CITY COUNCIL
WORK SESSION AGENDA
KANNAPOLIS CITY HALL
401 LAUREATE WAY, KANNAPOLIS, NC
FEBRUARY 12, 2024 4:30 PM

Please Turn off Cell Phones or Place on Silent Mode.

CALL TO ORDER AND WELCOME

MOMENT OF SILENT PRAYER AND PLEDGE OF ALLEGIANCE

ADOPTION OF AGENDA - Motion to Adopt Agenda or make revisions

CITY DEPARTMENT SPOTLIGHT

A. General Services Department Update (Jerome Blakeney, General Services Director)

CONSENT AGENDA - Motion to Adopt Consent Agenda or make revisions

A. **RESOLUTION -** Amending Ordinance Section 17-177 Credits to Stormwater Management Service Charges (Michael Rattler, Director of Transportation & Environmental Services)

B. **CONTRACT** - Authorize the City Manager to negotiate and execute a contract for the FY2024 audit with Martin Starnes & Associates, CPAs, P.A. (Brian Roberts, Finance Director)

C. **FEE SCHEDULE -** Amend the FY 24 Fee Schedule to include Swanee Theater Fees (Gary Mills, Parks & Recreation Director, Kristin Jones, Assistant to the City Manager)

D. **AGREEMENT** - Interjurisdictional Pretreatment Agreement with the Water and Sewer Authority of Cabarrus County (Alex Anderson, Director of Water Resources)

E. January 22, 2024 Business Meeting Minutes (Bridgette Bell, City Clerk)

BUSINESS AGENDA

A. **PRESENTATION** - Rose Hill Neighborhood Stormwater Issues (Michael Rattler, Director of Transportation & Environmental Services, Wilmer Melton, Assistant City Manager)

B. **PRESENTATION -** Cabarrus County Joint Public Safety Training Facility (Eddie Smith, Deputy City Manager)

MOTION TO ADJOURN

ADA Notice and Hearing Impaired Provisions

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 ("ADA"), anyone who requires auxiliary aid or service for effective communication, or a modification of policies or procedures to participate in a program, service or activity of the City, contact Heather James, Human Resource Director at 704-920-4233 or email hjames@kannapolisnc.gov as soon as possible, but no later than forty-eight (48) hours before the scheduled event.

Agenda Item: D.A

Kannapolis

Agenda Staff Report
February 12, 2024

To: Mayor and City Council

From: Jerome Blakeney, General Services Director

Subject: General Services Department Update

Action Requested by City Council

None. Presentation only.

Required Votes to Pass Required Action

Presentation Only. No Action Required

Background

This is the first of a series of brief presentations by our City Departments (and starting at the next meeting, Community Organizations). The purpose is to provide City Council with an update of significant activities occurring within the department or organization. These can be capital projects, operational changes, accomplishments & awards (individual or dept/organization-wide), challenges/opportunities on the horizon. The presentations will generally be no more than 15 minutes in duration with Q&A time at the end. The presentations will be on the early part of each City Council agenda going forward.

Our General Services Department will kick off this new initiative.

Fiscal Implications

Policy Issues

Legal Issues

Recommendations and Alternate Courses of Action

None. Presentation only.

Attachments

None

Agenda Item: E.A

Kannapolis
Agenda Staff Report
February 12, 2024

To: Mayor and City Council

From: Michael Rattler, Director of Transportation & Environmental Services

Subject: **RESOLUTION -** Amending Ordinance Section 17-177 Credits to Stormwater Management Service Charges

Action Requested by City Council
Motion to a approve a Resolution to amend the Ordinance Section 17-177- Credits to Stormwater Management Service Charges

Required Votes to Pass Required Action
Majority Present at Meeting

Background
Ordinance Section 17-177 Credits to Stormwater Management Service Charges deals with the stormwater fee charges and reduction of the charge to non-single family residential properties. The Ordinance identifies the requirement for a process to be created for the application and review of this reduction. The current Ordinance wording uses the term "policy". Changing the word "policy" to "program" does not change the requirement of the Ordinance, but creates a statement that is more accurate.

Fiscal Implications
None

Policy Issues
None

Legal Issues
None

Recommendations and Alternate Courses of Action
1) Approve a Resolution affirming change to Ordinance. (Recommended)
2) Do nothing, leaving the wording as it currently is.
3) Table this item to a future meeting.

Attachments
1. Sec._17_177.___Credits_to_stormwater_management_service_charges_ redlined word changes
2. Amended Sec._17_177.___Credits_to_stormwater_management_service_charges_ with changes to wording
3. RESOLUTION FOR CITY OF KANNAPOLIS ACCEPTS WORD CHANGES IN ORDINANCE SECTION 17-177
4. Ordinance amending Chapter Ordinance Sec 17-177 Credits

Sec. 17-177. Credits to Stormwater Management Service Charges

(a) The city may provide a system of credits to reduce stormwater service charges for properties on which stormwater control measures substantially mitigate the peak discharge or runoff pollution flowing from such properties or substantially decrease the city's cost of maintaining the stormwater management system. The city manager or his designee will develop written ~~policies~~ (program) to implement the credit system. The city's ~~policies~~ (program) may make credits retroactive to the date stormwater management service charges were initiated but not to exceed one year. Any bill charges requiring adjustments must be applied through the utility billing system, but no credit will be granted for more than one (1) past year.

(b) Each credit allowed against the stormwater management service charge is conditioned on the continuing proper operation, maintenance, and functioning of the stormwater control measure as designed, credited stormwater control measures must comply with all applicable laws, ordinances and regulations, and credits may be rescinded for noncompliance with these standards.

(c) Each credit for which a customer applies shall be subject to review and approval by the city manager or his designee. The city manager may approve or reject any application for a credit in whole or in part. Appeals of the city manager's decisions shall be governed by the provisions of section 17-178 of this article.

(d) Credits shall only be applied to developed lands containing the credited stormwater control measure. For developments with common property containing credited stormwater control measures such as townhouse developments, cluster unit developments, or condominiums, the credit will be applied to the stormwater management service charge associated with the common impervious area.

(e) Nothing shall prevent the city manager or designee from modifying the adopted system of credits, and such modifications may apply to holders of existing credits.

(Ord. No. 2007-03, art. II, 2-12-07)

Sec. 17-177. Credits to Stormwater Management Service Charges

(a) The city may provide a system of credits to reduce stormwater service charges for properties on which stormwater control measures substantially mitigate the peak discharge or runoff pollution flowing from such properties or substantially decrease the city's cost of maintaining the stormwater management system. The city manager or his designee will develop written program to implement the credit system. The city's program may make credits retroactive to the date stormwater management service charges were initiated but not to exceed one year. Any bill charges requiring adjustments must be applied through the utility billing system, but no credit will be granted for more than one (1) past year.

(b) Each credit allowed against the stormwater management service charge is conditioned on the continuing proper operation, maintenance, and functioning of the stormwater control measure as designed, credited stormwater control measures must comply with all applicable laws, ordinances and regulations, and credits may be rescinded for noncompliance with these standards.

(c) Each credit for which a customer applies shall be subject to review and approval by the city manager or his designee. The city manager may approve or reject any application for a credit in whole or in part. Appeals of the city manager's decisions shall be governed by the provisions of section 17-178 of this article.

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(e) Nothing shall prevent the city manager or designee from modifying the adopted system of credits, and such modifications may apply to holders of existing credits.

(Ord. No. 2007-03, art. II, 2-12-07)

A RESOLUTION STATING THE COUNCIL OF THE CITY OF KANNAPOLIS ACCEPTS WORD CHANGES IN ORDINANCE SECTION 17-177

BE IT RESOLVED by the City Council of the City of Kannapolis:

Section 1. That the City Council of City of Kannapolis affirms to accept the words changes in "Ordinance Sec. 17-177 Credits to stormwater management service charges"

Section 2. Specifically, the word " policy" changed to the word "program", in reference to "credits to the stormwater management charges."

Adopted this12th day of February 2024.

____
Milton D. Hinnant, Mayor

____
Bridgette Bell, MMC, NCCMC
City Clerk

ORDINANCE
CITY OF KANNAPOLIS

BE IT ORDAINED by the City Council for the City of Kannapolis, that Chapter 17 "WATER AND SEWERS" of the City Code of Ordinances, is hereby amended to read as follows:

Sec 17-177 Credits to stormwater Management Service Charges

(a) The city may provide a system of credits to reduce stormwater service charges for properties on which stormwater control measures substantially mitigate the peak discharge or runoff pollution flowing from such properties or substantially decrease the city's cost of maintaining the stormwater management system. The city manager or his designee will develop written ~~policies~~ (program) to implement the credit system. The city's ~~policies~~ (program) may make credits retroactive to the date stormwater management service charges were initiated but not to exceed one year. Any bill charges requiring adjustments must be applied through the utility billing system, but no credit will be granted for more than one (1) past year.

Adopted this 12th day of February, 2024.

____
M. Darrell Hinnant,
Mayor

____
Bridgette Bell, MMC, NCCMC
City Clerk

Kannapolis

Agenda Staff Report
February 12, 2024

To: Mayor and City Council

From: Brian Roberts, Finance Director

Subject: **CONTRACT** - Authorize the City Manager to negotiate and execute a contract for the FY2024 audit with Martin Starnes & Associates, CPAs, P.A.

Action Requested by City Council

Motion to accept the audit RFP and authorize the City Manager to execute the audit contract for Fiscal Year beginning July 1, 2023 through June 30, 2024.

Required Votes to Pass Required Action

Majority Present at Meeting

Background

Each year as required by NC Statue 159-34 the City is audited. The State requires board approval of the audit contract. Staff issued a Request for Proposal (RFP) for audit services in December. The RFP was issued to ten accounting firms and posted to the Historically Underutilized Businesses (HUB) site. The staff received three responses. Staff evaluated each proposal using criteria requested in the RFP. Staff is requesting that the City Council authorize the City Manager to award the contract to Martin Starnes & Associates, CPAs, P.A., which is the second lowest bidder. Martin Starnes has conducted the City's audit for several years and this will continue the relationship.

The other bidders were not selected as they did not have experience with municipalities of similar size or complexity or scope of experience of Martin Starnes. The bid proposal is for a period of five years. The fee for FY2024 is $55,325 which is minor increase from the FY2023 audit fee. The estimated fees for FY2025 through FY2028 are $56,455; $60,410; $66,450; $71,100 respectively.

Fiscal Implications

The audit fee for FY2024 is $55,325

Policy Issues

None

Legal Issues

None

Recommendations and Alternate Courses of Action

1. **Motion to approve the City Manager to negotiate and execute the Audit Contract (Recommended)**
2. Do no approve the audit contract
3. Defer action until a future meeting

Attachments

1. FY2024 Single Audit Engagement Letter
2. FY24 Audit Contract
3. Martin Starnes Audit Proposal Cover Letter
4. Martin Starnes Profile

February 5, 2024

Brian Roberts, Finance Director
City of Kannapolis
401 Laureate Way
Kannapolis, NC 28081

The following represents our understanding of the services we will provide the City of Kannapolis.

You have requested that we audit the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kannapolis, NC, as of June 30, 2024, and for the year then ended, and the related notes to the financial statements, which collectively comprise the City of Kannapolis' basic financial statements as listed in the table of contents.

In addition, we will audit the entity's compliance over major federal and state award programs for the period ended June 30, 2024. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal and state award programs. The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the entity complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and *Government Auditing Standards*, if any, and perform procedures to address those requirements.

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

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

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

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

Schedule of Expenditures of Federal and State Awards

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

Also, the document we submit to you will include the following other additional information that will not be subjected to the auditing procedures applied in our audit of the basic financial statements:

- Introductory information
- Statistical section

Data Collection Form (if applicable)

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, Schedule of

Expenditures of Federal and State Awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the Federal Audit Clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the Federal Audit Clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

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

Audit of the Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. As part of an audit of financial statements in accordance with GAAS and in accordance with *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Kannapolis' ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the City of Kannapolis' basic financial statements. Our report will be addressed to the governing body of the City of Kannapolis. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will 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.

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

Audit of Major Program Compliance

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

The Uniform Guidance and the State Single Audit Implementation Act require that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal and state award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the entity's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the federal or state programs as a whole.

As part of a compliance audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal and state programs and, performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs, and performing such other procedures as we consider necessary in the circumstances. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and the State Single Audit Implementation Act.

Also, as required by the Uniform Guidance and the State Single Audit Implementation Act, we will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal and state award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

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

Management's Responsibilities

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

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal and state awards received and expended during the period and the federal and State programs under which they were received;
4. For maintaining records that adequately identify the source and application of funds for federal and state funded activities;
5. For preparing the Schedule of Expenditures of Federal and State Awards (including notes and noncash assistance received) in accordance with the Uniform Guidance and State Single Audit Implementation Act;
6. For designing, implementing, and maintaining effective internal control over federal and state awards that provides reasonable assurance that the entity is managing federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions of the federal and state awards;
7. For identifying and ensuring that the entity complies with federal and state laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal and state award programs, and implementing systems designed to achieve compliance with applicable federal and state statutes, regulations and the terms and conditions of federal and state award programs;
8. For disclosing accurately, currently and completely the financial results of each federal and state award in accordance with the requirements of the award;
9. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
10. For taking prompt action when instances of noncompliance are identified;
11. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on

reported audit findings from prior periods and preparing a summary schedule of prior audit findings;

12. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
13. For submitting the reporting package and data collection form to the appropriate parties;
14. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
15. To provide us with:
    a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including the disclosures, and relevant to federal and state award programs, such as records, documentation, and other matters;
    b. Additional information that we may request from management for the purpose of the audit;
    c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
    d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report (if applicable); and
    e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report (if applicable).
16. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year or period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
17. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
18. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
19. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant roles in the system of internal control and others where fraud could have a material effect on compliance;
20. For the accuracy and completeness of all information provided;
21. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
22. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the Schedule of Expenditures of Federal and State Awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the Schedule of Expenditures of Federal and State Awards in accordance with the Uniform Guidance and the State Single Audit Implementation Act, (b) to provide us with the appropriate written representations regarding the Schedule of Expenditures of Federal and State Awards, (c) to include our report on the Schedule of Expenditures of Federal and State Awards in any document that contains the Schedule of Expenditures of Federal and State Awards and that indicates that we have reported on such schedule, and (d) to present the Schedule of Expenditures of Federal and State Awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited basic financial statements readily available to the intended users of the Schedule of Expenditures of Federal and State Awards no later than the date of issuance by you of the schedule and our report thereon.

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

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

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Nonattest Services

We will perform the following nonattest services:

- Draft of financial statements and footnotes
- GASB 34 conversion entries
- Preparation of auditor portions of Data Collection Form
- Preparation of LGC's data input worksheet
- Clerical services

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

The City of Kannapolis' management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) designing, implementing, and maintaining the system of internal control, including the process used to monitor the system of internal control.

