

TOWN OF COATS

Board of Commissioners
May 10, 2012
7:00 p.m.

OFFICIAL MINUTES

I. ABSTRACT:

A regular meeting of the Board of Commissioners was held on May 10, 2012 in the Board of Commissioners' Meeting Room at Coats Town Hall.

II. ROLL CALL:

Mayor Walter Weeks, Mayor Pro-Tem Dr. Linda Robinson, Commissioner J. C. Allen, Commissioner Jerry Beasley were in attendance.

Commissioner Allen Mosby and Commissioner Don Pleasant were absent.

Attorney Al Bain was present.

III. CALL TO ORDER:

A quorum being present, Mayor Weeks called the meeting to order.

Mayor Weeks delivered the invocation and lead those in attendance in the Pledge of Allegiance.

RESOLVED, to approve Agenda as presented.

MOTION BY MAYOR PRO-TEM DR. LINDA ROBINSON: SECOND BY COMMISSIONER JERRY BEASLEY.

**APPROVED, AYES (3) MAYOR PRO-TEM DR. LINDA ROBINSON,
COMMISSIONERS ALLEN AND BEASLEY.
NOES (0)**

IV. APPROVAL OF CONSENT AGENDA:

RESOLVED, to approve Item II.A-Minutes, II.B-Attorney Bill, II.C- Financial Statement.

MOTION BY MAYOR PRO-TEM DR. LINDA ROBINSON: SECOND BY COMMISSIONER JERRY BEASLEY.

**APPROVED, AYES (3) MAYOR PRO-TEM DR. LINDA ROBINSON, COMMISSIONERS ALLEN AND BEASLEY.
NOES (0)**

V. MANAGER & COMMITTEE REPORTS:

Department Updates:

Police Department – Chief Jeremy Hall updated the Board with positive response to the church event at the ball field. Citations written: GHSP 37, Arrest made: Felonies 2, Misdemeanors 6, Cases Cleared: Felonies 2, Misdemeanors 6, Reported Incidents: Felonies 4, Misdemeanors 10, Other 2, Reported Wrecks: With injuries 0, Without injuries 2. Events that the department was involved with “Unity At the Church” and assisted with traffic control at Coats Elementary School on Election Day.

Public Works – Gary Denton informed the Board of the State Inspectors visit and everything was in good order. Working on clearing some intersection blind spots and security lights. Assisting recreation department with clearing for more parking space.

Library – Librarian Rebecca DallaMura informed the Board of receipt of 13 new books and gift magazines from the Girl Scout’s fund raiser. June 2, 2012 upcoming Bee Keeping presentation at the Library.

Town Manager Kenny Cole updated the Board on the closing date with USDA around 1st of July. Attorney is presently working on the title for the property. Mr. Cole estimated an August move for the Town Hall. Mr. Cole confirmed Ethics training on Wednesday, May 16, 2012 in the conference room. Mr. Cole informed the Board of the Recreation Committee meeting on the 3rd Wednesday of each month.

VI. OLD BUSINESS:

A. 2012-2013 Fiscal Year Budget.

Town Manager Kenny Cole presented the Board with a proposed operating budget for Fiscal Year 2012-2013. Mr. Cole confirmed budget work session scheduled for May 14, 2012.

B. Consider Appointment to the Cemetery Committee.

Town Manager Kenny Cole presented the Board with 2 applicants to consider for the one (1) opened vacancy.

RESOLVED, to appoint Sondra Smith to serve a one (1) year appointment on the Cemetery Committee.

MOTION BY MAYOR PRO-TEM DR. LINDA ROBINSON: SECOND BY COMMISSIONER JERRY BEASLEY.

**APPROVED, AYES (3) MAYOR PRO-TEM DR. LINDA ROBINSON,
COMMISSIONERS ALLEN AND BEASLEY.
NOES (0)**

VII. NEW BUSINESS;

A. Consider Request to Close Honeycutt and Jay Streets.

Town Manager Kenny Cole presented the Board with a request from Coats Baptist Church to close Honeycutt and Jay Streets for a Church Block Party on June 9th, 2012 from 10 am to 3 pm.

RESOLVED, to close Honeycutt and Jay Streets on June 9th, 2012 from 10 am to 3 pm for Coats Baptist Church Block Party.

**MOTION BY MAYOR PRO-TEM DR. LINDA ROBINSON: SECOND BY
COMMISSIONER JERRY BEASLEY.**

**APPROVED, AYES (3) MAYOR PRO-TEM DR. LINDA ROBINSON,
COMMISSIONERS ALLEN AND BEASLEY.
NOES (0)**

B. Consider Surplus of Town Equipment.

Town Manager Kenny Cole presented the Board with a list of Town property that is no longer in use. Mr. Cole stated that this property would be listed on GovDeals.com. (**reference #1**)

C. Consider Award of Fuel Dispensing Software Bid.

Town Manager Kenny Cole presented the Board with two (2) solicited bids to purchase and install the appropriate software and appurtenances. The received bids were Quality Air Tool in amount of \$7,264.25 and Jones & Frank in the amount of \$26,353.13.
(**reference #2**)

RESOLVED, to accept offer for installation of Fuel Software to Quality Air Tool.

**MOTION BY MAYOR PRO-TEM DR. LINDA ROBINSON: SECOND BY
COMMISSIONER JERRY BEASLEY.**

**APPROVED, AYES (3) MAYOR PRO-TEM DR. LINDA ROBINSON,
COMMISSIONERS ALLEN AND BEASLEY.
NOES (0)**

D. Consider approval of a Citizen Advisory Committee Policy.

Town Manager Kenny Cole presented the Board with a Citizen Advisory Committee Policy for the Town. Mr. Cole shared that the reason for establishing a policy is to provide our current and future committees a standard framework that clarifies the members' roles and responsibilities. The attached policy is recommended by the NC Institute of Government. (**reference # 3**)

RESOLVED, to accept Citizen Advisory Committee Policy.

MOTION BY MAYOR PRO-TEM DR. LINDA ROBINSON: SECOND BY COMMISSIONER JERRY BEASLEY.

**APPROVED, AYES (3) MAYOR PRO-TEM DR. LINDA ROBINSON, COMMISSIONERS ALLEN AND BEASLEY.
NOES (0)**

E. Consider National Police Week, May 13-19.

Town Manager requested that the Board consider National Police Week, May 13-19, 2012 and to observe May 15th as Peace Officer's Memorial Day.

RESOLVED, to accept National Police Week, May 13-19, 2012 and to observe May 15th as Peace Officer's Memorial Day.

MOTION BY MAYOR PRO-TEM DR. LINDA ROBINSON: SECOND BY COMMISSIONER JERRY BEASLEY.

