Town of Davidson
Board of Commissioners Regular Meeting
Town Hall & Community Center Council Chamber – 251 South Street
Tuesday, November 12, 2024 at 6:00 PM

I. CALL TO ORDER

II. ANNOUNCEMENTS

III. CHANGES / ADOPTION OF THE AGENDA

IV. BUSINESS ITEMS

a. **Consider Approval of Ordinance 2024-11 (An Ordinance to Address Fencing on Corner Lots) and Consistency Statement**
Presenter: Jason Burdette, Planning Director
Summary: A resident has proposed text amendments specific to fencing standards on corner lots (DPO 4.1.3.D). This proposal originates from the construction of a non-compliant fence on a corner lot in 2023. The DPO provides an option for a resident to propose a text amendment and staff is following the process outlined in the ordinance.
Action/Proposed Motion: Consider approval/denial of Ordinance 2024-11 An Ordinance to Address Fencing on Corner Lots and Consistency Statement.

b. **Consider Approval of 2025 Advisory Board Appointments and Chairs of the Design Review Board/Historic Preservation Commission and Planning Board**
Presenter: Jamie Justice, Town Manager
Summary: The Town of Davidson has six citizen advisory boards: Affordable Housing and Equity Board, Design Review Board/Historic Preservation Commission, Livability Board, Planning Board, Davidson Public Art Commission, and the newly formed Sustainability Board. Each year, the Town advertises for citizens to apply to serve on these advisory boards. A nominating committee consisting of the mayor, two commissioners, the manager, the chairs of the advisory boards, and the staff liaisons to the advisory boards reviews the applications and determines who to recommend for appointment. The Board of Commissioners receives the nominations and makes the final decision on appointments. Appointments are made by December to fill the expiring seats with three-year terms beginning in January. The number of seats on the advisory boards remains the same except the recommendations include reducing the Affordable Housing and Equity

Board to twelve (12) members, reducing the Design Review Board/Historic Preservation Commission to seven (7) members, and increasing the Public Art Commission to twelve (12) members.

Action/Proposed Motion: Motion to approve the 2025 recommendations for advisory board appointments as presented and appointment of Rachel Johnson as Chair of the Design Review Board/Historic Preservation Commission and reappointment of Shawn Copeland as Chair of the Planning Board.

c. **Audit Request For Proposals (RFP) Responses and Review**
Presenter: Pieter Swart, Finance Director
Summary: The Town is required to have an annual audit per state law. The current auditor is retiring. The Town issued a Request For Proposals (RFP) for audit services. Seven responses were received. Staff is recommending the Board approve a contract with RH CPA's, PLLC which the Board will be asked to consider approving on the consent agenda at the November 26, 2024 Board meeting.
Action/Proposed Motion: This item is for discussion only.

d. **Discuss Agreement with and Funding from Mecklenburg County for Beaty Park Phase II**
Presenter: Leslie Willis, Parks & Recreation Director
Summary: Beaty Park was completed and opened on July 8, 2023. Back in 2020, the Town of Davidson and Mecklenburg County met to discuss potential partnership opportunities. At that time, Mecklenburg County had already allocated all of their Capital Improvement Project Funding. Therefore, the park was designed to be done in two phases. The first phase of Beaty Park was funded by Town General Obligation Bonds, Town CIP funds, and a NC Parks and Recreation Trust Fund Grant. Recently, as part of their 2024-2028 Capital Improvement Plan, Mecklenburg County was able to set aside $1,000,000 in funding to be allocated for additional improvements to the park. These improvements include a pond renovation, signage, improved maintenance access entrance to include ADA parking, a fishing pier, a pathway to the pier, a pedestrian crosswalk on Beaty Street, and the Beaty Street Multi-Use Path. This partnership is possible because the County recognizes that Beaty Park is located within a park gap area and a priority community in Meck Playbook and the County owns no property in close proximity to Beaty Park. In addition, Beaty Park is located along the proposed route of The Seam Trail, a 60-mile multi-jurisdictional multi-use trail that stretches from Statesville to the South Carolina state line.
Action/Proposed Motion: This item is for discussion only. The Board will be asked to approve the Development and Cooperation Agreement with Mecklenburg County for Beaty Park and budget amendment on the consent agenda at the November 26 meeting.

V. SUMMARIZE MEETING ACTION ITEMS

Town Manager will summarize items where the board has requested action items for the staff.

VI. CLOSED SESSION

a. NCGS §143-318.11. (a) (3) – Consult with Attorney
Summary: The Board of Commissioners will hold a closed session per NCGS §143-318.11.(a) (3) – Consult with Attorney.

VII. ADJOURN

AGENDA MEMO

To: Davidson Board of Commissioners
From: Jason Burdette, Planning Director
Date: November 12, 2024
Re: Consider Approval of Ordinance 2024-11 (An Ordinance to Address Fencing on Corner Lots) and Consistency Statement

ITEM SUMMARY/OVERVIEW

A resident has proposed text amendments specific to fencing standards on corner lots (DPO 4.1.3.D). This proposal originates from the construction of a non-compliant fence on a corner lot in 2023. The DPO provides an option for a resident to propose a text amendment and staff is following the process outlined in the ordinance.

ACTION/PROPOSED MOTION

Consider approval/denial of Ordinance 2024-11 An Ordinance to Address Fencing on Corner Lots and Consistency Statement.

RELATED TOWN GOALS

Strategic Plan Alignment
N/A

Core Values
Citizens are the heart of Davidson, so town government will treat all people fairly, with courtesy and respect.

NEXT STEPS

Consider adoption/denial.

TOWN OF DAVIDSON BOARD OF COMMISSIONERS
ORDINANCE 2024-11

An Ordinance to Address Fencing on Corner Lots

---

1. TEXT AMENDMENTS

TEXT CHANGES – PROPOSED AMENDMENTS

The following is a list of resident-proposed text changes to the Town of Davidson Planning Ordinance (DPO). The listed changes are proposed to address fencing regulations specific to corner lots.

PROPOSED TEXT CHANGES				
PAGE	**SECTION**	**TITLE**	**ISSUE**	**PROPOSED ACTION**
SECTION 4 – SITE & BUILDING DESIGN STANDARDS				
4-3	4.3.1.D	FENCES, HEDGES, AND GARDEN WALLS	▫ The current text states that for buildings on corner lots, both façades fronting a street shall be considered a front building line for the purposes of fencing. ▫ Fences forward the front building line are limited to three feet. ▫ Six-foot fences are only permitted behind the front building lines.	▫ Modify the text to allow four-foot fences forward the front building lines. ▫ Eliminate the existing reference to corner lots. ▫ Allow fences on corner lots to be located within three feet of the property line on secondary frontage with landscaping encouraged. ▫ Limit fences on secondary frontages such that they are located no closer than half the depth of the primary structure.

TEXT CHANGES	**Old Text:** All Planning Areas: Fences, hedges, and/or garden walls located in front of the building line shall be no greater than ~~three~~ four feet in height and fences shall be no more than two-thirds solid. Fences, hedges, and/or garden walls located behind the front building line shall be no greater than six feet in height. Chain link fencing is allowed in rear yards only. Hedges, garden walls, or fences may be built on property lines or as the continuation of building walls. ~~For buildings on corner lots, both facades fronting a street shall be considered a front building line for purposes of fencing, hedges, and garden walls.~~ **New Text:** All Planning Areas: Fences, hedges, and/or garden walls located in front of the building line shall be no greater than four feet in height and fences shall be no more than two-thirds solid. Fences, hedges, and/or garden walls located behind the front building line shall be no greater than six feet in height. Chain link fencing is allowed in rear yards only. Hedges, garden walls, or fences may be built on property lines or as the continuation of building walls. For buildings on corner lots, fences may be located within three feet of the property line on the secondary frontage. Landscaping is encouraged. Additionally, fences on the secondary frontage shall be placed no closer than half the depth of the primary structure.

2. PUBLIC PLANS AND POLICIES

Core Values

Citizens are the heart of Davidson, so town government treats all people equally, with courtesy and respect

General Planning Principles

We rely on a unique combination of private property rights and the health of the community as a whole.

- While deeply respecting the rights of private property owners, town government in Davidson sets the rules for implementation of those rights. In so doing, we preserve land values, deal with the larger picture instead of just the immediate neighborhood that the landowner and developer consider, maintain the high quality of life for the new and current residents, and protect the health and safety of our people. This role of government obviously can produce tensions with landowners. We recognize those tensions as an integral part of government.

3. SIGNATURE

Adopted this 12th day of November 2024.

____

Rusty Knox
Mayor, Town of Davidson

Attest:

____

Elizabeth K. Shores
Town Clerk

Approved as to form:

____

Karen Wolter
Town Attorney

TOWN OF DAVIDSON BOARD OF COMMISSIONERS
CONSISTENCY STATEMENT FOR
ORDINANCE 2024-11

An Ordinance to Address Fencing on Corner Lots

I. SUMMARY OF ACTION / CONSISTENCY STATEMENT

Description of Action: The Planning Board hereby adopts this statement of consistency pursuant to N.C.G.S § 160D-605(a).

II. PROPOSAL / REQUEST

This resident-proposed Text Amendment proposes to revise select portions DPO Chapter 4.3.1.D to modify fencing regulations specific to corner lots. The applicant's justification includes allowing corner lot owners the same security/privacy adjoining properties are granted and creating private yards and play spaces.

III. SUMMARY OF PETITION / PROPOSAL

This resident-proposed Text Amendment proposes to revise select portions of DPO Chapter 4 to achieve the goals stated above. The proposed Text Amendment originated with the construction of a non-compliant fence on a corner lot.

SUMMARY OF PLAN/POLICY ALIGNMENT	
Areas of Consistency	Areas of Inconsistency
	Davidson Comprehensive Plan The inclusion of an opaque, 6' fence is inconsistent with: ▪ **Planning Principles, Character Bullet 4:** A street, sidewalk, and greenway network that knits the community together. ▪ **Planning Principles, Design Bullet 2:** We must enhance our quality of life through architecture and design. Livable environments include well-designed buildings, a dynamic public realm, and seamless connections between the two. This means that: Private buildings and public infrastructure must work together to shape public space and to build community character, including through sustainable design practices ▪ **Planning Principles, Summary:** Davidson is a livable and walkable community because we chose to rigorously manage growth and to require excellent design. To preserve our high quality of life as the town grows, and to ensure a sustainable future for generations, we must apply these planning principles fairly and comprehensively. ▪ **Policy 3.3.6: Enhance Pedestrian Comfort:** Encourage street features that enhance the comfort and safety of pedestrians

IV. SIGNATURE

Adopted this 12th day of November 2024.

