowed. The Department Head is to provide a list of authorized personnel who are permitted to execute a purchase order under a Blanket PO. It is the responsibility of the individual authorized to purchase under a Blanket Purchase Order to ensure adequate funds are available for purchases. Any purchase exceeding the funds available under a Blanket Purchase Order will be classified as an unauthorized purchase unless a written purchase order increase request has been submitted in writing.

Blanket Purchase Orders are only valid for the current fiscal year for which they are entered.

f. Emergency Purchases

Supplies or services which qualify for emergency purchase are those for which immediate procurement is essential to prevent delays in work that may affect the life, health or safety of the Town employees or citizens. In cases of emergencies, the Department Head or their designee may purchase directly from any vendor.

The purchaser's department shall exercise good judgment and use established vendors when making emergency purchases. The best possible price should be obtained and only essential, emergency-related items purchased. A failure to anticipate needs does not constitute an emergency. Needs should be anticipated in advance and emergency purchases avoided whenever possible. Emergency orders may be costly as vendor supplies and/or resources may not be adequate on short notice, often necessitating higher prices for services or goods rendered. The use of emergency purchase procedures should be carefully considered and limited whenever possible.

During working hours, notify the Finance Department of the purchase as soon as reasonably possible. Normal requisition procedures should be followed as soon as possible after the purchase, noting that the purchase was for an emergency, with a brief explanation of the nature of the emergency.

After working hours, the spirit and intent of all purchasing procedures should be followed until such time as normal processing and administration can occur. The invoice received should be coded with the account(s) to be charged and signed. A brief explanation of the nature of the emergency should

be attached. The Finance Department must be notified of the purchase and the circumstances the morning of the next business day.

g. State of North Carolina Purchase Contract

The Finance Department and Department Heads will use the State of North Carolina Department of Administration Purchase and Contract Division whenever possible for procurement of capital and non-capital items. This system expedites the purchase of goods, offers pricing compatible with quotes received from formal and informal bids and satisfies North Carolina General Statutes. It is not necessary to follow bid procedures or receive multiple quotes when utilizing the State contract. Examples of goods on State Contract are law enforcement vehicles, office furniture, copiers, janitorial supplies, copier paper, light bulbs, etc. Contact the Finance Department with questions regarding goods on State Contract. The State of North Carolina Interactive Purchasing System can be found on the web at www.ips.state.nc.us/ips/Default.aspx.

h. Purchasing Cards

Please refer to the Town of Harrisburg **Purchasing Card Policies and Procedures**.

i. Service Contracts

i. Procedure for Negotiating, Awarding and Executing Service Contracts

1. It is the purpose of this policy to create and maintain an efficient and uniform process in the administration of service contracts. A department shall select service providers according to the procedures set out in this policy. The need for such contracts is based upon the requirement of the department and with the approval of the Department Head.
2. Service contracts are contracts that call for a contractor's time and effort rather than for a concrete end product. There are two types of service contracts:
 - a. Professional – those which involve professional, technical and skilled services such as architectural, engineering, legal, design, financial, audit, consultant training, appraisal, survey, planning, environmental and other services of a similar skilled or professional nature.
 - b. All other – those which consist of leases for rental equipment, maintenance agreements, janitorial, demolition, towing, and similar activities.

ii. Professional Service Contracts

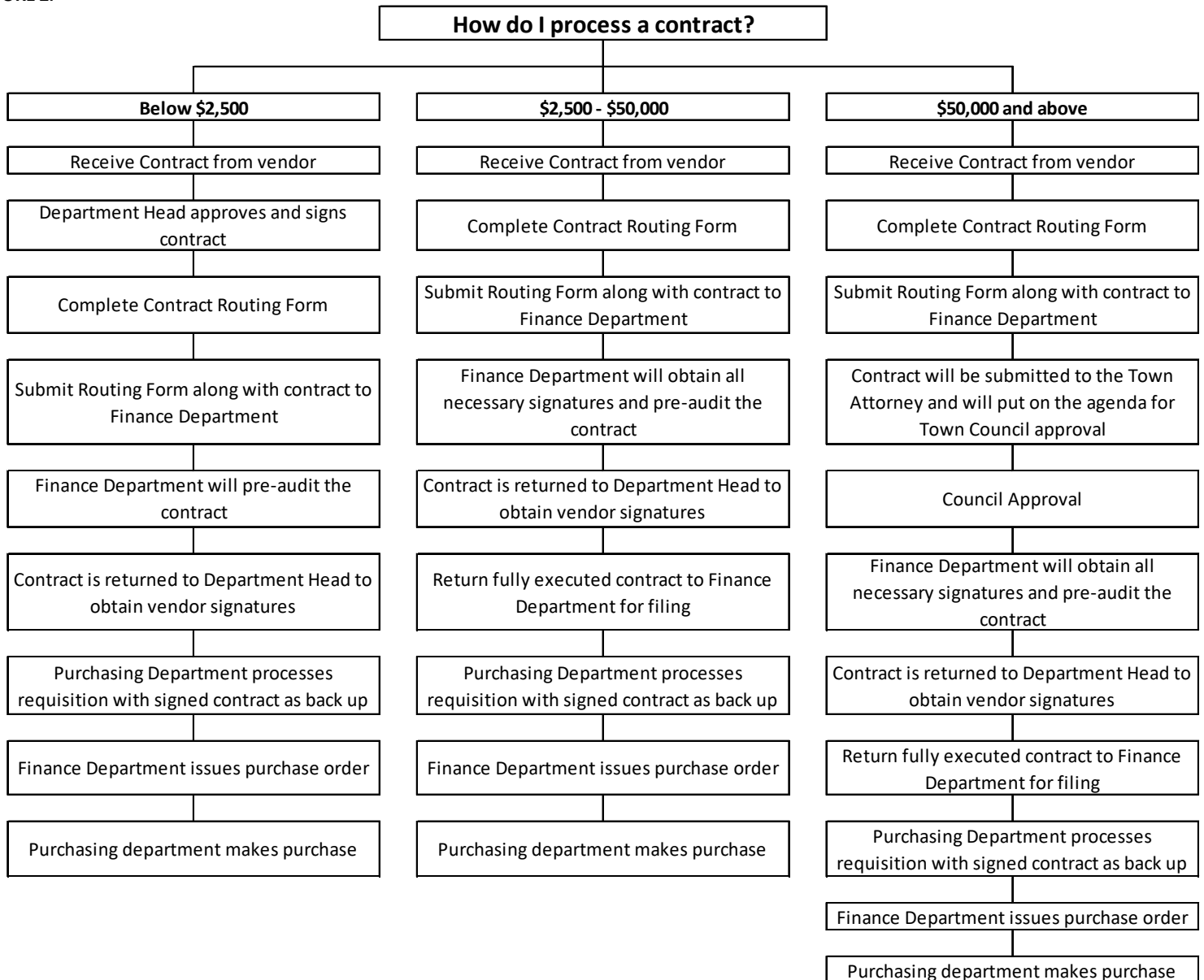
1. Professional Service Contracts will be issued after proposals are solicited from two (2) or more service providers. A request for proposal (RFP) is a competitive procurement process that allows the Town to consider factors other than price such as qualification, experience, innovation, creativity, value-added service and project approach. The following elements shall be identified in the request for proposals as necessary items in any acceptable proposal:
 - a. A detailed description of previous similar projects including photographs and locations where applicable, costs, initiation and completion dates, and any special design consideration for the desired services including necessary preliminary studies;
 - b. Clients for whom similar services were provided and the appropriate individual who may be contacted as a representative of each client;

- c. Consulting team composition with specific reference to individuals who would be associated with the team and their particular responsibilities;
 - d. Time schedule, which the firm will follow, for initiation of the project and for various stages throughout the completion;
 - e. Proposed service fees, with the exception of professional architect's, engineer's and surveyor's fees; and
 - f. Any special consideration of the service, or project, and other pertinent data.
 - 2. In evaluating proposals, the criteria for selecting a qualified firm should be clearly defined in the proposal. The proposal must state the factors relevant to its selection of a company and then weigh those factors according to their importance.
 - 3. After evaluation, the Department Head shall prepare a recommendation to the Town Manager indicating the reason(s) for selecting the successful provider, and a list of all the firms to which the request for proposals was mailed and those submitting proposals.
- iii. Other Service Contracts
- 1. Contracts may be established for, but not limited to, maintenance contracts on equipment, janitorial services, security services, etc. The need for such contracts is based upon requirements of the department and with the approval of the Department Head. While service contracts are not subject to the competitive bidding laws, competitive procedures should be used when there is ample competition in the marketplace.
- iv. Contract Authority and Routing – **See Figure 2 for Contract Routing Chart**
- 1. The Town Manager's Office, with a majority vote of the Town Council in a public meeting, is the only unit authorized to sign contracts committing over \$2,500 of Town funds for any purpose. Department Heads may sign contracts below \$2,500, however, the contract must be routed through the Finance Department for review. The Town Manager's Office has the authority to approve contracts for less than \$50,000, but all contracts shall be reported to the Town Council. Any contract that pledges the faith and credit of the Town, in any form, is not permissible, unless signed by the Town Manager's Office. The original copy of the executed contract must be filed with the Finance Department. Also, no funds may be expended for a contract until the contract is pre-audited for sufficient appropriated funds by the Finance Officer. All leases and/or contracts for real property, purchase, lease or rental shall be negotiated through the Town Manager's Office in conjunction with the Town Council.
 - 2. Therefore:
 - a. All contracts should include a maximum dollar limit to ensure the vendor understands the limit.
 - b. All contracts should run for or during the fiscal year, July 1 – June 30.
 - c. If contracts are for greater than one year, a non-appropriation clause should be included in the event funds are not available in the subsequent years. In addition, a pre-audit statement needs to be done each year and signed by the Finance Officer.
 - d. To begin the contract process, all original contracts shall be forwarded to the Finance Department along with a completed Contract Routing Form. This includes processing a requisition in the financial software.
 - e. The Finance Department will obtain all contract signatures including pre-audit.

- f. All contracts need to contain the pre-audit statement signed by the Finance Officer and must include the account number to which the payment will be charged.
 - g. Contracts requiring approval of the governing board must be forwarded to the Finance Officer at least ten days before the meeting to be included on the agenda.
 - h. All contracts need to be encumbered by a purchase order when signed. After the contract has been pre-audited a copy will be forwarded from the Finance Department to the Department Head to enter a requisition in the system and a pre-numbered purchase order will be generated.
- v. Town-wide contracts have been issued for the following and departments are required to use these vendors unless prior approval from the Finance Department has been given. Designated vendors were determined through competitive bidding by the Finance Department.
 - 1. Office Supplies – the Town contracts with a single vendor for office supplies, based on a competitive bid process. Unless approved by the Finance Department, office supplies should not be purchased from other vendors.
 - 2. Business Cards, Branded Envelopes and Letterhead – All Town employee business cards, branded envelopes and letterhead must be obtained by the Communications Manager.
 - 3. Information Technology – All IT purchases of equipment, as well as service contracts, shall be approved by the IT Director.
 - 4. Telecommunications – All telephone lines, changes, repairs, voice mail, phone system, internet, cell phones, etc. are acquired through the IT Department with no exceptions.
 - 5. Extermination Services – All extermination services should be initiated through Administration – Buildings and Grounds Maintenance.
 - 6. Mailings and Communications (i.e. SouthData) – All bulk mailings should be processed through the Customer Service Department.

Town of Harrisburg, NC
Purchasing Policy and Procedures

FIGURE 2:



VI. Surplus Property

- a. Departments should dispose of surplus property through the Finance Department, as described in N.C.G.S. 160A Article 12. A surplus property declaration request should accompany the surplus property to the Finance Department.
- b. Surplus property will be offered to Town departments before being sold by auction, electronic auction, or delivery to the State surplus facility.
- c. Property, either individually or a similar group of items, with an estimated current value greater than \$30,000 must be declared surplus by the Town Council. The Town Council has designated authority to the Town Manager to declare property as surplus with an estimated current value less than \$30,000. All real property must be declared surplus by the Town Council regardless of dollar amount.
- d. The Town Manager may dispose of surplus personal property by any means which is judged to be reasonably calculated to yield the highest attainable sales price.
 - i. Private negotiation and sale – personal property valued at less than \$30,000 is eligible.
 - ii. Advertisement for sealed bids – all property types and values are eligible.
 - iii. Negotiated offer, advertisement, and upset bid – all real property and personal property valued at more than \$30,000 is eligible. Upset bid process consists of a public advertisement of the sale/auction and the current bid price. Each time a bid is placed by the public, the bidder notifies the Town Clerk and submits a deposit equal to five percent of the total bid amount. Each successful bid must be followed by a new public advertisement until no additional bids are received and the property is sold to the current high bidder. The sale is not final until Town Council approves the sale at the final bid price at the next Town Council meeting.
- e. The Finance Department shall maintain records of all property sold or exchanged, which shall include a general description of the property sold, to whom it was sold, or with whom exchanged, and the amount of money or other consideration received for each sale or exchange.
- f. The Town may discard any personal property that is:
 - i. Determined to have no value.
 - ii. Remains unsold or unclaimed after the Town has exhausted efforts to sell the property using any applicable procedures under N.C. General Statutes.
 - iii. Poses a potential threat to the public health or safety.

VII. Conflict of Interest

The Conflict of Interest statute prohibits public officers or employees who are involved in the making or administering of a contract from deriving a direct benefit from the contract. A public officer or employee who will derive a direct benefit from a contract but is not involved in making or administering it shall not attempt to influence any other person who is involved in making or administering the contract.

It is the policy of the Town not to engage in business transactions with their respective officials (Mayor, Council Members and Department Heads) either directly or indirectly. This policy is fully applicable to the Finance Department and all departments.

Please refer to the Town of Harrisburg Uniform Guidance Conflict of Interest and Gifts Policy for policies applied to Federal and State grants and loans.

Town of Harrisburg, NC
Purchasing Policy and Procedures

VIII. Minority Owned Business Enterprise (MBE) Participation

The Town follows N.C.G.S. 143-128.2 regarding Minority Owned Business Enterprise Participation in the awarding of building construction contracts of \$300,000 or more. The Town's formally adopted MBE Policy conforms to N.C.G.S. 143-128.2.

IX. Purchases made with grant or loan funds awarded by Federal/State/Pass-through agencies

Purchases made with, or to be reimbursed by, grant or loan funds awarded by Federal, State, and pass-through entities must comply with the requirements of Federal Uniform Guidance, the State Single Audit Implementation Act, and the individual grant agreement or contract. Federal and State grants are highly scrutinized throughout the entire process, from application to close-out. Therefore, all grant applications, regardless of size, and all activities related to the expenditure of Federal and State awards must go through the Finance Department for review and approval. Department Heads who consider applying for grant funds should notify the Finance Officer early in the process and work closely with the Finance Department to accept grant or loan funding properly.