**APPROVED, AYES (3) MAYOR PRO-TEM DR. LINDA ROBINSON, COMMISSIONERS ALLEN AND BEASLEY.
NOES (0)**

Mayor Weeks presented the Proclamation recognizing National Police Week, May 13-19, 2012 (reference #4).

Mayor Weeks thanked the officers present for their service and acknowledge all officers for their dedication.

F. Consider approval of Town News Letter.

Town Manager Kenny Cole requested that the Board review the draft edition of the June Town News Letter. Mr. Cole informed the Board of the plans to mail or delivery the first edition and future quarters would be posted on the Town's web site. Mayor Pro-Tem questioned the cost to the Town to mail this to the residents. Mayor Weeks shared concerns about the expense for mailing however, newsletters at the Library and the Web Site he felt was a positive action for the Town.

G. Consider 2011-2012 Audit Contract with Petway, Mills & Pearson.

Town Manager Kenny Cole presented the Board with the contract for the auditing services for the year ended June 30, 2012 (reference #5).

RESOLVED, to accept contract with Petway, Mills & Pearson for the auditing services ended June 30, 2012.

MOTION BY MAYOR PRO-TEM DR. LINDA ROBINSON: SECOND BY COMMISSIONER JERRY BEASLEY.

**APPROVED, AYES (3) MAYOR PRO-TEM DR. LINDA ROBINSON, COMMISSIONERS ALLEN AND BEASLEY.
NOES (0)**

VIII. PUBLIC FORUM:

Mayor Weeks opened Public Forum.

Karen Currin, 72 Hunters Point Angier, NC – Ms. Currin representing Friends of the Library shared the importance of budgeting funds to operate the Coats Library and the importance of the Library to the community.

Mayor Weeks closed Public Forum.

IX. CLOSED SESSION:

RESOLVED, to conduct a closed session pursuant to N.C.G. S. 143-318-11, (a) (3) – Consult with Attorney, Town of Coats vs Pope and N.C.G.S. 143-318.11, (a) (1) Approval of closed session minutes.

MOTION BY MAYOR PRO-TEM DR. LINDA ROBINSON: SECOND BY COMMISSIONER JERRY BEASLEY.

**APPROVED, AYES (3) MAYOR PRO-TEM DR. LINDA ROBINSON, COMMISSIONERS ALLEN AND BEASLEY.
NOES (0)**

Returned to open meeting at 7:57 pm.

X. RECESS:


RESOLVED, to recess meeting on May 14, 2012 for CIP work session.

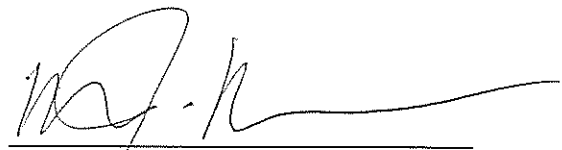
MOTION BY MAYOR PRO-TEM DR. LINDA ROBINSON: SECOND BY COMMISSIONER J.C.ALLEN.

**APPROVED, AYES (3) MAYOR PRO-TEM DR. LINDA ROBINSON, COMMISSIONERS ALLEN AND BEASLEY.
NOES (0)**

Mayor Weeks called meeting recessed at 7:58 pm.

Respectfully Submitted,


Karen Wooten, Town Clerk


Walter Weeks, Mayor

SURPLUS LIST(May 12,2012)

Reference # 1 page 1

ITEM #	DESCRIPTION	CONDITION	EST VALUE	DEPART
1	1991 Ford Two Ton Truck, Vin # 1FDXF70J7MVA25576 14 Foot Dump Body	78,720 Miles, Needs repair of motor and clutch	\$800	PW
2	Mighty Mole Boring Machine with Feet Rods and 6 Boring Bits	Poor	\$150	PW
3	35 Christmas Decorations	Poor	\$300	PW
4	2' Backhoe Bucket for 555 Ford	Fair	\$100	PW
5	18" Backhoe Bucket for 555 Ford	Fair	\$200	PW
6	4" Backhoe Ditch Bucket for 555 Ford	Fair	\$400	PW
7	John Deer Riding Mower	Poor, does not run	\$75	P&R
8	2005 Chevrolet Impala(police Package) Vin # 7951, Color White	80,261 miles, Needs repair, does not run	\$600	PD

**Quality Air Tool**

3713 Conquest Dr
3713 Conquest Dr
Garner NC, 27529
919-329-9650

QUOTE NUMBER **42925****Quote To**

TOWN OF COATS
MCKINLEY ST
COATS, NC 11111
P:910-897-5184 F:

Shipping Address

TOWN OF COATS
Attn:
MCKINLEY ST
COATS, NC 11111

Shipping Acc#:

NEED BY 03/06/2011		TERMS	DAYS	Ship Method: Select	CUSTOMER PO	
#	QTY UNIT	ITEM NUMBER	DESCRIPTION		EACH	TOTAL
1	1.00 EA	M-626-8782afd6	Report software for customer PC's, imports comma separated text files, and formats reports in Excel Macro		995.00	\$995.00
2	1.00 EA	CV CMII-110V	CARDMASTER II, 2 HOSE, 4 MISCELLANEOUS FIELDS, 110/240 V AC		2,465.00	\$2,465.00
3	1.00 EA	CV CM-TP	PEDESTAL, 48" HIGH		385.00	\$385.00
4	1.00 EA	M-626-f8efad42	Internet / Cellular modem, installed onto CardMaster		1,895.00	\$1,895.00
5	1.00 EA	M-626-3f65bb88	Annual service contract for cellular service, prepayment required, service contract is with end user who owns the equipment		199.95	\$199.95
6	1.00 EA	FREIGHT	FREIGHT Is an estimate actual will be on final invoice		35.00	\$35.00
7	1.00 EA	LABOR	LABOR installation programming and training		900.00	\$900.00
8	2.00 EA	M-269-92ae4cab	Pulsar for meter		195.00	\$390.00

Tuesday, March 01, 2011

Subtotal: \$ 7,264.95
Freight: \$.00
Sales Tax: \$ Not Included
TOTAL: \$ 7,264.95

NOTES:

Kenny

Quote is good for 30 days.
Thank you for this opportunity
Vicky McPherson
919-770-7521

Quote Prepared by Vicky McPherson

ACCEPTANCE OF PROPOSAL

The above prices, specifications and work are satisfactory and are hereby accepted. Payment will be made as outline above. Quote is Valid for 30 days. Delivery quoted is our best estimate at the time of this proposal. Please contact your Sales Representative for firm shipping information. All goods are quoted FOB Shipping Point unless noted otherwise. QAT is not responsible for equipment damaged by the freight company. Please check the goods when delivered before signing for it. Federal, State and Local taxes may not be included in this proposal and all applicable taxes will be added to the final invoice. In the event of any litigation between the parties, Customer shall pay QAT for any attorney's fees it incurs in defending or prosecuting an action.