____

Rusty Knox, Mayor
Town of Davidson

STAFF ANALYSIS:

RESIDENT-PROPOSED TEXT AMENDMENTS (DPO 4)

To: Board of Commissioners
From: Jason Burdette, Planning Director
Date: November 12, 2024
Re: Ordinance 2024-11, Proposed Text Amendments to Section 4, An Ordinance to Address Fencing on Corner Lots

OVERVIEW

A resident has proposed text amendments specific to fencing standards on corner lots (DPO 4.1.3.D). This proposal originates from the construction of a non-compliant fence on a corner lot in 2023. The DPO provides an option for a resident to propose a text amendment and staff is following the process outlined in the ordinance.

Corner lots have long held prominence in the urban design field and are considered to have two frontages. The relationship between buildings and the street and how they work together to shape the public realm is integral to creating safe and comfortable pedestrian conditions. This existing ordinance language specific to corner lots (and associated fencing) has been included in the DPO since 2001 when Davidson adopted its first form-based code (zoning with a design emphasis).

If approved, the resident-proposed text amendments would modify fencing regulations on corner lots allowing four-foot fences in the front yard and six-foot fencing in the "second frontage" with landscaping encouraged. Reasons for the proposal included allowing corner lot owners the same privacy afforded other, non-corner lot owners and creating private yard/play spaces.

Staff has researched a number of towns/cities of varying sizes. Davidson's current standards are consistent with the standards in other jurisdictions where design, form, and pedestrian safety/comfort are emphasized.

The resident-proposed text amendments are inconsistent with Davidson's General Planning Principles, which read:

- **Planning Principles, Character Bullet 4:** We must preserve Davidson's character and sense of community. The essence of Davidson is that residents know their neighbors and interact with them in a variety of well-designed settings. This sense of community is enhanced by: A street, sidewalk, and greenway network that knits the community together.

- **Planning Principles, Design Bullet 2:** We must enhance our quality of life through architecture and design. Livable environments include well-designed buildings, a dynamic public realm, and seamless connections between the two. This means that: Private buildings and public infrastructure must work together to shape public space and to build community character, including through sustainable design practices
- **Planning Principles, Summary:** Davidson is a livable and walkable community because we chose to rigorously manage growth and to require excellent design. To preserve our high quality of life as the town grows, and to ensure a sustainable future for generations, we must apply these planning principles fairly and comprehensively.

REQUESTED ACTION

Motion to approve/not approve Ordinance 2024-11 and statement of consistency per N.C.G.S § 160D-604.

RELATED TOWN GOALS

The following list identifies how the proposal text amendments do not align with the Town of Davidson's adopted plans and policies.

DAVIDSON COMPREHENSIVE PLAN

Policy 3.3.6: Enhance Pedestrian Comfort: Encourage street features that enhance the comfort and safety of pedestrians

OPTIONS/PROS & CONS

Options: Approve/Disapprove Resident-Proposed Text Amendments

Pros: N/A.

Cons: For the urban design, public realm, and pedestrian safety reasons described above and embedded in the DPO for decades, approval of the resident-proposed text amendment would alter the Town's long-standing commitment to superior community design. Additionally, modifying the entire DPO in response to a singular code violation would not be in the community's best interest and would establish an ill-advised precedent.

PLANNING BOARD RECOMMENDATION

The Planning Board unanimously recommended not approving Ordinance 2024-11, An Ordinance to Address Fencing on Corner Lots. However, the Planning Board encouraged a review of fencing regulations when staff capacity permits and at the Board of Commissioners' discretion.

STAFF RECOMMENDATION

Staff recommends against approval of the resident-proposed text amendments, Ordinance 2024-11. Design has been an integral component of the Davidson Planning Ordinance since prior to the adoption of the Town's first form-based code in 2001. Inherent to this emphasis on design embedded in the DPO is the relationship between buildings and the street and how they work together to shape the public realm and create safe and comfortable pedestrian conditions. Buildings on corner lots are considered especially prominent and are deemed to have two front building lines, a regulation consistent across all Planning Areas in Town. The DPO's current fencing regulation in Chapter 4 supports this design notion by allowing three-foot fencing forward of the front building line and requiring any six-foot fencing to be located at or behind the front building line. Additionally, Davidson's current standards are consistent with the standards in other jurisdictions where design, form, and pedestrian safety/comfort are emphasized. Further, staff believes that making significant changes to the DPO in response to a singular code violation is not in the community's best interests. Given this, staff strongly asserts that there is not a compelling reason to modify this text as it currently stands.

NEXT STEPS

The project is following DPO 14.23 Changes & Amendments to the Planning Ordinance, which requires: A Board of Commissioners Public Hearing; Planning Board review and a recommendation; and a decision by the Board of Commissioners.

- **September 2024:**
  - Board of Commissioners FYI Presentation ✓
  - Planning Board FYI Presentation ✓
- **October 2024:**
  - Board of Commissioners Public Hearing ✓
  - Planning Board Review + Recommendation ✓
- **November 2024:**
  - Board of Commissioners Decision 11.12.2024

Davidson Planning Ordinance (DPO) Chapter 4 Resident-Proposed Text Amendments:

An Ordinance to Address Fencing on Corner Lots

Jason Burdette
Planning Director
November 12, 2024

www.townofdavidson.org

CURRENT DPO: GENERAL SITE DESIGN

DPO 4.3.1.D *Fences, Hedges, and Garden Walls*

All Planning Areas:

Fences, hedges, and/or garden walls located in front of the building line shall be no greater than three feet in height and fences shall be no more than two-thirds solid. Fences, hedges, and/or garden walls located behind the front building line shall be no greater than six feet in height. Chain link fencing is allowed in rear yards only. Hedges, garden walls, or fences may be built on property lines or as the continuation of building walls. For buildings on corner lots, both facades fronting a street shall be considered a front building line for purposes of fencing, hedges, and garden walls.

RESIDENT-PROPOSED CHANGES: SUMMARY

Timeline: 2023/2024

- Non-Compliant Fence Constructed
- Another Resident Inquired re: Compliance
- Town's Code Enforcement is Complaint-Driven
- Property Inspected
- Notice of Violation (NOV) Issued
- Staff Advised Property Owner of Alternative Compliance Methods
- Property Owner Proposed DPO Text Amendment

RESIDENT-PROPOSED CHANGES: SUMMARY

DPO 4.1.3.D: *Fences, Hedges & Garden Walls*

All Planning Areas:

Fences, hedges, and/or garden walls located in front of the building line shall be no greater than ~~three~~ four feet in height and fences shall be no more than two-thirds solid. Fences, hedges, and/or garden walls located behind the front building line shall be no greater than six feet in height. Chain link fencing is allowed in rear yards only. Hedges, garden walls, or fences may be built on property lines or as the continuation of building walls. ~~For buildings on corner lots, both facades fronting a street shall be considered a front building line for purposes of fencing, hedges, and garden walls.~~

Applicant-Proposed Changes

- Allow four-foot fences in the front yard.
- Remove last line from text
- Permit corner lot fences within three feet of property line on secondary frontage. Encourage landscaping.
- Fences on secondary frontage shall be placed no closer than half the depth of the primary structure.

Applicant Justification

- Allow corner lot owners same security/privacy adjoining properties granted
- Create private yard and play spaces

The Town of Davidson

PLANNING BOARD RECOMMENDATION

Planning Board Recommended AGAINST Approval

- Unanimous (11-0)
- PB encouraged a review of the fencing regulations when staff capacity permits and at the Board of Commissioners' discretion.

STAFF RECOMMENDATION

Staff Recommends AGAINST Approval

- Superior design embedded in DPO Since 2001
- Foster strong relationship between buildings and street = public realm
- Corner lots have two frontages: Consistent across all Planning Areas
- Each parcel is unique; application of DPO consistent
- Davidson's standards consistent with other jurisdictions (cities + towns)
- Significantly changing DPO in response to singular code violation sets bad precedent

NEXT STEPS

Process: DPO 14.23: Amendments Generated by Petition

- **September 24:** Board of Commissioners FYI
- **September 30:** Planning Board FYI
- **October 8:** Board of Commissioners Public Hearing
- **October 28:** Planning Board Recommendation
- **November 12:** Board of Commissioners Decision

The Town of Davidson

MOTION OPTIONS:

1) Motion to approve Ordinance 2024-11 and Consistency Statement

2) Motion to not approve Ordinance 2024-11 and Consistency Statement

The Town of Davidson

AGENDA MEMO

To: Davidson Board of Commissioners
From: Jamie Justice, Town Manager
Date: November 12, 2024
Re: Consider Approval of 2025 Advisory Board Appointments and Chairs of the Design Review Board/Historic Preservation Commission and Planning Board

ITEM SUMMARY/OVERVIEW

The Town of Davidson has six citizen advisory boards: Affordable Housing and Equity Board, Design Review Board/Historic Preservation Commission, Livability Board, Planning Board, Davidson Public Art Commission, and the newly formed Sustainability Board. Each year, the Town advertises for citizens to apply to serve on these advisory boards. A nominating committee consisting of the mayor, two commissioners, the manager, the chairs of the advisory boards, and the staff liaisons to the advisory boards reviews the applications and determines who to recommend for appointment. The Board of Commissioners receives the nominations and makes the final decision on appointments. Appointments are made by December to fill the expiring seats with three-year terms beginning in January. The number of seats on the advisory boards remains the same except the recommendations include reducing the Affordable Housing and Equity Board to twelve (12) members, reducing the Design Review Board/Historic Preservation Commission to seven (7) members, and increasing the Public Art Commission to twelve (12) members.

ACTION/PROPOSED MOTION

Motion to approve the 2025 recommendations for advisory board appointments as presented and appointment of Rachel Johnson as Chair of the Design Review Board/Historic Preservation Commission and reappointment of Shawn Copeland as Chair of the Planning Board.

RELATED TOWN GOALS

Strategic Plan Alignment

Healthy, Livable, & Vibrant Community - Promote collaborative efforts to create livable spaces and healthy places to enhance quality of life for all residents.