Our responsibilities and limitations of the nonattest services are as follows:

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

Other Matters

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

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

During the course of the engagement, a portal will be in place for information to be shared, but not stored. Our policy is to terminate access to this portal after one year. The City is responsible for data backup for business continuity and disaster recovery, and our workpaper documentation is not to be used for these purposes.

Provisions of Engagement Administration and Fees

Marcie Spivey is the engagement partner for the audit services specified in this letter. Her responsibilities include supervising Martin Starnes & Associates, CPAs, P.A.'s services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. To ensure that our independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Our fees for these services are as follows:

Audit Fee (includes up to 2 major programs)	$	42,825
Financial Statement Drafting		8,500
	$	51,325
Additional Fees:		
Charge per major program in excess of 2	$	4,000

Please note that the fees above include up to 2 major programs, as indicated. The "total amount not to exceed" listed on the audit contract includes up to 3 major programs. If the total number of major programs exceeds 3 and the "total amount not to exceed" needs to be increased, we will prepare an amended contract to include the fees necessary based on the per program amount listed as additional fees above.

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

We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the City of Kannapolis' personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

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

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

Changing Laws and Regulations

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

Incorrect Accounting Methods or Errors in Client Records

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

Failure to Prepare for the Engagement

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

Starting and Stopping Our Work

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

Our fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our fees for such services range from $85-$400 per hour.

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

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

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor’s report to the date the financial statements are issued.
We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

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

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

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

- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of Martin Starnes & Associates, CPAs, P.A. and constitutes confidential information. However, we may be requested to make certain audit documentation available to the Local Government Commission, Office of the State Auditor, federal or state agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Martin Starnes & Associates, CPAs, P.A.'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

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

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

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

Respectfully,

Martin Starnes & Associates, CPAs, P.A.

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

RESPONSE:

This letter correctly sets forth our understanding.

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

Signature: ____

Title: ____

Date: ____

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

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

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

Hereinafter referred to as Auditor

	Fiscal Year Ending	Date Audit Will Be Submitted to LGC
for	06/30/24	10/31/24

Must be within four months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.

2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards (GAGAS)* if the Governmental Unit expended $100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F* (Uniform Guidance) or the State Single Audit Implementation Act. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

Effective for audits of fiscal years beginning on or after June 30, 2023, the LGC will allow auditors to consider whether a unit qualifies as a State low-risk auditee based upon federal criteria in the Uniform Guidance §200.520(a), and (b) through (e) as it applies to State awards. In addition to the federal criteria in the Uniform Guidance, audits must have been submitted timely to the LGC. If in the reporting year, or in either of the two previous years, the unit reported a Financial Performance Indicator of Concern that the audit was late, then the report was not submitted timely for State low-risk auditee status. Please refer to "Discussion of Single Audits in North Carolina" on the LGC's website for more information.

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

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Auditing Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC Staff within four months of fiscal year end. If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.

For GAAS or *Government Auditing Standards* audits, if an auditor issues an AU-C §260 report, commonly referred to as "Governance Letter," LGC staff does not require the report to be submitted unless the auditor cites significant findings or issues from the audit, as defined in AU-C §260.12 - .14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious reviewed with those charged with governance, and other significant matters. If matters identified during the audit were required to be reported as described in AU-C §260.12-.14 and were communicated in a method other than an AU-C §260 letter, the written documentation must be submitted.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit- related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.

9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings [G.S. 159-34 and 115C-447]. All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. the invoice marked 'approved' with approval date shall be returned to the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).

11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements and/or the compliance section, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.

19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Government Auditing Standards, 2018 Revision* (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. **Applicable to audits with fiscal year ends of June 30, 2021 and later. T**he auditor shall present the audited financial statements including any compliance reports to the government unit's governing body or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary. The auditor's presentation to the government unit's governing body or audit committee shall include:

a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;
b) the status of the prior year audit findings;
c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(c)(6).

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 17 for clarification).

31. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit

32. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

33. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

FEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Government Auditing Standards,2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will be not be approved.

Financial statements were prepared by: ☑ Auditor ☐ Governmental Unit ☐ Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

Name:	***Title and Unit / Company:***	***Email Address:***
Brian Roberts	Finance Director, City of Kannapolis	broberts@kannapolisnc.gov

OR Not Applicable ☐ ***(****Identification of SKE Individual on the LGC-205 Contract is not applicable for GAAS-only audits or audits with FYEs prior to June 30, 2020.)*

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.

3. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit form for correction.

4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the unit's last annual audit that was submitted to the Secretary of the LGC. All invoices for services rendered in an audit engagement as defined in 20 NCAC .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

Primary Government Unit	City of Kannapolis, NC
Audit Fee (financial and compliance if applicable)	$ 42,825 (includes single audit for up to 2 programs)
Fee per Major Program (if not included above)	$ 4,000 per major program in excess of 2
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	$ 8,500
All Other Non-Attest Services	$
TOTAL AMOUNT NOT TO EXCEED	$ 55,325 (includes 3 major programs)

Discretely Presented Component Unit	N/A
Audit Fee (financial and compliance if applicable)	$
Fee per Major Program (if not included above)	$
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	$
All Other Non-Attest Services	$
TOTAL AMOUNT NOT TO EXCEED	$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Martin Starnes & Associates, CPAs, P.A.	
Authorized Firm Representative (typed or printed)* Amber Y. McGhinnis	Signature* Amber Y McGhinnis
Date* 02/05/24	Email Address* amcghinnis@msa.cpa

GOVERNMENTAL UNIT

Governmental Unit* City of Kannapolis, NC	
Date Governing Board Approved Audit Contract* **(Enter date in box to right)**	
Mayor/Chairperson (typed or printed)* M. Darrell Hinnant, Mayor	Signature*
Date	Email Address* dhinnant@kannapolisnc.gov

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

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

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

Sum Obligated by This Transaction:	$ 55,325 (includes 3 major programs)
Primary Governmental Unit Finance Officer* (typed or printed) Brian Roberts, Finance Director	Signature*
Date of Pre-Audit Certificate*	Email Address* broberts@kannapolisnc.gov

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

DPCU* N/A	
Date DPCU Governing Board Approved Audit Contract* **(Enter date in box to right)**	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

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

DPCU – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

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

Sum Obligated by this Transaction:	$
DPCU Finance Officer (typed or printed)* N/A	Signature*
Date of Pre-Audit Certificate*	Email Address*

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

PRINT

KWH **Koonce, Wooten & Haywood, LLP**
CERTIFIED PUBLIC ACCOUNTANTS

Report on the Firm's System of Quality Control

To the Shareholders of Martin Starnes & Associates, CPAs, P.A. and the
Peer Review Committee, Coastal Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. (the firm) in effect for the year ended December 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

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

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. in effect for the year ended December 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Martin Starnes & Associates, CPAs, P.A. has received a peer review rating of pass.

Koonce, Wooten & Haywood, LLP

Koonce, Wooten & Haywood, LLP

May 4, 2021

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

919 782 9265
919 783 8937 FAX

Durham
3500 Westgate Drive
Suite 203
Durham, North Carolina 27707

919 354 2584
919 489 8183 FAX

Pittsboro
579 West Street
Post Office Box 1399
Pittsboro, North Carolina 27312

919 542 6000
919 542 5764 FAX

Smithfield
212 East Church Street
Post Office Box 2348
Smithfield, North Carolina 27577

919 934 1121
919 934 1217 FAX

MARTIN ♦ STARNES
& ASSOCIATES, CPAs, P.A.
"A Professional Association of Certified Public Accountants and Management Consultants"

December 18, 2023

City of Kannapolis
Attn: Brian Roberts, Finance Director
401 Laureate Way
Kannapolis, NC 28081

Dear Brian:

Thank you for the opportunity to propose on the audit of the financial statements of the City of Kannapolis. We appreciate the confidence that you have shown in our firm by asking us to bid on the audit.

Our proposal is built on proven, success-based methodologies for providing a quality audit. We value the efforts and expertise put into the audit by your staff and ours.

Enclosed is a detailed proposal regarding the audit and a brief history of our firm. Also, please be sure to view our enclosed "MSA Profile" for additional information regarding our firm.

Please call me at (828) 327-2727, ext. 308, or email me at mspivey@msa.cpa if you need additional information.

Sincerely,

Marcela J. Spivey

Marcela J. Spivey, CPA
Audit Partner

Enclosures

MARTIN · STARNES

& ASSOCIATES, CPAs, P.A.

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

OUR MISSION STATEMENT

"We guide our clients in realizing their goals through mutual trust and our personal commitment."

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

WHAT DO YOU GET FROM MSA OTHER THAN TAX & AUDIT SERVICES?

- Year-round availability for technical assistance
- Help desk resource
- Legislative updates
- Access to “Best Practices”

We Are Committed To:

- Providing a service where value always exceeds cost
- Completing every engagement in an efficient and timely manner
- Continuity of engagement teams
- Developing relationships based upon professionalism, trust, and respect

History Of Our Firm

- Formed in 1987 by Vickie Martin
- Six employees in 1992 – One municipality audit
- Approximately 69 employees in 2023 – Auditing 23 counties, 42 municipalities, and numerous other governmental agencies (approximately 100 total governmental units)
- Governmental Audit Partners:
  - One in 1992
  - Three since 2017

Martin·Starnes & Associates, CPAs, P.A.

TYPES OF AUDITS
& OTHER SERVICES

- **Audits:**
  - Governmental entities
  - Non-profit entities
  - For-profit entities
  - 401(k)
- **Reviews**
- **Compilations**
- **Examination Attestations**
- **Agreed-Upon Procedures**
- **Consulting**

Meet Our Audit Team

OUR AUDIT PARTNERS

Marcie Spivey

Paula Hodges

Erica Brown

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

Our Senior Managers

Amber McGhinnis

Ko Tang Cha-Moses

Matt Braswell

Cassie Wilson

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

Our Senior Managers

Elsa Swenson

Kari Dunlap

Kelly Gooderham

Tonya Thompson

Martin·Starnes
& Associates, CPAs, P.A.

Our Manager

Jill Vang

Our Senior Accountants

Brandi Fesperman

Cameron Lackey

Claire Earnhardt

Beau Hildebrand

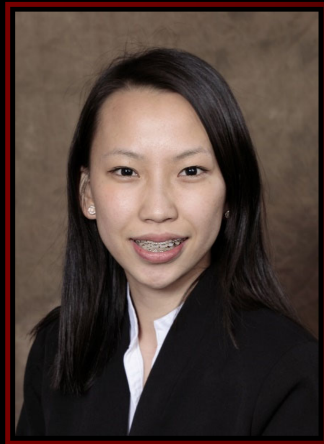
Martin·Starnes & Associates, CPAs, P.A.

OUR SENIOR ACCOUNTANTS

Morgan Coley

Lutchia Johnson

Jonas Watts



Kang Moua

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

Our Staff Accountants

Kimberly Whittington

Chris Turpin

Leslie Watts

Ethan Bumgarner

Bao Thao

Martin·Starnes & Associates, CPAs, P.A.

Our Staff Accountants

Nicole
Silvera Andrade

Lily
Guzman

Tommy
Harkey

Turner
Ham

Trevor
Miller

Martin·Starnes
& Associates, CPAs, P.A.