SIGNATURE

TO: Town of Coats
237 North McKinley Street
Coats, NC 27521

ATTN: Mr. Kenny Cole
CELL:
PHONE: 910-897-5183 FAX:
E-MAIL: kcole@coatsnc.org



Norfolk, Richmond, &
Fredericksburg, VA Boston, MA
Charlotte & Raleigh, NC
Columbia & Greenville, SC
Salisbury & Baltimore, MD
Atlanta, GA Philadelphia, PA

FROM: Eric Lockhart
Key Accounts Manager
4720 Old Poole Road
Raleigh, North Carolina 27610
PHONE:
CELL: (919) 268-6382
FAX:
E-MAIL: elockhart@jones-frank.com



Jones & Frank offers Layout, Installation, and Service on all Liquid Handling Projects

Visit us at our Web Site www.jones-frank.com

REFERENCE:	REF. NO.	F.O.B.	DATE:
Dispenser Upgrade and FMS	630		
	06120424T	Job Site	5/1/2012

WE ARE PLEASED TO OFFER THE FOLLOWING PROPOSAL FOR YOUR CONSIDERATION:

SEE NEXT TO LAST/LAST PAGE FOR EXCLUSIONS!

QTY			PRICE	EXT.
DISPENSING EQUIPMENT				
<u>Gasboy Compact Astra Electronic Commercial Unit(s) as follows:</u>				
1	Model:9823K F Single-Compact	ID: Unlead	3,602.22	3,602.22
1	Model:9823K F Single-Compact	ID: Diesel	3,602.22	3,602.22
2	Pulse Output Single		261.11	522.22
FUEL MANAGEMENT EQUIPMENT				
1	FMU PLUS Prokee or Smrtdcard Master with 2 hose controllers, pedestal, modem & surge protection		4,726.31	4,726.31
1	Fuel Master 227838A WINDOWS software		1,559.20	1,559.20
1	Fuel Master Encoder for PROKEES		440.00	440.00
50	Fuel Master Prokees		3.55	177.50
1	Shipping charges, per FMU		100.00	100.00
DISPENSING ACCESSORIES				
1	OPW 11A leaded automatic nozzle	688-00010	45.59	45.59
1	OPW 11AP unleaded automatic nozzle.	688-00020	45.59	45.59
2	OPW 8BL-0400 Fillgard Black	688-00860	3.18	6.36
2	OPW 241TPS-0241 TPS 3/4" swivel	688-01720	19.98	39.96
2	OPW 66REC-1000 3/4" Reconnectable breakaway	688-01649	55.92	111.84
2	lrpc 3/4 x 9" breakaway whip hose	310-15010	15.27	30.54
2	lrpc 5/8" x 12' curb hose	310-12012	46.45	92.90

SCOPE OF WORK BY JONES & FRANK TO INCLUDE:

Provide the Customer with a detailed Construction schedule.

Mobilize to the job site.

Work Sequence to be as follows:

Install FMS Software and perform training on database set up and key encoding
Remove existing consumer pumps and replace with Astra units
Trench from building to power pole/panel area to area between AST's for FMS power & communication
Install conduits and wiring for FMS pedestal and to dispensers for pulse
Pour base pad for pedestal and Astra units and install both
Terminate conduits, wiring, and start-up system
Train customer on proper operation

Install the Following Equipment:

1	Fuel Management System
2	Dispensers Gasboy Astra
Trench from AST area to power/panel area and to building in grass	

Furnish and Install Conduit & Pull Wiring as Follows: Approximately 150 Feet

2	Dispenser(s)	Reuse existing conduits and wiring-rework from consumer pumps
1	Fuel Management System	New conduits and wire

Backfill all Trenches to Grade-seed and straw

Pour concrete pad to mount equipment to the following spec. : 4000 PSI air entrained
Lgth: 12' Width: 2' Thickness: 4" Reinforced: Fibermesh

Owner to provide all fuel for the new tank system(s)

Clean our debris from the job site.

Calibrate the dispenser/suction pump meters

Test all equipment supplied by Jones & Frank for proper operation.

Instruct customer's personnel in the proper operation of the equipment supplied by Jones & Frank.

GENERAL CONDITIONS:

Jones & Frank requires that a pre-job conference be held prior to construction. All parties involved in this project are requested to attend as a means of ensuring job quality and timely completion.

Jones & Frank carries third party legal liability pollution insurance coverage for our work both during construction and after completion of our contract (up to \$1,000,000.00).

Except as otherwise specified, all equipment supplied by Jones & Frank will be guaranteed to the furthest extent of the manufacturer's written warranty. All installation work will be guaranteed against defects in workmanship for one year from the date of start-up, not to exceed fifteen months from the date of substantial completion

If any underground obstructions or conditions are encountered requiring dewatering, rock removal, shoring, additional excavation time, removal of sub surface concrete, removal of subsurface structures, relocation of utilities, excessive cave-in, etc., there will be additional charges to the customer.

Necessary Building and Fire Department permits and inspections will be obtained by Jones & Frank Corporation and are included in the proposal price. Necessary site plans, required engineering drawings, planning department approval, use permits, engineering, variances or zoning changes are the responsibility of the customer. Jones & Frank can provide these services at an additional charge.

OUR INSTALLATION PRICE IS CONTINGENT ON THE FOLLOWING:

Existing conduit is to be clear, usable and meeting the current electrical codes. Any repairs or replacement of the existing conduit will be performed on a "time and material" basis at our normal rates and will be an additional cost to the customer.

Existing circuit panel is to be adequately sized, and meeting the current electrical codes. Any repairs to or replacement of the existing conduit will be performed on a "time and material" basis at our normal rates and will be an added cost to the customer.

Existing wiring is to be usable, and meeting the current electrical codes. Any repairs or replacement of the existing wiring will be performed on a "time and materials" basis at our normal rates and will be an additional charge to the customer.

Others to furnished an adequately sized electrical panel.

Customer Providing a phone line to the Fuel Management System Reader for System Communication

THE PRICES SHOWN BELOW DO NOT INCLUDE:

Fuel for the system.
Bollards or physical protection
Engineered stamped drawings for permits
Additional work not stated above

This price will remain firm for thirty days from the proposal date.

PLEASE NOTE: Jones & Frank offers ongoing EPA & State compliance services as well as preventive maintenance programs. Please contact your Jones & Frank representative for additional information.