Historic Preservation - Preserve the historic character of our Town, including its people, places, & stories. Honor the history of our residents through their lived experiences.

Connecting People and Places - Expand, improve, and diversify the town’s transportation network to provide residents and visitors with safe, convenient, accessible, reliable, and efficient multi-modal travel choices to connect people across the community.

Affordable Living, Equity & Inclusion - Work together to foster a culture of equity, belonging, inclusion, and advance the Town's Affordable Housing program. Provide, create, and support opportunities for all. Treat everyone with respect, dignity, and recognize every voice.

Sustainability and Natural Assets - Preserve Davidson's natural assets and develop, implement, and actively encourage innovative solutions to environmental, energy, and climate-based challenges.

Core Values
Open communication is essential to an engaged citizenry, so town government will seek and provide accurate, timely information and promote public discussion of important issues.

NEXT STEPS

If the Board approves, staff will notify the applicants of the decision and begin the onboarding process for the new members.

Members of the Nominating Committee met on October 28, 2024 and the following recommendations were made for the 2025 Citizen Advisory Boards. The recommendations will be presented to the Davidson Board of Commissioners on Tuesday, November 12 for approval.

- **AFFORDABLE HOUSING & EQUITY BOARD:**
  January 2025 – December 2027/3 year term
  1. John Gray
  2. Julie Robinson
  3. Jayme Sponsel - reappointment

- **DESIGN REVIEW BOARD/HISTORIC PRESERVATION COMMISSION:**
  January 2025 – December 2027/3 year term
  1. Dave Malushizky– reappointment

  Chair – Rachel Johnson
- **LIVABILITY BOARD:**
  January 2025-December 2027/3 year term
  1. Reese Golchin
  2. Stephen Goodman
  3. Amy Hartz
  4. Jennifer Morell

  January 2024 – December 2026/2 year term
  1. Jessica Guill

  January 2025 – December 2025/1 year term
  1. Suzanne "Zee" Berl

  Student Representative
  1. Zeyad Elmasheiti

- **PLANNING BOARD:**
  January 2024 – December 2026/3 year term
  1. Richard Bargoil
  2. Mike Fabrizius - reappointment
  3. David Lusk
  4. Rick Pacious – reappointment

  Chair – Shawn Copeland

- **PUBLIC ART COMMISSION:**
  January 2024 – December 2026/3 year term
  1. Daniel Bogosh
  2. Miranda Leaver
  3. Sherry Nelson – reappointment, current chair
  4. Stanley Szostek – reappointment
  5. Mardee Woodward – reappointment

- **<u>SUSTAINABILITY BOARD</u>**
  1. Tim Belitz - Current sustainability committee member
  2. Cathy Denham
  3. Teresa Isakson
  4. Sandy LaCorte
  5. Andre Phillips - Current sustainability committee member
  6. Anita Rajan
  7. Juliette Sponsel - Current sustainability committee member
  8. Jenna Vujic - Current sustainability committee member
  9. Matthew Walt - Current sustainability committee member
  10. Veronica Westendorff
  11. Kasia Worsham
  12. Beth Wytiaz

AGENDA MEMO

To: Davidson Board of Commissioners
From: Pieter Swart, Finance Director
Date: November 12, 2024
Re: Audit Request For Proposals (RFP) Responses and Review

ITEM SUMMARY/OVERVIEW

The Town is required to have an annual audit per state law. The current auditor is retiring. The Town issued a Request For Proposals (RFP) for audit services. Seven responses were received. Staff is recommending the Board approve a contract with RH CPA's, PLLC which the Board will be asked to consider approving on the consent agenda at the November 26, 2024 Board meeting.

ACTION/PROPOSED MOTION

This item is for discussion only.

RELATED TOWN GOALS

Strategic Plan Alignment
Operational Excellence - Provide efficient and high-quality public services and facilities through thoughtful and proactive planning, responsible stewardship of Town resources and a professional and committed workforce.
Core Values
Citizens entrust town government with the stewardship of public funds, so government will provide high quality services at a reasonable cost.

NEXT STEPS

The Board will be asked to consider approval of the audit contract on the consent agenda at the November 26, 2024 Board Meeting.

Audit RFP Responses and Review

Piet Swart
Finance Director
November 12, 2024

www.townofdavidson.org

Summary of Process

Audit Services RFP Timeline:

• June	Ann Craven informed the Town she was retiring.
• July	Staff Developed RFP for Audit Services.
• August 1	RFP was distributed to all active municipal audit firms and posted on the state HUB site.
• September 6-16	Town received and responded to RFP questions received from firms.
• September 30	Town received seven responses to the RFP.
• October	Finance Staff reviewed applications and determined three (3) finalists. Contacted references and conducted face-to-face meetings with finalists.
• November 12	Review staff recommendation with the Board.
• November 26	Board considers approval of contract.

The Town of Davidson

Staff Recommendation

RH CPAs, PLLC

First-year cost: $26,980 (Additional $4,000 if Single Audit is required)

Three-year cost: $85,180

Firm Core Values: "At RH CPAs we are:

- **Personable** – We provide services with personality
- **Responsive** – We set expectations and exceed them
- **Team Player** – The total is greater than the sum of the parts
- **Can-Do Attitude** – Mindset is everything
- **Dependable** – We say what we will do, and do it"

Our purpose is to exceed expectations with expertise and enthusiasm. We will build and maintain relationships with employees of the Town of Davidson. The Town of Davidson staff will know that they can depend on us to provide quality audit, accounting, and advisory services."

Staff Recommendation

- Audit Team is based out of RH's Lexington, NC office.
- Have experience working with municipalities that use our accounting software package.
- Audit plan will include on-site fieldwork and upload of documents to RH portal to ensure an efficient audit.

Comments from references:
"The Team is easy to work with and provides solid, proactive advice regarding reporting changes."
"Forthcoming with everything" and "Very thorough"

The finance team unanimously selected RH as their first choice.

Next Steps

Board to consider contract approval at the November 26, 2024 meeting as a consent item.

Discussion

The Town of Davidson

CPAs
PLLC
Accounting • Tax • Advisory

THE TOWN OF DAVIDSON

FIRST SECTION

Response to RFP for Audit Services

Responsible Office and Contact Person:
Diana Hardy, CPA, CFE
AUDIT PARTNER
GOVERNMENTAL/NON-PROFIT AUDITS

629 Green Valley Road, Suite 201
Greensboro, NC 27408
Phone: (336) 481-0281
Email: dhardy@rh-accounting.com
Website: www.rh-accounting.com

TABLE OF CONTENTS

FIRST SECTION

1 - 2	Engagement Staff and Firm Profile	2
3 - 4	Government Clients	3
5	Peer Review	5
6	Staffing and Team Biographies	5
7 - 8	Education and Experience	8
9	Specialized Skills and Training	10
10	References	11
11	Independence	11
12	Insurance Coverage	12
13	Regulatory Actions	12
14	NC Local Governmental Commission & UNC School of Government	12

APPENDICES:

Appendix A – 2023 Peer Review Report

Appendix B – Independence Manual

FIRST SECTION

1 – 2. ENGAGEMENT STAFF AND FIRM PROFILE

The Town of Davidson's audit will be staffed by RH CPAs, PLLC as follows:

Level	Individual	Office	% time on-site
Partner in Charge	Diana Hardy, CPA, CFE	Greensboro	25% minimum
Audit Senior Manager	TD Hill	Lexington	25% minimum
Audit Manager	Tia Jones	Remote	50% minimum
Staff	Will Southern	Lexington	100%
Staff	Jerrod Best	Greensboro	100%

RH CPAs, PLLC is a professional limited liability company licensed by the North Carolina State Board of CPA Examiners and is engaged in the practice of public accounting with three offices in North Carolina. RH CPAs, PLLC evolved from Rives & Associates, LLP to accommodate the firm's growth and expanded leadership team to support all of its service lines. With a staff of more than forty highly trained professionals, RH CPAs, PLLC (RH) has exceled in serving North Carolina clients for over thirty years.

We have a primary objective to provide high quality audit, accounting, tax, and advisory services to clients in the best professional manner. Our partners, managers, and staff are expected to comply with this statement of philosophy in order to achieve the desired objective. "Professionalism" in the accounting profession means integrity, objectivity, independence where required, adherence to professional standards and applicable laws and regulations, and a demonstrated will to maintain and improve the quality of professional services and to withstand all pressures competitive and otherwise, to not compromise on principles, standards, and quality. Particularly in the field of auditing, professionalism requires an understanding of and dedication to the public interest. The public interest in audited financial statements has placed the public accounting profession in a unique position of public trust. Moreover, there is also a significant public interest in the way in which the Firm carries out accounting, tax, and advisory services. Therefore, no client or Firm consideration is allowed to interfere with our ability to carry out our commitment to professionalism.

Our Non-Profit/Governmental Team takes audit and tax services beyond the basics by providing advice throughout the audit process to improve operations and ensure compliance with regulations and general statutes. We are a member of the American Institute of Certified Public Accountants Governmental Audit Quality Center, North Carolina Association of Certified Public Accountants, North Carolina Association of School Board Officials, the American Institute of Certified Public Accountants Private Practice Center, and the North Carolina Center for Nonprofits.

In prior years the Firm was named in the Top 5 North Carolina Small Businesses and the Top 50 Small Businesses in the South. The Firm was also awarded "FAST 50" status in the Triad Area and Best Places to Work in 2022 by the Triad Business Journal.

CORE VALUES

At RH CPAs we are:

Personable – We provide services with personality
Responsive – We set expectations and exceed them
Team Player – The total is greater than the sum of the parts
Can-Do Attitude – Mindset is everything
Dependable – We say what we will do, and do it

Our purpose is exceeding expectations with expertise and enthusiasm. We will build and maintain relationships with employees of the Town of Davidson. The Town of Davidson staff will know that they can depend on us to provide quality audit, accounting, and advisory services.