Contracts funded with federal grant or loan funds must be procured in a manner that conforms with all applicable Federal laws, policies, and standards, including those under the Uniform Guidance (2 C.F.R. Part 200).

Please refer to the 1) Town of Harrisburg Uniform Guidance Conflict of Interest and Gifts Policy and the 2) Town of Harrisburg Uniform Guidance Procurement Policy for specific policies and procedures over Federal and State awards.

X. Vendors

All new vendors must complete a Vendor Participation Application, an E-Verify affidavit, and an IRS Form W-9 and submit to the Finance Department. It is the responsibility of prospective vendors to familiarize themselves and adhere to the Town's Terms and Conditions, as posted on the Town's website. Vendors who receive more than \$600 of compensation from the Town in a calendar year will receive a Form 1099 from the Finance Department in January of the following year.

XI. Payment of Invoices

Invoices may be paid with a Purchasing Card or by check. Invoices will be paid by the Finance Department on a weekly basis. Invoices associated with a purchase order must contain the purchase order number on the face of the invoice. The Department Head must code the expenditure and sign the invoice prior to submission to the Finance Department.

Employee Signature

Date

Finance Department Representative

Date



Town of Harrisburg, NC Purchasing Card Policy and Procedures

Adopted 1/14/2019

Overview

The purpose of the Town of Harrisburg Purchasing Card program is to streamline the Town of Harrisburg's (the "Town") purchasing and payment system and to reduce the administrative time and costs associated with processing the Town's purchases. The Town's Purchasing Card program utilizes the Bank of America VISA-brand card.

Purchases are classified as either small-dollar or standard. All purchases are subject to the Town's purchasing policies and procedures and the policies and procedures contained herein.

A small-dollar purchase is an expenditure of \$1,000 or less which does not require a purchase order and a purchase of more than \$1,000 is considered standard. Standard purchases, when possible, are encouraged on the Purchasing Card, however, requisition, purchase order, and Finance Department approval are still required prior to the purchase.

See **Exhibit 1** for Frequently Asked Questions.

Administration

The Purchase Card Administrator manages the Purchase Card Program and is responsible for seeing that internal controls and all related procedures are properly adhered to. The Town's Finance Officer approves and issues all of the Purchasing Cards. The Finance Officer or Card Administrator can revoke a Purchasing Card at any time for any reason.

When a Purchasing Card is issued to an employee, only the employee, the person named on the card, is authorized to use it and no one other than the cardholder can "borrow" the card or be delegated to make purchases for the department or cost center.

Each month, Bank of America sends a monthly consolidated statement to the Card Administrator for payment. Each cardholder has access to a monthly statement through the BOA Works online portal. Below is a summary of the monthly processing steps for individual cardholders, their Department Managers and the Finance Department:

- 1) After a cardholder makes a purchase he or she will receive an email from BOA Works advising them that they have a transaction awaiting sign-off. Within two days of receiving the transaction alert email, the cardholder is responsible for reviewing and approving or disputing the transaction online via BOA Works. After review and approval, the cardholder assigns

Town of Harrisburg, NC

Purchasing Card Policy and Procedures

account codes to each purchase, with separate entries for shipping and/or sales tax, then uploads their receipts and submits to the appropriate Department Manager for review.

- 2) The Department Manager is responsible for reviewing and approving the transaction within two days of receiving the notification email from BOA Works. The Department Manager's approval indicates that all charges for the cardholder have been reviewed and approved as expenditures made in compliance with the Town of Harrisburg Purchasing Policy and Procedures.
- 3) The Card Administrator receives and pays a consolidated bill from Bank of America that includes all monthly charges for all cardholders. Finance will make all necessary entries into the accounting system based on its review and processing of transactions submitted by each Department Manager. Department Managers can download transaction reports from BOA Works, to provide an at-a-glance picture of monthly purchases by various criteria, including individual user, expense category and vendor.

POLICY AND PROCEDURES

Policy – The Town of Harrisburg Purchasing Cards may be used to purchase goods and services costing less than \$1,000 for which a purchase order is not required. Purchasing Cards may also be used to purchase goods and services over \$1,000, given proper adherence to standard requisition, purchase order, and Finance Department approval procedures. Please refer to the Town of Harrisburg Purchasing Policy and Procedures for specific steps required for purchases over \$1,000. Purchases are permitted from suppliers and merchants who accept VISA for payment and are engaged in business categories approved by the Finance Department for Purchasing Card use.

Procedures –

I. Application Procedure

- a. A Department Manager determines which employees within their department should be issued Purchasing Cards. The Department Manager then notifies the employees selected for the program and explains the program including the individual employee responsibilities under the program. Each employee must be given a copy of the Town of Harrisburg Purchasing Card Program manual.
- b. Each selected employee interested in participating in the Purchasing Card Program must sign a Town of Harrisburg Purchasing Card Employee Agreement (Exhibit 2) indicating that they fully understand and accept the responsibilities and requirements of the Purchasing Card Program. The Agreement is the employee's signed pledge to follow the Town's purchasing policies and procedures and acceptance of responsibility for any personal misuse of the card, which could lead to disciplinary action up to and including termination.
- c. A Town of Harrisburg Purchase Card Application (Exhibit 3) is then completed and signed by the employee. Department Managers review and sign completed application forms and send them to the Card Administrator.

- d. The Finance Officer and Card Administrator approve and process the Purchasing Card requests. The Finance Officer has final determination on application and card setup approval.

II. Cardholder Responsibilities

- a. When a cardholder receives their Purchasing Card, they must sign it immediately. They must also sign and return a Town of Harrisburg Purchasing Card Employment Acknowledgment Letter (Exhibit 4) to the Card Administrator confirming card receipt.
- b. Individual cardholders are charged with using cards properly. The cardholder is responsible for verifying that all transactions are authorized and for taking appropriate and timely action to correct any errors or unauthorized transactions.
- c. Each Purchasing Card is issued to the Town and the individual employee named on the card. No one other than the employee named on the card is permitted to use the card - ***even in an emergency situation.***
- d. IF A CARD IS LOST, STOLEN OR MISPLACED, THE CARDHOLDER IS RESPONSIBLE FOR IMMEDIATELY NOTIFYING BANK OF AMERICA – AT ANY HOUR OF ANY DAY – and, as early as possible on the next business day, the Card Administrator (Contact information is in Exhibit 5) and Department Manager.
- e. Department Managers are responsible for monitoring proper card usage and reviewing transactions to ensure they are accurate and complete.
- f. Department Managers must notify Bank of America immediately and as early as possible to the Card Administrator if a cardholder's employment with the Town is terminated.
- g. The Card Administrator is responsible for maintaining a file of individuals authorized to make Purchasing Card transactions. The Administrator is also the focal point for the overall program administration and problem resolution.
- h. The Card Administrator reviews and posts transaction-accounting submitted by each department.

III. Using the Purchasing Card

- a. The Purchase Card program is designed to let end-users of goods make purchases directly from vendors, thus increasing efficiency, decreasing cycle time, and dramatically reducing paperwork. The Town's general criteria for using a Purchasing Card are:

Eligible Items –

- Small-dollar items cost \$1,000 or less (excluding tax) and are eligible for purchase with a Town of Harrisburg Purchasing Card with Department Manager approval.
- Standard purchases cost more than \$1,000 and are eligible for purchase with a Town of Harrisburg Purchasing Card given proper adherence to

Town of Harrisburg, NC
Purchasing Card Policy and Procedures

standard requisition, purchase order, and Finance Department approval procedures. The purchase order number shall be included in the BOA Works documentation or on the receipt and the purchasing employee must notify the Card Administrator that a PO was paid with a credit card so the PO can be closed out properly.

Ineligible Items – Items in the following categories are considered ineligible regardless of how much they cost:

- Personal Items
 - Alcoholic Beverages
 - Tobacco Products
- b. Each cardholder will be subject to a single transaction limit and daily and monthly cumulative total dollar spending limits. These limits are established by the Department Manager and reviewed and approved by the Finance Officer.
 - c. The Purchasing Card should only be used at approved vendor categories. Vendor categories are selected by the Department Manager and reviewed and approved by the Finance Officer. If a cardholder believes a vendor who declines a transaction falls within an approved category, they should contact the Card Administrator to determine if the transaction was declined because of a merchant exclusion or for another reason. For example, a transaction may have been declined because the cardholder exceeded a daily or monthly limit. If a transaction limit has been exceeded, a Department Manager may email the Card Administrator to request that the card limit be increased.
 - d. In addition to adhering to the Purchasing Card Policy established by the Finance Department, the cardholder must also follow any additional policy guidelines that may be established by their department.
 - e. No Town employee shall attempt to purchase an item using a Purchasing Card issued to another person. Delegation of authority is not permitted in regard to card transactions.
 - f. The cardholder must receive an original receipt at the time of purchase. An original invoice or packing slip may be used provided it is clearly marked as paid. The receipt, invoice or packing slip must itemize the goods purchased and indicate how much was paid for each item including the amount of sales tax paid. If the receipt, invoice or packing slip description includes only catalog of item numbers, the cardholder should handwrite a brief description of the items purchased.
 - g. If an accounting adjustment is required to charge a purchase to another department cost center or project, the cardholder must provide written approval from the department which will be charged.
 - h. If any item purchased with the Purchasing Card is returned, the merchant must credit the card account.
 - i. The Card Administrator is responsible for all card maintenance, and must be notified of any updates or changes that are needed, such as a cardholder's change of name or address, or a change in transaction authorization limits.

IV. Transaction Approval

- a. **Cardholder Responsibilities** – Each Cardholder who has been entrusted with a Purchasing Card is responsible for verifying the accuracy of charges posted to their card. Within two days of receiving email notification, the card holder is responsible for reviewing and approving or disputing the transaction online via BOA Works.
- b. **Department Manager Responsibilities**- A Department Manager will receive an e-mail to advise them that cardholder transactions have been approved and await their review. The Department Manager has two days to approve the transaction after receiving the email. The Department Manager may make changes as needed to accounts, dollar amounts, or “raise a flag” to send a note back to the cardholder with questions about any transaction. After Department Manager approval, the “spend report” with receipts attached is sent to the Finance Department for final review, batching and accounting system posting.

BILLING AND REMITTANCE PROCEDURES

The Town of Harrisburg’s Purchasing Card Program is an individual accountability/central payment program. Each cardholder is responsible for the proper review and accounting of transactions posted to their card. The Card Administrator which pays Bank of America on behalf of all cardholders, reviews and posts the individual totals to the proper accounts based on the transactions as submitted by each Department Manager.

Reconciling the transactions shown online via BOA Works with the cardholder’s records and individual charge slips is the primary responsibility of the cardholder. The cross-check is essential to verify accuracy.

Billing Discrepancies – Vendors should not charge your account unless goods have been received. Any discrepancies between the online transaction postings and the cardholder’s records must be dealt with immediately. To resolve a billing discrepancy the cardholder should first contact the vendor and/or Department Manager to try to resolve the problem. For example, a cardholder ordered three items by phone and the vendor later called to tell the cardholder the third item is no longer available. Yet when the cardholder reviews their card transactions, all three items were included in the charge total. In this case, the cardholder should request a credit to their Purchasing Card account, document the agreement, and make a note in the transaction record of the pending credit. If the dispute cannot be resolved at the cardholder/vendor level, the cardholder should contact their Department Manager for direction on how to contact Bank of America Card Services to dispute the charges. **Timeliness in uncovering unauthorized charges is critical. From the date the transaction posted, the Town has a time limit of 60 days to file any dispute of charges. Disputes not reported within 60 days cannot be corrected and may become the financial responsibility of the cardholder.**

Town of Harrisburg, NC

Purchasing Card Policy and Procedures

AUDITING

Routine audits ensure that funds are being spent properly and that adequate transaction information is being kept by cardholders to document how, where and for what purposes Purchasing Cards have been used.

The Finance Department's audit procedures include:

- I. Comparing cardholder-supplied documentation to Bank of America/VISA records.
- II. Asking cardholders to explain any discrepancies between cardholder and Bank of America /VISA records.
- III. Reviewing cardholder receipts and records to confirm that the goods and/or services acquired represent approved Purchasing Card expenditures obtained following proper procedures.

RECORDS

Receipts will be attached to the accounting system entry forms by the Card Holder. Original receipts should be maintained by the Card Holder for at least 60 days.

BUDGET ALLOCATIONS

Accounting system entries related to Purchasing Card transactions are posted monthly. The statement date for the Purchasing Card is the 25th of each month; however, transactions occurring at or near the Town's fiscal year end will be posted to the accounting system according to their transaction date.

SUMMARY

The Town asks its employee cardholders to exercise good judgement and act responsibly when using their Town of Harrisburg Purchasing Cards. These cards are issued in the names of the individual employees and all activity is assumed to have been incurred by the employee named on the cards. We ask employees to maintain accurate transaction records and always to obtain original card purchase receipts. If you have any questions about the Purchasing Card program or need additional information, please contact the Card Administrator.

TOWN OF HARRISBURG PURCHASING CARD PROGRAM QUICK QUESTION AND ANSWER GUIDE

Exhibit 1

TOWN OF HARRISBURG PURCHASING CARD PROGRAM QUICK REVIEW

Q – Who can request a Town of Harrisburg Purchasing Card?

A – Department Managers can request a card for any employee within their department who routinely makes purchases for the Town.

Q – What types of purchases can I make with my Purchasing Card?

A – You may purchase necessary goods costing less than \$1,000 which do not require a purchase order and items over \$1,000 with finance-provided purchase orders.

Q – May I use my card for business-related travel expenses?

A – Yes. Discuss with Department Manager for specific guidance, particularly whether to use per diem or charge the Purchasing Card.

Q – Where can I use the Town of Harrisburg Purchasing Card?

A – You may use the card when making purchases from suppliers and merchants who accept VISA for payment and are engaged in the business categories approved by Town of Harrisburg for Purchasing Card use.

Q – Can I use my card for purchases made over the phone or online?

A – Yes but you must request a receipt with the order.

Q – Are there any limits on the use of the Purchasing Card?

A – Yes. There are individual transaction limits, and daily and monthly cumulative spending limits. You will receive notification of these limits when your card is issued.

Q – What happens if a vendor indicates that authorization to accept my Purchasing Card has been declined?

A – A vendor could decline your Purchasing Card for several reasons, but normally you may have exceeded your single, daily, or monthly spending limits. You can call the Card Administrator to find out why any transaction has been declined. Your Department Manager is the one to contact if you feel that your transaction limits should be altered to meet your normal monthly purchasing requirements.

Town of Harrisburg, NC
Purchasing Card Policy and Procedures

Q – Will I receive a monthly bill?

A – No, but you will be required to account for your purchases via Bank of America's BOA Works online service.

Q – Who pays my monthly bill?

A – Neither employees nor their department/cost centers make any monthly card payments directly. The Card Administrator pays a monthly consolidated bill for all cardholders.