OUR ACCOUNTING TECHNICIANS

Gunnar Burchett

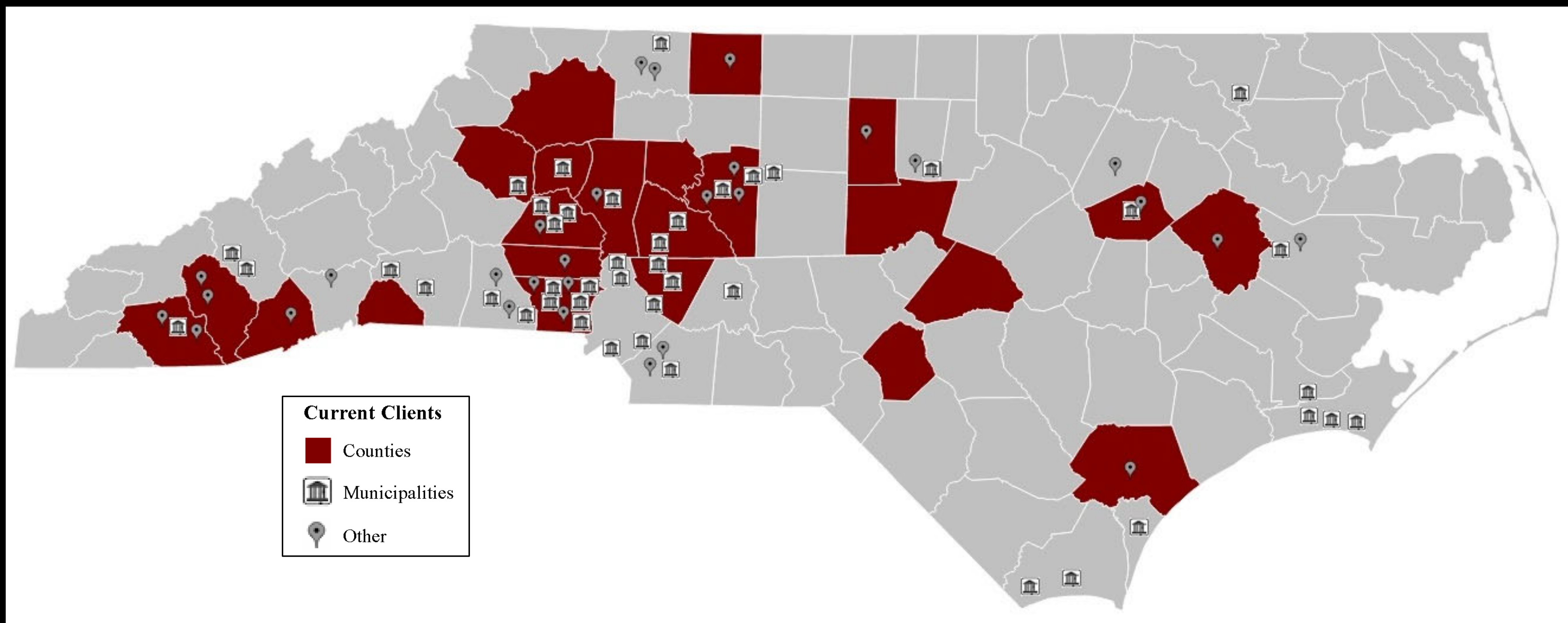
Greg Bailes

Amanda Linder

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

THE COMMUNITY WE SERVE…

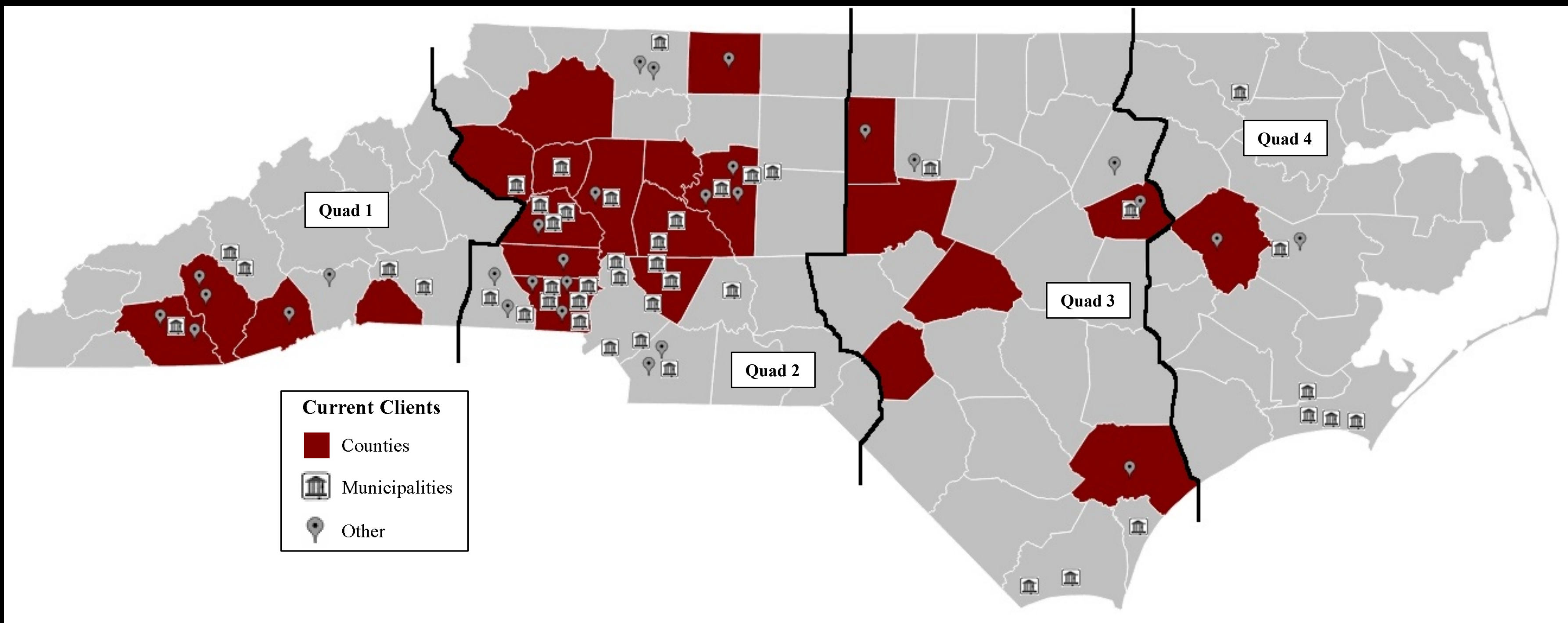
NORTH CAROLINA IS OUR NEIGHBORHOOD
GOVERNMENTAL ENTITIES WE CURRENTLY AUDIT



**Map as of June 30, 2023

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

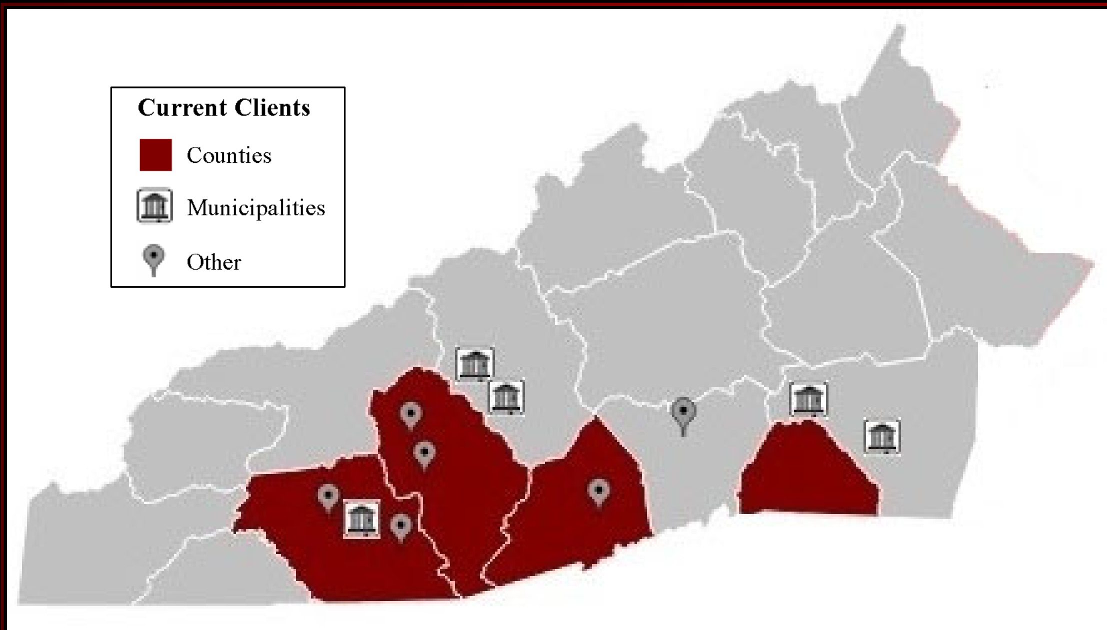
North Carolina Is Our Neighborhood
Governmental Entities We Currently Audit



**Map as of June 30, 2023

Martin·Starnes & Associates, CPAs, P.A.

QUAD 1



Haywood County
- **Town of Maggie Valley**
- **Town of Waynesville**

Henderson County
- **Greater Asheville Regional Airport Authority**

Jackson County
- **Jackson County TDA**
- **Jackson County Airport Authority**

Macon County
- **Town of Franklin**
- **Town of Franklin TDA**
- **Macon County Airport Authority**

Polk County

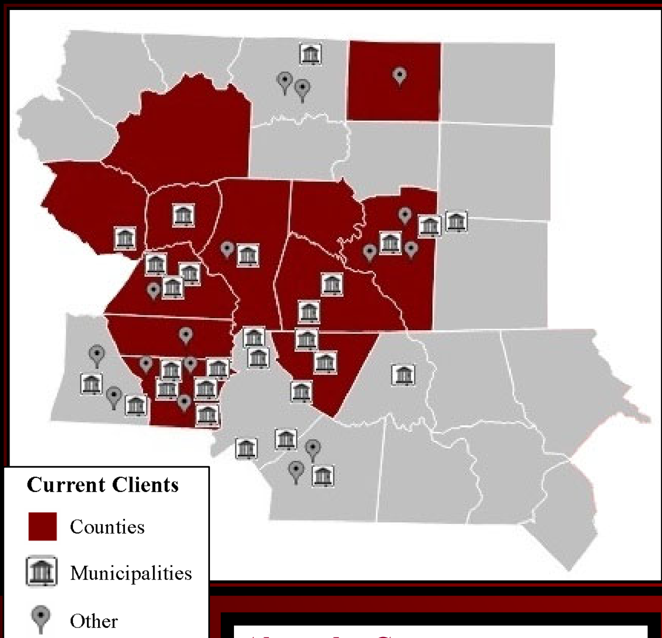
Rutherford County
- **Town of Lake Lure**
- **Town of Rutherfordton**

Transylvania County
- **Transylvania County TDA**

**Map as of June 30, 2023

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

QUAD 2



Alexander County
- Town of Taylorsville

Cabarrus County
- City of Concord
- City of Kannapolis
- Town of Harrisburg

Caldwell County
- Town of Granite Falls

Catawba County
- City of Claremont
- City of Hickory
- City of Newton
- Western Piedmont Regional Transit Authority

Cleveland County
- City of Kings Mountain
- City of Kings Mountain TDA
- City of Shelby
- Cleveland County Water

Davidson County
- City of Lexington
- City of Thomasville
- Davidson County Airport Authority
- Lexington Tourism Authority
- Thomasville Tourism Commission

Davie County

Gaston County
- City of Belmont
- City of Belmont TDA
- City of Gastonia
- City of Gastonia TDA
- City of Mount Holly
- City of Mount Holly TDA
- Town of Cramerton

Iredell County
- City of Statesville
- Statesville Convention & Visitors Bureau

Lincoln County
- Lincolnton-Lincoln County Regional Airport Authority

Mecklenburg County
- Town of Cornelius
- Town of Huntersville
- Town of Matthews
- Town of Pineville

Randolph/Guilford Counties
- City of Archdale

Rowan County
- City of Salisbury
- Town of Landis

Stokes County
- Stokes County Water & Sewer Authority

Stanly County
- City of Albemarle

Surry County
- City of Mount Airy
- Mount Airy TDA
- Tourism Partnership of Surry County

Union County
- City of Monroe
- City of Monroe TDA
- Monroe-Union County EDC

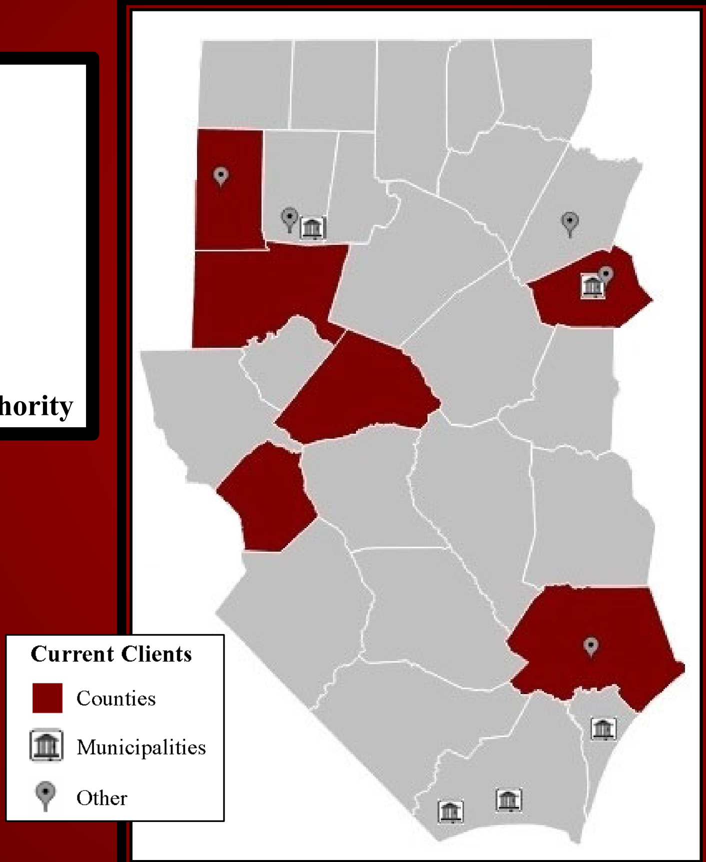
Wilkes County

**Map as of June 30, 2023

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

QUAD 3

Alamance County
  Alamance County TDA
Brunswick County
  Town of Calabash
  Town of Holden Beach
Chatham County
Harnett County
Hoke County
Nash County
  Rocky Mount-Wilson Airport Authority

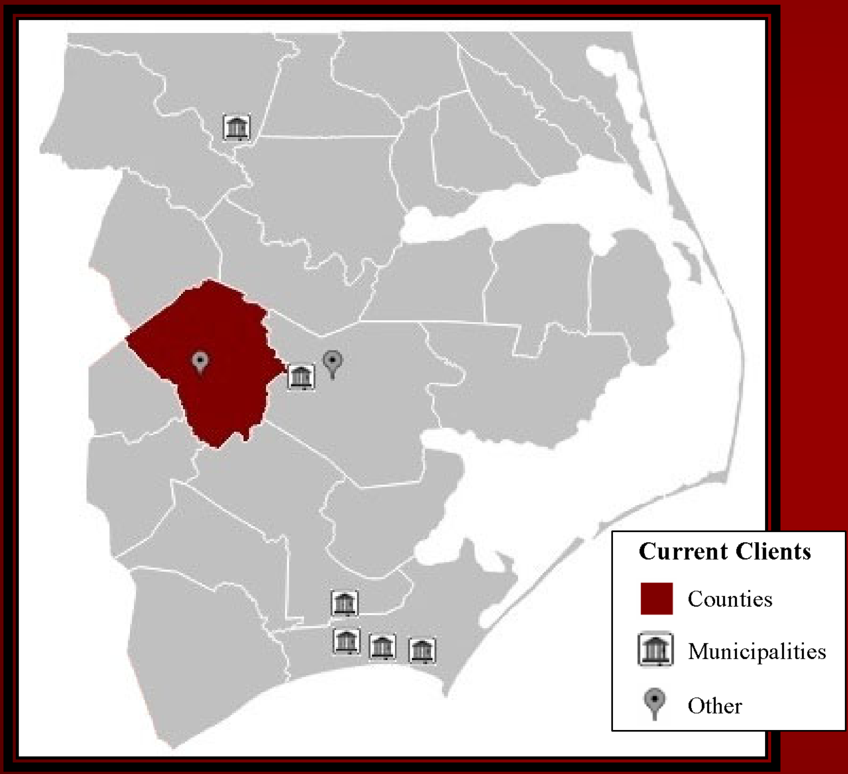


New Hanover County
  Town of Wrightsville Beach
Orange County
  Orange Water and Sewer Authority
  Town of Chapel Hill
Pender County
  Pender County TDA
Wilson County
  City of Wilson

**Map as of June 30, 2023

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

QUAD 4



Beaufort County
- **City of Washington**
- **City of Washington TDA**

Carteret County
- **Town of Beaufort**
- **Town of Newport**
- **Town of Pine Knoll Shores**

Craven County
- **City of Havelock**

Northampton County
- **Town of Rich Square**

Pitt County
- **Pitt-Greenville Airport Authority**

**Map as of June 30, 2023

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

Martin · Starnes & Associates, CPAs, P.A.

Thank you for viewing our profile!

Please call or email us for any additional information.

Paula P. Hodges
phodges@msa.cpa

Marcie J. Spivey
mspivey@msa.cpa

Erica L. Brown
ebrown@msa.cpa

Phone (828) 327-2727

Kannapolis

Agenda Staff Report
February 12, 2024

To: Mayor and City Council

From: Gary Mills, Parks & Recreation Director, Kristin Jones, Assistant to the City Manager

Subject: **FEE SCHEDULE -** Amend the FY 24 Fee Schedule to include Swanee Theater Fees

Action Requested by City Council
Adopt the amended FY 24 Fee Schedule.

Required Votes to Pass Required Action
Majority Present at Meeting

Background
The City of Kannapolis is proposing to amend the current fee schedule to incorporate fees for the Swanee Theater. Since the City took over operations of the Swanee, amendments to the fee schedule haven't been made. The proposed fee changes include what is currently being charged at the Swanee while also taking into consideration what the City currently charges at other facilities.