3 - 4. GOVERNMENT CLIENTS

Below is a sample of a governmental audit clients RH CPAs, PLLC has served:

Client	Service	Years Served	GASB 34
Caldwell Community College	Financial statement audit	6	Yes
Town of Benson	Financial statement audit	3	Yes
Town of Pittsboro	Financial statement audit and Single Audit	6	Yes
City of Kinston	Financial statement audit and Single Audit	6	Yes
Town of Ayden	Financial statement audit	1	Yes
Town of Goldston	Financial statement audit and Single audit	5	Yes
Davidson County Community College	Financial statement audit	3	Yes
Cape Fear Community College Foundation	Financial statement audit	5	No
Durham Tech Community College Foundation	Financial statement audit	3	No
Johnston County Community College Foundation	Financial statement audit	3	No
Beaufort Community College Foundation	Financial statement audit	2	No
Wake County Board of Education	Financial statement audit and Single Audit	6	Yes
Wayne County Board of Education	Financial statement audit	3	Yes
Jones County Board of Education	Financial statement audit	3	Yes
Various charter schools throughout NC	Financial statement audit and Single Audit	3 - 10	Yes

Duplin County	Financial statement audit and Single Audit	2	Yes
Anson County Schools	Financial statement audit and Single Audit	12	Yes
Davidson County Schools	Financial statement audit and Single Audit	3	Yes
Durham Public Schools	Financial statement audit and Single Audit	10	Yes
Rowan-Salisbury Board of Education	Financial statement audit and Single Audit	6	Yes
Rockingham Community College	Financial statement audit	1	Yes
Thomasville City Schools	Financial statement audit and Single Audit	12	Yes
Wilkes County Schools	Financial statement audit and Single Audit	4	Yes
Yadkin County Schools	Financial statement audit and Single Audit	11	Yes
Town of Seagrove	Financial statement audit and Single Audit	7	Yes
Town of Wilkesboro	Financial statement audit	2	Yes
Town of Macclesfield	Financial statement audit	2	Yes
Town of Stanley	Financial statement audit	2	Yes
Town of Tyron	Financial statement audit	2	Yes
Town of Spencer	Financial statement audit	3	Yes

A sample of relevant clients that Diana has worked on in the past include:

• Town of Pittsboro	Manager	1 year
• City of Kinston	Manager/Partner	6 years
• Caldwell Community College	Manager/Partner	6 years
• Wake County Board of Education	Manager	3 years
• Wayne County Board of Education	Manager	3 years
• Jones County Board of Education	Manager	3 years
• Durham County Board of Education	Manager	2 years
• Various charter schools (all under GASB 34)	Various	12+ years
• Town of Macclesfield	Partner	1 year
• Town of Stanley	Partner	2 years
• Duplin County	Partner	2 years
• Town of Spencer	Partner	3 years

A sample of relevant clients that TD Hill has worked on in the past include:

• Duplin County	Manager	3 years
• Town of Spencer	Manager	2 year
• Town of Robbinsville	Manager	1 year
• Graham County	Manager	1 year

5. PEER REVIEW

RH is a member of the American Institute of Certified Public Accountants (AICPA) and participants in the AICPA Peer Review Program. The AICPA Peer Review Program, administered by the North Carolina Association of Certified Public Accountants in North Carolina, requires enrolled firms to have a peer review conducted by an independent evaluator, once every three years, of their accounting and auditing practice. Such review assures that the services we provide to our clients meet the highest level of standards in the accounting profession. Our most recent peer review for the year ended March 31, 2023, received a "pass" rating, the highest rating of quality controls. See a copy of the peer review report in **Appendix A**.

It is the policy of our Firm that our quality control system be monitored on an ongoing basis to provide the Firm with reasonable assurance that the policies and procedures established by the Firm for each of the other quality control elements (including quality control elements and activities not formalized in writing) of quality control are suitably designed and are being effectively applied. The adequacy and effectiveness of the Firm's quality control system is monitored on an ongoing basis by the Firm's quality control partner. As an integral part of the monitoring process, our quality control system is inspected annually to determine whether the Firm has complied with its stated quality control policies.

6. STAFFING AND TEAM BIOGRAPHIES

RH employs approximately forty professionals over its three offices in North Carolina. The staffing needs are based on the complexity and nature of the organization, timing, and the extent of procedures which must be performed to meet the audit and tax objective, and the travel involved. We have designated specific associates to the engagement however, our associates are interchangeable between our offices and their assignments may change. There will be a minimum of two audit associates, one manager, and one partner/director designated to the engagement at all times. Each member of this team will be fully available to satisfy the needs of the engagement.

Our priority is making sure you are working with trusted professionals who have a clear understanding of your goals, strategies and reporting needs. Our partners and managers maintain a high degree of client involvement which minimizes the overhead and reduces the audit costs. This also provides the client a higher level of expertise that is always available.

All staff assigned to the Town's audit will have previous governmental audit experience. All staff also have experience preparing financial statements under the GASB 34 model.

SUPERVISING AUDITOR

Diana Hardy will be the partner in charge for the audit. Additional information for partners and managers is as follows:

Diana Hardy, CPA, CFE - Partner

dhardy@rh-accounting.com
336-481-0281

Diana Hardy is the Greensboro office's partner and services the firm's governmental and non-profit clients. Diana joined RH in 2015 and brings over 15 years of experience in governmental and not-for-profit organizations. Her work experience includes working with a variety of Towns, Boards of Education, Community Colleges, not-for-profits, community health centers, HUD and affordable housing audits, charter schools, private schools, churches, foundations, manufacturing companies, and insurance companies.

In addition to her auditing experience, Diana performs forensic and fraud investigative services. She is a member of the Central Carolina Chapter of the Association of Certified Fraud Examiners.

Community Involvement

- Board Member, Vice Chair – Goodwill Industries of Central North Carolina
- Past Chair - North Carolina Captive Insurance Association
- Captive Insurance Companies Association – NextGen Committee and Conference Planning Committee Member

Education and Licenses

- Bachelor of Science in Accounting – North Carolina State University
- Masters of Accountancy – North Carolina State University
- Licensed as a Certified Public Accountant in the State of North Carolina (license #36753)
- Licensed as a Certified Fraud Examiner

Professional Affiliations

- North Carolina Association of Certified Public Accountants (NCACPA)
- Association of Certified Fraud Examiners (ACFE)

Continuing Professional Education

Diana's continuing education includes attendance at courses concentrating on audit services for governmental industry clients, not-for-profits, and fraud topics. She has maintained the required CPE levels over the past three years, including annual ethics requirements. She has also led seminars on fraud and auditing.

TD Hill, Senior Audit Manager

tdhill@rh-accounting.com
336-248-8281

TD Hill, CPA, CFE, CIA, CFSA, CCSA is a Senior Manager in the Lexington office of RH CPAs, PLLC and serves a variety of clients – both not for profit and for-profit entities. TD joined RH CPAs, PLLC in 2023 and brings over 20+ years of experience in internal auditing, forensic accounting, and corporate ethics. TD's professional experience/expertise is in supply chain and distribution centers, control gap analysis and remediation, manufacturing, and fraud investigations. His not-for-profit and government experience includes working with service organizations, foundation entities, towns, cities, and counties.

Education, Accreditations and, Licenses

- Master's degree in Financial Fraud Investigations (FFI) – Pfeiffer University
- Bachelor of Science in Accounting and Finance – Pfeiffer College
- Licensed as a Certified Public Accountant (CPA) in North Carolina

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- North Carolina Association of Certified Public Accountants (NCACPA)
- Association of Certified Fraud Examiners (ACFE)
- Institute of Internal Auditors (IIA)

Continuing Professional Education

His continuing education includes attendance at courses concentrating on audit services for governmental and not-for-profit industry clients.

Tia Jones

tia@rh-accounting.com
336-248-8281

Currently serving as audit manager, Tia Jones joined RH CPAs in 2023 and brings over 20 years of experience in the insurance and auditing industry. Her career began with the North Carolina Department of Insurance in 1999 where she was a staff examiner and later promoted to senior examiner in the Financial Evaluation Division. Prior to joining RH CPA's, Ms. Jones was director of operations and provider networks at Delta Dental of North Carolina, where she responsible for enterprise risk management, regulatory compliance activities, and provider recruitment strategies to ensure growth, retention and accessibility targets were met for the largest non-profit dental insurer in North Carolina.

Community Involvement

- Board Chair – T.R.O.S.A.
- Chair – Leadership Raleigh Advisory Committee

Education

- Bachelor of Business Administration, Accounting – Radford University

7 - 8. EDUCATION AND EXPERIENCE

It is RH CPAs, PLLC's policy that all audit staff maintain at a minimum of 40 hours of CPE on an annual basis, whether or not that they have at their CPA license. This continuing professional education is accomplished through a combination of conferences, seminars, webinars, self-study course and internal CPE courses. Every staff assigned to the Town's audit will have sufficient CPE and Yellow Book credit hours on an ongoing basis.

Some of the many seminars the Firm's staff has attended in recent years:

- The Firm sends many of its staff to the NCACPA LGC Conference annually
- The Firm sends staff to the Annual UNC School of Government update
- The Firm sends staff to the NC Government Finance Officer Conferences throughout the year

Authorized Non-Profit/Governmental Courses and Seminars:

- UNC School of Government Annual Updates
- Local Government Conference.
- Understanding, Applying & Documenting, Governmental Compliance Requirements
- Fraud in non-profits.
- GASB Update
- Auditing & Accounting
- Governmental Accounting and Auditing - Preparation/Developing/Writing
- Auditing of School Districts

- Governmental/Non-Profit Accounting & Auditing Update
- Internal Controls and SAS 115
- A & A Concepts & Financial Disclosure
- Yellow Book Update and Risk Assessment
- Governmental Audit Sampling - Substantive & Compliance

In addition to the in-house courses and seminars, the Non-Profit/Governmental Audit Team members also attend courses and seminars conducted by other organizations such as NCACPA and AICPA. Below is a sample of courses and seminars attended by the Non-Profit/Governmental Audit Team conducted by other organizations:

- Applying A-133 to Non-profit and Governmental Organizations
- NC Accountancy Law, Ethics, Principles and Professional Responsibilities
- Compliance Auditing Workshop
- Non-For-Profit Conference
- Studies on Single Audit and Yellow Book Deficiencies
- Local Government Commission Update
- Economic Update
- The SBI and White Collar Crime
- Compliance Auditing School Districts
- Frequent Frauds Found In Governments and Not For Profits
- Professional Ethics and Conduct
- Employee Benefit Conference

All staff assigned to the Town's audit will have previous experience with reporting under GASB 34 model. RH initiated its practice in the non-profit and governmental service industry in response to our observation that larger firms were devoting fewer and fewer resources to their smaller and mid-size clients. The collective and extensive experience of our Non-Profit/Governmental Team has developed one of the fastest growing service areas of RH. Ever-changing accounting standards, economic conditions and the continued rise in operating costs have propelled our Non-Profit/Governmental Team to help entities alleviate the pressures facing the industries. Our commitment to the non-profit and governmental industry is reflected in the significant growth of our practice and the retention of those clients.