Q – What do I do with my purchase receipts?

A – Employees are responsible for uploading a copy of their receipts to BOA Works as part of their online transaction approval process and for retaining the original receipt for at least 60 days.

Q – What if there are transactions posted to my card which are wrong or I did not make?

A – If you believe a mistake has been made, first try to resolve the issue directly with your supplier/vendor. If you are unable to resolve the dispute, contact your Department Manager to determine the best method to contact Bank of America Card Services to dispute the charge. Also, contact the Card Administrator to report the transaction discrepancy.

Q – What if I lose my card?

A – If your card is lost, stolen or misplaced, immediately notify Bank of America at 1-888-449-2273. Customer service representatives are available 24 hours a day, 365 days a year. You should also notify the Card Administrator and your Department Manager as early as possible on the first day after you discover the loss.

Q – Whom do I call if I need additional assistance?

A – Contact your Department Manager or Card Administrator

I, _____, agree to the following regarding my participation in the Town of Harrisburg Purchasing Card Program:

1. I understand that I am being entrusted with a Town of Harrisburg Purchasing Card and will be making financial commitments on behalf of the Town of Harrisburg (the "Town") and will strive to obtain the best value for the Town.
2. I understand that under no circumstance will I use the Purchasing Card to make personal purchases, either for myself or for others.
3. I understand that under no circumstances will I allow someone else to use my Purchasing Card to make purchases, even if it is an emergency situation.
4. I will follow the established procedures for the using the Purchasing Card. Failure to do so may result in either revocation of use privileges or other disciplinary actions, including termination of employment.
5. I have been given a copy of the Town of Harrisburg Purchasing Card Program Policy and Procedures Manual. I have read and understand the requirements for using the Purchasing Card as described in the policy and procedures manual.
6. I agree that should I willfully violate the terms of this Agreement and use the Purchasing Card for personal use or gain, I will reimburse the Town for all incurred charges and any fees related to the collection of those charges. I understand this may be grounds for immediate termination of employment.

Employee Signature

Date

Finance Department Representative

Date

Check type of request below:

☐ Open new account

☐ Name or Address change

☐ Close Account

☐ Spending Limit Change

First Name

MI

Last Name

Employment Date

Business Telephone

Model this card's profiles like the following cardholder: _____

If the card is not modeled after another cardholder, please indicate the following:

Single Transaction Limit

Monthly Transaction Limit

Employee Signature

Date

Department Manager Signature

Date

Finance Department Use:	
Financial Officer Approval	Card set-up by
Profile	Set-up Date

I, _____, hereby acknowledge receipt of my Town of Harrisburg Purchasing Card. I have verified the information contained on the card and attest to its accuracy. I agree to use this Purchasing Card only for actual and necessary business expenses incurred in accordance with the Town of Harrisburg Purchasing Card Employee Agreement that I signed and returned with my card application.

If the card is lost, stolen or misplaced, I will immediately notify Bank of America by phone. I also will inform the Card Administrator in the Finance Department and my Department Manager of this loss. I understand that failure to notify Bank of America for theft, loss or misplacement of the card could make me personally responsible for any fraudulent use. I also understand that unauthorized use of this card may result in immediate disciplinary action up to and including termination of my employment.

I agree to surrender the card immediately upon my retirement or termination of employment, or upon the request of any authorized representative of the Town of Harrisburg. I understand that use of the card after privileges are withdrawn is prohibited.

Employee Name (printed or typed)		Last four digits of card #
Employee Signature		Date

Note: Please sign, date and return to the Card Administrator.

TOWN OF HARRISBURG PURCHASING CARD CONTACT INFORMATION**Exhibit 5**

PERSON	REASON TO CONTACT
Town of Harrisburg Card Administrator	• Request new card
Lori Nash 704-455-0704	• Request changes in account limits
lnash@harrisburgnc.org	• Make changes in existing account information
	• Close existing card accounts
	• Report transaction discrepancies
	• Transaction accounting

Finance Officer
Brian Lee 704-455-0712
blee@harrisburgnc.org

PERSON	REASON TO CONTACT
Bank of America Commercial Card Services	• Report lost or stolen card
Card Program Manager	• Close existing card accounts
Telephone 1-888-449-2273	• Dispute transactions
Telephone 1-888-571-1000 (key in card #)	• Activate card



Town of Harrisburg, NC Uniform Guidance Procurement Policy

Adopted 1/14/2019

I. Purpose

The purpose of this policy is to establish guidelines that meet or exceed the procurement requirements for purchases of goods (apparatus, supplies, materials, and equipment), services, and construction or repair projects when federal funds are being used in whole or in part to pay for the cost of the contract. To the extent that other sections of procurement policies and procedures adopted by the Town of Harrisburg (the "Town") are more restrictive than those contained in this policy, local policies and procedures shall be followed.

II. Policy

A. Application of Policy. This policy applies to contracts for purchases, services, and construction or repair work funded with federal financial assistance (direct or reimbursed). The requirements of this policy also apply to any sub-recipient of the funds.

All federally funded projects, loans, grants, and sub-grants, whether funded in part or wholly, are subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal awards (Uniform Guidance) codified at 2 C.F.R. Part 200 unless otherwise directed in writing by the federal agency or state pass-through agency that awarded the funds.

B. Compliance with Federal Law. All procurement activities involving the expenditure of federal funds must be conducted in compliance with the Procurement Standards codified in 2 C.F.R. § 200.317 through § 200.326 unless otherwise directed in writing by the federal agency or state pass-through agency that awarded the funds. The Town will follow all applicable local, state, and federal procurement requirements when expending federal funds. Should the Town have more stringent requirements, the most restrictive requirement shall apply so long as it is consistent with state and federal law.

C. Contract Award. All contracts shall be awarded only to the lowest responsive responsible bidder possessing the ability to perform successfully under the terms and conditions of the contract.

D. No Evasion. No contract may be divided to bring the cost under bid thresholds or to evade any requirements under this Policy or state and federal law.

- E. Contract Requirements.** All contracts paid for in whole or in part with federal funds shall be in writing. The written contract must include or incorporate by reference the provisions required under 2 C.F.R § 200.326 and as provided for under 2 C.F.R. Part 200, Appendix II.
- F. Contractors' Conflict of Interest.** Designers, suppliers, and contractors that assist in the development or drafting of specifications, requirements, statements of work, invitation for bids or requests for proposals shall be excluded from competing for such requirements.
- G. Approval and Modification.** The administrative procedures contained in this policy are administrative and may be changed as necessary at the staff level to comply with State and federal law.

III. General Procurement Standards and Procedures:

Either the Finance Department or the Requesting Department shall procure all contracts in accordance with the requirements of this section of the policy.

- A. Necessity.** Purchases must be necessary to perform the scope of work and must avoid acquisition of unnecessary or duplicative items. The Finance Department and/or the Requesting Department should check with the federal surplus property agency prior to buying new items when feasible and less expensive. Strategic sourcing should be considered with other departments and/or agencies who have similar needs to consolidate procurements and services to obtain better pricing.
- B. Clear Specifications.** All solicitations must incorporate a clear and accurate description of the technical requirements for the materials, products, or services to be procured, and shall include all other requirements which bidders must fulfill and all other factors to be used in evaluating bids or proposals. Technical requirements must not contain features that restrict competition.
- C. Notice of Federal Funding.** All bid solicitations must acknowledge the use of federal funding for the contract. In addition, all prospective bidders or offerors must acknowledge that funding is contingent upon compliance with all terms and conditions of the funding award.
- D. Compliance by Contractors.** All solicitations shall inform prospective contractors that they must comply with all applicable federal laws, regulations, executive orders, and terms and conditions of the funding award.
- E. Fixed Price.** Solicitations must state that bidders shall submit bids on a fixed price basis and that the contract shall be awarded on this basis unless otherwise provided for in this policy. Cost plus percentage of cost contracts are prohibited. Time and materials

contracts are prohibited in most circumstances. Time and materials contracts will not be used unless no other form of contract is suitable and the contract includes a "Not to Exceed" amount. A time and materials contract shall not be awarded without express written permission of the federal agency or state pass-through agency that awarded the funds.

- F. Use of Brand Names.** When possible, performance or functional specifications are preferred to allow for more competition leaving the determination of how to reach the required result to the contractor. Brand names may be used only when it is impractical or uneconomical to write a clear and accurate description of the requirement(s). When a brand name is listed, it is used as reference only and "or equal" must be included in the description.
- G. Lease versus Purchase.** Under certain circumstances, it may be necessary to perform an analysis of lease versus purchase alternatives to determine the most economical approach.
- H. Dividing Contract for M/WBE Participation.** If economically feasible, procurements may be divided into smaller components to allow maximum participation of small and minority businesses and women business enterprises. The procurement cannot be divided to bring the cost under bid thresholds or to evade any requirements under this policy.
- I. Documentation.** Documentation must be maintained by the Finance Department and/or the Requesting Department detailing the history of all procurements. The documentation should include the procurement method used, contract type, basis for contractor selection, price, sources solicited, public notices, cost analysis, bid documents, addenda, amendments, contractor's responsiveness, notice of award, copies of notices to unsuccessful bidders or offerors, record of protests or disputes, bond documents, notice to proceed, purchase order, and contract. All documentation relating to the award of any contract must be made available to the granting agency upon request.
- J. Cost Estimate.** For all procurements costing \$250,000 or more, the Finance Department and/or Requesting Department shall develop an estimate of the cost of the procurement prior to soliciting bids. Cost estimates may be developed by reviewing prior contract costs, online review of similar products or services, or other means by which a good faith cost estimate may be obtained. Cost estimates for construction and repair contracts may be developed by the project designer.
- K. Contract Requirements.** The Requesting Department must prepare a written contract incorporating the provisions referenced in Section II.C of this policy.

- L. Debarment.** No contract shall be awarded to a contractor included on the federally debarred bidder's list.
- M. Contractor Oversight.** The Requesting Department receiving the federal funding must maintain oversight of the contract to ensure that contractor is performing in accordance with the contract terms, conditions, and specifications.
- N. Open Competition.** Solicitations shall be prepared in a way to be fair and provide open competition. The procurement process shall not restrict competition by imposing unreasonable requirements on bidders, including but not limited to unnecessary supplier experience, excessive or unnecessary bonding, specifying a brand name without allowing for "or equal" products, or other unnecessary requirements that have the effect of restricting competition.
- O. Geographic Preference.** No contract shall be awarded on the basis of a geographic preference.

IV. Specific Procurement Procedures

Either the Finance Department or the Requesting Department shall solicit bids in accordance with the requirements under this Section of the Policy based on the type and cost of the contract.

- A. Service Contracts** (except for Architectural & Engineering ("A/E") professional services) and **Purchase Contracts costing less than \$10,000** shall be procured using the Uniform Guidance "micro-purchase" procedure (2 C.F.R. § 200.320(a)) as follows:
 - 1. The contract may be awarded without soliciting pricing or bids if the price of the goods or services is considered to be fair and reasonable.
 - 2. To the extent practicable, purchases must be distributed among qualified suppliers.
- B. Service Contracts** (except for ("A/E") professional services) and **Purchase Contracts costing \$10,000 up to \$90,000** shall be procured using the Uniform Guidance "small purchase" procedure (2 C.F.R. § 200.320(b)) as follows:
 - 1. Obtain price or rate quotes from an "adequate number" of qualified sources (a federal grantor agency might issue guidance interpreting "adequate number," so the Requesting Department should review the terms and conditions of the grant award documents to confirm whether specific guidance has been issued).
 - 2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321.
 - 3. Cost or price analysis is not required prior to soliciting bids.
 - 4. Award the contract on a fixed-price basis (a not-to-exceed basis is permissible for service contracts where obtaining a fixed price is not feasible).
 - 5. Award the contract to the lowest responsive, responsible bidder.

C. Service Contracts (except for A/E professional services) and **Purchase Contracts costing \$90,000 and above** shall be procured using a combination of the most restrictive requirements of the Uniform Guidance “sealed bid” procedure (2 C.F.R. § 200.320(c)) and state formal bidding procedures (G.S. 143-129) as follows:

1. Cost or price analysis is required prior to soliciting bids.
2. Complete specifications or purchase description must be made available to all bidders.
3. The bid must be formally advertised in a newspaper of general circulation for at least seven full days between the date of the advertisement and the date of the public bid opening. Electronic-only advertising must be authorized by the governing board. The advertisement must state the date, time, and location of the public bid opening, indicate where specifications may be obtained, and reserve to the governing board the right to reject any or all bids only for “sound documented reasons.”
4. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321.
5. Open bids at the public bid opening on the date, time, and at the location noticed in the public advertisement. All bids must be submitted sealed. A minimum of 2 bids must be received in order to open all bids.
6. Award the contract to the lowest responsive, responsible bidder on a fixed-price basis. Governing board approval is required for purchase contracts unless the governing board has delegated award authority to an individual official or employee. Any and all bids may be rejected only for “sound documented reasons.”

D. Service Contracts (except for A/E professional services) **costing \$250,000 and above** may be procured using the Uniform Guidance “competitive proposal” procedure (2 C.F.R. § 200.320(d)) when the “sealed bid” procedure is not appropriate for the particular type of service being sought. The procedures are as follows:

1. A Request for Proposals (RFP) must be publicly advertised. Formal advertisement in a newspaper is not required so long as the method of advertisement will solicit proposals from an “adequate number” of qualified firms.
2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
3. Identify evaluation criteria and relative importance of each criteria (criteria weight) in the RFP.
4. Consider all responses to the publicized RFP to the maximum extent practical.
5. Must have a written method for conducting technical evaluations of proposals and selecting the winning firm.
6. Award the contract to the responsible firm with most advantageous proposal taking into account price and other factors identified in the RFP. Governing board approval is not required.
7. Award the contract on a fixed-price or cost-reimbursement basis.