THE TOTAL PRICE IS AS FOLLOWS:

EQUIPMENT -	\$15,102.45
6.75% Tax (Equipment)	\$1,132.68
INSTALLATION -	\$8,720.00
SERVICE	\$1,380.00
TOTAL PRICE	\$26,335.13

If Payment & Performance Bonds are required add:

\$526.70

STANDARD PAYMENT TERMS:

1. Prior to ordering equipment or obtaining permits, the Buyer's credit must be approved by Jones & Frank Corp.
2. Jones & Frank "Terms & Conditions" page must be signed by the Buyer.
3. Payment Terms (calendar days)
 - a) Net (10) ten days - All Dispenser and POS equipment will be invoiced when shipped from manufacturer.
 - b) Net (30) thirty days - Remainder of project invoices.
4. A minimum Deposit of 25% is required for this project.
The minimum deposit required for this project is: \$6,584
5. Credit Card payments greater than \$3,000. will have the processing fee added.
6. The Buyer's Account must be "current" prior to start-up and training.
7. Invoice of all Gilbarco Dispensers and POS Upon Receipt

All Gilbarco equipment will be invoiced upon receipt of invoice (within 1 day).
These invoices are due - NET 10 days. Gilbarco invoices will not be a part of the normal progress billing unless they happen to be received the same day.

I acknowledge and accept these terms: _____

WE APPRECIATE THE OPPORTUNITY OF OFFERING THIS PROPOSAL AND TRUST WE MAY BE FAVORED WITH YOUR MOST VALUED BUSINESS!

ACCEPTANCE:

This proposal, when accepted by the purchaser, and final approval of Seller's Official Officer, will constitute a bonafide contract between us, subject to all terms and conditions on the reverse side. It is expressly agreed that there are no promises, agreements or understandings, oral or written, not specified in this proposal.

Eric Lockhart

Eric Lockhart

Key Accounts Manager

4720 Old Poole Road

Raleigh, North Carolina 27610

PHONE: () -

CELL: (919) 268-6382

E-MAIL: elockhart@jones-frank.com

JONES & FRANK ACCEPTANCE:

Town of Coats

Company Name

Signature

Date

Mr. Kenny Cole

Name

Title

Signature of Officer

Title

Date



Town of Coats

Citizen Advisory Committee (CAC) Policy

1.0 SCOPE OF POLICY

PURPOSE:

This document establishes policies and procedures whereby the Coats Town governing board will make appointments to the Town's public advisory boards, committees, commissions, and councils (hereinafter referred to as "citizen advisory committees"). It also provides operating procedures and clarifies expectations of the Board of Commissioners for all advisory committees.

The Town of Coats Board of Commissioners may appoint a citizen advisory committee whose duty is to serve in an advisory capacity to Board of Commissioners concerning a variety of topics.

AUTHORITY:

The Town Board of Commissioners may establish rules and regulations in reference to managing the interest and business of the Town. For statutory boards, authority may include reference to applicable General Statutes.

The Town Board of Commissioners has the responsibility to appoint citizens to serve as members of citizen advisory committees established by the board.

The Town department heads and staff are responsible for providing support to the Coats citizen advisory committees.

POLICY:

This policy establishes the parameters for appointments to state-mandated, regional, and/or Town developed citizen advisory committees.

PERIODIC REVIEW:

Periodic review of this policy will be conducted every two (2) years by the Town Board of Commissioners.

DUTIES:

The citizen advisory committee advises the Town Board in the areas requested by the Town Board. The citizen advisory committee is expected to achieve the goals as directed by the Board of Commissioners. The committee must submit recommendations to the Board of Commissioners. The citizen advisory committee, through its membership and subcommittees maintains continual contact with representative professional groups, stakeholder groups, and industry organizations. In this manner, the citizen advisory committee is kept apprised of current information related to all matters under the jurisdiction of the Town.

All actions of the committee shall be transmitted in writing, on a regular basis, to the Town Board.

2.0 Membership

For purposes of consistency, all appointments to citizen advisory committees will be made by the Town Board of Commissioners. In order to qualify for an appointment to the citizen advisory committee, a person must meet the following requirements:

- a. All nominees must complete a Town application to serve on advisory committees. If a deadline is advertised, submitted applications may be considered after the deadline until all vacancies are filled.
- b. All committee members must meet the qualifications for the specific citizen advisory committee or the statutory requirements for an appointed position.
- c. All committee members must be eighteen (18) years of age or older unless applying under a youth-designated position.
- d. All committee members shall be permanent residents of the Town or own real property or work or maintain a place of business in the Town and shall have a good reputation for integrity and community service and shall not have been convicted of or received a deferred sentence for a felony crime.
- e. No nominee may currently be a party to nor a legal representative in litigation against the Town.
- f. Each nominee must be prepared and committed to participating in CAC work in a manner that enhances relationships between the Town and the community.
- g. Citizen advisory committee members will serve the people of Town. As such, their role includes their commitment for full participation in the citizen advisory committee's meetings and activities.

EXCEPTIONS:

The Town Board of Commissioners may waive requirements, with the exception of statutory requirements.

COMPOSITION:

- a. The Town Board of Commissioners shall appoint all voting members to the citizen advisory committee. The town will strive to have voting members that reflect the cultural and ethnic diversity of the community.
- b. No advisory committee shall be composed of less than five (5) voting members. However, the committee may have additional non-voting ex-officio members.

SELECTION & APPOINTMENT:

- a. All members of citizen advisory boards serve at the pleasure of the Board of Commissioners.
- b. Appointments to citizen advisory boards will be initiated with a public application process.
- c. The Town Board will determine if the applicants meet the required qualifications.

TERMS:

- a. Each appointed citizen advisory committee member shall serve as required by Town Ordinance or until the appointed committee has fulfilled its functions as directed by the Board of Commissioners.
- b. Citizen advisory committee members whose terms are due to expire may request or be asked to accept reappointment to the position.

ATTENDANCE:

Committee members are expected to attend meetings on a regular basis. Members should inform the chair of the committee as soon as possible when unable to attend an upcoming meeting, preferably at least forty eight (48) hours notice due to quorum considerations. The committee should maintain attendance records, including all regular and special called meetings. If a committee member has missed 25% of the advisory committee meetings during a calendar year, the committee Chair should make a recommendation to the Board of Commissioners on the continued service of the member. The member in question will provide an explanation in writing. Based on this information, the Board of Commissioners will make a decision on the member's status.

RESIGNATIONS:

- a. A member of a citizen advisory board shall submit his or her resignation in writing to the Chair of the advisory board on which he or she serves, noting the effective date of the resignation.
- b. The Chair will forward a copy of the resignation to the director of the Town department and to the Town Board of Commissioners.
- c. The Board of Commissioners shall recognize the individual's service via a letter.
- d. An announcement of the open seat will be made at the time the resignation becomes effective.

VACANCIES:

Upon expiration of the term of service of members or should a vacancy otherwise occur, the Town Board of Commissioners shall have the responsibility of selecting and appointing new members to the committee.

REMOVAL:

- a. Members of the citizen advisory committee are expected to exhibit the highest ethical and professional standards. The Town Board of Commissioners may remove a member upon a majority vote of the Town Board.