The experience and capabilities of our Non-Profit/Governmental Audit include:

- Financial Audits
- Single Audits
- Program Specific Audits
- Agreed-upon Procedures
- Forensic Audits
- Performance Audits
- Risk Assessment and Remediation
- Strategic Planning
- Internal Controls
- Efficiency Studies
- Staff Training Seminars
- Management Reviews

Our Uniform Guidance Single Audit experience, which we perform on a recurring basis, includes the following federal and state programs:

- FEMA Disaster Grants
- Clean Water State Revolving Fund
- Home Investment Partnership Program
- Head Start and Early Head Start
- Child and Adult Care Food Program
- Special Education Cluster
- Weatherization Assistance Program
- Workforce Investment Act
- N.C. Pre-K (More At Four)
- School Improvement Grants
- ARPA
- Powell Bill
- Community Development Block Grant
- Improving Teacher Quality
- Title II Immigrant & Youth
- National School Lunch Program
- School Breakfast Program
- Education Technology
- English Language Acquisition Grants
- N.C. State Public School Fund
- Public Building Capital Fund
- State Buses Appropriation
- Home Care Program
- Title 1, Part A Cluster Grants
- Coronavirus Relief Fund

As noted under our Firm Profile, the Firm has vast experience in auditing government agencies. That includes an array of Federal Single Audits and State Single Audits for various programs. Our governmental experience also includes:

- Municipalities
- Community College Foundations
- Community Colleges
- Boards of Education
- Various types of not-for-profits including charitable organizations and foundations, including Federal and State single audits
- Charter Schools
- EMS units
- HUD properties
- Community Health Centers

9. SPECIALIZED SKILLS AND TRAINING

The following discusses some of the specialized skills and training for individuals that may be assigned to the Town of Davidson's audit:

Diana Hardy – In addition to her CPA license, Diana holds her certified fraud examiners license. She has also co-lead seminars in the past discussing fraud deterrence and detection methods. She is also a regular speaker at local and national insurance conferences.

TD Hill – In addition to a Control Certification in Self-Assessments, TD has a Certified Public Accountant, Certified Internal Auditor, and Certified Financial Systems Auditor certifications. TD also has a Masters in Financial Fraud Investigations with a concentration in data analytics.

10. REFERENCES

We invite you to contact the below personnel of other current audit clients in regard to their experience with us.

Handy Sanitary District
Lisa Hedrick: lhedrick@handysanitary.com
(336) 859-2553
PO Box 987
Denton, NC 27239

City of Kinston
Donna Goodson: Donna.Goodson@ci.kinston.nc.us
252-939-3281
207 E King Street
Kinston, NC 28502

Caldwell Community College and Technical Institute
Rashelle Penley: rpenley@cccti.edu
828-726-2222
2855 Hickory Blvd
Hudson, NC 28638

Visit Lake Norman
Sally Ashworth: ashworth@lakenorman.org
704-987-3300
19900 W Catawba Ave. Suite 102
Cornelius, NC 28031

Unity Classical Charter School
Sheila Goad: sheila.goad@unityclassical.org
980-202-5899
1929 W Arrowood Road
Charlotte, NC 28217

Additional references available upon request.

11. INDEPENDENCE

In accordance with the quality control document of RH CPAs, PLLC, all professional personnel must be familiar with and adhere to the independence, confidentiality integrity, and objectivity rules, regulations, interpretations, and Rulings of the AICPA, the State of North Carolina Board of Accounting, the State of North Carolina CPA Society, state statutes, and other State or regulatory agencies where applicable. Independence, Confidentiality, Integrity, and Objectivity Representation is required by all personnel when hired and annually thereafter.

Independence on all audit engagements is reviewed on an annual basis to ensure compliance with all rules that govern this topic. We have reviewed our independence in association with this proposed engagement and in all matters relating to the audit of the Town, RH CPAs, PLLC is independent in fact and appearance. Please see **Appendix B** for a copy of our employee manual as it concerns independence.

12. INSURANCE COVERAGE

RH CPAs, PLLC presently carries the following insurance policies:

1. Worker's Compensation - The Firm maintains Worker's Compensation Insurance, as required by the laws of North Carolina, as well as employer's liability coverage.

2. Commercial General Liability - General Liability Coverage on a Comprehensive Broad Form on an occurrence basis.

3. Automobile - Automobile Liability Insurance, to include liability coverage, covering all owned, hired and non-owned vehicles, used in connection with the contract.

4. Professional Liability - Professional Liability Coverage on a Comprehensive Broad Form on an occurrence basis.

All insurance meets the laws of the State of North Carolina. Insurance coverage is obtained from companies that are authorized to provide such coverage and are authorized by the Commissioner of Insurance to do business in North Carolina. The Firm shall at all times comply with the terms of such insurance policies, and all requirements of the insurer under any such insurance policies, except as they may conflict with existing North Carolina laws or this contract. The limits of coverage under each insurance policy maintained by the Firm shall not be interpreted as limiting the contractor's liability and obligations under the contract.

If awarded the contract, we will be glad to provide a COI.

13. REGULATORY ACTIONS

No regulatory action has been taken against the Firm or any staff members that will be assigned to the audit. We are NOT debarred from performing work for any State or federal governmental agencies.

14. NC LOCAL GOVERNMENT COMMISSION & UNC SCHOOL OF GOVERNMENT

The Firm maintains an open lines of communication with the NC Local Government Commission and continually seeks to provide comments regarding memos published. As noted above, the Firm regularly attends the UNC School of Government Annual Audit Update.

RH CPAs PLLC
Accounting • Tax • Advisory

APPENDIX A

2023 Peer Review Report

duncanashe
AUDITORS | ACCOUNTANTS | CONSULTANTS

7900 McCloud Road
Suite 101
Greensboro, NC
27409

ph 336.285.6510
f 855.498.6596
duncanashe.com

Report on the Firm's System of Quality Control

May 31, 2024

To the Partners
RH CPAs, PLLC
and the Peer Review Committee of Coastal Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of RH CPAs, PLLC ("the firm") in effect for the year ended March 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act, and an audit of an employee benefit plan.

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of RH CPAs, PLLC in effect for the year ended March 31, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass, pass with deficiency(ies)* or *fail*. RH CPAs, PLLC has received a peer review rating of *pass*.

Duncan Ashe, P.A.

Duncan Ashe, P.A.

APPENDIX B

Independence Manual

Excerpt from RH CPAS, PLLC Quality Control Document

Relevant Ethical Requirements

It is the firm's policy that all professional personnel be familiar with and adhere to relevant ethical requirements of the AICPA, contained in the *Code of Professional Conduct*, the State of North Carolina Board of Accountancy, and the State of North Carolina Association of CPA's in discharging their professional responsibilities as well as those for any other state under whose jurisdiction may apply. Furthermore, it is the policy of our firm that, for engagements subject to *Government Auditing Standards* and other applicable regulatory agencies, all professional personnel be familiar with and adhere to the relevant ethical requirements included in those standards and that personnel will always act in the public interest. Any transaction, event, circumstance, or action that would impair independence or violate the firm's relevant ethical requirements policy on an audit, attestation, review, compilation engagement, or other service subject to the standards of the AICPA Auditing Standards Board or the AICPA Accounting and Review Services Committee (as required under Rules 201 and 202) is prohibited. Additionally, when the firm and its professional personnel encounter situations that raise potential independence threats but such situations are not specifically addressed by the independence rules of the AICPA *Code of Professional Conduct*, the situation will be evaluated by referring to the *Conceptual Framework for AICPA Independence Standards* and applying professional judgment to determine whether an independence breach has occurred. The firm will take appropriate action to eliminate those threats or mitigate them to an acceptable level by applying safeguards. If effective safeguards cannot be applied, the firm will withdraw from the engagement or take other corrective actions as appropriate to eliminate the breach.

Although not necessarily all-inclusive, the following are considered to be prohibited transactions and relationships:

1. Investments by any partner or professional employee in a client's business during the period of a professional engagement defined as an audit, attestation, review, compilation engagement, on other service subject to the independence standards of the AICPA, State Board of Accountancy on other applicable regulatory agencies, including a commitment to acquire any direct or material indirect financial interest in a client.
2. An investment in an entity or property by any of the following individuals and the client (or the client's officers or directors, or any partner who has the ability to exercise significant influence over the client) that enables them to control (as defined by GAAP for consolidation purposes) the entity or property:
   a. An individual on an attest engagement team.
   b. An individual in a position to influence the attest engagement by doing any of the following:
      i. evaluating the performance or recommending the compensation of the attest engagement partner,
      ii. directly supervising or managing the attest engagement partner and all of that partner's superiors,
      iii. consulting with the attest engagement team about technical or industry-related issues specific to the engagement, or

    iv. participating in or overseeing quality control activities, including internal monitoring, with respect to the attest engagement.

  c. A partner or manager who provides nonattest services to the attest client beginning once he or she provides ten or more hours of nonattest services to the client within any fiscal year and ending on the later of the date:

    i. the firm signs the report on the financial statements for the fiscal year during which those services were provided, or

    ii. he or she no longer expects to provide ten or more hours of nonattest services to the attest client on a recurring basis.

  d. A partner in the office in which the lead attest engagement partner primarily practices with respect to the attest engagement.

  e. The firm and its employee benefit plans.

3. Borrowing from or loans to a client, or client's personnel during the period of a professional engagement by any of the individuals listed in items 2. a,-e., except as grandfathered or permitted.

4. Accepting or offering gifts or entertainment from or to a client unless reasonable in the circumstances and approved by the managing partner.

5. Certain family relationships between professional personnel and client personnel. (Consult the managing partner for a ruling on such relationships.)

Notwithstanding the preceding policy and list of prohibited transactions and relationships, at the managing partners' discretion, certain prohibitions can be waived if it is deemed to be in the best interest of the firm. However, in so doing, the engagement service performed for the client must be limited to that allowed by AICPA professional standards.