- E. Construction and repair contracts costing less than \$10,000** shall be procured using the Uniform Guidance “micro-purchase” procedure (2 C.F.R. § 200.320(a)) as follows:
1. The contract may be awarded without soliciting pricing or bids if the price of the goods or services is considered to be fair and reasonable.
 2. To the extent practicable, contracts must be distributed among qualified suppliers.
- F. Construction and repair contracts costing \$10,000 up to \$250,000** shall be procured using the Uniform Guidance “small purchase” procedure (2 C.F.R. § 200.320(b)) as follows:
1. Obtain price or rate quotes from an “adequate number” of qualified sources (a federal grantor agency might issue guidance interpreting “adequate number,” so the requesting department should review the terms and conditions of the grant award documents to confirm whether specific guidance has been issued).
 2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321.
 3. Cost or price analysis is not required prior to soliciting bids, although price estimates may be provided by the project designer.
 4. Award the contract on a fixed-price or not-to-exceed basis.
 5. Award the contract to the lowest responsive, responsible bidder. Governing board approval is not required.
- G. Construction and repair contracts costing \$250,000 up to \$500,000** shall be procured using the Uniform Guidance “sealed bid” procedure (2 C.F.R. § 200.320(c)) as follows:
1. Cost or price analysis is required prior to soliciting bids (this cost estimate may be provided by the project designer).
 2. Complete specifications must be made available to all bidders.
 3. Publically advertise the bid solicitation for a period of time sufficient to give bidders notice of opportunity to submit bids (formal advertisement in a newspaper is not required so long as other means of advertising will provide sufficient notice of the opportunity to bid). The advertisement must state the date, time, and location of the public bid opening, and indicate where specifications may be obtained.
 4. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
 5. Open the bids at the public bid opening on the date, time, and at the location noticed in the public advertisement. All bids must be submitted sealed. A minimum of 2 bids must be received in order to open all bids.
 6. A 5% bid bond is required of all bidders. Performance and payment bonds of 100% of the contract price is required of the winning bidder.
 7. Award the contract on a firm fixed-price basis.
 8. Award the contract to the lowest responsive, responsible bidder. Governing board approval is not required. Any and all bids may be rejected only for “sound documented reasons.”

H. Construction and repair contracts costing \$500,000 and above shall be procured using a combination of the most restrictive requirements of the Uniform Guidance “sealed bid” procedure (2 C.F.R. § 200.320(c)) and state formal bidding procedures (G.S. 143-129) as follows:

1. Cost or price analysis is required prior to soliciting bids (this cost estimate should be provided by the project designer).
2. Complete specifications must be made available to all bidders.
3. Formally advertise the bid in a newspaper of general circulation for at least seven full days between the date of the advertisement and the date of the public bid opening. Electronic-only advertising must be authorized by the governing board. The advertisement must state the date, time, and location of the public bid opening, indicate where specifications may be obtained, and reserve to the governing board the right to reject any or all bids only for “sound documented reasons.”
4. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
5. Open the bids at the public bid opening on the date, time, and at the location noticed in the public advertisement. All bids must be submitted sealed and in paper form. A minimum of 3 bids must be received in order to open all bids.
6. A 5% bid bond is required of all bidders (a bid that does not include a bid bond cannot be counted toward the 3-bid minimum requirement). Performance and payment bonds of 100% of the contract price is required of the winning bidder.
7. Award the contract on a firm fixed-price basis.
8. Award the contract to the lowest responsive, responsible bidder. Governing board approval is required and cannot be delegated. The governing board may reject and all bids only for “sound documented reasons.”

I. Construction or repair contracts involving a building costing \$300,000 and above must comply with the following additional requirements under state law:

1. Formal HUB (historically underutilized business) participation required under G.S. 143-128.2, including local government outreach efforts and bidder good faith efforts, shall apply.
2. Separate specifications shall be drawn for the HVAC, electrical, plumbing, and general construction work as required under G.S. 143-128(a).
3. The project shall be bid using a statutorily authorized bidding method (separate-prime, single-prime, or dual bidding) as required under G.S. 143-129(a1).

J. Contracts for Architectural and Engineering Services costing under \$250,000 shall be procured using the state “Mini-Brooks Act” requirements (G.S. 143-64.31) as follows:

1. Issue a Request for Qualifications (RFQ) to solicit qualifications from qualified firms (formal advertisement in a newspaper is not required). Price (other than unit cost) shall not be solicited in the RFQ.

2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided for under 2 C.F.R. § 200.321.
3. Evaluate the qualifications of respondents based on the evaluation criteria developed by the Finance Department and/or Requesting Department.
4. Rank respondents based on qualifications and select the best qualified firm. Price cannot be a factor in the evaluation. Preference may be given to in-state (but not local) firms.
5. Negotiate fair and reasonable compensation with the best qualified firm. If negotiations are not successful, repeat negotiations with the second-best qualified firm.
6. Award the contract to best qualified firm with whom fair and reasonable compensation has been successfully negotiated. Governing board approval is not required.

K. Contracts for Architectural and Engineering Services costing \$250,000 or more shall be procured using the Uniform Guidance “competitive proposal” procedure (2 C.F.R. § 200.320(d)(5)) as follows:

1. Publicly advertise a Request for Qualifications (RFQ) to solicit qualifications from qualified firms (formal advertisement in a newspaper is not required). Price (other than unit cost) shall not be solicited in the RFQ.
2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
3. Identify the evaluation criteria and relative importance of each criteria (the criteria weight) in the RFQ.
4. Proposals must be solicited from an “adequate number of qualified sources” (an individual federal grantor agency may issue guidance interpreting “adequate number”).
5. Must have a written method for conducting technical evaluations of proposals and selecting the best qualified firm.
6. Consider all responses to the publicized RFQ to the maximum extent practical.
7. Evaluate qualifications of respondents to rank respondents and select the most qualified firm. Preference may be given to in-state (but not local) firms provided that granting the preference leaves an appropriate number of qualified firms to compete for the contract given the nature and size of the project.
8. Price cannot be a factor in the initial selection of the most qualified firm.
9. Once the most qualified firm is selected, negotiate fair and reasonable compensation. If negotiations are not successful, repeat negotiations with the second-best qualified firm.
10. Award the contract to best qualified firm with whom fair and reasonable compensation has been successfully negotiated. Governing board approval is not required.

L. Exceptions

Non-competitive contracts are allowed **only** under the following conditions and with the written approval of the federal agency or state pass-through agency that awarded the federal funds:

1. **Sole Source.** A contract may be awarded without competitive bidding when the item is available from only one source. The Finance Department and/or Requesting Department shall document the justification for and lack of available competition for the item. A sole source contract must be approved by the governing board.
2. **Public Exigency.** A contract may be awarded without competitive bidding when there is a public exigency. A public exigency exists when there is an imminent or actual threat to public health, safety, and welfare, and the need for the item will not permit the delay resulting from a competitive bidding.
3. **Inadequate Competition.** A contract may be awarded without competitive bidding when competition is determined to be inadequate after attempts to solicit bids from a number of sources as required under this Policy does not result in a qualified winning bidder.
4. **Federal Contract.** A contract may be awarded without competitive bidding when the purchase is made from a federal contract available on the U.S. General Services Administration schedules of contracts.
5. **Awarding Agency Approval.** A contract may be awarded without competitive bidding with the express written authorization of the federal agency or state pass-through agency that awarded the federal funds so long as awarding the contract without competition is consistent with state law.



Town of Harrisburg, NC
Uniform Guidance Conflict of Interest and Gifts Policy

Adopted 1/14/2019

I. Purpose

The purpose of this policy is to establish conflicts of interest guidelines that meet or exceed the requirements under state law and local policy when procuring goods (apparatus, supplies, materials, and equipment), services, and construction or repair projects paid for in part or whole by federal funds and required under 2 C.F.R. § 200.318(c)(1). Federal standards and policies herein shall also apply to State awards.

II. Policy

This policy applies when procuring goods (apparatus, supplies, materials, and equipment), services, and construction or repair projects funded in part or whole with federal financial assistance (direct or reimbursed). This policy also applies to any subrecipient of the funds.

The Finance Department is responsible for managing the federal financial assistance award and shall review the notice of award to identify any additional conflicts of interest prohibitions or requirements associated with the award, and shall notify all employees, officers, and agents, including subrecipients, of the requirements of this policy and any additional prohibitions or requirements.

A. Conflicts of Interest. In addition to the prohibition against self-benefiting from a public contract under G.S. 14-234, no officer, employee, or agent of the Town of Harrisburg (the "Town") may participate directly or indirectly in the selection, award, or administration of a contract supported by a federal award if they have a real or apparent conflict of interest. A real or apparent conflict exists when any of the following parties has a financial or other interest in or receives a tangible personal benefit from a firm considered for award of a contract:

1. the employee, officer, or agent involved in the selection, award, or administration of a contract;
2. any member of their immediate family;
3. their partner; or
4. an organization which employs or is about to employ any of these parties.

Any officer, employee, or agent with an actual, apparent, or potential conflict of interest as defined in this policy shall report the conflict to his or her immediate supervisor and the Finance Director. Any such conflict shall be disclosed in writing to the federal award agency or pass-through entity in accordance with applicable federal awarding agency policy.

B. Gifts. In addition to the prohibition against accepting gifts and favors from vendors and contractors under G.S. 133-32, officers, employees, and agents of the Town are prohibited from accepting or soliciting gifts, gratuities, favors, or anything of monetary value from contractors, suppliers, or parties to subcontracts. Items of nominal value valued at less than \$25.00 which fall into one of the following categories may be accepted:

1. promotional items;
2. honorariums for participation in meetings; or
3. meals furnished at banquets.

Any officer, employee or agent who knowingly accepts an item of nominal value allowed under this policy shall report the item to their immediate supervisor and the Finance Director.

III. Violation

Employees violating this policy will be subject to discipline up to and including termination. Contractors violating this policy will result in termination of the contract and debarment from further transactions with the Town.

Employee Signature

Date

Finance Department Representative

Date



TOWN OF HARRISBURG

Agenda Item Details

Title:

Consideration of Resolution for Local Water Supply Plan

Presenting Personnel:

Tom Polito, Public Works Director

Suggested Motion or Action:

To approve a resolution for the Local Water Supply Plan

Description/Background:

This resolution is related to the Town's yearly Local Water Supply Plan (LWSP) that we are required to submit to NCDEQ. This plan describes where the Town's water supply comes from, such as Concord, Charlotte Water and Town wells, along with the estimated demand of that supply to determine adequate supply available. The plan has already been submitted, approved by the State and is attached to this agenda item for review. Please be advised the plan runs a year behind, which is why it shows 2017 on the approved plan.

Recommendation:

Staff recommends approval of the attached resolution.

Fiscal Impact:

None

Attachments:

1. Resolution - Local Water Supply Plan
2. LWSP letter from the State
3. 2017 LWSP Plan for the Town of Harrisburg



RESOLUTION

RESOLUTION FOR APPROVING LOCAL WATER SUPPLY PLAN

WHEREAS, North Carolina General Statute 143-355 (l) requires that each unit of local government that provides public water service or that plans to provide public water service and each large community water system shall, either individually or together with other units of local government and large community water systems, prepare and submit a Local Water Supply Plan; and

WHEREAS, as required by the statute and in the interests of sound local planning, a Local Water Supply Plan for the Town of Harrisburg, has been developed and submitted to the Town Council for approval; and

WHEREAS, the Town Council finds that the Local Water Supply Plan is in accordance with the provisions of North Carolina General Statute 143-355 (l) and that it will provide appropriate guidance for the future management of water supplies for the Town of Harrisburg, as well as useful information to the Department of Environmental Quality for the development of a state water supply plan as required by statute;

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Harrisburg that the Local Water Supply Plan entitled, 2017 Local Water Supply Plan submitted by April 1, 2018 , is hereby approved and shall be submitted to the Department of Environmental Quality, Division of Water Resources; and

BE IT FURTHER RESOLVED that the Town Council intends that this plan shall be revised to reflect changes in relevant data and projections annually, in accordance with the statute and sound planning practice.

This resolution is effective upon its adoption this 14th day of January 2019.

The motion to adopt this resolution was made by Councilmember _____,
seconded by Councilmember _____ and passed by a vote of _____ to _____.

Steve Sciascia, Mayor

ATTEST:

Janet Rackley, Town Clerk



NORTH CAROLINA
Environmental Quality

ROY COOPER
Governor

MICHAEL S. REGAN
Secretary

LINDA CULPEPPER
Interim Director

December 20, 2018

Larry Aldridge, ORC
Harrisburg
PO Box 100
Harrisburg, NC 28075

Subject: LWSP Meets Minimum Criteria

Harrisburg
PWSID#: 01-13-025
Cabarrus County

Dear Larry Aldridge,

This letter is to notify you that our staff has reviewed the information contained in the 2017 Local Water Supply Plan (LWSP) update submitted by your office. Since all the required information is complete, the LWSP for the Harrisburg system hereby meets the minimum criteria established in North Carolina General Statute 143-355 (1).

Your water system's 2017 LWSP is now viewable online from the LWSP website found at: https://www.ncwater.org/Water_Supply_Planning/Local_Water_Supply_Plan/search.php. The plan has been made available after our best efforts to screen any errors. As a final check, please review and report any mistakes or omissions to the review engineer. Unless notified otherwise, the Division of Water Resources considers your 2017 LWSP complete.

The 2017 LWSP must next be adopted by your water system's governing board; a model resolution is available online on the right side of the page in the Forms and Docs section at: https://www.ncwater.org/Water_Supply_Planning/Local_Water_Supply_Plan/learn.php. A copy of the signed resolution must be submitted to Linwood Peele, Water Supply Planning Section Supervisor, at the address printed at the bottom of this letter. The LWSP cannot be considered compliant with the requirements of NCGS 143-355(1) until an adopted resolution is received.

Thank you very much for your efforts to provide your customers with a safe and reliable supply of drinking water. We look forward to continuing to work with you in these efforts. Please contact Klaus Albertin at klaus.albertin@ncdenr.gov or (919)707-9035, or Linwood Peele at linwood.peele@ncdenr.gov or (919) 707-9024, if we can be of further assistance.

Sincerely,

Linwood E. Peele *signed by for*
Linwood Peele

Linwood E. Peele, Supervisor
Division of Water Resources, NCDEQ



Harrisburg

2017 ✓

The Division of Water Resources (DWR) provides the data contained within this Local Water Supply Plan (LWSP) as a courtesy and service to our customers. DWR staff does not field verify data. Neither DWR, nor any other party involved in the preparation of this LWSP attests that the data is completely free of errors and omissions. Furthermore, data users are cautioned that LWSPs labeled **PROVISIONAL** have yet to be reviewed by DWR staff. Subsequent review may result in significant revision. Questions regarding the accuracy or limitations of usage of this data should be directed to the water system and/or DWR.

1. System Information

Contact Information

Water System Name: Harrisburg PWSID: 01-13-025
Mailing Address: PO Box 100 Ownership: Municipality
Harrisburg, NC 28075
Contact Person: Larry Aldridge Title: ORC
Phone: 704-455-4669 Cell/Mobile:
Secondary Contact: Greg Peifer Phone: 704-455-0729
Mailing Address: P.O. Box 100, Suite 100 Cell/Mobile:
Harrisburg, NC 28075

Complete

Distribution System

Line Type	Size Range (Inches)	Estimated % of lines
Asbestos Cement	6	0.01 %
Ductile Iron	6-16	2.00 %
Polyvinyl Chloride	2-16	97.99 %

What are the estimated total miles of distribution system lines? 112 Miles

How many feet of distribution lines were replaced during 2017? 9,849 Feet

How many feet of new water mains were added during 2017? 7,715 Feet

How many meters were replaced in 2017? 74

How old are the oldest meters in this system? 23 Year(s)

How many meters for outdoor water use, such as irrigation, are not billed for sewer services? 366

What is this system's finished water storage capacity? 0.4000 Million Gallons

Has water pressure been inadequate in any part of the system since last update? Line breaks that were repaired quickly should not be included. No

Replaced 6499 feet of SDR21 to C900 6". Replaced 3350 feet of SDR21 4" to C900 10".