The proposed fees to be included are:

- Rental per hour fee: $500/hour (all inclusive; tables, chairs, linens)
- Prime Time Rental Friday & Saturday per hour pricing: $800/hour for a minimum of 8 hours
    - Sound staff *required*: $50/hour
    - Bartending staff: $20/hour (required if bar service is requested)
    - Event staff: $15/hour (required if room set-up changes during event; i.e. flipping the room during an event)

- Upstairs Meeting Room: $200/flat rate
- Green Room: $200/flat rate
- Kitchen: $100/flat rate
- Use of Outside Catering Company: $100/flat rate ((other than preferred catering list; must provide health department and insurance information)
- Marquee price: $50 for 3 hours

NOTE: Deposits/minimum required hours: $250 for professional events; $500 for social events; $150 alcohol fee; 4 hours min for social, 2 hours min for business event except Friday and Saturdays. These deposit requirements are the same as the Laureate Center.

NOTE: Fees for bands and other performers are not included in the fee schedule as they are negotiated on a case-by-case basis.

Fiscal Implications
Fees associated were taken into consideration when developing the budget for the Swanee Theater. Since this was a new operation for the City with little historical trends to base off of- staff will look further into this budget for FY 25.

Policy Issues
Amendments to the fee schedule require City Council approval.

Legal Issues
None.

Recommendations and Alternate Courses of Action
1. Motion to adopt the amended FY 24 Fee Schedule (Recommended).
2. Do not approve the amendments to the fee schedule.
3. Table to a future meeting.

Attachments
1. FY 24 Revised Fee Schedule

Adopted Fiscal Year 2024
Fee Schedule

Adopted June 26, 2023

Revised: February 5, 2024

Table of Contents

Admin

Public Records	**Fee**
Copies of Documents (per sheet)	10 cents
Copies of Ordinances (each)	$10
Thumb Drive with Data	$ 5

Legal Notices	**Fee**
Legal Advertisements & Newspaper Ads.	$300 or actual cost, Whichever is greater.
Returned Check Fee	$25.00

HR

Employee Notices	**Fee**
Wage Garnishment Notice (each)	$14.35
Employee ID Badge replacement	$10.00

Police

Police Permits and Services		**Fee**
Fingerprinting	In-Town Residents	$15.00
	Out-of-Town Residents	$25.00
Sound Permits		$25.00
Pawn Brokers Permits		$275.00

Transportation

	Fee
Vehicle license fee	$30.00 (annually)

Downtown Parking

	1st Vehicle	2nd Vehicle	3rd Vehicle
Guaranteed Parking Permit (Vida Deck)	Vida Issued	$30.00 (monthly)	$60.00 (monthly)
Non-Guaranteed Parking Permit (Surface Lots Only)	Vida Issued	$15.00 (monthly)	$30.00 (monthly)
Lost Permit Replacement Fee	$5.00 (each)	$5.00 (each)	$5.00 (each)

Grace Period:	30 minutes	
Non-Peak Rate:	Everyday 1am to 4pm: (No partial charges)	$1 / Hr.
Peak Rate:	Everyday 4pm to 1am: (No partial charges)	$3 / Hr.
Daily Rate:	Starts after 5 hours:	$25
Multi Day Rate:	For resident guests:	$10 / Day
“Pass back” Penalty:		$100

Planning and Zoning

	Fee
Zoning Map Amendment: **plus applicable Legal Ad & Mailed notification fees*	$500.00
Conditional Zoning Map Amendment: **plus applicable Legal Ad & Mailed notification fees*	$600.00
KDO Text Amendment:	$400.00
Special Use Permit: **plus applicable Mailed notification fees*	$600.00
Variance, Appeal, Nonconformity Adjustment: **plus applicable Mailed notification fees*	$300.00
Mailed Notification Fees:	
1-20:	$25.00
21-50:	$75.00

50-100:	$175.00
Over 100:	$300.00
Grading Permit *(without Site Plan)*: **plus $25 per additional acre*	$50.00
Driveway Permit:	$25.00
Zoning Clearance Permit (Fees are for each item separately, even if combined in a single zoning clearance permit application)	
Residential 1F:	$25.00
Residential 2F:	$25.00
Multi-family *(5 units or less)*:	$250.00
Multi-family *(more than 5 units & whichever is greater)*:	$300.00 or $.04/SF
Accessory *(Residential and Non-Residential)*	$25.00
Non-Residential	$30.00
Temporary Use	$50.00
Temporary Construction Trailer	$50.00
Home Occupation	$50.00
Signs	$40.00
Certification Letter **Zoning, Watershed, Floodplain, demo permits, etc.*	$25.00
Change of Use permits:	$30.00
Site Plan Review (Multi-family Residential & Non-Residential): **plus $100 per additional acre*	$200.00
Subdivision Fees	
Plat Exception:	No Charge
Minor Subdivision Plat Review:	$50.00
Minor Subdivision Plat Revision:	$40.00

Preliminary Major Subdivision Plat Review	$400.00 (*plus $30 per lot*)
Preliminary Major Subdivision Revision	$50.00 (*Minor Amendment*)
Final Subdivision Plat Review	$200.00
Final Subdivision Plat Revision	$40.00

PUBLICATION FEES.

Land Use Plan	$25.00
Kannapolis Development Ordinance	$50.00
• Map – Extra Large: (36”X48”)	$20
• Maps – Large: (24”X36”)	$15
• Maps - Medium: (18”X24”)	$10
• Maps – Small: (8.5”X11”)	$5

** All fees established are due and payable at the time of product delivery or upon initial submittal of any item or items to be reviewed, processed or approved. All fees are non-refundable with the following exception: 75% of processing and notification fees for map amendments listed in Part 1

of this ordinance may be refunded if an application is withdrawn within seven (7) days following a pre-hearing neighborhood meeting.
** There will be a $25.00 returned check fee for any check received by the City.

Fire

REQUIRED CERTIFICATE OF COMPLIANCE	**Fee**
Certificate of Compliance	
1-1,000 SF	$20.00
1,001-20,000 SF	$50.00
20,000-50,000 SF	$100.00
50,000-70,000 SF	$200.00
Every 20,000 SF over 70,000 SF is an additional	$50.00
Certificate of Compliance Re-inspections	$ 50.00
Plan Review	
Construction	$50.00+ .025/sf
Up-Fit	$50.00+ .025/sf
Site Plan	$50.00
Re-review fee	$50.00
** applied on third submittal & each re-submittal thereafter*	
Hydrant flow test (fee per hydrant)	$150.00
Temporary Power Inspection	$50.00
Load Merchandise Inspection	$50.00

(1) For multi-tenant building, fees are per tenant.
(2) For multiple building owned by the same owner(s), fees are per building as defined by the NC Building Code, Vol. 1.
(3) Individuals or companies that have not secured permits or Certificates of Compliance prior to beginning work or occupying the structure shall be charged double the listed amount.
(4) Re-inspections of the sprinkler system, fire alarm system, or building for Certificate of Compliance will result in an additional fee per inspection.

REQUIRED CONSTRUCTION PERMITS

	Permit Fee	**Test Fee**
Automatic Fire Extinguishing Systems (Ansul/Sprinkler)	$150.00	$150.00**
Compressed Gases	$150.00	$150.00
Fire Alarm & Detection Systems	$150.00	$150.00**
Fire Pumps	$150.00	$150.00
Flammable & Combustible liquids	$150.00	$150.00
Hazardous Materials	$150.00	$150.00
Industrial Ovens	$150.00	$150.00
Spraying or Dipping Operations	$150.00	$150.00
Standpipe Systems	$150.00	$150.00

NOTE: Any system installation prior to plan review and/or a permit being issues will incur a double fee.
Any structure over 70,000 SF x .002 + $150 **
(DOES NOT INCLUDE HOOD SYSTEM/ANSUL)

REQUIRED OPERATION PERMITS	**Fee**
Amusement Buildings	$150.00
Carnivals and Fairs	$300.00
Covered Mall Buildings	$150.00
Exhibits and Trade Shows	$2,500/yr or $150.00/event
Explosives (blasting)	$100/1-day or $300/90-days
Liquids Use, Dispensing, Storage, Transportation	$150.00
UGST/AGST Install, Alter, Remove, Abandon	$250.00/site
Change in Liquid in Tanks	$150.00
Liquid Dispensing – AGST/UGST to Vehicles	$150.00
Liquid Dispensing – Tanker to Vehicles	$150.00
Pyrotechnic Special Effects Material (Fireworks)	$300.00/day & site
Spraying or Dipping	$150.00
Tents & Canopies	$50.00/tent

REQUIRED OTHER CHARGES/FEES

	Fee
Environmental Site Assessment Research	$25.00 per hour (*one hour minimum*)
Fire Flow request/Special Request (fee per hydrant)	$150.00/hydrant
Stand-by firefighters * *when required by fire official or requested by occupant*	$20.00/hr per firefighter
After Hours Inspection – Special Request	$35.00/hr (*minimum of 2 hours*)
After Hour Plan Review – Special Request	$150.00/submittal
Other inspections by request	$100.00
Knox/Lock Box Maintenance (Found with incorrect key)	$100.00
Re-inspections (third visit or additional inspections)	$50.00
State License Inspection Fee (ABC, State Bar, etc.)	$100.00
Daycare & Nursing Home License Inspection Fee	$ 75.00
Group Home License Inspection Fee (annually)	$75.00
Foster License Inspection Fee (annually)	$20.00 (*second visit $50.00*)
Fire Incident Report Copy(s)	$1.00 (*per report*)
Fire Extinguisher Recharge use for class	Current Market Rate per Ext.
Fire Extinguisher Program (Training Class)	$ 50.00/On-site (Fire Station/City Hall)
Fire Extinguisher Program (Training Class)	$75.00/Off-site at Requested Business

ANNUAL FIRE INSPECTION PROGRAM

	Fee
First Inspection (initial)	$0.00
Second Visit Re-inspection	$0.00

Third Visit Re-inspection	$50.00
Fourth Visit Re-inspection	$100.00

Additional Re-inspections will increase at $50 per inspection until violations are corrected.

HAZARDOUS MATERIALS FEES:

Solids (lbs)	Liquids (gals)	Gases (SCF)	Fee
< 501	< 56	< 201	$50.00
501 – 5,000	56 – 550	201 - 2000	$150.00
5,001 – 25,000	551 – 2,750	2,001 – 10,000	$200.00
25,001 – 50,000	2751 – 5500	10,001 – 20,000	$250.00
50,001 – 75,000	5501 – 10,000	20,001 – 40,000	$300.00
>75,000	> 10,000	>40,000	$300.00

pound ***(plus .01/per gallon//scf in excess of listed amount)*

NOTE: Excluding LPG/Medical gases

LPG (Excludes LPG used ONLY for heating and cooking)	$150.00/tank
Medical Gasses	$150.00/tank
Radioactive Materials any amount	$125.00

STAND-BY PERSONNEL/EQUIPMENT

	Fee(work hrs.)	Fee(Overtime)
Ladder/Hazmat	$**125.00**/$95.00	
Engine/Tanker	$95.00	
Crash Truck/ Heavy Rescue	$95.00	
Rescue Units	**$95.00**	
Mobile Command Unit/Bus	$30.00	
USAR	$28.00	
Light Vehicles (Cars/Pick-ups)	$17.00/$27.00	
Trailers	$10.25	
Mules/ATV	$8.00	
Assistant Chief/Division Chief	**$35.87**	**$53.81**
Battalion Chief	**$23.39**	**$35.08**
Fire Captain	**$21.21**	**$31.82**
Engineer	**$17.45**	**$26.18**
Firefighter	**$15.07**	**$22.61**
Risk Reduction Personnel	**$25.49**	**$38.24**

Based on Stand-by per quarter hour, minimum 2 hours.

HAZMAT SUPPLIES

Item	Rate
Level "A" (enclosed, splash, and vapor protection)	
Large-XLarge	1775.00
2XLarge	1975.00
Level "A" Suits (Flash protection)	
Large – Xlarge	2495.00

Item	Rate
XXLarge	2695.00
Level B Suits (Splash protection)	
S- XLarge	170.50
2XL to 4XL	207.00
Tyvek Disposable Coveralls	17.00
Butyl Gloves	76.25 pair
Silver Shield Gloves	10.95 pair
Nitrile Gloves	5.30 pair
Rain fair Latex Nuke Boots (yellow over boots)	6.00 pair
Chem-Tape (for sealing gaps in suits at sleeve, ankle, hood and storm flap)	42.00
Pipettes	1.00 ea
Boom 8 x 10	72.64
Boom 3 x 10	10.77
Boom 3 x 4	6.40
Absorbent	15.00/bag
Absorbent pads 17”x19” (Universal, oil only and Haz-Mat)	.75 ea
Absorbent Pillows 16”	5.07 each
Absorbent Padding Roll (Universal) 30”x150’	105.00 roll
Pail of Acid Neutralizer 40 lb.	132.95
Pail of Base Neutralizer 40 lb.	360.00
Soda Ash 50lb. bag	45.25
55 gallon drums	99.00
Overpack Drum	189.00
20 gallon containment Pool	82.00
66 gallon containment Pool	120.00
100 gallon containment Pool	193.95
150 gallon containment Pool	206.95
Drain seal/inlet guard	78.40
3’x2’ Magnet Drain Cover	95.60
2’x2’ Magnet Drain Cover	63.80
Large Wooden Cone Plug	10.00
Small Wooden Cone Plug	5.00
Plug N Dike	28.00
Flow Stop Football	88.00
Flow Stop Golfball	46.00
Foam Class B (Thuderstorm)	37.00/gallon
Foam Class A	12.75/gallon
Drager CMS Chips	
Acetic Acid 2 -50 ppm	77.95
Acetone 40-600 ppm	81.25
Ammonia 2-50 ppm	55.31
Ammonia 10-150 ppm	55.31
Benzene 10-250 ppm	147.91
Benzene 0.2-10 ppm	144.65
Carbon Dioxide 200-3000ppm	55.52