- b. The Town Board may remove any member of the citizen advisory committee for neglect of duty, nonparticipation or other just cause.

RELEASE FROM SERVICE:

- a. When it is deemed necessary to release a member from his or her term of appointment on a citizen advisory committee, the affected individual shall be notified by letter.
- b. When a citizen advisory committee has completed its function, the members shall be informed of the termination of the citizen advisory committee by letter or e-mail from the Town Board of Commissioners.

3.0 ROLES AND RESPONSIBILITIES

MEMBERS:

- a. Members shall attend meetings of the citizen advisory committee, serve on subcommittees, and perform other functions as assigned by the citizen advisory committee chair. For quorum considerations, if a member is unable to attend citizen advisory committee meetings, the member shall contact the Chair as soon as possible, and at least forty-eight (48) hours before the scheduled meeting.
- b. Upon review of the above matters, the citizen advisory committee shall address recommendations and concerns, if any, to the Town Board of Commissioners in writing.

GOVERNING BOARD:

- a. The Town Board of Commissioners will consider the citizen advisory committee's recommendations or concerns.
- b. Should any concerns remain unresolved after a response has been received from the committee, the Town Board of Commissioners may request that the matter be referred to the Town Manager.
- c. To enhance trust between the town departments and the community, members of the citizen advisory committee will:
 - Assist staff of the town department in achieving a greater understanding of the nature and causes of community issues, with an emphasis on improving relations between the departments and the citizens.
 - Recommend methods to encourage and develop the CAC.
 - Work throughout the community to gain relevant information about CAC issues and communicate these with the Town Board of Commissioners and employees.
 - Promote public awareness of contemporary issues the town departments must address.

CHAIR, VICE CHAIR, AND SECRETARY SELECTION AND RESPONSIBILITIES:

The Chair and any other officers of the citizen advisory committee will be chosen by the advisory committee. The Chair and the Vice Chair shall assume office at the first meeting in the calendar year. At the first citizen advisory committee meeting upon assuming office, the citizen advisory committee Chair shall present members with a copy of the citizen advisory committee's charge, scope, and membership roster and a copy of this policy.

a. The Committee Chair has the following duties:

- Calls all meetings.
- Serves as presiding officer.
- Assists staff in developing the committee meeting agenda.
- Designates subcommittees.
- Dissolves or appoints additional subcommittees, subject to committee approval.
- Appoints subcommittee chairs and members.
- Works in consultation with the any assigned department head or staff liaison.
- Carries out citizen advisory committee assignments as required by the Town Board of Commissioners.
- Designates a Vice Chair for the committee.
- Conducts citizen advisory committee meetings and presents a report of the proceedings and resulting motions for approval advisory committee meetings.
- Reviews all committee minutes and proposed recommendations or assigns another member of the committee to do so.

b. The committee Vice Chair has the following duty:

- Presides at citizen advisory committee meetings in the absence of the Chair.

c. The committee Secretary has the following duties:

- Takes (or oversees the taking of) minutes for all CAC meetings.
- Submits minutes to the Chair (or designated person) to be distributed to CAC members in advance of CAC meetings.
- Assures that other records of the CAC are kept as directed by the Board of Commissioners.

5.0 Organization

ORIENTATION AND TRAINING:

The citizen advisory committee members and department staff may need periodic training on state and Town goals and priorities as well as relevant statutes and policies, including open meetings, public records, conflicts of interest, and ethics.

- a. Each member shall attend an orientation presented by staff department to familiarize the citizen advisory committee members with the operation of the Town, the department, and the rules and

operating procedures of the citizen advisory committee.

- b. Citizen advisory committee members will be issued a manual and should become familiar with its contents.

OPERATING EXPENSES:

- a. Members of the advisory committee are not employees of the Town.
- b. Members serve in a voluntary capacity and shall receive *no* monetary compensation nor any other financial or employee benefit from the Town unless approved by the Town Board of Commissioners.
- c. The Town will provide office supplies and assume responsibility for other expenses necessary for the operation of the committee.

CONFIDENTIALITY:

The Chair shall serve as the spokesperson for the citizen advisory committee.

Except for the Chair, no member of the citizen advisory committee shall make any written or oral statement of any confidential matter to any individual or body. A violation will result in immediate removal from the committee.

Members of the citizen advisory committee may receive information regarding personnel matters and other information of a sensitive or confidential nature. It shall be the duty and responsibility of each member to respect and maintain the confidentiality of client issues presented before the board. Neither the citizen advisory committee nor any individual member shall disseminate confidential information received during citizen advisory committee meetings. Citizen advisory committee members are required to sign confidentiality statements and will be removed from the citizen advisory committee upon violation of the confidentiality agreement.

6.0 Meetings

In accordance with the North Carolina General Statutes, all meetings are open to the public as required by the open meetings act.

Unless otherwise specified, public meetings will follow the standard rules of procedure defined by Town board. The members of the citizen advisory committee shall adopt other rules and procedures relating to the operation of the committee as needed. The citizen advisory committee members shall determine the date, time, and place for each meeting.

- a. Regular Citizen Advisory Committee and Subcommittee Meetings:

The citizen advisory committee convenes upon call of the Chair and meets at least four times a year. The meetings may be held in specified or various locations within the Town. Subcommittee meeting dates shall be set by the subcommittee Chairs and shall be scheduled in conjunction with citizen advisory committee meetings.

b. Special Meetings

A majority of citizen advisory committee members or the Chair may call special meetings at any time for any specific business. Special meetings, such as appeals, are convened at a location selected by the Chair.

c. Meetings Held via Teleconference

Teleconference meetings shall be held only in unusual circumstances and shall not replace regularly scheduled committee meetings. No regular meeting or appeal hearing shall be conducted via teleconference. Under no circumstances should a teleconference meeting exceed one hour.

d. Emergency Meetings

A majority of citizen advisory committee members or the Chair may call a meeting in emergency circumstances by providing telephone notice to media outlets at least one hour prior to the meeting. An emergency situation includes a disaster that severely impairs the public's health or safety. In the event telephone services are not working, notice that the meeting occurred must be given as soon as possible after the meeting.

e. Meeting Notices

Notice of public citizen advisory committee meetings (including appeal hearings) and agendas shall be made available to all members and interested parties, and to any person who so requests, at least two (2) calendar days in advance of the meeting by e-mail and by posting on the Town of Coats website.

f. Agendas

- Committee Chairs (and/or CAC members) should submit agenda items to the designated person at least seven (7) days prior to a scheduled meeting.
- The agenda must provide a description of each item of business to be transacted or discussed so that interested members of the public will be capable of understanding the nature of each agenda item.
- As a general rule, only those items appearing on the agenda will be discussed or voted on. However, if an item is raised by a member of the public, the citizen advisory committee may accept testimony and discuss the item so long as no action is taken until a subsequent meeting.
- With the Chair's agreement, the designated staff will develop and distribute to each member an agenda listing the matters to be considered at upcoming citizen advisory committee meetings. Also, so far as practicable, copies of all written reports that are to be presented to the citizen advisory committee for members' review will be included in this package at least five (5) days before the meeting.

g. Minutes

Minutes shall be taken of all citizen advisory committee meetings and approved by a vote of committee members. Once minutes are approved by the committee, they should be forwarded to the Town Clerk.

h. All recommendations and reports of the citizen advisory committee, approved in the form of

motions, shall be conveyed exclusively to the Town Board of Commissioners. The chair shall work with the Town Manager to schedule a time on an upcoming Board of Commissioners meeting for presentation of the recommendations or reports. Approved motions are forwarded to the Town Board of Commissioners for consideration, approval, or denial. Outcomes are reported back to the citizen advisory committee.