Programs

Does this system have a program to work or flush hydrants? Yes, As Needed

Does this system have a valve exercise program? Yes, Annually

Does this system have a cross-connection program? Yes

Does this system have a program to replace meters? Yes

Does this system have a plumbing retrofit program? No

Does this system have an active water conservation public education program? No

Does this system have a leak detection program? No

Water Conservation

What type of rate structure is used? Increasing Block

How much reclaimed water does this system use? 0.0000 MGD For how many connections? 0

Does this system have an interconnection with another system capable of providing water in an emergency? Yes

2. Water Use Information

Service Area

Sub-Basin(s)	% of Service Population	County(s)	% of Service Population
Rocky River (18-4)	100 %	Cabarrus	100 %
What was the year-round population served in 2017? 17,127			

Has this system acquired another system since last report? No

Water Use by Type

Type of Use	Metered Connections	Metered Average Use (MGD)	Non-Metered Connections	Non-Metered Estimated Use (MGD)
Residential	6,743	1.0630	0	0.0000
Commercial	172	0.0260	0	0.0000
Industrial	33	0.0050	0	0.0000
Institutional	61	0.0010	0	0.0000

How much water was used for system processes (backwash, line cleaning, flushing, etc.)? 0.0020 MGD

Water Sales

Purchaser	PWSID	Average Daily Sold (MGD)	Days Used	MGD	Contract Expiration	Recurring	Required to comply with water use restrictions?	Pipe Size(s) (inches)	Use Type
Weatherstone S/D	01-13-193	0.0010	365			Yes	Yes	2	Emergency

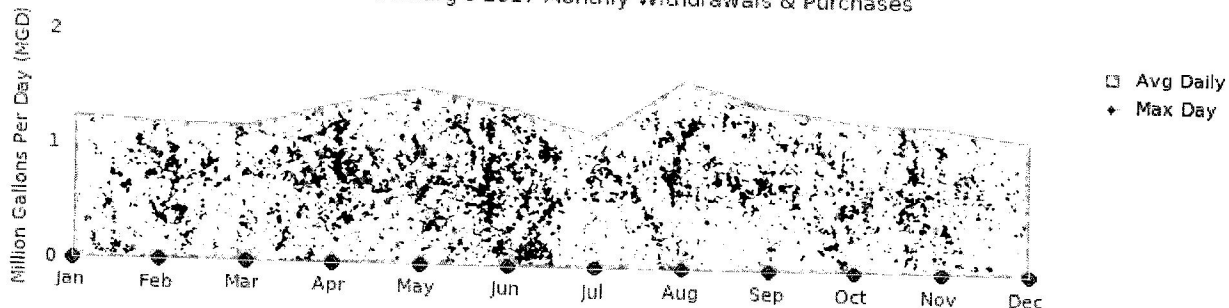
We have no contract with this system. Only used in an emergency.

3. Water Supply Sources

Monthly Withdrawals & Purchases

	Average Daily Use (MGD)	Max Day Use (MGD)		Average Daily Use (MGD)	Max Day Use (MGD)		Average Daily Use (MGD)	Max Day Use (MGD)
Jan	1.2400		May	1.5400		Sep	1.4200	
Feb	1.2000		Jun	1.3800		Oct	1.3000	
Mar	1.1800		Jul	1.1400		Nov	1.2800	
Apr	1.3700		Aug	1.6400		Dec	1.1500	

Harrisburg's 2017 Monthly Withdrawals & Purchases



Ground Water Sources

Name or Number	Average Daily Withdrawal (MGD)	Max Day Withdrawal (MGD)	12-Hour Supply (MGD)	CUA Reduction	Year Offline	Use Type
Heatherstone	0.0810	365	0.1960			Regular
Well #3-Stallings Rd.	0.1900	365	0.2400			Regular

Ground Water Sources (continued)

Name or Number	Well Depth (Feet)	Casing Depth (Feet)	Screen Depth (Feet)	Well Diameter (Inches)	Pump Intake Depth (Feet)	Metered?
Heatherstone	730	62	Top	8	357	Yes
Well #3-Stallings Rd.	390	116	0	8	231	Yes

Are ground water levels monitored? Yes, Daily

Does this system have a wellhead protection program? Yes

Water Purchases From Other Systems

Seller	PWSID	Average Daily Purchased (MGD)	Days Used	MGD	Contract Expiration	Recurring	Required to comply with water use restrictions?	Pipe Size (s) (Inches)	Use Type
Charlotte-Mecklenburg Utility	01-60-010	0.0280	365	0.0000		No	Yes	8	Regular
City of Concord	01-13-010	0.8900	365	1.6000	2018	Yes	Yes	12	Regular

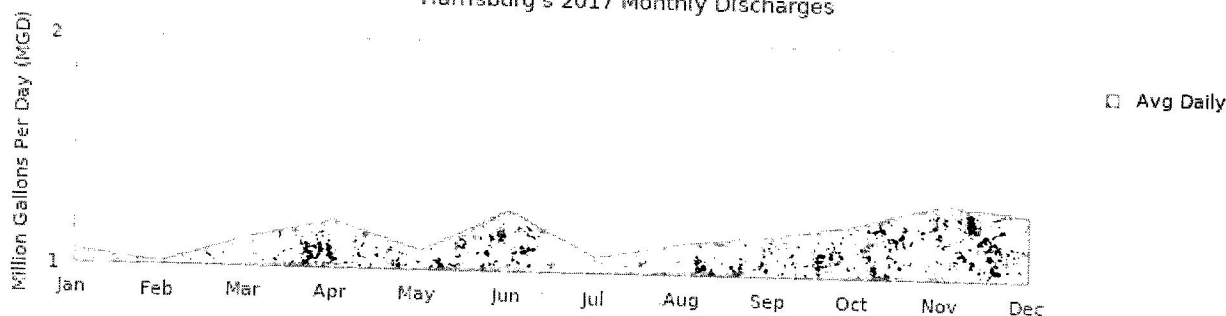
We have 1 small system that is purchased water from Charlotte-Mecklenburg, 1 small system and a large system that is purchased water from the City of Concord. All of the water coming from Concord is billed under the Town of Harrisburg. We only calculated water usage for the Town of Harrisburg water system 01-13-025 only. We have no contract with Charlotte-Mecklenburg and we hope that a written contract can be obtained in the not too distant future.

4. Wastewater Information

Monthly Discharges

	Average Daily Discharge (MGD)		Average Daily Discharge (MGD)		Average Daily Discharge (MGD)
Jan	1.0620	May	1.0820	Sep	1.1740
Feb	1.0100	Jun	1.2620	Oct	1.2320
Mar	1.1260	Jul	1.0660	Nov	1.3250
Apr	1.2100	Aug	1.1360	Dec	1.2780

Harrisburg's 2017 Monthly Discharges



How many sewer connections does this system have? 7,636

How many water service connections with septic systems does this system have? 15

Are there plans to build or expand wastewater treatment facilities in the next 10 years? No

There are more sewer connections than water due to Subdivisions having their own water systems.

Wastewater Permits

Permit Number	Permitted Capacity (MGD)	Design Capacity (MGD)	Average Annual Daily Discharge (MGD)	Maximum Day Discharge (MGD)	Receiving Stream	Receiving Basin
WQCS00328	0.0000	0.0000	0.0000		Rocky River	Rocky River (18-4)

We are a Collection System only and the Water and Sewer Authority of Cabarrus County (WSACC) is responsible for the treatment of all wastewater generated by the Town of Harrisburg.

Wastewater Interconnections

Water System	PWSID	Type	Average Daily Amount MGD	Days Used	Contract Maximum (MGD)
WSACC	01-13-999	Discharging	1.1600	365	0.0000

There is no contract with WSACC, they are responsible for wastewater treatment in Cabarrus County.

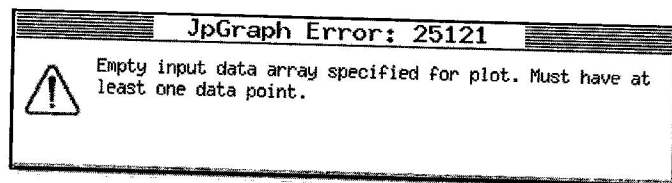
5. Planning

Projections

	2017	2020	2030	2040	2050	2060
Year-Round Population	17,127	18,800	21,000	24,000	26,500	27,800
Seasonal Population	0	0	0	0	0	0
Residential	1.0630	1.1000	1.3000	1.5000	1.6300	1.6800
Commercial	0.0260	0.0300	0.0380	0.0420	0.0440	0.0480
Industrial	0.0050	0.0060	0.0090	0.0100	0.0120	0.0140
Institutional	0.0010	0.0020	0.0040	0.0060	0.0080	0.0090
System Process	0.0020	0.0010	0.0020	0.0020	0.0020	0.0030
Unaccounted-for	0.0910	0.1460	0.1600	0.1790	0.1990	0.2190

Demand v/s Percent of Supply

	2017	2020	2030	2040	2050	2060
Surface Water Supply	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Ground Water Supply	0.4360	0.4360	0.4360	0.4360	0.4360	0.4360
Purchases	1.6280	1.6280	1.6280	1.6280	1.6280	1.6280
Future Supplies		0.0000	0.0000	0.0000	0.0000	0.0000
Total Available Supply (MGD)	2.0640	2.0640	2.0640	2.0640	2.0640	2.0640
Service Area Demand	1.1880	1.2850	1.5130	1.7390	1.8950	1.9730
Sales	0.0010	0.0000	0.0000	0.0000	0.0000	0.0000
Future Sales		0.0000	0.0000	0.0000	0.0000	0.0000
Total Demand (MGD)	1.1890	1.2850	1.5130	1.7390	1.8950	1.9730
Demand as Percent of Supply	58%	62%	73%	84%	92%	96%



The purpose of the above chart is to show a general indication of how the long-term per capita water demand changes over time. The per capita water demand may actually be different than indicated due to seasonal populations and the accuracy of data submitted. Water systems that have calculated long-term per capita water demand based on a methodology that produces different results may submit their information in the notes field.

Your long-term water demand is 62 gallons per capita per day. What demand management practices do you plan to implement to reduce the per capita water demand (i.e. conduct regular water audits, implement a plumbing retrofit program, employ practices such as rainwater harvesting or reclaimed water)? If these practices are covered elsewhere in your plan, indicate where the practices are discussed here.

Are there other demand management practices you will implement to reduce your future supply needs?

What supplies other than the ones listed in future supplies are being considered to meet your future supply needs?

How does the water system intend to implement the demand management and supply planning components above?

Additional Information

Has this system participated in regional water supply or water use planning? No

What major water supply reports or studies were used for planning?

Please describe any other needs or issues regarding your water supply sources, any water system deficiencies or needed improvements (storage, treatment, etc.) or your ability to meet present and future water needs. Include both quantity and quality considerations, as well as financial, technical, managerial, permitting, and compliance issues:

The Division of Water Resources (DWR) provides the data contained within this Local Water Supply Plan (LWSP) as a courtesy and service to our customers. DWR staff does not field verify data. Neither DWR, nor any other party involved in the preparation of this LWSP attests that the data is completely free of errors and omissions. Furthermore, data users are cautioned that LWSPs labeled **PROVISIONAL** have yet to be reviewed by DWR staff. Subsequent review may result in significant revision. Questions regarding the accuracy or limitations of usage of this data should be directed to the water system and/or DWR.



TOWN OF HARRISBURG

Agenda Item Details

Title:

Consideration of Contract for Engineering Services for New Elevated Water Storage Tank

Presenting Personnel:

Lee Connor, Assistant Town Manager

Suggested Motion or Action:

To approve the contract with Gavel & Dorn Engineering in the amount of \$126,200 for engineering services for the new elevated water storage tank and authorize the Town Manager to execute the contract.

Description/Background:

Staff has been working with the consultants on the water model update to identify the location of the new elevated water storage tank that has been determined to be needed. Council approved a professional services budget relating to the new water tank in the amount of \$300,000. After identifying the location as being at the new Fire Station #2 site, staff negotiated a fee in the amount of \$126,200 to design the new tank.

The attached contract is with Gavel & Dorn and amounts to \$126,200. The Town Manager, Town Attorney and Finance Department have reviewed this contract.

Recommendation:

Staff recommends approval of the attached contract with Gavel and Dorn for engineering services with the new elevated water storage tank.

Fiscal Impact:

The contract total is \$126,200. The total professional services budget relating to this project has been approved by Town Council with the annual budget at \$300,000. Thus, the engineering services are currently set to be significantly below the already approved budget.

Attachments:

1. Contract - Gavel & Dorn Engineering, LLC

**SHORT FORM OF AGREEMENT
BETWEEN OWNER AND ENGINEER
FOR PROFESSIONAL SERVICES**

THIS IS AN AGREEMENT effective as of [REDACTED] ("Effective Date") between Town of Harrisburg, North Carolina ("Owner") and Gavel & Dorn Engineering, PLLC ("Engineer").

Owner's Project, of which Engineer's services under this Agreement are a part, is generally identified as follows: 1,000,000 Gallon Elevated Storage Tank ("Project").

Engineer's services under this Agreement are generally identified as follows: New Water Tank design, and bidding phase services ("Services"). See Attachment 'A'.

Owner and Engineer further agree as follows:

1.01 Basic Agreement and Period of Service

- A. Engineer shall provide or furnish the Services set forth in this Agreement. If authorized by Owner, or if required because of changes in the Project, Engineer shall furnish services in addition to those set forth above ("Additional Services").
- B. Engineer shall complete its Services within the following specific time period: **See Attachment A**. If no specific time period is indicated, Engineer shall complete its Services within a reasonable period of time.
- C. If, through no fault of Engineer, such periods of time or dates are changed, or the orderly and continuous progress of Engineer's Services is impaired, or Engineer's Services are delayed or suspended, then the time for completion of Engineer's Services, and the rates and amounts of Engineer's compensation, shall be adjusted equitably.

2.01 Payment Procedures

- A. **Invoices:** Engineer shall prepare invoices in accordance with its standard invoicing practices and submit the invoices to Owner on a monthly basis. Invoices are due and payable within 30 days of receipt. If Owner fails to make any payment due Engineer for Services, Additional Services, and expenses within 30 days after receipt of Engineer's invoice, then (1) the amounts due Engineer will be increased at the rate of 1.0% per month (or the maximum rate of interest permitted by law, if less) from said thirtieth day, and (2) in addition Engineer may, after giving seven days written notice to Owner, suspend Services under this Agreement until Engineer has been paid in full all amounts due for Services, Additional Services, expenses, and other related charges. Owner waives any and all claims against Engineer for any such suspension.
- B. **Payment:** As compensation for Engineer providing or furnishing Services and Additional Services, Owner shall pay Engineer as set forth in Paragraphs 2.01, 2.02 (Services), and 2.03 (Additional Services). If Owner disputes an invoice, either as to amount or entitlement, then Owner shall promptly advise Engineer in writing of the specific basis for doing so, may withhold only that portion so disputed, and must pay the undisputed portion.