Item	Rate
Carbon Dioxide 1000-25000ppm	55.52
Carbon Monoxide 5-150ppm	53.70
Chlorine 0.2-10 ppm	55.31
Formaldehyde 0.2-5 ppm	75.85
Hydrochloric Acid 1-25 ppm	70.17
Hydrogen Peroxide .2-2 ppm	79.49
Hydrogen Sulfide 2-50 ppm	55.31
Methanol 20-500 ppm	89.20
Nitrogen Dioxide .5-25 ppm	55.24
Nitrous Fumes (NO + NO2) 0.5-15ppm	53.70
Perchloroetheylene 5-500 ppm	64.74
Petroleum Hydrocarbons 100 – 3000ppm	78.53
Petroleum Hydrocarbons 20-500ppm	79.42
Phosgene .05-2.0ppm	89.20
Phosphine 1-25 ppm	66.91
Sulfur Dioxide 0.4-10 ppm	55.24
Trichloroethylene 5 – 100 ppm	64.00
Vinyl Chloride 0.3-10 ppm	70.87
Drager and GasTec Detector Tubes	
Acetaldehyde 100-1000ppm	66.71
Acetic Acid 5-80ppm	62.81
Ammonia 5-700ppm	55.75
Carbon Dioxide 0.5-20% Vol	88.30
Chlorine 0.3 – 5ppm	66.03
Chlorine 50-500ppm	63.97
Chlorobenzene 5-200ppm	63.97
Clan Lab Simultaneous Test Set	75.92
Cyanogen Chloride .25-5ppm	85.03
Haz-Mat Simultaneous Test Set 1 (inorganic)	127.16
Haz-Mat Simultaneous Test Set 2 (inorganic)	127.16
Haz-Mat Simultaneous Test Set 3 (organic)	127.16
Hydrocyanic Acid 2-150ppm	58.26
Hydrogen Cyanide 0.36-120 ppm	78.51
Hydrogen Flouride .5-90ppm	67.44
Nitrogen Dioxide 0.1-30ppm	80.12
Nitrogen Dioxide 0.5-125 ppm	52.97
Organic Arsenic Qualitative	80.26
Organic Basic Nitrogen Comp 1mg/ m3	85.73
Phenol 0.4-187 ppm	80.97
Phosphoric Acids Esters Up to .05ppm	104.94
Thioether 1mg/ m3	86.08
Vinyl Chloride 0.25-54 ppm	80.26

Item	Rate
Decon Pools/Burms	360.00 ea
Chemical Classifiers Strips	10.00 ea
PH Papers	10.00 roll
Chemical Agent Detection Paper/Tape	50.00 ea
35 gallon trash can	30.00
Drum Sampler Tube	7.00 ea
Decon Solution	88.00/gallon
Tarp	57.00 ea
Mercury Spill Kit	24.00 ea
1 lb of 8p nails	3.47
1 lb of 16p nails	4.20
1 lb of 3" deck screws	9.94
4' x 8' 7/16" OSB Sheathing	7.25
4" x 6" x 12' Lumber	22.00
4" x 4" x 16' Lumber	21.00
2" x 4" x 16' Lumber	7.00

Parks

VILLAGE PARK SHELTERS

	½ Day Rental	Full Day Rental
Shelter A		
Resident	$25	$40
Non-Resident	$32	$55
Shelter B		
Resident	$45	$80
Non-Resident	$55	$100
Shelter C		
Resident	$25	$40
Non-Resident	$32	$55
Shelter C- Saturdays - 2 hour rental		
Resident	$15	
Non-Resident	$20	
Shelter D		
Resident	$35	$60
Non-Resident	$45	$80
Shelter E		
Resident	$25	$40
Non-Resident	$32	$55
Rental of all 4 shelters		
Resident	$110	$144
Non-Resident	$200	$270

Descriptions of Shelter Areas:

Village Park Shelter A – use by reservation only
Shelters A & C hold approximately 36 people and have 6 picnic tables. These shelters offer power receptacles and grills. They are located close to the splash pad, carousel, train and playground. Cost for a resident to reserve Shelter A is $25 for a half day (9 – 2:30pm or 3 – 8:30pm). Cost for a full day (9 – 8:30pm) is $40. Half day reservations may be made on-line; to make a full-day reservation, please call our office at 704-920-4343.

Village Park Shelter B – use by reservation only
Shelter B holds approximately 96 people and has 16 picnic tables. Shelter B offers power receptacles and a grill. This shelter is close to the splash pad, carousel, train and playground. Cost for a resident to reserve Shelter B is $45 for a half day (9 – 2:30pm or 3 – 8:30pm). Cost for a full day (9 – 8:30pm) is $80. Half day reservations may be made on-line; to make a full-day reservation, please call our office at 704-920-4343.

Village Park Shelter C – use by reservation only
Shelters A & C hold approximately 36 people and have 6 picnic tables. These shelters offer power receptacles and grills. They are located close to the splash pad, carousel, train and playground. Cost for a resident to reserve Shelter C is $25 for a half day (9 – 2:30pm or 3 – 8:30pm). Cost for a full day (9 – 8:30pm) is $40. BIRTHDAY PARTY TIME BLOCKS: On Saturdays, Shelter C may be reserved in 2-hour time blocks. (9:30 – 11:30, 12:00 – 2:00, 2:30 – 4:30, 5:00 – 7:00). Cost for residents to reserve a 2-hour time block is $15.00. Two Hour time blocks and half day reservations may be made on-line; to make a full-day reservation, please call our office at 704-920-4343.

Village Park Shelter D – use by reservation only
Shelter D holds approximately 60 people and has 10 picnic tables. Shelter D offers power receptacles and a grill. This shelter is close to the splash pad, carousel, train and playground. Cost for a resident to reserve Shelter D is $35 for a half day (9 – 2:30pm or 3 – 8:30pm). Cost for a full day (9 – 8:30pm) is $60. Half day reservations may be made on-line; to make a full-day reservation, please call our office at 704-920-4343.

Village Park Shelter E – use by reservation only
Shelter E holds approximately 24 people and has 4 picnic tables. Shelter E offers power receptacles and a grill. This shelter is located adjacent to the playground and close to the splash pad, carousel and train. Cost for a resident to reserve Shelter E is $25 for a half day (9 – 2:30pm or 3 – 8:30pm). Cost for a full day (9 – 8:30pm) is $40. Half day reservations may be made on-line; to make a full-day reservation, please call our office at 704-920-4343.

BAKERS CREEK PARK SHELTERS

	½ Day Rental	Full Day Rental
Shelters 1, 2 &3		
Resident	$40	$65
Non-Resident	$47	$72
Shelter 4		
Resident	$25	$45
Non-Resident	$32	$52
Shelter (930 West 8th Street)	$50	
Individual Picnic Sites:		
Site A (3 tables, 1 grill, seats 20 - 24)	$15	$30

	½ Day Rental	Full Day Rental
Site B (2 tables, 1 grill, seats 12 - 15)	$10	$20
Site C (2 tables, 1 grill, seats 12 - 15)	$10	$20
Site D (1 table, 1 grill, seats 8-10)	$5	$10

Descriptions of Shelter Areas:

Bakers Creek Park Large Picnic Shelters – use by reservation only
Shelters 1 & 2 hold up to 90 people and Shelter 3 holds up to 125 people. These large picnic shelters offer water, lights, receptacles, grills and horseshoe pits.

Bakers Creek Small Shelter Picnic Site (Shelter #4) – use by reservation only
This one covered picnic site is available that holds up to 30 people. Four large picnic tables and a grill are included. No power, water or horseshoe pits are available. Located adjacent to playground.

Mountain Street Park (Bakers Creek Park Expansion) Shelter – use by reservation only
The Expansion Park, located at the corner of **930 West 8th St. and Mountain St**., offers four picnic tables, a grill, playground, two sand volleyball courts, horseshoe pits and restrooms. Limited parking is available. Good for small groups under 30 people. For use only daily, no half-day rentals.

OTHER FEES

- Excessive Cleaning (see policy): $30/hr.
- Police Officer: If required, rate will be provided during application submission

HOURS

- Business Hours: 8:00AM – 5:00PM (Mon – Fri)
- After Business Hours: Nights and Weekends
- Holidays: Any designated City holiday

VILLAGE PARK AMPHITHEATER

Refundable Security Deposit: $500

Resident for-profit:	$550
Resident non-profit:	$350
Non-Resident for-profit:	$1,050
Non-Resident non-profit:	$800
Staffing (2 staff required):	$25/per hour (3hr minimum)
Parking:	$12/per hour per person
EXTRA FEES	
Set-up	$200
Clean-up	$300
Sound	$250

** each additional hour after 5 hours is $50/hour*

SPLASH PAD $1.50/per person per day
children 1 year of age and under are free

TRAIN	$1.50/per person per ride children 1 year of age and under are free
CAROUSEL	$1.50/per person per ride children 12 months of age and under are free

*10% off for the purchase of 10 tickets or more for the train/carousel; or 10% off the purchase of 10 wristbands or more for the splashpad

CAROUSEL/TRAIN PHOTO SHOOTS **Only permitted during non-operational hours for both* **No earlier than 8 am and not later than 9 pm*	$30/hr. (1 hour minimum)
FAST PASS	$5.00
SENIOR TRIPS	Variable
YOUTH ATHLETICS	$40 Residential $60 Non- Residential

GYM RENTALS *(KMS city schools)*

- $30/ per hour Residential
- $40/per hour Non-Residential

CEMETERY FEES

- Transfer of burial rights within a family: $25.00
- Transfer of burial rights outside of immediate family members: $200.00/per plot
- Transfer of vacant plots to the City: No Charge
- Burial Fee (must be paid prior to burial): $150.00/per plot
- Security deposit to ensure marker (must be paid prior to burial): $280.00

GEM THEATRE

Movie Tickets:	Before 6pm: $4.00 *(all tickets)* After 6pm: Children and Seniors: $4.00, Adults: $5.00
Photo Shoots inside theatre	$30/hr. (1 hour minimum) **Only permitted during non-operational hours* **No earlier than 8 am and not later than 6 pm (M-F only)*
Special Event Room:	Business Hours: $40.00 per hour Evenings and Weekends: $50.00 per hour Refundable Security Deposit: $250-$500

Special Events for whole theater: *Example: Graduation ceremony/private non-movie event* *(prior to show times)*	$1,000 minimum *includes 5 hours; each additional hour $200.00*
Special Events for whole theater: *Example: Private event during a normal show time*	$3,000 minimum *includes 5 hours; each additional hour $200.00*
Theater for special movie showings (outside normal hours):	$240 *minimum ($4.00 per person afterwards) +* ***applicable licensing fees***
School Groups for special movie showing:	$200 *minimum ($2.00 per person afterwards) +* ***applicable licensing fees*** **Group Rate Concessions:** **$1.50 small drink** **$1.50 small popcorn**
Special Message on the Marquee:	$50.00 *(3 hours for one side)*
Birthday Party Packages	$200.00 includes: • Admission, small popcorn, and medium drinks for 15 guests for the current movie showing at one of the already scheduled movie times. • One hour of use of the party room either before or after the movie. • Use of our fountain drink machine in the party room during that time. • Each additional guest is $7.75 after the first fifteen. • Parents/Chaperones ratio must be 1:10 for anyone under the age of 18.
Bulk Ticket Pricing: **(*valid during any showtime*)**	$3.50 per child/senior ticket (25 tickets or more) $4.50 per adult ticket (25 tickets or more)

SWANEE THEATRE

- Rental per hour fee: $500/hour (all inclusive; tables, chairs, linens) ***
- Prime Time Rental Friday & Saturday per hour pricing: $800/hour for a minimum of 8 hours ***

    - Sound staff *required*: $50/hour
    - Bartending staff: $20/hour (required if bar service is requested)
    - Event staff: $15/hour (required if room set-up changes during event; i.e. flipping the room during an event)

- Upstairs Meeting Room: $200/flat rate
- Green Room: $200/flat rate
- Kitchen: $100/flat rate
- Use of Outside Catering Company: $100/flat rate ((other than preferred catering list; must provide health department and insurance information)
- Marquee price: $50 for 3 hours

*** Deposits/minimum required hours: $250 for professional events; $500 for social events; $150 alcohol fee; 4 hours min for social, 2 hours min for business event except Friday and Saturdays.

	Kannapolis Based Organization (Resident)	**Non-Kannapolis Based Organization (Non-Resident)**
Softball field without lights	$10.00 per hour per field	$15.00 per hour per field
Softball field with lights	$20.00 per hour per field	$30.00 per hour per field
*There will also be a $15.00 per field/per time that fields are lined and dragged.		
Soccer field without lights	$15.00 per hour per field	$20.00 per hour per field
Soccer field with lights	$26.00 per hour per field	$35.00 per hour per field

Fields available for reservations:			
	Fence distance Field size	Base distance options	Pitching distance options
Bakers Creek Park softball field (1 available)	285 ft	65’	50’
Safrit Park softball fields (2 available) 1415 Bethpage Road	300 ft	60’, 65’, or 90’	46’ or 54’
Safrit Park soccer field (1 available) 1415 Bethpage Road	225 x 360	N/A	N/A
Kannapolis Middle School (baseball field) 1445 Oakwood Avenue	305 ft	90’	mound
Kannapolis Middle School (softball field) 1445 Oakwood Avenue	225 ft	65’	
Kannapolis Middle School (football & soccer field) 1445 Oakwood Avenue			

Rainout Hotline & Program Information number: 704-920-4344
In cases of inclement weather, the Kannapolis Parks and Recreation Department reserves the right to close any athletic field for safety or maintenance concerns. The hotline will be updated at 4:00 p.m. on each questionable day. Please call the number above to see if your games are being played or not.

Rate	**Lining**	**Turface**	**Additional Fees**	**Lights**	**Deposit**
$150/day per field	one free lining then $15/prep	$12/bag	$75 gate, 100% concession	$15/hr. per field	$100

Tournament Cancellations:
A tournament that is cancelled after 5:00 PM on Wednesday (non-weather related) will be charged $100 for the first cancellation, $100 for a second cancellation and $100 for a third cancellation. Aside from the $100 cancellation fee, all remaining tournaments will be removed if the user has canceled a tournament for a third time.
A tournament that is cancelled after 5:00 PM on Wednesday (weather-related) will be credited with the rental fee for a future date. Please note all weather-related cancellation will be subject to approval.
If the tournament is cancelled by the Parks and Recreation department due to weather after it has begun, the following format will be used to determine the amount of credit for future field rentals:
Less than ½ of the tournament has been played, 100% of remaining tournament fees will be credited
More than ½ of the tournament has been played, 50 % of remaining tournament fees will be credited

	Kannapolis Based Organization (Resident)	**Non-Kannapolis Based Organization (Non-Resident)**
Tennis court	$3.00 per hour per court	$5.00 per hour per court
Tennis court lights	$4.00 per hour	$4.00 per hour
*Light fee covers all lights at tennis complex.		

Special Event Fees

Police: The Special Events Committee, in consultation with the Kannapolis Police Department, shall determine the number of police officers required to appropriately manage street closures and for internal security, as well as the time when such services shall commence and end. Applicants will be invoiced before the event at the rate of $35.00 per hour per police officer assigned to the event. These fees are due one (1) week before the event.

Fire and EMS: The Special Events Committee, in consultation with the Kannapolis Fire Department will determine the number of Emergency Medical Personnel required as well as the time when such services shall commence and end. Applicants will be invoiced before the event at the rate of $35.00 per hour per firefighter/EMS assigned to the event. These fees are due one (1) week before the event.

Street Closure Equipment: The Special Events Committee, in consultation with the Kannapolis Public Works Department, shall determine the need for traffic control equipment to appropriately manage street closures. Applicants will be notified of the recommended controls. The applicant may rent the equipment at the rate of $175.00 per event. These fees are due one (1) week before the event.