The firm ensures compliance with this policy by implementing the following procedures:

1. All personnel have ready access to the relevant ethical requirements to which the firm is subject. Those requirements include the AICPA *Code of Professional Conduct*, the State of North Carolina Board of Accountancy, and the State of North Carolina Association of CPA's ethical requirements. The firm maintains a current copy of those ethical requirements in the firm's library and personnel also have online access to the information. The firm expects its personnel to be familiar with those relevant ethical requirements.

2. All professional personnel are required to sign a representation letter when hired (and annually thereafter) that acknowledges their familiarity with the firm's relevant ethical requirements policy and procedures, particularly with regard to independence. Such signed representation letters are also required from part-time, seasonal, and contract professionals and any other individuals who work on accounting and auditing engagements and are required to be independent. Ethics training is provided for professional personnel at least every three years. Such training covers the firm's relevant ethical requirements policy and procedures and the independence and ethical requirements of all applicable regulators.

3. All professional personnel review the firm's current client list in conjunction with completing the representation letter for identification of threats to, or breaches of, independence. The current client list is maintained by the QC partner and changes to the list are communicated on a timely basis by a memorandum from the QC partner. When hired (and annually thereafter), all professional personnel are required to sign a

representation that confirms this responsibility.

4. To ensure that independence is properly addressed at the engagement level, the engagement partner will consider relevant information about client engagements and evaluate the overall effect, if any, on independence requirements as part of the engagement and acceptance decision. In making this determination, any familiarity threat related to senior personnel recurring on an audit or attest engagement for five years or more will be considered, including any other specific rotation requirements of regulatory agencies or other authorities. Additionally, the work programs and forms in the accounting and auditing manuals used by the firm contain steps requiring an evaluation of independence on each new and recurring engagement. Furthermore, those manuals contain reporting guidance for the types of engagements where a lack of independence is allowed.
5. All professional personnel are required to promptly notify the designated QC partner of any circumstances or relationships that may create a potential threat to independence (such as a potential prohibited transaction) or an independence breach, so that appropriate action can be taken. To acknowledge that responsibility, professional personnel are required when hired (and annually thereafter) to sign a representation letter and to list known circumstances and relationships that may create a potential threat to independence or violate the firm's relevant ethical requirements policy. (Each individual keeps a copy of their representation letter, which includes cross references to the professional standards of relevant ethical requirements that govern the firm. Professional standards, including the AICPA's Conceptual Framework for AICPA Independence Standards, and the advice of the QC partner may be consulted if an employee is unsure if a threat to independence should be reported to firm management.).
6. If a potential threat to independence is identified, the QC partner accumulates and communicates relevant information to appropriate personnel so (a) firm management and the engagement partner can determine whether they satisfy independence requirements, (b) the engagement partner can take appropriate action to address identified threats to independence, and (c) the firm can maintain current independence information. For clients of whom the firm is not independent, only compilation services are performed and the firm discloses the lack of independence in its accountant’s compilation reports for those clients.
7. If performing a group audit, the firm is required to obtain a written representation regarding the component auditor’s independence with respect to the client. The auditing manuals used by the firm contain examples of representation letters to use in such situations. Furthermore, in a review or attestation engagement, if another firm performs work on a segment of the engagement, a representation (either written or oral) regarding the other firm’s independence is required. The engagement programs in the accounting and auditing manuals used by the firm contain steps to ensure compliance with this procedure.
8. The engagement partner (or the accountant in charge under the partner's supervision) has the primary responsibility for determining if there are unpaid fees on any of his clients that would impair the firm's independence. The engagement work programs and standard forms used by the firm contain steps to ensure compliance with this procedure. The firm's client accounts receivable listing and the engagement partner's knowledge of unbilled fees should be considered in making this determination. In addition, the managing partners have secondary responsibility to review the firm's

accounts receivable listing on a periodic basis to identify potential independence problems.

9. The engagement partner has the primary responsibility to identify all nonattest services performed for an attest service client and for determining if such nonattest services impair independence with respect to that client. Reviewing nonattest services performed for attest clients includes obtaining and documenting an understanding with the client regarding the client's responsibilities for the nonattest services performed by the firm. Where applicable, this includes determining whether such nonattest (nonaudit) services impair independence under the independence rules in Government Auditing Standards for ongoing, planned, and future audits. Firm engagement work programs for all attest and compilation engagements include steps to ensure compliance with this procedure.

10. The engagement partner has the primary responsibility for determining whether actual or threatened litigation has an effect on the firm's independence with respect to the client. The firm's independence could be impaired by litigation (a) between the client and the firm, (b) with the client company's securities holders, and (c) from other third parties.

11. If the firm is engaged as principal auditor to report on the basic financial statements of a financial reporting entity, all professional personnel must be independent of the financial reporting entity. If the firm is engaged as principal auditor to report on a major fund, nonmajor fund, internal service fund, fiduciary fund, or governmental component unit of the financial reporting entity, all professional personnel must be independent of the fund or entity the firm reports on. The engagement partner has the primary responsibility for determining whether the firm's relationship with entities in the governmental financial statements has an effect on independence.

12. The managing partners have the primary responsibility for determining whether the firm was a party to a cooperative arrangement with a client that was material to the firm or the client.

13. The QC partner is responsible for obtaining the representation letters, reviewing them for completeness, and accumulating relevant information relating to identified threats to relevant ethical requirements matters (including questions from the representation letters and those from other sources). In determining a resolution, firm management should consider the AICPA's Conceptual Framework for AICPA Independence Standards and, when necessary, consult the AICPA or the North Carolina Association of CPA's for assistance in interpreting independence, integrity, and objectivity rules. Documentation of the resolution of a relevant ethical requirements matter should be filed in the client's permanent workpaper files. Firm management is also responsible for determining actions to be taken when professional personnel violate firm independence policies and procedures. The action for each incident is determined based on its unique circumstances and may include eliminating a personal impairment, requiring additional training, drafting a reprimand letter, or even termination.

14. The QC partner is responsible for monitoring the firm's independence of attest clients at which partners or other senior personnel have been offered management positions or have accepted offers of employment. The independence, integrity, and objectivity questionnaire used by the firm and the client acceptance checklists used by the firm in attest engagements include questions to help ensure compliance with this requirement.

15. If a breach of independence is identified, the firm promptly communicates the breach and the required corrective actions to (a) the engagement partner, who (along with the firm) has the responsibility to address the breach and (b) other relevant personnel in the firm and those subject to the independence requirements who need to take appropriate action. The engagement partner confirms to the firm when required corrective actions related to the breach and noncompliance with these policies and procedures have been taken.
16. At least annually, the QC partner reviews the firm's relevant ethical requirements policy and procedures to determine if they are appropriate and operating effectively.

RH CPAs PLLC
Accounting • Tax • Advisory

THE TOWN OF DAVIDSON

SECOND SECTION

Response to RFP for Audit Services

Responsible Office and Contact Person:
Diana Hardy, CPA, CFE
AUDIT PARTNER
GOVERNMENTAL/NON-PROFIT AUDITS

629 Green Valley Road, Suite 201
Greensboro, NC 27408
Phone: (336) 481-0281
Email: dhardy@rh-accounting.com
Website: www.rh-accounting.com

TABLE OF CONTENTS

SECOND SECTION

Technical Approach 2
Audit Timeline 4
Fees 5

APPENDICES:

Appendix C – Cost Proposal

Appendix D – Summary of Audit Costs Sheet

SECOND SECTION

1, 2, 3, 4, 5, 6, & 7. TECHNICAL APPROACH

AUDIT APPROACH

Our audit approach is designed to maximize efficiencies, by leveraging staff and technology. We utilize automated processes, and have staff that specializes in certain areas of the audits, such internal control tests and high risk areas. We have found that we can complete more efficient audits by utilizing this approach, which also provides a high level of expertise, therefore improving service and recommendations to your organization. Our goal is to provide an efficient high-quality audit.

RISK ASSESMENT

We will perform a risk assessment of the financial reporting process. This assessment will evaluate both inherent and control risks. Based on this risk assessment, we will concentrate our audit procedures on higher risk areas.

AUDIT PROGRAMS

Our audit programs are combinations of programs made in house and programs which are issued by governmental authorities and private publishers such as Practitioners Publishing Company (PPC). We generate unique programs for each audit based on the client's industry and our risk assessment software. The use of this risk assessment software allows us to assess risk to each individual section of the financial statements and to generate additional tasks for higher risk areas. We are able to customize the programs as needed. We subscribe to the local government industry from PPC and CCH (a Walters Kluwer product).

STATISTICAL SAMPLING

We will use a combination of statistical and non-statistical sampling in our audit approach. We will determine which method to use based on our professional judgment during planning and creation of procedures. Statistical sampling will include use of either simple random sampling using a random number generator or interval sampling. Non-statistical sampling will include use of judgmental selection and haphazard selection. Audit procedures performed on selected samples along with analytical procedures will be used to obtain sufficient appropriate audit evidence to afford a reasonable basis for an opinion regarding the financial statements under audit. When appropriate, we will also use Dual-Purpose Sampling to test the operating effectiveness of controls and tests of the recorded monetary amounts, minimizing the time spent on repetitive tasks, thereby saving audit costs. The sample sizes will be directly related to the assessment of the inherent risk and the control risk of the entity.

INTERNAL CONTROL

We will gain an understanding of internal controls through the use of internal control walkthroughs. We typically perform control testing over major areas such as cash disbursement, receipts and payroll. We prefer to conduct internal control testing during interim fieldwork and during the actual year under audit so we can gain an understanding of controls during the year.

MANAGEMENT LETTER COMMENTS

During compliance and substantive testing, we may note certain matters involving internal control and other operational procedures. Our job as your auditor will be to ensure that you understand where you have deficiencies or weaknesses so that you can make informed decisions on how best to respond to these risks. We may identify the following types of deficiencies:

- Control Deficiency: 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. This type of deficiency is communicated in the management letter.

- Significant Deficiency: 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.

- Material Weakness: A material weakness is a deficiency, or 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.

We will communicate to you orally and in a letter, all deficiencies noted and recommendations for your consideration, intended to improve the internal control and/or the results of the operating efficiencies. The letters are solely for management, those charged with your Town's governance, others you deem appropriate within your organization, and any governmental authorities you need to share this information with.