7.0 Subcommittees

- a. Subcommittees may be formed by the citizen advisory committee to research and make recommendation on special issues or areas in order to carry out the duties of the citizen advisory committee. All subcommittees shall be reviewed on an annual basis to determine continued need and realignment with the priorities of the citizen advisory committee.
- b. Except as approved by the Town Board of Commissioners, the majority of members of a subcommittee shall be Town of Coats Residents or either work or own a business in Town.
- c. Subcommittees are ad hoc and temporary in nature. Approved ad hoc subcommittees must have documented goals, deliverables, and a timeline, and the subcommittee will cease to meet when these are satisfied.
- d. Subcommittee Formation and Operation:
 - A subcommittee can be formed with the approval of the Town Board.
 - Subcommittees shall operate as specified.
 - A member of the subcommittee shall take responsibility for assigning a note taker and for reporting to the full citizen advisory committee the subcommittee's progress toward its stated objectives, including dissenting view points.
 - Subcommittees shall operate by a majority vote.
 - Subcommittees may request a technical representative, to be approved by the Town Manager and any related Department Heads.
 - Subcommittees shall operate openly as defined by state laws and local policies.
 - Membership - Membership on subcommittees shall be voluntary unless policy dictates otherwise.

8.0 Quorum

A quorum for a meeting of citizen advisory committees shall consist of one more than half the voting members.

9.0 Voting

Decisions are reached by a simple majority vote unless otherwise required by law. All voting will be conducted in open meetings, except when in closed session as defined in the open meetings law. No issues can be voted upon unless a quorum is present.

- a. Only appointed members can vote at advisory committee meetings. Appointed members shall not delegate their vote to another member.
- b. Advisory committee members and others appointed by the Town Board of Commissioners may

vote at citizen advisory committee meetings.

- c. The Chair of the advisory committee may participate and vote on all issues except in cases of conflicts of interest.
- d. Committee members holding non-voting seats will not vote in any circumstances.
- e. Voting by proxy is not allowed.

10.0 Authorized Spokespersons

The chairs of advisory committees are the official representative of the committees during presentations or comments at public events, including meetings or hearings of the Board of Commissioners. The chairs may designate another committee member to fill this role if needed or also ask the Town Manager, staff liaison or a Department Head to do so.

11.0 Conflict of Interest

During citizen advisory committee meetings, a member shall abstain from voting when he or she has a conflict of interest as defined by the Town Board's policy.

During review proceedings, members of the public or other committee members have the right to question the conflict of interest of any voting member. The citizen advisory committee Chair should consult with the Town Manager on any potential conflict of interest.

12.0 Compensation and Travel Reimbursement

Voting members of the citizen advisory committee are not employees of the Town. Appointed advisory committee members shall receive no compensation or employee benefits for their services. The Town does not provide travel expenses without advance approval of the Town Manager.

13.0 Limitation of Powers

Committees shall operate within the charge given by the Town Board of Commissioners and in compliance with State Statutes and Town Ordinances.

Nothing contained in this statement or policy and procedures shall be construed to be in conflict with any state law or Town Code of Ordinances. Should there be an appearance of conflict, the appropriate state law or Town Ordinance shall prevail.

Neither the citizen advisory committee, nor any member thereof, shall:


- Incur expense or obligate the Town in any manner.
- Release any written or oral report of any board activity to any individual or body other than the Board of Commissioners or the Office of the Town Manager. The Town of Coats may issue a press release related to any reports from the advisory committees, in consultation with the Committee chair after consultation with the Town Manager.

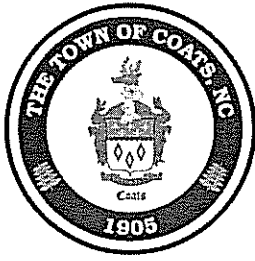
- Independently investigate citizen complaints against a town department or an employee of the department.
- Conduct any activity that might constitute or be construed as an official governmental review of departmental or employee actions.
- Conduct any activity that might constitute or be construed as establishment of the town or department policy.
- Violate the confidentiality of any information related to matters involving pending or forthcoming civil or criminal litigation.

Matters pertaining to discipline of advisory committee members will be sole responsibility of the Town Board of Commissioners and not the citizen advisory committee. The activities of the citizen advisory committee shall, at all times, be conducted in accordance with all federal, state, and local laws.

Adopted the 10th day of May, 2012.


Karen Wooten, Town Clerk


Walter Weeks, Mayor



PROCLAMATION *of the* TOWN OF COATS

PROCLAMATION

BY THE TOWN OF COATS

NATIONAL POLICE WEEK

MAY 13 – 19, 2012

WHEREAS, Congress and the President of the United States have designated May 15 as Peace Officers' Memorial Day, and the week in which May 15 falls as National Police Week; and

WHEREAS, the members of the Town of Coats Police Department play an essential role in safeguarding the rights and freedoms of Coats; and

WHEREAS, it is important that all citizens know and understand the duties, responsibilities, hazards and sacrifices of their law enforcement agency, and that members of our law enforcement agency recognize their duty to serve the people by safeguarding life and property, by protecting them against violence and disorder, and by protecting the innocent against deception and the weak against oppression; and

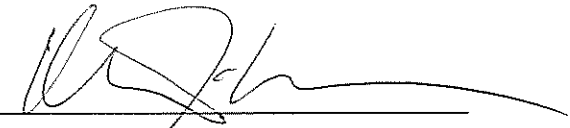
WHEREAS, the men and women of the Town of Coats Police Department unceasingly provide a vital public service;

NOW, THEREFORE, we, the Town of Coats Board of Commissioners, call upon all citizens of the Town of Coats and upon all patriotic, civic and educational organizations to observe the week of May 13 – 19, 2012, as Police Week with appropriate ceremonies and observances in which all our people may join in commemorating law enforcement officers, past and present, who, by their faithful and loyal devotion to their responsibilities, have rendered a dedicated service to their communities and, in so doing, have established for themselves an enviable and enduring reputation for preserving the rights and security of all citizens.