2.02 *Basis of Payment—Hourly Rates Plus Reimbursable Expenses*

A. Owner shall pay Engineer for Services as follows:

1. An amount equal to the cumulative hours charged to the Project by each class of Engineer's employees times standard hourly rates for each applicable billing class, plus reimbursement of expenses incurred in connection with providing the Services and Engineer's consultants' charges, if any.
2. Engineer's Standard Hourly Rates are attached as Attachment B.
3. The total compensation for Services and reimbursable expenses is estimated to be \$126,200 for Attachment A. #

2.03 *Additional Services:* For Additional Services, Owner shall pay Engineer an amount equal to the cumulative hours charged in providing the Additional Services by each class of Engineer's employees, times standard hourly rates for each applicable billing class; plus reimbursement of expenses incurred in connection with providing the Additional Services and Engineer's consultants' charges, if any. Engineer's standard hourly rates are attached as Appendix B.

3.01 *Termination*

A. The obligation to continue performance under this Agreement may be terminated:

1. For cause,
 - a. By either party upon 30 days written notice in the event of substantial failure by the other party to perform in accordance with the Agreement's terms through no fault of the terminating party. Failure to pay Engineer for its services is a substantial failure to perform and a basis for termination.
 - b. By Engineer:
 - 1) upon seven days written notice if Owner demands that Engineer furnish or perform services contrary to Engineer's responsibilities as a licensed professional; or
 - 2) upon seven days written notice if the Engineer's Services are delayed for more than 90 days for reasons beyond Engineer's control, or as the result of the presence at the Site of undisclosed Constituents of Concern, as set forth in Paragraph 5.01.I.
 - c. Engineer shall have no liability to Owner on account of a termination for cause by Engineer.
 - d. Notwithstanding the foregoing, this Agreement will not terminate as a result of a substantial failure under Paragraph 3.01.A.1.a if the party receiving such notice begins, within seven days of receipt of such notice, to correct its substantial failure to perform and proceeds diligently to cure such failure within no more than 30 days of receipt of notice; provided, however, that if and to the extent such substantial failure cannot be reasonably cured within such 30 day period, and if such party has diligently attempted to cure the same and thereafter continues diligently to cure the

same, then the cure period provided for herein shall extend up to, but in no case more than, 60 days after the date of receipt of the notice.

2. For convenience, by Owner effective upon Engineer's receipt of written notice from Owner.

- B. In the event of any termination under Paragraph 3.01, Engineer will be entitled to invoice Owner and to receive full payment for all Services and Additional Services performed or furnished in accordance with this Agreement, plus reimbursement of expenses incurred through the effective date of termination in connection with providing the Services and Additional Services, and Engineer's consultants' charges, if any.

4.01 *Successors, Assigns, and Beneficiaries*

- A. Owner and Engineer are hereby bound and the successors, executors, administrators, and legal representatives of Owner and Engineer (and to the extent permitted by Paragraph 4.01.B the assigns of Owner and Engineer) are hereby bound to the other party to this Agreement and to the successors, executors, administrators, and legal representatives (and said assigns) of such other party, in respect of all covenants, agreements, and obligations of this Agreement.
- B. Neither Owner nor Engineer may assign, sublet, or transfer any rights under or interest (including, but without limitation, money that is due or may become due) in this Agreement without the written consent of the other party, except to the extent that any assignment, subletting, or transfer is mandated by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.
- C. Unless expressly provided otherwise, nothing in this Agreement shall be construed to create, impose, or give rise to any duty owed by Owner or Engineer to any Constructor, other third-party individual or entity, or to any surety for or employee of any of them. All duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of Owner and Engineer and not for the benefit of any other party.

5.01 *General Considerations*

- A. The standard of care for all professional engineering and related services performed or furnished by Engineer under this Agreement will be the care and skill ordinarily used by members of the subject profession practicing under similar circumstances at the same time and in the same locality. Engineer makes no warranties, express or implied, under this Agreement or otherwise, in connection with any services performed or furnished by Engineer. Subject to the foregoing standard of care, Engineer and its consultants may use or rely upon design elements and information ordinarily or customarily furnished by others, including, but not limited to, specialty contractors, manufacturers, suppliers, and the publishers of technical standards.
- B. Engineer shall not at any time supervise, direct, control, or have authority over any Constructor's work, nor shall Engineer have authority over or be responsible for the means, methods, techniques, sequences, or procedures of construction selected or used by any Constructor, or the safety precautions and programs incident thereto, for security or safety at the Project site, nor for any failure of a Constructor to comply with laws and regulations applicable to such Constructor's furnishing and performing of its work. Engineer shall not be responsible for the acts or omissions of any Constructor.

- C. Engineer neither guarantees the performance of any Constructor nor assumes responsibility for any Constructor's failure to furnish and perform its work.
- D. Engineer's opinions (if any) of probable construction cost are to be made on the basis of Engineer's experience, qualifications, and general familiarity with the construction industry. However, because Engineer has no control over the cost of labor, materials, equipment, or services furnished by others, or over contractors' methods of determining prices, or over competitive bidding or market conditions, Engineer cannot and does not guarantee that proposals, bids, or actual construction cost will not vary from opinions of probable construction cost prepared by Engineer. If Owner requires greater assurance as to probable construction cost, then Owner agrees to obtain an independent cost estimate.
- E. Engineer shall not be responsible for any decision made regarding the construction contract requirements, or any application, interpretation, clarification, or modification of the construction contract documents other than those made by Engineer or its consultants.
- F. All documents prepared or furnished by Engineer are instruments of service, and Engineer retains an ownership and property interest (including the copyright and the right of reuse) in such documents, whether or not the Project is completed. Owner shall have a limited license to use the documents on the Project, extensions of the Project, and for related uses of the Owner, subject to receipt by Engineer of full payment due and owing for all Services and Additional Services relating to preparation of the documents and subject to the following limitations:
 - 1. Owner acknowledges that such documents are not intended or represented to be suitable for use on the Project unless completed by Engineer, or for use or reuse by Owner or others on extensions of the Project, on any other project, or for any other use or purpose, without written verification or adaptation by Engineer;
 - 2. any such use or reuse, or any modification of the documents, without written verification, completion, or adaptation by Engineer, as appropriate for the specific purpose intended, will be at Owner's sole risk and without liability or legal exposure to Engineer or to its officers, directors, members, partners, agents, employees, and consultants;
 - 3. Owner shall indemnify and hold harmless Engineer and its officers, directors, members, partners, agents, employees, and consultants from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from any use, reuse, or modification of the documents without written verification, completion, or adaptation by Engineer; and
 - 4. such limited license to Owner shall not create any rights in third parties.
- G. Owner and Engineer may transmit, and shall accept, Project-related correspondence, documents, text, data, drawings, information, and graphics, in electronic media or digital format, either directly, or through access to a secure Project website, in accordance with a mutually agreeable protocol.
- H. To the fullest extent permitted by law, Owner and Engineer (1) waive against each other, and the other's employees, officers, directors, members, agents, insurers, partners, and consultants, any and all claims for or entitlement to special, incidental, indirect, or consequential damages arising out of, resulting from, or in any way related to this Agreement or the Project, and (2) agree that Engineer's total liability to Owner

under this Agreement shall be limited to \$100,000 or the total amount of compensation received by Engineer, whichever is greater.

- I. The parties acknowledge that Engineer's Services do not include any services related to unknown or undisclosed Constituents of Concern. If Engineer or any other party encounters, uncovers, or reveals an unknown or undisclosed Constituent of Concern, then Engineer may, at its option and without liability for consequential or any other damages, suspend performance of Services on the portion of the Project affected thereby until such portion of the Project is no longer affected, or terminate this Agreement for cause if it is not practical to continue providing Services.
- J. Owner and Engineer agree to negotiate each dispute between them in good faith during the 30 days after notice of dispute. If negotiations are unsuccessful in resolving the dispute, then the dispute shall be mediated. If mediation is unsuccessful, then the parties may exercise their rights at law.
- K. This Agreement is to be governed by the law of the state in which the Project is located.
- L. Engineer's Services and Additional Services do not include: (1) serving as a "municipal advisor" for purposes of the registration requirements of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (2010) or the municipal advisor registration rules issued by the Securities and Exchange Commission; (2) advising Owner, or any municipal entity or other person or entity, regarding municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms, or other similar matters concerning such products or issuances; (3) providing surety bonding or insurance-related advice, recommendations, counseling, or research, or enforcement of construction insurance or surety bonding requirements; or (4) providing legal advice or representation.

6.01 *Total Agreement*

- A. This Agreement (including any expressly incorporated attachments), constitutes the entire agreement between Owner and Engineer and supersedes all prior written or oral understandings. This Agreement may only be amended, supplemented, modified, or canceled by a duly executed written instrument.

7.01 *Definitions*

- A. *Constructor*—Any person or entity (not including the Engineer, its employees, agents, representatives, and consultants), performing or supporting construction activities relating to the Project, including but not limited to contractors, subcontractors, suppliers, Owner's work forces, utility companies, construction managers, testing firms, shippers, and truckers, and the employees, agents, and representatives of any or all of them.
- B. *Constituent of Concern*—Asbestos, petroleum, radioactive material, polychlorinated biphenyls (PCBs), hazardous waste, and any substance, product, waste, or other material of any nature whatsoever that is or becomes listed, regulated, or addressed pursuant to (a) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§9601 et seq. ("CERCLA"); (b) the Hazardous Materials Transportation Act, 49 U.S.C. §§5101 et seq.; (c) the Resource Conservation and Recovery Act, 42 U.S.C. §§6901 et seq. ("RCRA"); (d) the Toxic Substances Control Act, 15 U.S.C. §§2601 et seq.; (e) the Clean Water Act, 33 U.S.C. §§1251 et seq.; (f) the Clean Air Act, 42 U.S.C. §§7401 et seq.; or (g) any other federal, State, or local statute, law, rule, regulation, ordinance, resolution, code, order, or decree regulating,

relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic, or dangerous waste, substance, or material.

8.01 *Attachments:* Attachment A Scope of Engineering Services , Attachment B 2019 Rate Schedule

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, the Effective Date of which is indicated on page 1.

Owner: Town of Harrisburg, NC

Engineer: Gavel & Dorn Engineering, PLLC

By: _____

By: _____

Print name: _____

Print name: Sean Mayo, PE

Title: _____

Title: _____

Date Signed: _____

Date Signed: _____

Engineer License or Firm's Certificate No. (if required):

P-0601

State of: North Carolina

Address for Owner's receipt of notices:

Address for Engineer's receipt of notices:

PO Box 1791
Denver, North Carolina 28037

Attachment A
Town of Harrisburg
1,000,000 Gallon Elevated Storage Tank
Scope of Engineering Services

PROJECT UNDERSTANDING

The Town of Harrisburg has (Town) requested a scope of work from Gavel & Dorn Engineering, PLLC (G&D) for engineering services required to design a new 1,000,000-gallon elevated water storage tank. The need for new water storage tank is detailed in a Technical Memorandum produced by WK Dickson, dated October 9, 2018. The Town has provided this memorandum to G&D for review. The memorandum specifies the required tank size and provided three site options for the new tank. G&D has reviewed those sites with the Town and it was determined that Site #2 is the most advantageous site. This scope has been prepared based on the assumption that Site #2 will be the final site.

Site #2 is located at approximately 9331 Rocky River Road. The site is currently under construction and will be the site of a future Town fire station. The proposed water tank will be located at the rear of the approximately 8-acre parcel. The proposed tank will be sited approximately 0.5 miles away from the existing Town-owned elevated water tank. G&D scope will include water system modeling of the new tank in the Harrisburg system to determine any design elements required for the new tank to operate in tandem with the existing tank.

In addition to the proposed tank, G&D will design additional system improvements as recommended by the WK Dickson memorandum. These improvements include:

- Installation of two altitude control valves at the proposed and existing tanks
- Installation of an automatic control valve at the Highway 49 interconnect between the City of Concord water supply and the Town water system

The scope of work for the elevated water tank and additional system improvements will include field survey, geotechnical investigations, water system modeling, site design and bidding services as required. The Scope of Work is further described in the following section "Design Services".

Note that this scope has been prepared under the assumption that no special funding source is being used to complete this project, other than local funds. If SRF funds (or others) are being used, then additional tasks and time considerations will have to be considered.

DESIGN SERVICES

Phase 1 – Preliminary Design

1. Data Compilation

- Obtain background information on Harrisburg water system.
- Confirm water source(s) and typical daily operation, including emergency operations.
- Obtain the water system map of all networked mains 6-inches and greater, water storage volumes, SCADA records (if available) of storage levels, supply operation and system pressures. Confirm where limiting conditions exist, i.e. low pressures and high pressures, including a general understanding where the high demands occur in the system.
- Meet with Town personnel to review and understand water system operations, equipment preferences and any other items needed to incorporate into the design.
- Complete site investigation of proposed water tank site, existing water tank site and the proposed Highway 49 interconnect automatic control valve site.
- Confirm that no FAA notification will be required based on tank height.

2. Surveying Services

- Review site survey information provided by Town.
- Complete utility and topographic survey of proposed site including survey within the existing NCDOT roadway as required. All visible water, sanitary sewer, storm sewer lines, fencing and other improvements will be located and surveyed.
- Complete underground utility locates (if required).
- Complete limited survey of existing Town elevated water tank located on Rocky River Road to establish overflow elevation on same datum as proposed tank.
- Establish horizontal and vertical control based on the Town of Harrisburg's control and monument system to establish survey control points.
- Install pressure gauge or recording gauge at existing water tank to determine the head range of the tank and to assist in confirming the final design elevations of the new tank. Note that this shall only be required if SCADA records are not available.

3. Geotechnical Investigation of Site

- Complete a subsurface geotechnical study of the site for use in design of the new elevated tank foundation including:

- Subsurface exploration will include up to five auger borings to evaluate subsurface conditions;
- Laboratory testing of select samples;
- Geologic and geotechnical hazards evaluation;
- Recommendations and design criteria for geotechnical portions of the project.