Greenway Event Usage: For events held on a Kannapolis Parks and Recreation maintained Greenway usage must be pre-approved by the Special Events Committee.

Insurance: If an event requires a street or sidewalk closure then Comprehensive General Public Liability Insurance is required: $1, 000,000 per person per occurrence with a $2,000,000 aggregate naming the City of Kannapolis as additionally insured. **Certificate should be specifically worded: "The City of Kannapolis, its officers, employees, and agents are additionally insured". If alcohol is being served at the event, Liquor Liability is required to be included in the Certificate of Insurance. Proof of insurance is required at least 30-days before the event.

Current Special Events Permit Fee Schedule: Fees for special events and neighborhood block parties will utilize the below fee schedule.

Permit fees are non-refundable and are subject to change.

Parade, Walk, or Run:	$125
Festival/Exhibition Shows:	
Non-Profit without Sales	$100
For- Profit Organizations	$200
Neighborhood Block Parties:	$50

Fees are not applicable if the event is contained to private property and requires no City resources.

Water and Sewer Fees

WATER RATES	Inside City		Outside City
Individual Water Service: (less than 2 inch) (Note 1)			
• Tier 1 per 1,000 gallons *(0-7,000 gals)*	$ 6.80		$ 7.95
• Tier 2 per 1,000 gallons (over 7,000 gals)	$ 7.09		$ 8.30
• Irrigation per 1,000 gallons	$ 7.09		$ 8.30
* Base monthly charge (Note 2)	$ 6.95		$ 8.15
* monthly rate for unmetered service – residential only (Note 3)	$ 47.60		$ 55.65

Private Water Systems (more than one user):

• Tier 1 per 1,000 gallons *(0-7,000 gals)*	$ 6.80		$ 7.95
• Tier 2 per 1,000 gallons (over 7,000 gals)	$ 7.09		$ 8.30
• Irrigation per 1,000 gallons	$ 7.09		$ 8.30
* base monthly charge per user as determined by number of dwelling units or commercial spaces on site, occupied or vacant	$ 6.95		$ 8.15

Commercial Water Service

• Tier 1 per 1,000 gallons *(0-7,000 gals)*	$ 6.80	$ 7.95
• Tier 2 per 1,000 gallons (over 7,000 gals)	$ 6.80	$ 7.95
• Irrigation per 1,000 gallons	$ 7.09	$ 8.30
*base monthly charge	$ 6.95	$ 8.15

Fire Line Service: *(incremental charge based on size of line)*

monthly service rate (4 inch or less) *no increase	$ 47.60		$ 55.65
monthly service rate (6 inch) $16 increase	$ 63.60		$ 71.65
monthly service rate (8 inch) $24 increase	$ 71.60		$ 79.65
monthly service rate (10 inch) $42 increase	$ 89.60		$ 97.65
monthly service rate (12 inch) $73 increase	$ 120.60		$ 128.65

SEWER RATES	Inside City		Outside City
Individual Sewer Service:			
* per 1,000 gallons water used	$ 6.70		$ 6.70
* base monthly charge	$ 3.80		$ 3.80
* monthly rate for unmetered service – residential only	$ 46.90		$ 46.90

Private Sewer Systems (more than one user):

* per 1,000 gallons based on master meter	$ 6.70		$ 6.70

* base monthly charge per user as determined by number of dwelling units or commercial spaces on site, occupied or vacant (Note 2)	$ 3.80		$ 3.80

(Note 1) Water rates for customers with 2 inch meter or larger shall pay inside City rates.
(Note 2) All City customers will pay the base charge in addition to the per 1,000 gallon charge. Master metered customers will pay the base charge times the number of units served in addition to the per 1,000 gallon charge. Residential water customers using metered service for irrigation purposes only, shall not (during periods when level II or higher water restrictions are in effect) be billed a minimum bill for zero (-0-) usage.
(Note 3) Unmetered service is based upon an average bill of 7,000 gallons usage within a given month.

WATER TAP AND CONNECTION FEES	**Inside City**		**Outside City**	
Individual Water Tap Fees:				
* 3/4" service (installation by City)	$ 3,250.00	*	$ 3,250.00	*
* 1" service (installation by City)	$ 3,450.00	*	$ 3,450.00	*
* 1-1/2" service (installation by City)	$ 3,750.00	*	$ 3,750.00	*
* 2" service (installation by City)	$ 4,050.00	*	$ 4,050.00	*
* Larger than 2" (installation by customer or City)	All Cost Borne By Customer		All Cost Borne By Customer	

Fire Line Service Tap:

* All sizes (installation by the customer)	All Cost Borne By Customer		All Cost Borne By Customer

Tap on of New Water Main to Existing:

* All sizes (installation by the customer)	All Cost Borne By Customer		All Cost Borne By Customer

Individual Water connection fees: These fees were derived from meter factors as developed in the American Water Works Association Standards Manual. (See Note A)

Water meter Size

* 3/4" service	$ 1,350.00		$ 1,350.00
*1" service	$ 3,000.00		$ 3,000.00
* 1-1/2" service	$ 6,000.00		$ 6,000.00
* 2" service	$ 9,600.00		$ 9,600.00
* 3" service	$ 18,000.00		$ 18,000.00
* 4" service	$ 30,000.00		$ 30,000.00

* 6” service	$ 60,000.00		$ 60,000.00
* 8” service	$ 96,000.00		$ 96,000.00
* 10" service	$ 138,000.00		$ 138,000.00

(Note A)
(1) Tap fee and connection fee shall be per lot or per unit to be served. Commercial Customers shall be all cost borne by customer and the tap fee is waived.

(2) Master metered developments shall pay a connection fee for each lot or individual unit served or fee for meter size whichever is greater.

(3) Connection fee due from residential developers shall be paid before issuance of the zoning clearance permit. (Tap fees are waived where developer has installed water systems in accordance with City Ordinance.)

(4) Connection fee is due from commercial and industrial developers before zoning permits can be issued by the City.

(5) Connection fee for residential customers where a tap fee is also due shall be paid before tap is installed by the City.

(6) Residential and commercial developers who have preliminary plats approved by the City before December 18, 2000 shall be exempt from paying the connection fee.
(7) Commercial and industrial developers who are not required to obtain plat approval shall be exempt from paying the connection fee if zoning permits have been issued by the City prior to December 18, 2000. (Manufactured home parks and multi-family apartment complexes are included as commercial developers).
(8) All applicable fees must be paid before receiving City water service.
(9) All new or modified services in NCDOT owned rights-of-way shall be at cost, All Cost Borne By Customer.

SEWER TAP AND CONNECTION FEES	**Inside City**		**Outside City**
Individual Sewer Service Tap Fees:			
* 4" service (installation by the City) (includes any size pumped by customer)	$ 4,250.00		$ 4,250.00
* 6" or larger or where utility encasement may be required (installation by customer or City)	All Cost Borne By Customer		All Cost Borne By Customer

Tap on of New Sewer Line to Existing:

* All sizes (installation by the customer)	All Cost Borne By Customer		All Cost Borne By Customer

Individual Sewer Connection Fees: These fees were derived from meter factors as developed in the American Water Works Association Standards Manual. (See Note B)

Water meter Size

* 3/4" service	$ 1,000.00		$ 1,000.00
*1” service	$ 1,625.00		$ 1,625.00
* 1-1/2” service	$ 3,250.00		$ 3,250.00

* 2” service	$ 5,200.00		$ 5,200.00
* 3” service	$ 9,750.00		$ 9,750.00
* 4” service	$ 16,250.00		$ 16,250.00
* 6” service	$ 32,500.00		$ 32,500.00
* 8” service	$ 52,000.00		$ 52,000.00
* 10" service	$ 74,750.00		$ 74,750.00

(Note B)

(1) Tap fee and connection fee shall be per lot or per unit to be served. Commercial Customers shall be all cost borne by customer and the tap fee is waived.

(2) Master metered developments shall pay a connection fee for each lot or individual unit served or fee for meter size whichever is greater.

(3) Connection fee due from residential developers shall be paid before issuance of the zoning clearance permit. (Tap fees are waived where developer has installed sewer systems in accordance with City Ordinance.)

(4) Connection fee is due from commercial and industrial developers at the time of application for service.

(5) Connection fee for residential customers where a tap fee is also due shall be paid before tap is installed by the City.

(6) Residential and commercial developers who have preliminary plats approved by the City before December 18, 2000 shall be exempt from paying the connection fee.

(7) Commercial and industrial developers who are not required to obtain plat approval shall be exempt from paying the connection fee if zoning permits have been issued by the City prior to December 18, 2000. (Manufactured home parks and multi-family apartment complexes are included as commercial developers).

(8) All applicable fees must be paid before receiving City sewer service.

(9) All new or modified services in NCDOT owned rights-of-way shall be at cost, All Cost Borne By Customer.

SERVICE FEES AND DEPOSITS	**Inside City**		**Outside City**
Service Disconnect / Administrative Fee	$ 30.00		$ 30.00
Service Deposit (Non-Property Owners)			
* Water or sewer; water and sewer – secured	$ 75.00		$ 75.00
* Water or sewer; water and sewer – unsecured	$ 225.00		$ 225.00
Returned Payment Item * Each	$ 25.00		$ 25.00

HYDRANT METER FEES	**Inside City**		**Outside City**
Construction Hydrant Meter (refundable)	$ 750.00		$ 750.00
Fire Hydrant Use Account (refundable)	$ 250.00		$ 250.00
Annual Hydrant Use Permit Fee* Per vehicle	$ 25.00		$ 25.00

NORTHWEST CABARRUS SERVICE AREA
CAPITAL COST RECOVERY FEES

Water Meter Size	Water	Sewer
* 3/4" service	$ 450.00	$ 967.00
*1" service	$ 1,125.00	$ 2,418.00
*1.5" service	$ 2,250.00	$ 4,835.00
* 2" service	$ 3,600.00	$ 7,736.00
* 3" service	$ 6,750.00	$ 14,505.00
* 4" service	$ 11,250.00	$ 24,175.00
* 6" service	$ 22,500.00	$ 48,350.00
* 8" service	$ 36,000.00	$ 77,360.00
* 10" service	$ 51,750.00	$ 111,205.00

*The above fees are in addition to the normal capital cost recovery fees (also known as "connection fees") currently charged by the City of Kannapolis for service connection. In the case of new development, the current fees are due at the time of zoning clearance permit issuance. Conversely, the capital cost recovery fees described above for the Northwest Cabarrus Services Areas shall be paid in full to the City of Kannapolis prior to obtaining individual zoning clearance permits. These fees may be modified by City Council at any time without prior notification.

WATER & SEWER SYSTEM
ADMINISTRATIVE FEES

Non-payment administrative service disconnect fee	$ 30.00
Returned Check Fee	$ 25.00
Re-connection Fee (after normal business hours)	$100.00
Physical notification of non-payment bill	$ 0.00
Unauthorized / illegal connection or re-connection	$300.00
Locking Devices cut or damaged	$300.00
Meter Yokes damaged	$300.00
Tampering, altering, removing, or replacing meter	$400.00
Water meter bypass	$300.00
Re-read / No Error	$ 50.00
Meter Test Fee *(1 inch or less)*	$100.00

WATER & SEWER SYSTEM
ADMINISTRATIVE FEES

Repeat trip fee (starting with trip #3)	$ 50.00
Inspection Fee for New or Modified Service (if not installed by City Staff)	$ 50.00

MUNICIPAL WATER AND SEWER RATES

City of Concord (*Water and Sewer Services*)	Per Contract
City of Landis (*Water and Sewer Services*)	Per Contract

WATER AND SEWER SERVICE RELOCATION AND DAMAGE

Any relocation of service and/or apparatus, adjustment of grade or elevation, and/or damage to City equipment or infrastructure shall be performed at cost (All Cost Borne By Customer). This will include the cost of labor, equipment, and materials.

Environmental

Residential Environmental Fees *(per occupied dwelling)*	**Fee**
Recycling/ Solid Waste	$18.10
Additional Trash Bin Fee	$2.50
Additional Recycle Cart	$2.50
Garbage Ordinance Violation	$50.00

Commercial Environmental Fees *(reflects a 2.55% CPI increase per Waste Management)*

Commercial (City Bulk Pick Up)	1X per Wk	2X per Wk	3X per Wk	4X per Wk	5X per Wk
4 Yd	$51.92	$103.85	$155.77	$207.70	$259.63
6 Yd	$78.30	$156.60	$234.89	$313.19	$391.49
8 Yd	$104.52	$209.05	$313.57	$418.11	$522.64
Commercial (Business)	**1X per Wk**	**2X per Wk**	**3X per Wk**	**4X per Wk**	**5X per Wk**
4 Yd	$102.79	$195.22	$292.16	$390.41	$476.09
6 Yd	$122.72	$235.09	$353.90	$472.75	$590.28
8 Yd	$137.69	$275.38	$413.07	$550.73	$688.44
Container Size (Recycle)	**1X per Wk**				
4 Yd	$102.79				
6 Yd	$122.72				
8 Yd	$137.69				

*8-yard cardboard only 3x/week $342.76

Stormwater

STORMWATER RATE TIER SCHEDULE

Impervious Area Size *(per Equivalent Residential Unit)*	**Fee**
Tier 1 – < 1,200 square feet	$5.75
Tier 2 – 1,200 – 3,250 square feet	$7.25
Tier 3 - > 3,250 square feet	$8.75
Commercial – Per 3,250 square feet	$7.25

Event Space Rentals

- A $250.00 security deposit is required for all meetings
- A $500.00 security deposit for all parties, receptions, and banquets
- Events serving alcohol will be assessed a venue service charge of $150.00

RATES ARE PER HOUR	Professional Events	Social Events	Security Fee *Refundable*	Other Conditions
Laureate Center – Section I	$ 100/hr	$ 125/hr	$ 250 - $ 500	Alcohol Deposit if applicable
Laureate Center – Section II	$ 100/hr	$ 125/hr	$ 250 - $ 500	Alcohol Deposit if applicable
Laureate Center – Section III	$ 100/hr	$ 125/hr	$ 250 - $ 500	Alcohol Deposit if applicable
Laureate Center – Section I & II	$ 200/hr	$ 250/hr	$ 250 - $ 500	Event Liability Insurance if applicable
Laureate Center – Section II & III	$ 200/hr	$ 250/hr	$ 250 - $ 500	Event Liability Insurance if applicable
Laureate Center – Section I, II, & III	$ 300/hr	$ 350/hr	$ 250 - $ 500	Event Liability Insurance if applicable
Kitchen*	$100 flat rate			
Council Conference	$ 50/hr	$ 60/hr	$ 250 - $ 500	
The Gallery*	$100 flat rate			
Outside Terrace **	$100 flat rate			
Train Station – Event Room	$ 75/hr	$ 100/hr	$ 250 - $ 500	Alcohol Deposit if applicable

Village Park Event Room	$ 75/hr	$ 100/hr	$ 250 - $ 500	Alcohol Deposit if applicable
Village Park Patio	$ 15/hr	$ 20/hr	$ 250 - $ 500	
Public Works Training Room	$ 45	n/a	$ 250 - $ 500	
Gem Theatre Event Room	$ 40 /hr	$ 50/hr	$250 - $ 500	Alcohol Deposit if applicable
Veterans Park Gazebo	$ 50/hr	$ 75/hr	$ 250 - $ 500	Alcohol Deposit if applicable
Dale Earnhardt Plaza	$ 20/hr	$ 25/hr	$ 250 - $ 500	
West Avenue Reading Room***	$ 20/hr	$ 25/hr	$ 100	
West Avenue Reading Room Terrace	$ 20/hr	$ 25/hr	$ 100	
West Avenue Event Lawn	$ 25/hr	$ 30/hr	$ 100	
West Avenue Platform 1 "L-shaped"***	$ 25/hr	$ 30/hr	$ 100	
West Avenue Platform 2 "3 Decks"	$ 30/hr	$ 35/hr	$ 100	
West Avenue Pergola	$ 20/hr	$ 25/hr	$ 100	
West Avenue Pump House Patio	$ 25/hr	$ 30/hr	$ 100	
West Avenue Putting Green	$ 20/hr	$ 25/hr	$ 100	

** Kitchen and Gallery areas cannot be rented unless space in the Laureate Center is rented.*
* *A* venue service charge of $150.00 will be assessed for all groups serving alcohol.
** Outside terrace / Patio Areas cannot be rented unless inside space is rented.