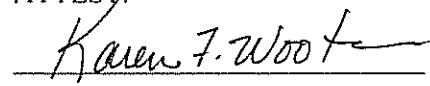
We further call upon all citizens of the Town of Coats to observe Tuesday, May 15, as Peace Officers' Memorial Day in honor of those law enforcement officers, who, through their courageous deeds, have made the ultimate sacrifice in service to their community or have become disabled in the performance of duty, and let us recognize and pay respect to the survivors of our fallen heroes.

This the 10th day of May 2012.

SEAL


Walter Weeks, Mayor

ATTEST:



Karen F. Wooten

Town Clerk

Of Town of Coats

Governmental Unit

On this 4th day of April, 2012, PETWAY MILLS & PEARSON, PA

Auditor

PO Box 1036, Zebulon, North Carolina 27597

Mailing Address

, hereinafter referred to as

the Auditor, and Board of Commissioners of Town of Coats, hereinafter referred

Governing Board

Governmental Unit

to as the Governmental Unit, agree as follows:

1. The Auditor shall audit all statements and disclosures required by generally accepted accounting principles and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit for the period beginning July 1, 2011, and ending June 30, 2012. The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion will be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate discretely presented component units, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).
2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with generally accepted auditing standards. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB Circular A-133 and the State Single Audit Implementation Act, the auditor shall perform a Single Audit. This audit and all associated workpapers may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the LGC. If the audit and/or workpapers are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners.
3. This contract contemplates an unqualified opinion being rendered. If financial statements are not prepared in accordance with generally accepted accounting principles (GAAP), or the statements fail to include all disclosures required by GAAP, please provide an explanation for that departure from GAAP in an attachment.

This contract contemplates an unqualified opinion being rendered. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, July 2007 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of their most recent peer review report regardless of the date of the prior peer review report to the Governmental Unit and the Secretary of the Local Government Commission prior to the execution of the audit contract. (See Item 22) If the audit firm received a peer review rating other than pass, the auditor shall not contract with any Local Government Units without first contacting the Secretary of the Local Government Commission for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Accounting Standards*, the Auditor shall provide an explanation as to why in an attachment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to the SLGFD within four months of fiscal year end. Audit report is due on: October 31, 2012. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay must be submitted to the Secretary of the Local Government Commission for approval.
7. It is agreed that generally accepted auditing standards include a review of the Governmental Unit's systems of internal control and accounting as the systems relate to accountability of funds, adherence to budget requirements, and adherence to law requirements. In addition, the Auditor will make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his findings, together with his recommendations for improvement. That written report must include all matters defined as "significant deficiencies and material weaknesses" in AU 325 of the *AICPA Professional Standards*. The Auditor shall file a copy of that report with the Secretary of the Local Government Commission.
8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the Local Government Commission. This includes annual or special audits, agreed upon procedures related to Internal Control, bookkeeping or other assistance necessary to prepare the Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit until the invoice has been approved by the Secretary of the Local Government Commission. (This also includes any progress billings.) [G.S. 159-34 and 115C-447] The process for invoice approval has changed. All invoices for Audit work must be submitted by email in PDF format to the Secretary of the Local Government Commission for approval. The invoices must be emailed to: lgc.invoices@nctreasurer.com

Email Subject line should read: Unit Name - Invoice - Fee
Auditor for them to present to the Local Government Unit for payment. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.

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

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

Audit \$10,000 Total \$10,200

Preparation of the annual financial statements \$200

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) auditors may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee. The 75% cap for interim invoice approval for this audit contract is \$7,650

10. The auditor working with a local governmental unit that has outstanding revenue bonds will include in the notes to the audited financial statements, whether or not required by the revenue bond documents, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the auditor should be aware that any other bond compliance statements or additional reports required in the authorizing bond documents need to be submitted to the Local Government Commission simultaneously with the local government's audited financial statements unless otherwise specified in the bond documents.
 11. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include but not be limited to the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the governmental unit and all of its component units prepared in accordance with generally accepted accounting principles, (c) supplementary information requested by the client or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board as soon as practical after the close of the accounting period.
 12. If the audit firm is required by the NC CPA Board or the Secretary of the Local Government Commission to have a pre-issuance review of their audit work, there must be a statement added to the engagement letter specifying the pre-issuance review including a statement that the Unit of Government will not be billed for the pre-issuance review. The pre-issuance review must be performed prior to the completed Audit being submitted to the Local Government Commission. The pre-issuance report must accompany the audit report upon submission to the Local Government Commission.
 13. The Auditor shall electronically submit the report of audit to the Local Government Commission when (or prior to) submitting the invoice for services rendered. The report of audit, as filed with the Secretary of the Local Government Commission, becomes a matter of public record for inspection and review in the offices of the Secretary by any interested parties. Any subsequent revisions to these reports must be sent to the Secretary of the Local Government Commission. These audited financial statements are used in the preparation of Official Statements for debt offerings (the auditors' opinion is not included), by municipal bond rating services, to fulfill secondary market disclosure requirements of the Securities and Exchange Commission, and other lawful purposes of the government, without subsequent consent of the auditor. If it is determined by the Local Government Commission that corrections need to be made to the unit's financial statements they should be provided within three days of notification unless, another time frame is agreed to by the Local Government Commission.
- The Local Government Commission's process for submitting contracts, audit reports and Invoices are subject to change. Auditors should use the submission process in effect at the time of submission.
- In addition, if the North Carolina Office of the State Auditor designates certain programs to be audited as major programs, a turnaround document and a representation letter addressed to the State Auditor shall be submitted to the Local Government Commission.
14. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the Local Government Commission, this agreement may be varied or changed to include the increased time and/or compensation as may be agreed upon by the Governing Board and the Auditor.
 15. If an approved contract needs to be varied or changed for any reason, the change must be made in writing, signed and dated by all parties and pre-audited if the change includes a change in audit fee. This document and a written explanation of the change must be submitted by email in PDF format to the Secretary of the Local Government Commission for approval. The portal address to upload your amended contract and Letter of explanation documents is <http://nctreasurer.slgfd.leapfile.net> No change shall be effective unless approved by the Secretary of the Local Government Commission, the Governing Board, and the Auditor.

a copy of the engagement letter to the contract to incorporate the engagement letter into the contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract will control. Engagement letter terms are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 22 of this contract. Engagement letters containing indemnification clauses will not be approved by the Local Government Commission.