4. Modeling of Proposed Tank Location

- Confirm proposed tank site and required tank elevation.
- Insert proposed tank into existing model.
- Complete an Extended Period simulation of the tank operation over a 72-hour period under diurnal demand conditions (night (low flow), Average Daily Demand and Maximum Daily Demand)
- Include source operation in the EPS simulation
- Complete a 24-hour EPS of Fire Flow demands – maximum rated fire suppression flow(s) and location of flow(s) as determined from Town.
- Compare operation of new tank with the existing storage under all demand scenarios and report on conditions and issues to consider during design – recommended overflow protection; water age and adjustments to SCADA.
- Report of findings – address limitations to location and how to address / minimize with the design and/or final operation.
- *Note: The existing Town water system has been modeled by WK Dickson. This scope has been prepared under the assumption that WK Dickson will continue to run the model but at the direction of G&D. WK Dickson will not be a direct subcontractor to G&D but will instead work under separate contract with the Town. G&D's role will be to determine required modeling scenarios, direct WK Dickson to model the scenario, then analyze and compile results to ensure system functionality with the new tank.*

5. Tank Selection

- Prepare a summary of tank styles for review by the Town. Summary will address construction costs, maintenance costs, and identify any site limitations with each tank style, i.e. overflow, tank drain, area needed for construction of tank.
- Confirm the construction time period needed to complete the work.
- Compile a list of tank manufactures capable of constructing the final style selected that should be solicited during bidding and contact them, as needed, to discuss any specifics to consider during design and construction

6. Additional System Improvements Design

- Confirm requirements for altitude valves and automatic control valves as

recommended in the WK Dickson memorandum

- Complete preliminary design of required valves

7. 65% Design Submittal

- Utilizing the preliminary data, a 65% design will be made. This 65% submittal will be provided for review and approval by the Town Staff.
- 65% Submittal will include Opinion of Probable Cost based on tank type preference selected by Town.

Phase 2 - Final Design

Upon review and approval by the Town of the 65% design submittal, G&D shall prepare final design documents and obtain required permits. Plans will be submitted for review by Town staff at the 100% completion level. G&D will address any Town staff comments received into Final Plans and Bidding Documents. Final design will include the following:

- Tank design shall be in accordance with current AWWA standards for elevated tank construction, NCDEQ regulations and any comments from tank manufacturers solicited for information regarding the selected style of tank.
- Site design including complete site layout and detail for tank, piping, grading, drainage and erosion control.
- Additional system improvements design including altitude and automatic control valves.
- Design shall address requirements for water quality of stored water and incorporate equipment into the design as needed.
- Complete Electrical design, as needed, for obstruction lighting, SCADA or other communications antennae (including provisions for cellular). Site lighting shall also be included in the design.
- G&D will meet with Town to review final design and to make any revisions necessary to prepare documents for bid.
- Permit approvals are anticipated for the following:
 - NCDEQ Water Supply Permit
 - NCDEQ Erosion Control Permit
 - NCDOT Driveway Permit
 - County Building and Electrical permits
- Updated Opinion of Probable Cost.
- Preparation of final bid documents including bid schedule and necessary technical specifications.

Note that Phase 1 and Phase 2 Design Work Items generally include:

Civil, Mechanical & Architectural

- Hydraulic modeling analysis
- Preliminary site layout of tank, piping, access, utilities, fence and overflow
- Elevated tank and foundation preliminary design
- Tank vent, overflow, wet and dry risers, manways, access, guardrail/antenna support and appurtenances design
- Piping design & specifications and drawings
- Wet riser vault design & drawings
- Tower access, venting, manways & miscellaneous design & drawings
- Size and design valves & fittings
- Ladders, platforms, handrail and grating design & drawings
- Site access design, specs. & drawings
- Site drainage design, specs. & drawings.
- Design antenna and communication cable supports & penetrations
- Fence design and drawings
- Project management
- Develop painting specifications and drawings
- Design water tank mixing equipment

Electrical & Controls

- Electrical service design, drawing and specifications
- Application for new service, coordination with power company
- Tank and site lighting design and specifications & drawings.
- Tank water level controls design & drawings
- Design SCADA equipment
- Identify and review control issues with Harrisburg staff

Phase 3 – Bid Services

G&D shall complete the following bidding services for the Town. Bid process is anticipated to be a typical public bid process with a 60-day minimum from advertisement to tabulation of bid results. Services shall include:

- Assist the Town, as required, in advertising for bids including contacting tank contractors about project availability.
- Conduct pre-bid meetings.
- Prepare copies of bid plans and documents for distribution to bidders. Provide the Town with one set of Final Plans and Bidding Documents for their use.

- Answer any questions during bidding, prepare and distribute addenda, if necessary.
- Assist the Town in opening and tabulating the bids.
- Evaluate the two low bidders. Prepare a Letter of Recommendation to the Town for award of the construction contract.

SERVICES NOT A PART OF OUR SCOPE OF WORK

Services specifically excluded from our proposed Scope of Services include, but are not necessarily limited to the following:

- Fees for permitting and advertising
- Design for trench safety
- Structural engineering design of storage tank and foundation
- Environmental Services including but not limited to the following:
 - Threatened and endangered species surveys
 - Waters of the US. Determination
 - Wetland Delineation
 - USACE Permit Application and coordination of any kind
 - Mitigation and monitoring plans
 - Section 404 permitting.
 - Preconstruction Notification (PCN) for a Nationwide Permit

COMPENSATION

A summary of proposed fees (upper limit) is presented in Table 1 below.

Table 1. Fee Estimate			
Phase	Description	Total Hours	Total Cost
1	Preliminary Design	235	\$ 31,700
2	Final Design	302	\$ 40,300
3	Bid Services	69	\$ 9,000
		Total Labor:	\$ 81,000
		Outside Professionals¹:	\$ 42,500
		Other Direct Costs & Reimbursable Expenses:	\$ 2,700
		Total Fee Estimate:	\$ 126,200
1	Outside Professionals Estimate includes estimated fee for Survey, Electrical Engineering, Subsurface Utility Location and Geotechnical services.		

Fees will be billed on a time and material basis in accordance with the rates presented in Attachment B. Miscellaneous expenses (permit fees, mileage and printing) are budgetary and will be passed on to the Town of Harrisburg at cost. Direct expenses (such as field equipment, communications, subconsultant services, etc.) are reimbursable at cost plus ten percent.

SCHEDULE

Table 2. Design and Construction Schedule	
Phase	Date ¹
Start Date	2/1/2019
Phase 1 Completion (60-day)	4/1/2019
Phase 2 Completion/Permitting ² (120-day)	8/1/2019
Bidding Completion (60-day bid period)	10/1/2019
(1) Start date dependent on award of contract	
(2) Phase 2 completion highly dependent of permitting schedule of NC DEQ	

We hope that you find this proposal sufficient for your needs and look forward to working with you on this important project. Please feel free to call me with any questions you may have as you consider this proposal.

Sincerely,
GAVEL & DORN ENGINEERING, PLLC

A handwritten signature in black ink, reading "Sean Mayo". The signature is written in a cursive style with a large, looping "S" and "M".

Sean Mayo, P.E.
Partner

Attachment B

Gavel & Dorn Engineering, PLLC 2019 Rate Schedule

Engineering, Design, and Administrative Services

Senior Partner	\$ 175.00 hour
Project Manager	\$ 160.00 hour
Senior Engineer	\$ 150.00 hour
Project Engineer	\$ 140.00 hour
Staff Engineer	\$ 114.00 hour
CAD Technician	\$ 87.00 hour
Administrative Support Staff	\$ 63.00 hour

Field Construction Inspection and Materials Testing Services

Senior Resident Project Representative	\$ 95.00 hour
Resident Project Representative	\$ 82.00 hour
Structural Steel Inspector	\$ 82.00 hour
Special Inspector	\$ 82.00 hour
CMT Level II**	\$ 69.00 hour
CMT Level I **	\$ 58.00 hour

Laboratory Testing Services

Soil

Dry Preparation of Soil Samples (ASTM D421)	\$ 19.00 each
Atterberg Limits (ASTM D 4318)	\$ 110.00 each
Standard Proctor (ASTM D-698)	\$ 147.00 each
Modified Proctor (ASTM D1557)	\$ 170.00 each
Particle size, hydrometer analysis (ASTM D422)	\$ 142.00 each
Particle size analysis (ASTM D422)	\$ 111.00 each
Amount of material in soils finer than No.200 Sieve (ASTM D1140)	\$ 111.00 each
Specific Gravity of Soils (ASTM D854)	\$ 53.00 each
California Bearing Ratio (ASTM D1883)	\$ 394.00 each
Laboratory Determination of Moisture Content of Soils (ASTM D2216)	\$ 21.00 each

Concrete

Compressive Strength of Cylindrical Concrete Specimens (ASTM C39)	\$ 24.00 each
Flexural Strength of Concrete (ASTM C78)	\$ 45.00 each

Other Costs

Mileage	US Govt mile
Subconsultants, equipment rental	cost plus 10%

**The rates for CMT Level I and II are portal-to-portal from our office. Overtime beyond 8 hours/day, outside the hours of 7:30 AM and 5:30 PM and on Saturdays, Sundays, and holidays, will be billed at 1.5 times the hourly rate.

All rates above shall be in effect until December 31, 2019. Rates may increase by as much as 5 percent beginning January 1, 2020.



TOWN OF HARRISBURG

Agenda Item Details

Title:

Consideration of Request for Concurrence for NCDOT - Speed Limit Change on section of Hwy 49

Presenting Personnel:

Haynes Brigman, Town Manager

Suggested Motion or Action:

To approve the Request for Concurrence from the NCDOT to reduce the speed limit from 55 mph to 35 mph in a section of Hwy 49 from the Mecklenburg County line to State Road 1128 (also known as Millbrook Road).

Description/Background:

NCDOT has submitted a request to the Town to agree with their recommendation to reduce the speed limit from 55 mph to 35 mph along Hwy 49 from the Mecklenburg County line to the Millbrook Road/Founders Way section.

A sight distance study conducted by NCDOT determined there were limited sight distance at the Founders Way/Hwy 49 intersection, and the appropriate solution to this safety issue would be to lower the speed limit.

This change would make Hwy 49 35 mph from the County line entering Harrisburg, rather than reducing from 55 mph to 35 mph at the area near Founders Way.

Recommendation:

Staff recommends approval of the attached Request for Concurrence for NCDOT.

Fiscal Impact:

None

Attachments:

1. Request for Concurrence Document
2. Map of Hwy 49 Section
3. Email request from NCDOT

**Certification of Municipal Declaration
To Repeal Speed Limits and Request for Concurrence**

Concurring State Ordinance Number: 1005208

Division: 10 **County:** CABARRUS

Municipality: HARRISBURG

Type: Municipal Speed Zones

Road: NC 49

Car: 55 MPH

Truck: 55 MPH

Description: NC 49 from the western corporate limit, at Mecklenburg County Line, eastward to Millbrook Road (SR 1128).

Municipal Certification

I, _____, Clerk of _____, do hereby certify that the municipal governing body, pursuant to the authority granted by G.S. 20-141(f), determined upon the basis of an engineering and traffic investigation and duly declared, on the _____ day of _____, 20____, the repeal of speed limits as set forth above on the designated portion of the State Highway System, which shall become effective when the Department of Transportation has passed a concurring ordinance and signs are erected giving notice of the authorized speed limit.

The said municipal declaration is recorded as follows:

Minute Book: _____ Page: _____ Ordinance Number: _____

In witness whereof, I have hereunto set my
hand and the municipal seal this _____ day
of _____, 20_____.

(signature)

(municipal seal)

Department of Transportation Approval

Division: _____

Title: _____

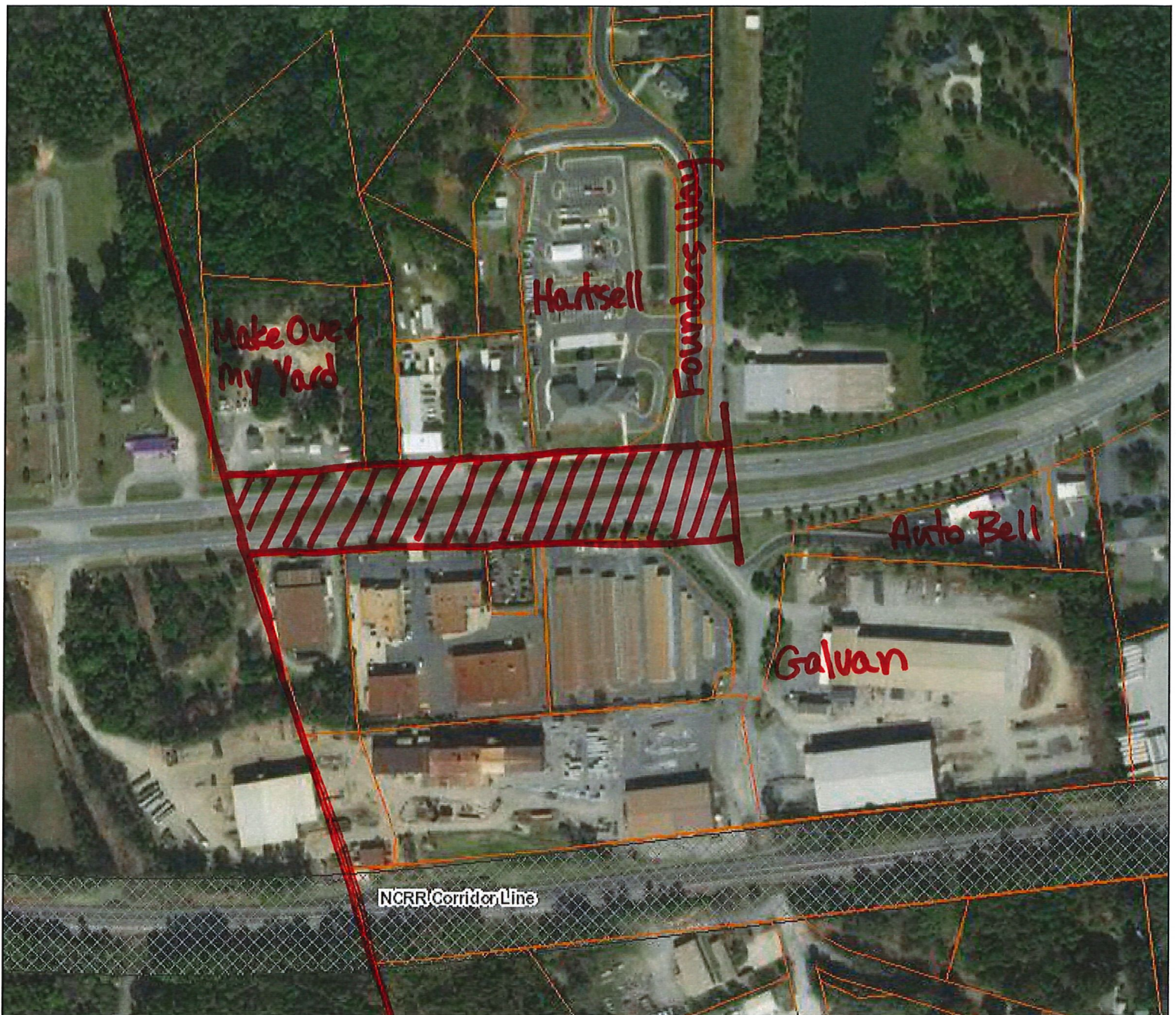
Date: 12/19/2018

Region: _____

Title: _____

Date: 12/19/18

Cabarrus County Property Map



Property Real ID

Physical Address:

Owner Name 1:

Owner Name 2:

Mailing Address:

Mail City:

Mail State:

Mail Zip:


Section where speed
limit will be lowered

Parcel PIN

Land Units

Land Units Type

Land Value

Building Value

Assessed Value

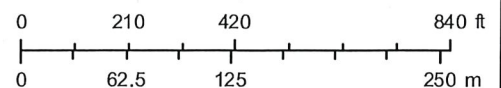
Market Value

Cabarrus County shall not be held liable for any errors in the data represented on this record. This includes errors of omission, commission, concerning the content of the data, and relative positional accuracy of the data. The data cannot be construed to be a legal document. Primary sources from which this data was compiled must be consulted for verification of information represented on this map document.