Our Firm operates under a "NO SURPRISE MANDATE", any issues which arise during the audit will be brought to the attention of management for discussion and analysis. In addition, we will provide verbally any areas we observe for improvement to management. Our goal is to be a partner with all of our clients, and work together to make the audit a smooth, and value added process.

Client Assistance Methodology

Our Firm uses state of the art technology in addition to e-mail and file sharing as much as possible, eliminating all unnecessary paper and removing geographic limitations. We customarily utilize paperless and electronic engagement software in the field to share data with staff working on the same engagement using Virtual Office and Prosystem Engagement. Therefore, the items requested are preferred in electronic format whenever possible. In addition to the environmental benefit, this can save significant amounts of time in calculations, sampling, procedures, and record keeping ultimately reducing audit costs.

We fully understand that minimizing costs is a high objective of both the Firm and the Town. In order to accomplish this, we do expect complete cooperation from the Town's staff during the performance of the audit. This includes preparing as many of the schedules and supporting documentation as possible and being available for questions and discussion. We understand the staff and management are very busy in their daily responsibilities. An audit can be a burden for a short period of time, but the better the cooperation, the more efficient the audit can be performed and the quicker the auditors will leave! We can designate specific time to ask questions of staff if needed.

In order to input the Town's trial balances into our audit software, we would need the trial balance transmitted to us in an excel format or a format that could be converted to excel. We will provide a list of items needed ahead of fieldwork.

The Town's audit will be staffed by RH CPAs, PLLC as follows:

Level	Individual	Office	% time on-site
Partner in Charge	Diana Hardy, CPA, CFE	Greensboro	25% minimum
Audit Senior Manager	TD Hill	Lexington	25% minimum
Audit Manager	Tia Jones	Remote	50% minimum
Staff	Will Southern	Lexington	100%
Staff	Jerrod Best	Greensboro	100%

8. AUDIT TIMELINE

This is a tentative schedule. ***Actual dates will be determined in a preliminary meeting with management.***

November 2024	RH is awarded the audit.
November 2024	Engagement letter and contracts are prepared. Signed engagement letters and contracts are returned to RH and submitted to the LGC for approval. RH communicates with the predecessor auditors and sets up a time to review their working papers. RH sets a pre-planning conference with Finance Staff.

Engagement Fieldwork

May 2025	We will conduct preliminary fieldwork. This will include planning, risk assessment, procedures, internal control testing, and compliance testing (if applicable).
September 2025	RH will conduct final fieldwork. All issues we note during our audit will be discussed with staff before fieldwork is complete.

Engagement Conclusion

September 30, 2025	A post-closing trial balance will be agreed upon.
October 20, 2025	Draft financial statements provided to Finance Officer for review.
October 31, 2025	We will submit to the LGC for review once approved by Finance Officer.
November 2025	We will present the audit to the Board.

9. FEES

A full cost breakdown can be found in **Appendix C**. The following is our summary fee proposal for the audit services for the Town for the fiscal year ending June 30, 2025:

June 30, 2025	Audit Services	$ 26,980
June 30, 2026	Audit Services	$ 27,700
June 30, 2027	Audit Services	$ 30,500

We determine the fee by estimating the number of hours it would take to complete the audit multiplied by the billing rates of anticipated staff on the engagement. The estimate also includes any other estimated costs to perform the engagement. The firm recognizes that non-profits and governments are sensitive to costing in today's economic conditions. We have discounted our fees in response to this. We attempt to keep fees for governments and non-profits as flat as possible, but due to increases in operating costs or an increase in procedures (either due to new accounting pronouncements or additional accounting/compliance initiated by organizational growth), inevitably, fees may increase. We will discuss any fee increases with management. Billing is completed as time accrues throughout the audit engagement with one-half due at the commencement of the audit up to 75% with a final bill produced after presentation to the Board.

Technical Questions

We understand management may seek consultation on various subjects throughout the year and we encourage our clients to contact us with questions. Routine questions are included in our fees above as part of our service and are encouraged. If management has questions or research topics that require extensive time, those services will be billed at our standard billing rates (discounted for governments). We will agree to the cost of this additional work with you before beginning any such requests.

10. OTHER INFORMATION

Why Choose Us?

Service
We at RH pride ourselves on providing a service model that thrives on being more responsive to our clients. We want to serve our clients and work with them, not simply be a vendor that works for the client. We allow our clients access to our most experienced personnel. We believe we are the size of CPA firm that can give those personal services to the Organization. We understand that many CPA firms could perform an audit, but it is the personal service that makes the difference. We want all our clients to succeed and we want to assist them in doing so.

Staff
As noted above, our service model calls for our most experienced personnel to be available to our clients. Technology and sophisticated auditing software systems are nice, but what makes the difference is the people. We believe the experience of our staff is a perfect fit for these engagements.

RH is an accounting firm that thrives on being different. There are no layers or gatekeepers when working with our Firm. You work with our most experienced experts.

Communication

In order to best serve you, we believe communication is an overriding factor. We will provide constant communication to management on the audit process through the engagement and bd available for technical questions throughout the year.

APPENDIX C

Cost Proposal

Town of Davidson
Cost Proposal
Audit Services - June 30, 2025

The following is a summary of our cost proposal for the audit services of the **Town of Davidson** for the year ended June 30, 2025. This cost proposal is on a "**not-to-exceed**" basis.

Personnel Costs

	Partner	Sr. Manager	Manager	Staff	Staff	Total	
Opening Balance Testing & Annual Report Setup	-	2	2	-	14	18	*
On-site interim	-	6	8	-	8	22	
Year-end onsite	8	8	16	36	36	104	
Auditor's office	4	12	12	16	16	60	
Annual report preparation	2	10	12	-	20	44	
Estimated Hours	14	38	50	52	94	248	
Standard Billing Rates	$ 290	$ 250	$ 120	$ 90	$ 90		
Estimated Costs (Rounded)	$ 4,100	$ 9,500	$ 6,000	$ 4,700	$ 8,500	$ 32,800	

Travel time (Billed at 50% of standard billing rates)		$ 500
Travel costs (hotel, meal, & mileage)		$ 2,600
Bound report preparation costs (@10 per report)		$ 80
Other costs		$ -
TOTAL COSTS		$ 35,980
Relationship Discount	25%	$ (9,000)
COST PROPOSAL FOR 2025 AUDIT AND ANNUAL REPORT PREPARATION		$ 26,980

*** Estimated non-recurring first year engagement hours**

Compliance testing will be billed at $4,000 per Federal and/or State program tested based on RH CPA Assessment of Draft SEFSA. Estimate hours per program tested is 20-30 hours depending on complexity of program.

Three Year Estimated Costs at 10 % Annual Fee Increase

COST PROPOSAL FOR 2026 AUDIT AND FINANCIAL STATEMENT PREPARATION	$ 27,700.00
COST PROPOSAL FOR 2027 AUDIT AND FINANCIAL STATEMENT PREPARATION	$ 30,500.00
COST PROPOSAL FOR 2028 AUDIT AND FINANCIAL STATEMENT PREPARATION	$ 33,600.00

.

APPENDIX D

Summary of Audit Costs Sheet

SUMMARY OF AUDIT COSTS SHEET

1. Base Audit
   Includes Personnel costs, travel, and on-site work $ 23,800
   Note: An additional $4,000 per each major program that is required for testing will be billed.

2. Extra Audit Services
   $ 170 Per hour $ ______

3. Other (explain)
   Travel time and costs $ 3,100

4. Other (explain)
   Bound report preparation costs $ 80

TOTAL $ 26,980

FIRM: RH CPAs, PLLC	Primary Contact: Diana Hardy
Address: 629 Green Valley Rd, Suite 201	Telephone: 336-248-8281
Greensboro, NC 27408	Fax: 336-248-2335
	E-mail: dhardy@rh-accounting.com
	Date: 09/26/2024

PROPOSAL CERTIFICATION

Proposers Signature Diana Hardy **Date 09/26/2024**

By Signing above, I Certify that I have carefully read and fully understand the information contained in this RFP; and that I have the capability to successfully undertake and complete the responsibilities and obligations of the Proposal being submitted and have the authority to sign Proposal on behalf of my organization.

BY (Printed): Diana Hardy

TITLE**:** Audit Partner

COMPANY: RH CPAs, PLLC

ADDRESS: 629 Green Valley Rd, Suite 201, Greensboro, NC 27408

TELEPHONE: 336-248-8281

EMAIL: dhardy@rh-accounting.com

Approve Agreement with and Funding from Mecklenburg County for Beaty Park Phase II

Leslie Willis, Parks and Recreation Director
Board of Commissioners
November 12, 2024

www.townofdavidson.org

History and Funding

- Original funding – GO Bonds and PARTF
- Two Phases – Phase 1 complete
- Strategic Plan/Master Plan/Meck Playbook goals met with Phase II
- Park gap area and a priority community in Meck Playbook
- Mecklenburg County allocated 2024-2025 Capital Improvement Project funding of $1,000,000

Project Scope

- Pond restoration
- ADA parking, path, and fishing pier
- Boardwalk crossing at spillway
- Educational signage:
  - Pond wildlife and native aquatic landscape
  - Pollinator garden
- Crosswalk with Rapid Rectangular Flashing Beacons at maintenance access/Sustainability Way (Trane)
- Beaty Street multi-use path

The Town of Davidson

Plan

10' Shared Use Path (Carolina Thread Trail)
Development Zone Boundary
BEATY STREET
Picnic Shelter
Pollinator Garden
Maint. Access
2 ADA PS
Fisherman's Bank
Forest Playground
Restroom
THE GROVE (Arboretum & Clover Lawn)
25 PS (3 ADA)
Landform Sculpture
Access Drive
Friendship Circle
Envi. Boardwalk
Amphitheater
THE SECRET GLEN
Meandering Art Trail
Canopy Arch
LOWLAND RESTORATION
Elevated Overlook
THE GORGE
Picnic Shelter/ Future Community Building +/- 4,000 SF
Salamander Cove
Pond View Seat Wall
Spillway Education Station
Hawk Hill Overlook
Overlook
Railroad ROW
JULIA CIRCLE
HOBBS STREET
ARMOUR STREET
N. MAIN STREET
Park Entry
Garden Gates
TRAIL SURFACE LEGEND
Asphalt
Concrete
Gravel
Natural Surface
Boardwalk
N

Next Steps

- This item authorizing the Town Manager to execute the Mecklenburg County Agreement for Beaty Park Phase II and approving a corresponding budget amendment will be placed on the consent agenda for consideration at the November 26 Board of Commissioners' meeting.