17. Special provisions should be limited. Please list any special provisions in an attachment.
18. A separate contract should not be made for each division to be audited or report to be submitted. A separate contract must be executed for each component unit which is a local government and for which a separate audit report is issued.
19. The contract must be executed, pre-audited, physically signed by all parties and submitted in PDF format including unit and auditor signatures to the Secretary of the Local Government Commission. The current portal address to upload your contractual documents is <http://nctreasurer.slgfd.leapfile.net>. Electronic signatures are not accepted at this time. Included with this contract are instructions to submit contracts and invoices for approval as of March 5, 2012. These instructions are subject to change. Please check the NC Treasurer's web site at www.nctreasurer.com for the most recent instructions.
20. The contract is not valid until it is approved by the Local Government Commission. The staff of the Local Government Commission shall notify the unit and auditor of contract approval by email. The audit should not be started before the contract is approved.
21. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the Local Government Commission.
22. All of the above paragraphs are understood and shall apply to this agreement, except the following numbered paragraphs shall be deleted: (See Item 16.)
23. All communications regarding Audit contract requests for modification or official approvals will be sent to the email addresses provided in the following areas.

Audit Firm Signature:
Firm PETWAY MILLS & PEARSON, PA

By Phyllis M. Pearson, CPA

(Please type or print name)

Phyllis M. Pearson, CPA
(Signature of authorized audit firm representative)

Email Address of Audit Firm:
ppearson@pmpcpa.com

Date April 4, 2012

Unit Signatures:

By _____
(Please type or print name and title)

(Signature of Mayor/Chairperson of governing board)

Date _____

Date Governing Body Approved Audit Contract - G.S. 159-34(a)

Unit Signatures (continued):

By Walter Weeks, Mayor
(Chair of Audit Committee- please type or print name)

Walter Weeks
(Signature of Audit Committee Chairperson)

Date 5-10-12
(If unit has no audit committee, this section should be marked "N/A.")

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

Karen F. Wooten
Governmental Unit Finance Officer (Please type or print name)

Karen F. Wooten
(Signature)

Email Address of Finance Officer

kwooten@coats.nc.org

Date 5-10-12
(Preaudit Certificate must be dated.)



**PETWAY
MILLS &
PEARSON, PA**

CERTIFIED PUBLIC ACCOUNTANTS

C. Briggs Petway, Jr.
Roger G. Mills
Phyllis M. Pearson

Zebulon Office
P.O. Box 1036
1014 N. Arendell Ave.
Zebulon, NC 27597
919.269.7405
919.269.8728 Fax

Raleigh Office
5116 Bur Oak Cr.
Raleigh, NC 27612
919.781.1047
919.781.1052 Fax

April 4, 2012

Town of Coats
PO Box 675
Coats, North Carolina 27521

We are pleased to confirm our understanding of the services we are to provide the Town of Coats for the year ended June 30, 2012. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information (if applicable), which collectively comprise the Town of Coats' basic financial statements as of and for the year ended June 30, 2012. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to accompany the Town's basic financial statements. As part of our engagement, we will apply certain limited procedures to the Town's RSI. These limited procedures will consist principally of inquires of management regarding the methods of measurement and presentation, which management is responsible for affirming to us in its representation letter. Unless we encounter problems with the presentation of the RSI or with procedures relating to it, we will disclaim an opinion on it. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited: Management's Discussion and Analysis. Supplementary information other than RSI, such as combining and individual fund financial statements, may also accompany the Town's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and will provide an opinion on it in relation to the basic financial statements: Schedule of Federal and State Expenditures and budgetary comparison schedules.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the basic financial statements taken as a whole. The objective also includes reporting on—

- Internal control related to the financial statements and compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and *The Audit Manual for Governmental Auditors in North Carolina*. (If applicable)

Memberships:

North Carolina
Association of
Certified Public
Accountants

American Institute
of Certified Public
Accountants

Medical Group
Management
Association

The reports on internal control and compliance will each include a statement that the report is intended for the information and use of the Town Council, management, specific legislative or regulatory bodies, federal and state awarding agencies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Our audit will be conducted in accordance with U.S. generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; the provisions of OMB

Circular A-133; and *The Audit Manual for Governmental Auditors in North Carolina*, and will include tests of accounting records, a determination of major program(s) in accordance with Circular A-133, and other procedures we consider necessary to enable us to express such an opinion and to render the required reports. If our opinions on the financial statements or the Single Audit compliance opinions are other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, including ongoing monitoring activities; for the selection and application of accounting principles; for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town and the respective changes in financial position and, where applicable, cash flows in conformity with US generally accepted accounting principles; and for federal and state award program compliance with applicable laws, regulations and the provisions of contracts, agreements, and grants. Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein.

You are responsible for management decisions and functions. As part of the audit, we will prepare a draft of your financial statements, schedule of federal and state awards, and related notes. In accordance with *Government Auditing Standards*, you will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing our services.

Management is responsible for making all financial records and related information available to us, including identifying any significant vendor relationships in which the vendor has the responsibility for program compliance and for the accuracy and completeness of that information. Management's responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud, or illegal acts affecting the government involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements and grants. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review on June 30, 2012.

Management is responsible for establishment and maintenance of a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous audits or other engagements or studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective action plans taken to address

significant findings and recommendations resulting from those audits or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions and recommendations, as well as your planned corrective actions, and the timing and format related thereto.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the Town and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Tests of controls relative to the financial statements are required only if control risk is assessed below the maximum level. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal and state award program. However, our tests will be less in scope than would be necessary to render an opinion on those

controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance, internal control related matters that are required to be communicated under professional standards, *Government Auditing Standards* and OMB Circular A-133.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Town of Coats' compliance with applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB Circular A-133 Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of Town of Coats' major programs. The purpose of those procedures will be to express an opinion on Town of Coats' compliance with requirements applicable to major programs in our report on compliance issued pursuant to OMB Circular A-133.

Audit Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any invoices selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of and sign the Data Collection Form that summarizes our audit findings, if applicable. We will provide 2 copies of our reports to the Local Government Commission and 15 copies of report to the board of directors of the Town school; however, it is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal and state awards, summary schedule of prior audit findings, auditors' reports, and a corrective action plan) along with the Data Collection Form to the designated federal clearinghouse, if necessary, and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits. At the conclusion of the engagement, we

System Review Report

January 13, 2012

To the Shareholders of
Petway, Mills & Pearson, P.A.
and the Peer Review Committee of the NCACPA

We have reviewed the system of quality control for the accounting and auditing practice of Petway, Mills & Pearson, P.A. (the firm) in effect for the year ended September 30, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

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

In our opinion, the system of quality control for the accounting and auditing practice of Petway, Mills & Pearson, P.A. in effect for the year ended September 30, 2011, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Petway, Mills & Pearson, P.A. has received a peer review rating of *pass*.

Denning & Sessoms PA

Denning & Sessoms, P.A.