*** West Avenue Platform 1 cannot be rented unless West Avenue Event *Lawn is rented.*
***** West Avenue Reading Room cannot be rented unless West Avenue Reading Room Terrace is rented.*

- *Professional Event Rental Minimum – 2 hours*
- *Social Event Rental Minimum – 4 hours*

• **Professional Events** are considered gatherings where business professionals carry out business related activities. This includes but is not limited to conferences, trainings, meetings, religious services, networking, political party gatherings, and corporate dinners.

• **Social Events** are considered an occasion that involves social interactions and behaviors. This includes but is not limited to galas, weddings, birthdays, class reunions, and fundraising or celebratory banquets.

- <u>Extended Time Rental</u> – 15% discount when any room or combinations of rooms are rented for 12+ hours during a single booking.

- Multi-Space Rentals – 20% discount when all first floor spaces at City Hall and Police Headquarters are rented. (Includes: Laureate Center Sections I, II and III, Kitchen, Council Conference Room, The Gallery, Shell Space and Terrace)

- Permanent Tenant Rate – 20% discount when any room or combinations of rooms are rented monthly for a time span of two (2) or more hours each month and an annual agreement with twelve (12) monthly meetings scheduled.

- Dance Floor: $450

- Stage: $50 per 3'x6' section; ($450 for complete unit)

Private Use Zones

Private Use Zone ID	Hourly Rate	After Hours Hourly Rate	Annual License Fee
1A	$10.00	$15.00	$181
1B	$5.00	$10.00	$77
1C	$10.00	$15.00	$189
1D	$5.00	$10.00	$77
1E	$10.00	$15.00	$210
1F	$5.00	$10.00	$32
1G	$10.00	$15.00	$308
2A	$5.00	$10.00	$66
2B	$5.00	$10.00	$65
2C	$5.00	$10.00	$86
2D	$5.00	$10.00	$24
2E	$10.00	$15.00	$204
3A	$5.00	$10.00	$12
3B	$5.00	$10.00	$24
3C	$5.00	$10.00	$63
Private Use Zone ID	**Hourly Rate**	**After Hours Hourly Rate**	**Annual License Fee**
3D	$10.00	$15.00	$140
3E	$5.00	$10.00	$68
3F	$5.00	$10.00	$88
3G	$10.00	$15.00	$175
3H	$5.00	$10.00	$59
3I	$5.00	$10.00	$63
3J	$5.00	$10.00	$63
3K	$5.00	$10.00	$99
6B	$5.00	$10.00	$30

6C	$5.00	$10.00	$88
7A	$20.00	$25.00	$425
7B	$5.00	$10.00	$61
7C	$5.00	$10.00	$11
7D	$10.00	$15.00	$263
7E	$5.00	$10.00	$88
8A	NA	NA	$1,013
Reserved Parking Space (1)	$5.00	NA	$162
Reading Room	$20.00	$25.00	NA
Event Lawn	$25.00	$30.00	NA
Platform 1	$25.00	$30.00	NA
Platform 2	$30.00	$35.00	NA
Pergola	$20.00	$25.00	NA
Pump House Patio	$25.00	$30.00	NA
Reading Room Terrace	$20.00	$25.00	NA
Putting Green	$20.00	$25.00	NA

NOTES:

1. Annual License Fees (except reserved parking) are based on $0.25 per square foot of space. The actual square footage calculation will be included as part of the license issuance.

2. All hourly rentals require a 50% reservation deposit and refundable security deposit of $100.

3. Hourly Rates are Monday Through Friday 7:00 AM to 6:00 PM. All other times will be subject to the After Hours Rate.

*See Private Use Zone Ordinance for map of Zone ID designations

Agenda Item: E.D

Kannapolis

Agenda Staff Report
February 12, 2024

To: Mayor and City Council

From: Alex Anderson, Director of Water Resources

Subject: **AGREEMENT** - Interjurisdictional Pretreatment Agreement with the Water and Sewer Authority of Cabarrus County

Action Requested by City Council

Motion to approve an interjurisdictional pretreatment agreement between the City of Kannapolis and the Water and Sewer Authority of Cabarrus County and authorize the City Manager to execute the agreement.

Required Votes to Pass Required Action

Majority Present at Meeting

Background

The original pretreatment agreement between the City of Kannapolis and the Water and Sewer Authority of Cabarrus County (WSACC) was last approved in 2003. This is an update to the original agreement. No significant changes were made to the document, just procedural clarifications regarding the process which Kannapolis and WSACC will follow in their efforts to enforce the pretreatment requirements for industrial users. This agreement only covers industrial and other commercial type users, and does not impact the typical residential customer or our operation of the wastewater collection system. Both Kannapolis and WSACC work together to enforce the sewer use ordinance in an effort to protect the City's wastewater collection system and the WSACC interceptors and treatment works.

Fiscal Implications

None

Policy Issues

None.

Legal Issues

Approval from City Council is required for the City Manager to execute the agreement.

Recommendations and Alternate Courses of Action

1. **Motion to approve the agreement between the City of Kannapolis and Water and Sewer Authority of Cabarrus County and authorize the City Manager to execute (Recommended).**
2. Take no action.
3. Table to a future meeting.

Attachments

1. Interjurisdictional Pretreatment Agreement 2023
2. City of Kannapolis Pretreatment Agreement 2003

STATE OF NORTH CAROLINA
CABARRUS COUNTY

INTERJURISDICTIONAL PRETREATMENT AGREEMENT

THIS INTERJURISDICTIONAL PRETREATMENT AGREEMENT (this "**AGREEMENT**") made and entered into this ____ day of ____________, 2023, by and between the **CITY OF KANNAPOLIS**, hereinafter referred to as "**JURISDICTION**", and the **WATER AND SEWER AUTHORITY OF CABARRUS COUNTY**, hereinafter referred to as "**WSACC**". **JURISDICTION** and **WSACC** are collectively referred to as "**PARTIES**".

W I T N E S S E T H :

THAT, WHEREAS, the **PARTIES** are engaged in providing wastewater treatment and/or collection services in accordance with state and federal laws and regulations; and

WHEREAS, the **JURISDICTION** provides no wastewater treatment services; the **JURISDICTION** provides and maintains a wastewater collection system, over which the **JURISDICTION** controls the use and connections thereto; and

WHEREAS, WSACC provides and maintains a multi-jurisdictional wastewater collection system and treatment facilities, in accordance with the NPDES Permit Number NC0036269, NPDES Permit Number NC0081621, and Collection System Permit Number WQCS00009, which services include the treatment of wastewater within the jurisdictional area of the **JURISDICTION**; and

WHEREAS, the **JURISDICTION** and **WSACC** previously entered into an existing Interjurisdictional Pretreatment Agreement, which terminates on December 31, 2023; and

WHEREAS, WSACC is identified by the North Carolina Department of Environmental Quality ("**DEQ**")and the United States Environmental Protection Agency as being responsible for the Publicly Owned Treatment Works ("**POTW**"), including the Rocky River Regional Wastewater Treatment Plant and the Muddy Creek Wastewater Treatment Plant (together, the "**TREATMENT PLANTS**"); and

WHEREAS, WSACC is required by the state and federal regulations to control the introduction of pollutants from non-domestic users into the **TREATMENT PLANTS** by development and implementation of a pretreatment program; and

WHEREAS, DEQ requires an interlocal agreement with each local jurisdiction served, for the implementation and enforcement of the pretreatment program, by **WSACC**, in accordance with 40 CFR Section 403 of the Federal Regulations.

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

Pretreatment and Surcharge Program Agreement
Article I

Section A - Pretreatment Program

1) **WSACC** agrees to provide, implement, and maintain an approved pretreatment program as required by state and federal laws and regulations for the control of non-domestic discharges, in accordance with 40 CFR Section 403 of the Federal Regulations.

2) As part of the pretreatment program, **WSACC's** Sewer Use Ordinance, which shall be amended as necessary to remain consistent with state and federal regulations, contains the conditions and limitations to be met by each non-domestic discharger including federal and state pretreatment standards. This program allows **WSACC** to deny or conditionally approve new or increased contribution of flow and/or pollutants and to establish requirements for existing sources.

3) The Sewer Use Ordinance establishes the requirements for filing an Industrial Discharge Permit Application/Survey to discharge non-domestic wastewater into the Rocky River Regional Wastewater System and Muddy Creek Wastewater System. The Sewer Use Ordinance also establishes the following authorities:

    a) Requires existing non-domestic users to develop a compliance schedule for the installation of technology necessary to meet current pretreatment standards and to submit self-monitoring reports.

    b) Gives the staff of **WSACC** the authority to carry out inspections, surveillances and monitoring procedures necessary to determine compliance. This shall include the right to enter a non-domestic user's premises to examine records of monitoring activities.

    c) Allows **WSACC** to seek injunctive relief for noncompliance and to seek and assess civil penalties for noncompliance.

    d) Gives **WSACC** the authority to halt or prevent any discharges that present or are likely to present an imminent or substantial endangerment to the health or welfare of any person or the environment, or that threaten to interfere with the operations of the **TREATMENT PLANTS**, or cause violation of **WSACC's** permits.

    e) Items (a) through (d) above shall not be interpreted as exclusive and, shall not be interpreted as preventing or restricting the **JURISDICTION** from exercising the same rights, privileges, and/or immunities pursuant to the **JURISTDICTION's** Sewer Use Ordinance.

4) The **JURISDICTION** agrees to adopt a Sewer Use Ordinance that parallels the Sewer Use Ordinance adopted by **WSACC**, which is consistent with state and federal regulations. The

JURISDICTION's Sewer Use Ordinance shall be amended as necessary to ensure that all the requirements of the **JURISDICTION's** Sewer Use Ordinance are as stringent as the requirements of **WSACC's** Sewer Use Ordinance.

5) The **JURISDICTION** agrees to require, by its Sewer Use Ordinance, that all non-domestic dischargers, existing and future, file an Industrial Discharge Permit Application/Survey directly with **WSACC** and to comply with all other provisions of **WSACC's** Sewer Use Ordinance.

6) **WSACC** will deliver a copy of the draft Industrial Discharge Permit to the **JURISDICTION** for review and approval. Comments must be received by **WSACC** within fourteen (14) days from the date the draft Industrial Discharge Permit was received by the **JURISDICTION**. If the **JURISDICTION** does not provide comments to **WSACC** within the 14-day period, the **JURISDICTION** is deemed to have no comments and the permit shall be sent to the industrial user and the State for approval as drafted. Any changes requested or required by the **JURISDICTION** must be justified by the **JURISDICTION**. If the **JURISDICTION** needs to impose any special conditions upon a specific discharger, such as the requirement to equalize flow to protect sewer lines, the **JURISDICTION** must notify the discharger and **WSACC**. **WSACC** shall include these special conditions in the permit.

7) Both the **JURISDICTION** and **WSACC** agree to uphold the permit limitations or conditions imposed upon a non-domestic discharger by either or both.

8) **WSACC** agrees to provide the **JURISDICTION** with copies of all permits and copies of all correspondence with non-domestic dischargers connected to the **JURISDICTION's** wastewater collection system.

9) To the extent the **JURISDICTION** possesses such records, the **JURISDICTION** agrees to provide **WSACC**, upon request, any and all records relating to water use and wastewater discharges by non-domestic user(s) for the purpose of validation of monitoring records and compliance with pretreatment standards and requirements. The **JURISDICTION** and **WSACC** shall have the right to require the installation of a flow meter on wastewater services for wastewater volume determination pursuant to existing policies and procedures.

10) The **JURISDICTION** agrees to control, as provided for in the **JURISDICTION**'s Sewer Use Ordinance, connections to its wastewater collection system so that all connections meet the requirements of the **JURISDICTION's** Sewer Use Ordinance. Procedures for approving industrial connections to the sanitary sewer system are summarized in Appendix A.

11) The staffs of the **JURISDICTION** and **WSACC** agree to coordinate in good faith prior to severing the power and/or water service to prevent any adverse impacts on the sanitary sewer system, the **TREATMENT PLANTS**, or the environment.

Section B - Surcharge Program

WSACC shall include in the Sewer Use Ordinance discharge limits based on the treatment plant influent design for particular constituents. Users discharging in excess of the constituent levels listed in the Sewer Use Ordinance will be subject to surcharges due and payable to WSACC as noted on invoices for the surcharges. Surcharges are not an exclusive remedy and may be used in conjunction with additional enforcement remedies to obtain compliance with the Sewer Use Ordinance or an applicable Industrial Discharge Permit. No discharge will be allowed which will cause WSACC to be in non-compliance with its permits for the **TREATMENT PLANTS.**

Section C - Compensation

1) **WSACC** will establish the basis for a Surcharge Rate Structure uniform throughout **WSACC's** service area and the **JURISDICTION** and consistent with current state and federal regulations. **WSACC** will review and update the surcharge rate as necessary to comply with the Sewer Use Ordinance and to recover all the cost incurred by the excess loadings (e.g. Surcharge Fees). Any proposed changes and modifications to the Surcharge Rate Structure will be reviewed with the **JURISDICTION** before adoption.

2) **WSACC** will include in and as a separate part of the Surcharge Rate Schedule Program, a Rate Schedule that shall recover the cost for administering and monitoring of the Pretreatment and Surcharge Programs (e.g. Program Fees and Sample Fees).