The Town of Davidson

Discussion

The Town of Davidson

Contract No. ___

DEVELOPMENT AND COOPERATION AGREEMENT
FOR BEATY PARK
(832 Beaty Street, Davidson, NC)

THIS DEVELOPENT AND COOPERATION AGREEMENT (this "Agreement') is dated as of __________, 2024, and entered into by and between **MECKLENBURG COUNTY**, a political subdivision of the State of North Carolina (hereinafter "County"), and the **TOWN OF DAVIDSON**, a North Carolina municipal corporation (hereinafter "Town").

BACKGROUND:

A. Town and County met in December, 2020 to discuss progress and potential partnership opportunities for a phased development of 00328406 Beaty Park, a 19.4-acre town park in Davidson. The property was purchased by Town in 1985 for use as a future park.

B. Town allocated and secured $2.828 million through General Obligation Bonds and a Parks and Recreation Trust Fund grant for the design and construction of Phase 1 of the park.

C. Town completed construction of Phase 1 of Beaty Park in July, 2023. The park currently includes a large custom playground, walking trails, park shelters, a restroom, and a small community garden.

D. Town has a planned Phase 2 of development that will include renovations and enhancement to the existing pond, fishing areas, environmental education signage, additional access points, and access improvements to and through the park (the "Project").

E. County recognizes that Beaty Park is located within a park gap area and a priority community in Meck Playbook. County owns no property within close proximity to Beaty Park. In addition, Beaty Park is located along the proposed route of The Seam trail, a 60-mile multi-jurisdictional multi-use trail that stretches from Statesville to the South Carolina state line.

F. Town and County seek to partner to develop Phase 2 of Beaty Park, which meets goals identified in both Town and County park and recreation master plans.

G. County has allocated and will commit $1,000,000 as part of the FY 2024-2028 Capital Improvement Plan towards the Project (the "County Funds").

H. Town will coordinate design drawings and any proposed scope adjustments with County.

I. Town will oversee design, bidding, construction, operations, and maintenance of Beaty Park.

J. Construction of the Project is scheduled to be completed by the end of 2025.

<u>AGREEMENT</u>:

Now, therefore, in consideration of the promises contained herein, the parties hereto, for themselves and their successors and assigns, agree as follows:

1. <u>Design</u>. Town alone shall (i) cause Consultant to design the next phase of the Park, (ii) communicate with and direct Consultant with respect to review of the design and construction documents for the Project (the "<u>Plans</u>"), and (iii) provide its approval (not to be unreasonably withheld, conditioned or delayed) of the Plans, and (iv) manage the delivery of the following items, to the extent required for the Project:

   a. Funds for payment of Consultant(s)
   b. Any applicable encroachment and/or agreements
   c. the Plans (i.e., the design and construction documents for the New Park)
   d. Any applicable permits

   Town shall keep County advised as to Town's actions pursuant to this Section 1.

2. <u>Construction</u>. Upon completion and approval of the Plans, Town shall advertise and solicit bids for the Project in accordance with applicable state and County laws, regulations, codes, ordinances, and internal policies. If the bids received suggest the Project can be constructed for less than or equal to the amount of the County Funds and the funds provided by Town (collectively, the "Project Funds"), then Town shall award the contract(s) necessary for constructing the Project to the lowest responsive and responsible bidder. Otherwise, Town shall work with Consultant (and consult with County) to revise the Plans and bring the Project within the parameters of the Project Funds. As soon as practicable thereafter, Town shall award the revised contract(s) to the lowest responsive and responsible bidder. Town shall keep County advised as to Town's actions pursuant to this Section 2.

3. <u>Contributions</u>. County shall contribute the agreed upon County Funds toward the Project. Town shall provide the balance of the funds to complete the Project. The County shall provide the County Funds on or before 30 days after receipt of an approved invoice from the Town and after this Agreement is approved by the governing bodies of the Town and County as necessary.

4. <u>Contracts and Cash Flow</u>. The Town shall ensure that the contractor to whom the Project is awarded (the "<u>Contractor</u>") shall provide Town (i) an itemized schedule of costs for the Project, and (ii) a schedule of values for the Project. Town shall approve any necessary change orders (and notify County thereof). Town will manage all construction contracts related to the Project. In the event the Project is completed for less cost than anticipated, each party shall receive reimbursement on a pro-rata basis based on the initial allocations of the Project Funds.

5. <u>Operations and Maintenance</u>. Following completion thereof, Town shall maintain and operate the Park.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

COUNTY:

MECKLENBURG COUNTY,
a political subdivision of the State of North Carolina

By: ________________________________
Name: Dena R. Diorio
Title: County Manager

Attest:

____
Clerk to the County Board

Approved as to Form:

____
County Real Estate Attorney

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

____
Mecklenburg County Director of Finance

TOWN:

TOWN OF DAVIDSON,
a North Carolina municipal corporation

By: ________________________________
Name: ________________________________
Title: Town Manager

Attest:

____
Clerk to the Town Board

Approved as to Form:

____
Town Attorney

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

____
Town of Davidson Director of Finance

Contract No. ___

<u>DEVELOPMENT AND COOPERATION AGREEMENT</u>
<u>FOR BEATY PARK</u>
<u>(832 Beaty Street, Davidson, NC)</u>

THIS DEVELOPENT AND COOPERATION AGREEMENT (this “<u>Agreement</u>’) is dated as of __________, 2024, and entered into by and between **MECKLENBURG COUNTY**, a political subdivision of the State of North Carolina (hereinafter “<u>County</u>”), and the **TOWN OF DAVIDSON**, a North Carolina municipal corporation (hereinafter “<u>Town</u>”).

<u>BACKGROUND</u>:

A. Town and County met in December, 2020 to discuss progress and potential partnership opportunities for a phased development of 00328406 Beaty Park, a 19.4-acre town park in Davidson. The property was purchased by Town in 1985 for use as a future park.

B. Town allocated and secured $2.828 million through General Obligation Bonds and a Parks and Recreation Trust Fund grant for the design and construction of Phase 1 of the park.

C. Town completed construction of Phase 1 of Beaty Park in July, 2023. The park currently includes a large custom playground, walking trails, park shelters, a restroom, and a small community garden.

D. Town has a planned Phase 2 of development that will include renovations and enhancement to the existing pond, fishing areas, environmental education signage, additional access points, and access improvements to and through the park (the “Project”).

E. County recognizes that Beaty Park is located within a park gap area and a priority community in Meck Playbook. County owns no property within close proximity to Beaty Park. In addition, Beaty Park is located along the proposed route of The Seam trail, a 60-mile multi-jurisdictional multi-use trail that stretches from Statesville to the South Carolina state line.

F. Town and County seek to partner to develop Phase 2 of Beaty Park, which meets goals identified in both Town and County park and recreation master plans.

G. County has allocated and will commit $1,000,000 as part of the FY 2024-2028 Capital Improvement Plan towards the Project (the “County Funds”).

H. Town will coordinate design drawings and any proposed scope adjustments with County.

I. Town will oversee design, bidding, construction, operations, and maintenance of Beaty Park.

J. Construction of the Project is scheduled to be completed by the end of 2025.

AGREEMENT:

Now, therefore, in consideration of the promises contained herein, the parties hereto, for themselves and their successors and assigns, agree as follows:

1. Design. Town alone shall (i) cause Consultant to design the next phase of the Park, (ii) communicate with and direct Consultant with respect to review of the design and construction documents for the Project (the "Plans"), and (iii) provide its approval (not to be unreasonably withheld, conditioned or delayed) of the Plans, and (iv) manage the delivery of the following items, to the extent required for the Project:

   a. Funds for payment of Consultant(s)
   b. Any applicable encroachment and/or agreements
   c. the Plans (i.e., the design and construction documents for the New Park)
   d. Any applicable permits

   Town shall keep County advised as to Town's actions pursuant to this Section 1.

2. Construction. Upon completion and approval of the Plans, Town shall advertise and solicit bids for the Project in accordance with applicable state and County laws, regulations, codes, ordinances, and internal policies. If the bids received suggest the Project can be constructed for less than or equal to the amount of the County Funds and the funds provided by Town (collectively, the "Project Funds"), then Town shall award the contract(s) necessary for constructing the Project to the lowest responsive and responsible bidder. Otherwise, Town shall work with Consultant (and consult with County) to revise the Plans and bring the Project within the parameters of the Project Funds. As soon as practicable thereafter, Town shall award the revised contract(s) to the lowest responsive and responsible bidder. Town shall keep County advised as to Town's actions pursuant to this Section 2.

3. Contributions. County shall contribute the agreed upon County Funds toward the Project. Town shall provide the balance of the funds to complete the Project. The County shall provide the County Funds on or before 30 days after receipt of an approved invoice from the Town and after this Agreement is approved by the governing bodies of the Town and County as necessary.

4. Contracts and Cash Flow. The Town shall ensure that the contractor to whom the Project is awarded (the "Contractor") shall provide Town (i) an itemized schedule of costs for the Project, and (ii) a schedule of values for the Project. Town shall approve any necessary change orders (and notify County thereof). Town will manage all construction contracts related to the Project. In the event the Project is completed for less cost than anticipated, each party shall receive reimbursement on a pro-rata basis based on the initial allocations of the Project Funds.

5. Operations and Maintenance. Following completion thereof, Town shall maintain and operate the Park.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

COUNTY:

MECKLENBURG COUNTY,
a political subdivision of the State of North Carolina

By: ________________________________
Name: Dena R. Diorio
Title: County Manager

Attest:

____
Clerk to the County Board

Approved as to Form:

____
County Real Estate Attorney

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

____
Mecklenburg County Director of Finance

TOWN:

TOWN OF DAVIDSON,
a North Carolina municipal corporation

By: ________________________________
Name: ________________________________
Title: Town Manager

Attest:

____
Clerk to the Town Board

Approved as to Form:

____
Town Attorney

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

____
Town of Davidson Director of Finance