Map Created By Cabarrus County IT Department
Data Sources: Cabarrus County Land Records

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

1:4,514



Print Date: January 10, 2019

Janet Rackley

From: Elnagheeb, Mohamed <melnagheeb@ncdot.gov>
Sent: Wednesday, December 19, 2018 1:42 PM
To: Janet Rackley
Subject: NCDOT - Ordinance Signing
Attachments: Municipal Speed Zone Ordinance Repeal Certificate - 55 MPH Zone - NC 49 - Harrisburg.pdf

Janet,

I'm Mohamed Elnagheeb and I'm the Assistant Division Traffic Engineer for NCDOT covering Cabarrus County. We recently conducted a sight distance study for the intersection of NC 49 and Millbrook Rd/Founders Way and found that due to the limited sight distance at the intersection, we wanted to lower the speed limit for the small stretch of NC 49 between the county line and Founders Way from the statutory 55 mph to 35 mph. This change would make NC 49 35 mph from the county line entering Harrisburg rather than beginning the 35 mph zone at Founders Way. We need concurrence and signatures from the town for the attached ordinance to repeal the existing 55 mph zone. Once that is complete and approved in Raleigh, the speed limit should defer to the statutory 35 mph on NC 49 beginning from the county line. Please have the attached ordinance signed and completed appropriately by the town and if there are any questions please feel free to let me know.

Thanks,

Mohamed Elnagheeb
Assistant Division Traffic Engineer
Division 10
North Carolina Department of Transportation

704 983 4400 office
melnagheeb@ncdot.gov





TOWN OF HARRISBURG

Agenda Item Details

Title:

Consideration of Street Sweeping Contract with NCDOT

Presenting Personnel:

Lee Connor, Assistant Town Manager

Suggested Motion or Action:

To approve 5-year street sweeping contract with NCDOT and authorize the Town Manager to execute such contract.

Description/Background:

The Town has been under a street sweeping contract with NCDOT since April 2013. This original agreement called for street sweeping only along NC49, for a total of 3.00 miles and totaled \$1,600 per year for a minimum of four sweeping cycles.

NCDOT has now presented the Town with a new sweeping agreement where the Town will agree to sweep 36.79 miles of state-maintained roads, twice a year, for a total reimbursement from NCDOT in the amount of \$14,716. The agreement is for a total of five years, with future extensions possible. Most of these roads do not have curb, so they will only require minimal attention freeing personnel up to spend more time on the curbed sections. The Town currently provides street sweeping for some of the roadways being added in the contract, but this new contract will now compensate the Town for these services.

Recommendation:

Staff recommends approval of the new 5-year street sweeping agreement with NCDOT.

Fiscal Impact:

Revenue from the Town will amount to \$14,716 per year, or \$73,580 over the life of the contract.

Attachments:

1. Street Sweeping Agreement with NCDOT
2. Communication from NCDOT

NORTH CAROLINA
CABARRUS COUNTY

SWEEPING AGREEMENT

DATE: 12/4/2018

NORTH CAROLINA DEPARTMENT OF
TRANSPORTATION

AND

WBS Elements: 10.101311

TOWN OF HARRISBURG

THIS AGREEMENT is made and entered into on the last date executed below, by and between the North Carolina Department of Transportation, an agency of the State of North Carolina, hereinafter referred to as the "Department" and the Town of Harrisburg, hereinafter referred to as the "Municipality".

WITNESSETH:

WHEREAS, this Agreement is made under the authority granted to the Department by NCGS 136-66.1, "Responsibility for Streets inside Municipalities;" and

WHEREAS, the Municipality wishes to perform routine sweeping of the curb and gutter within its jurisdiction along certain rights-of-way of State maintained routes; and,

WHEREAS, the Municipality has agreed to perform said sweeping with reimbursement from the Department subject to the conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the benefits accruing to the Department and the Municipality as the result of the construction of the Project it is agreed as follows:

1. The Municipality shall provide the personnel, equipment, labor, materials, and traffic control devices to perform sweeping services in accordance with Departmental standards and specifications. The sweeping will be performed on the named routes and mileage at an allowable annual reimbursement of \$14,716 as specified in Exhibit A. The routes and/or costs may be amended annually for five (5) years, with additions or changes as mutually agreed upon by both parties in writing prior to performing the work for each year as described herein.
2. The roads listed in Exhibit A shall be swept a maximum of two (2) times a year. All work shall be performed in accordance with generally accepted horticultural practices and the Department's routine maintenance sweeping requirements set by the Division Engineer. The Division Engineer may approve any requests for changes to NCDOT sweeping requirements including but not limited to sweeping time frames, sweeping heights, sweeping equipment, etc.

3. The Municipality agrees to provide traffic control devices, lane closures, road closures, positive protection and/or any other warning or positive protection devices necessary for the safety of road users during performance of the work, including any construction and subsequent maintenance. This work shall be performed in conformance with the latest NCDOT Roadway Standard Drawings and Standard Specifications for Road and Structures and Amendments or Supplements thereto. Information regarding these rules and regulations may be obtained from the Department's Division Engineer.

TIMEFRAME

4. This Agreement may be renewed every year for 5 years, beginning July 1, 2018 through June 30, 2019, subject to the provisions herein and upon written mutual consent. Annual renewals are subject to the following termination conditions:
 - A. At any time either party may cancel the Agreement with a thirty (30) day written notice to the opposite party. On behalf of the Municipality, this Agreement may be canceled by the Town Manager and/or his designee.
 - B. Upon the effective date of the cancellation, neither party shall owe any obligations under this Agreement, except that all obligations performed under this Agreement, including, but not limited to invoicing, record retention and payment for work performed prior to the effective date of cancellation, shall remain in effect.
5. The Division Engineer shall notify the Municipality at the beginning of the annual performance period or as soon thereafter, of the amount of allocated funds estimated to be available to the Municipality for sweeping maintenance on the locations identified. The available allocation shall be based upon and shall not exceed the estimated cost of the work as if performed by the Department.

REIMBURSEMENT

6. If the Municipality desires to continue the sweeping services during the 5-year period described in this Agreement, the Municipality and the Department may re-negotiate the costs and revise sweeping locations as described below:
 - A. The Division Engineer shall notify the Municipality in writing through a letter or invoice at the beginning of the annual performance period of the amount of allocated funds estimated to be available to the Municipality for sweeping maintenance.

- B. The Department, at its option, may elect to increase or decrease the reimbursement rates each year the Agreement is in force in consideration of inflation rates, cost increases and decreases, changes in funding, etc., subject to the availability of funds and the performance of the Municipality.
7. For work performed by the Municipality's own forces, the Municipality shall submit an itemized invoice of costs expended to the Department upon completion of the work. Reimbursement shall be made upon approval of said invoice by the Department's Division Engineer and Financial Management Division. Any additional cost beyond the approved amount will be the Municipality's responsibility.
8. For work performed by a contractor, the Municipality shall submit an invoice that includes the contractor's invoice to the Municipality. Reimbursement shall be made upon approval of said invoice by the Department's Division Engineer and Financial Management Division. No advertisement shall be made, nor any contract be entered into for services to be performed as part of this Agreement without prior written approval of the advertisement or contents of the contract by the Department. Failure to comply with these requirements will result in funding being withheld until such time as these requirements are met.
9. The Municipality, and or its agent, shall maintain adequate records and documentation to support the work performed under this Agreement and shall permit free access to its records by official representatives of the State of North Carolina. Furthermore, the Municipality, or its agent, shall maintain all pertinent records and documentation for a period of not less than five (5) years following the close of the fiscal year during which the services were performed.

ADDITIONAL PROVISIONS

10. The Municipality shall comply with all applicable federal, state and local environmental regulations, and shall obtain all necessary federal, state and local environmental permits, including but not limited to, those related to sediment control, storm water, wetland, streams, endangered species, and historical sites.
11. Any contract entered into with another party to perform work associated with the requirements of this Agreement shall contain appropriate provisions regarding the utilization of Minority Businesses, Women Businesses, or Small Professional Services Firms (SPSF) as required by G.S. 136-28.4 and the North Carolina Administrative Code. The Department will provide the appropriate provisions to be contained in those contracts.

12. It is the policy of the Department not to enter into any Agreement with another party that has been debarred by any government agency (Federal or State). The Municipality certifies, by signature of this Agreement, that neither it nor its agents or contractors are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any Federal or State Department or Agency.
13. This Agreement is solely for the benefit of the Department and the Municipality and is not for the benefit of any other persons or any entities, and no other persons or entities shall have any rights, claims, or entitlements under this Agreement.
14. The Department must approve any assignment or transfer of the responsibilities of the Municipality set forth in this Agreement to other parties or entities in writing.
15. The Municipality agrees to indemnify and save harmless, the Department, for all damages and claims for damage that may arise as result of performance of sweeping operations by its employees and/or contractors.
16. By Executive Order 24, issued by Governor Perdue, and N.C. G.S. § 133-32, it is unlawful for any vendor or contractor (i.e. architect, bidder, contractor, construction manager, design professional, engineer, landlord, offeror, seller, subcontractor, supplier, or vendor), to make gifts or to give favors to any State employee of the Governor's Cabinet Agencies (i.e., Administration, Commerce, Environmental Quality, Health and Human Services, Information Technology, Military and Veterans Affairs, Natural and Cultural Resources, Public Safety, Revenue, Transportation, and the Office of the Governor).

IT IS UNDERSTOOD AND AGREED that the approval of the project by the Department is subject to the conditions of this Agreement.

IN WITNESS WHEREOF, this Agreement has been executed, in duplicate, the day and year heretofore set out, on the part of the Department and the Municipality by authority duly given.

ATTEST:

TOWN OF HARRISBURG

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

Approved by _____ of the local governing body of the Town of Harrisburg
as attested to by the signature of Clerk of said governing body on _____ (Date)

N.C.G.S. § 133-32 and Executive Order 24 prohibit the offer to, or acceptance by, any State Employee of any gift from anyone with a contract with the State, or from any person seeking to do business with the State. By execution of any response in this procurement, you attest, for your entire organization and its employees or agents, that you are not aware that any such gift has been offered, accepted, or promised by any employees of your organization.

Federal Tax Identification Number

(SEAL)

Remittance Address:

Town of Harrisburg

Attn: Mr. Tom Polito

PO Box 100

Harrisburg, NC 28075

DEPARTMENT OF TRANSPORTATION

BY: _____

(CHIEF ENGINEER)

DATE: _____

PRESENTED TO BOARD OF TRANSPORTATION ITEM O: _____

EXHIBIT A

Harrisburg Sweeping List			
WBS Element No. 10.101311			
Roads	From	To	Total Miles
NC 49	Mecklenburg County Line	median island/start of divided hwy.	6.99
Morehead Rd. SR 1300	NC 49	SR 1302 Hudspeth Rd.	3.4
Roberta Rd. SR 1304	NC 49	Harrisburg City Limits	1.93
Pharr Mill Rd. SR 1158	NC 49	Harrisburg City Limits	2.23
Shamrock Rd. SR 1160	NC 49	SR 1158 Pharr Mill Rd.	2.3
Stallings Rd. SR 1161	SR 1166 Robinson Church Rd.	SR 1139 Rocky River Rd.	5.57
Hickory Ridge Rd. SR 1138	SR 1161 Stallings Rd.	SR 1139 Rocky River Rd.	4.11
Robinson Church Rd. SR 1166	NC 49	SR 1166 Tom Query Rd.	1.89
Robinson Church Rd. SR 1168	SR 1166 Robinson Church Rd.	SR 1139 Rocky River Rd.	2.47
Tom Query Rd. SR 1166	SR 1166 Robinson Church Rd.	Mecklenburg County Line	2.96
Caldwell Rd. SR 1173	NC 49	EOM	2.54
Harrisburg Veterans Rd. SR 1304	NC 49	SR 1138 Hickory Ridge Rd.	0.4
		Total Miles	36.79
36.79 miles X 2 sweeping cycles per year X \$200 per mile = Maximum allowable annual payment			\$14,716.00
SWEEPING CYCLES			
CYCLE DESCRIPTION	FROM DATE	TO DATE	TOTAL MAXIMUM PAYMENT
Fall Cycle	September 1st	November 30th	\$7,358.00
Spring Cycle	May 1st	July 31st	\$7,358.00



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

ROY COOPER
GOVERNOR

JAMES H. TROGDON, III
SECRETARY

December 5, 2018

TO: Town of Harrisburg
Attn: Mr. Tom Polito
P.O. Box 100
Harrisburg, NC 28075

FROM: Cindy Iorlano *Cindy Iorlano*
Administrative Officer I

SUBJECT: Sweeping Agreement With Town of Harrisburg
WBS Element No. 10.101311

Enclosed please find duplicate originals of the Sweeping Agreement covering work to be performed under WBS Element Number 10.101311. Please execute these agreements by signing both originals, affixing your seal, and returning both originals **within thirty (30) days** of the date of this letter to NC Division of Highways, Attention: Cindy Iorlano, 716 West Main Street, Albemarle, NC 28001.

The Agreement verbiage has been pre-approved by the NC Attorney General's Office and is not open to modifications. If you have an issue with any of the actual **terms** of the Agreement, we will discuss those requests. However, most change requests to Agreement verbiage will either be rejected by the Raleigh Transportation Program Management office or will require approval by the Attorney General's Office, which will add a minimum of six weeks to the processing time for the Agreement.

Thank you for your assistance in this matter. Please call me at the number below if you need additional information.

Enclosures

CAI

Mailing Address:
NC DEPARTMENT OF TRANSPORTATION
DIVISION 10
716 WEST MAIN STREET
ALBEMARLE, NC 28001

Telephone: (704) 983-4400
Fax: (704) 982-3146
Customer Service: 1-877-368-4968

Website: www.ncdot.gov

Location:
716 WEST MAIN STREET
ALBEMARLE, NC 28001