3) The Rate Schedules for the Pretreatment and Surcharge Programs, described in number 1 and 2, shall be reviewed by **WSACC** annually to insure that each non-domestic source is paying a reasonable fair share. Each non-domestic user, subject to the Pretreatment and Surcharge Programs shall be billed directly by **WSACC**. Bills are payable within twenty (20) days from the billing date.

4) To the extent the **JURISDICTION** possesses such records, the **JURISDICTION** agrees to provide the EHS Compliance Manager at the **TREATMENT PLANTS** with monthly water consumption and wastewater metered data by the third (3rd) day of each month for the previous month. The data will be used to calculate the monthly Surcharge Billing for each non-domestic user subject to the Pretreatment and Surcharge Programs, in accordance with **WSACC's** Sewer Use Ordinance.

Article II

<u>Remedies For Non-compliance</u>

1) The **JURISDICTION** agrees to reimburse and hold harmless **WSACC** from all costs and damages to treatment works or disruption of treatment processes or operations, including costs for sludge disposal, which may result from any act or omission by the **JURISDICTION** not in accordance with this **AGREEMENT**.

2) **WSACC** and the **JURISDICTION** agree to not accept any wastewater from any source, domestic or non-domestic, whose facilities do not meet all State requirements concerning obtaining and holding a valid permit prior to construction or whose permit has been revoked by **WSACC**.

3) The **JURISDICTION** agrees that **WSACC** may exercise any of its enforcement options within its Sewer Use Ordinance, WSACC's Enforcement Response Plan and/or the industry's permit. The **JURISDICTION** also agrees to support **WSACC** in the enforcement procedures and action(s) taken by **WSACC** to correct violations of **WSACC's** Sewer Use Ordinance and Pretreatment Program, provided such enforcement action(s) and procedures are in accordance with **WSACC's** Sewer Use Ordinance as may be amended.

4) In the event the **JURISDICTION** and/or **WSACC** fails to comply with any of the terms of this **AGREEMENT**, **WSACC** and/or the **JURISDICTION** may initiate appropriate action for damages or for specific performance for compliance with the terms hereof.

Article III

<u>Section A - Duration of Agreement</u>

This **AGREEMENT** is effective as of the day and year first above written and, unless amended or modified as set forth in Article III, Section B hereinafter, shall remain in effect until December 31, 2043. Action to review, renew, and/or extend this **AGREEMENT**, as written or as appropriately modified, shall require action by both respective governing bodies of **WSACC** and the **JURISDICTION** on or before December 1, 2043.

<u>Section B - Method of Amendment/Termination of Agreement</u>

This **AGREEMENT** may be amended or terminated only by a vote of the majority of the members of each of the respective governing boards of **WSACC** and the **JURISDICTION**.

Section C - Warranties

WSACC and the **JURISDICTION** hereby warrant and represent that:

a) Execution of this **AGREEMENT** and full performance of its own obligations hereunder is fully authorized by law;

b) Each has complied or will comply with all procedures necessary to render its execution of this **AGREEMENT** and the performance of its obligations hereunder as valid, legal and binding acts of **WSACC** or the **JURISDICTION**, respectively.

Section D - Miscellaneous

WSACC and the **JURISDICTION** further say that:

a) No failure or delay in exercising any right hereunder on the part of either party shall operate as a waiver thereof, nor shall any single or partial exercise by either party of any right hereunder preclude any other further exercise thereof or the exercise of any other right;

b) Except as modified by separate written agreement of **WSACC** and the **JURISDICTION** and/or termination as provided herein, this **AGREEMENT** shall be binding upon and endure to the benefit of **WSACC** and the **JURISDICTION**, and their respective successors and assigns.

c) Either party perceived to be in violation of this **AGREEMENT** by the other shall be notified in writing of the perceived violation by the other and given ten (10) days from the receipt of such notification to cure any such violation. Said notice shall be hand-delivered to the Executive Director of **WSACC** or the Signatory Representative of the **JURISDICTION**.

d) Neither party shall be liable to the other for violation of this **AGREEMENT** when such violation is proximately caused by force majeure whether by act of nature or person.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the **PARTIES** have executed this **AGREEMENT** in duplicate originals, following due and proper approval by their respective governing bodies in official session.

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY

By: ________________________________
Name: Michael Wilson
Title: Executive Director

ATTEST:

____
Tammy Garifo, Executive Secretary
to the Board of Directors
(Seal)

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

________________________________ ____________
Wendi Heglar, Finance Director Date

IN WITNESS WHEREOF, the **PARTIES** have executed this **AGREEMENT** in duplicate originals, following due and proper approval by their respective governing bodies in official session.

CITY OF KANNAPOLIS

By: ________________________________
Name: ______________________________
Title: ______________________________

ATTEST:

____
___________________, __________________
(Seal)

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

________________________________ ____________
___________________, __________________ Date

APPENDIX A

PROCEDURES FOR APPROVING INDUSTRIAL

CONNECTIONS

TO THE SANITARY SEWER SYSTEM

(1) Once the user has contacted the JURISDICTION for a tie-in connection to discharge non-domestic wastewater into the sanitary sewer system, the JURISDICTION should review the request and determine whether it approves the wastewater discharge, discharge location, sampling location, connection to sanitary sewer system, etc. WSACC shall be informed in writing of the JURISDICTION's decision, questions and/or concerns.

(2) If the user proposes non-domestic discharge (i.e. industrial user), upon approval from the JURISDICTION, the industrial user shall be instructed by the JURISDICTION to submit a completed Industrial User Wastewater Survey and Permit Application to WSACC for review. If the JURISDICTION does not have a copy of the application, it should instruct the industrial user to contact WSACC's Pretreatment staff at 704-788-4164.

(3) WSACC will review the application and determine whether the wastewater can be accepted into one of the TREATMENT PLANTS. Upon this determination, WSACC will submit a letter to the industrial user of the decision, with a copy forwarded to the JURISDICTION. For connections denied, the industrial user may appeal the decision or request a hearing in accordance with WSACC's Sewer Use Ordinance.

(4) Once the proposed connection has been properly approved by both WSACC and the JURISDICTION, WSACC will determine whether the industrial user should be permitted and/or included in the local pretreatment program.

(5) WSACC will notify the industrial user of the final determination and a copy of all correspondence will be sent to the JURISDICTION, in accordance with this AGREEMENT.

Note: These same procedures should be followed for additional connections to the sanitary sewer system from existing industries.

Updated: 05/23

STATE OF NORTH CAROLINA
CABARRUS COUNTY

INTERJURISDICTIONAL PRETREATMENT AGREEMENT

THIS AGREEMENT made and entered into this 14th day of April, 2003, by and between the **CITY OF KANNAPOLIS**, hereinafter referred to as **KANNAPOLIS**, and the **WATER AND SEWER AUTHORITY OF CABARRUS COUNTY**, hereinafter referred to as **WSACC**;

WITNESSETH:

THAT, WHEREAS, these parties are engaged in providing wastewater treatment and/or collection services in accordance with state and federal laws and regulations; and

WHEREAS, KANNAPOLIS provides no wastewater treatment services; **KANNAPOLIS** provides and maintains a wastewater collection system, over which **KANNAPOLIS** controls the use and connections thereto; and

WHEREAS, WSACC provides and maintains multi-jurisdictional wastewater collection system and the treatment facilities, in accordance with the NPDES permit number NC0036269, NPDES permit number NC0081621, and collection system permit number WQSC00009; and

WHEREAS, KANNAPOLIS and **WSACC** has previously entered into an existing Pretreatment Agreement, which terminated on December 31, 2002.

WHEREAS, WSACC is identified by the North Carolina Department of Environment and Natural Resources and the United States Environmental Protection Agency as being responsible for the Publicly Owned Treatment Works (POTW); Rocky River Regional Wastewater Treatment Plant and the Muddy Creek Wastewater Treatment Plant; and

WHEREAS, WSACC is required by the state and federal regulations to control all non-domestic wastewater discharges into the Rocky River Regional Wastewater Treatment Plant and the Muddy Creek Wastewater Treatment Plant by development and implementation of a pretreatment program; and

WHEREAS, the North Carolina Department of Environment and Natural Resources is requiring an interjurisdictional pretreatment agreement, with each local jurisdiction served, for the implementation and enforcement of the pretreatment program, by **WSACC** within the county, in accordance with 40 CFR Section 403 of the Federal Regulations.

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

Pretreatment and Surcharge Program Agreement
Article I

Section A- Pretreatment Program

1) **WSACC** agrees to provide, implement, and maintain an approved pretreatment program as required by state and federal laws and regulations for the control of non-domestic discharges, in accordance with 40 CFR Section 403 of the Federal Regulations.

2) As part of the pretreatment program, **WSACC's** Sewer Use Ordinance, which shall be amended as necessary to remain consistent with state and federal regulations, contains the conditions and limitations to be met by each non-domestic discharger including federal and state pretreatment standards. This program allows **WSACC** to deny or conditionally approve new or increased contribution of pollutants and to establish requirements for existing sources. The Sewer Use Ordinance establishes the requirements for filing an Industrial Discharge Permit Application/Survey to discharge non-domestic wastewater into the Rocky River Regional Wastewater System and Muddy Creek Wastewater System. The Sewer Use Ordinance also establishes the following authorities:

   a) Requires existing non-domestic users to develop a compliance schedule for the installation of technology necessary to meet current pretreatment standards and to submit self-monitoring reports.

   b) Gives the staff of **WSACC** the authority to carry out inspections, surveillances and monitoring procedures necessary to determine compliance. This shall include the right to enter a non-domestic user's premises to examine records of monitoring activities.

   c) Allows **WSACC** to seek injunctive relief for noncompliance and to seek and assess civil penalties for noncompliance.

   d) Gives **WSACC** the authority to halt or prevent any discharges that present or are likely to present an imminent danger to health, the environment, or that threaten to interfere with the operations of the Rocky River Regional Wastewater Treatment Plant and the Muddy Creek Wastewater Treatment Plant.

   e) Items (a) through (d) above shall not be interpreted as exclusive and, specifically, shall not be interpreted as preventing or restricting **KANNAPOLIS** from exercising the same rights, privileges, and/or immunities pursuant to their ordinance.

3) **KANNAPOLIS** agrees to adopt a Sewer Use Ordinance that parallels the Sewer Use Ordinance adopted by **WSACC**, which is consistent with state and federal regulations. **KANNAPOLIS'** Ordinance shall be amended as necessary to insure that all the requirements of **KANNAPOLIS'** Ordinance are as stringent as the requirements of **WSACC's** Sewer Use Ordinance.

4) **KANNAPOLIS** agrees to require, by ordinance, that all non-domestic dischargers, existing and future, file an Industrial Discharge Permit Application/Survey directly with **WSACC** and to comply with all other provisions of **WSACC's** Sewer Use Ordinance.

5) A copy of the draft permit shall first be sent to **KANNAPOLIS**, by **WSACC**, for review and approval. Comments must be received by **WSACC** within 14 days from the date received by **KANNAPOLIS** or the permit shall be sent to the industrial user and the State for approval as drafted. Any changes requested or required by **KANNAPOLIS** will have to be justified by **KANNAPOLIS**. If **KANNAPOLIS** needs to impose any special conditions upon a specific discharger, such as the requirement to equalize flow to protect sewer lines, **KANNAPOLIS** must notify the discharger and **WSACC**. **WSACC** shall include these special conditions in the permit.

6) Both **KANNAPOLIS** and **WSACC** shall adopt and comply with a Sewer Use Ordinance consistent with state and federal regulations and agree to support the permit limitations or conditions imposed upon a non-domestic discharger by either or both.

7) **WSACC** agrees to provide **KANNAPOLIS** with copies of all permits and copies of all correspondence with non-domestic dischargers connected to **KANNAPOLIS'** wastewater collection system.

8) To the extent **KANNAPOLIS** possesses such records, **KANNAPOLIS** agrees to provide **WSACC**, upon request, any and all records relating to water use and wastewater discharges by non-domestic user(s) for the purpose of validation of monitoring records and compliance with pretreatment standards and requirements. **KANNAPOLIS** and **WSACC** shall have the right to require the installation of a flow meter on wastewater services for wastewater volumes determination pursuant to existing policies and procedures.

9) **KANNAPOLIS** agrees to control, as provided for in **KANNAPOLIS'** Sewer Use Ordinance, connections to its wastewater collection system so that all connections meet the requirements of **KANNAPOLIS'** Sewer Use Ordinance. Procedures for approving industrial connections to the sanitary sewer system are summarized in Appendix A.

10) The staffs of **KANNAPOLIS** and **WSACC** shall agree upon the day-to-day procedures for the implementation of this Agreement. **WSACC's** staff shall put the agreed upon procedures in writing and submit to **KANNAPOLIS'** staff for concurrence. Procedures proposed by **WSACC** are summarized in Appendix B.

11)

11) The staffs of **KANNAPOLIS** and **WSACC** agree to conduct a joint walk-through or inspection of a non-domestic discharger prior to severing the power and/or water service to prevent any adverse impacts on the sanitary sewer system, treatment plants, or environment.

Section B- Surcharge Program

WSACC shall include in the Sewer Use Ordinance the allowable treatment plant influent design discharge limits for BOD, COD, TSS and NH_3. Provided the Rocky River Regional Wastewater Treatment Plant and Muddy Creek Wastewater Treatment Plant have adequate capacity and the capability to comply with their NPDES Permit, a non-domestic discharger will be permitted to discharge in excess of the design limits provided a surcharge is paid and there is no adverse impact on the treatment plant or their operation.

Section C- Compensation

1) **WSACC** will establish the basis for a Surcharge Rate Structure uniform throughout **WSACC's** service area and **KANNAPOLIS** and consistent with current state and federal regulations. **WSACC** will review and update the surcharge rate as necessary to comply with the ordinance and to recover all the cost incurred by the excess loadings (e.g. Surcharge Fees). Any proposed changes and modifications to the Surcharge Rate Structure will be reviewed with **KANNAPOLIS** before adoption.

2) **WSACC** will include in and as a separate part of the Surcharge Rate Schedule Program, a Rate Schedule that shall recover the cost for administering and monitoring of the Pretreatment and Surcharge Programs (e.g. Program Fees and Sample Fees).

3) The Rate Schedules for the Pretreatment and Surcharge Programs, described in number 1 and 2, shall be reviewed by **WSACC** annually to insure that each non-domestic source is paying a reasonable fair share. Each industry or non-domestic user, subject to the Pretreatment and Surcharge Programs shall be billed directly by **WSACC**. Bills are payable within 20 days from the billing date.

4) To the extent **KANNAPOLIS** possesses such records, **KANNAPOLIS** agrees to provide the Industrial Pretreatment Coordinator at the Rocky River Regional Wastewater Treatment Plant with monthly water consumption and wastewater metered data by the fourth (4^{th}) day of each month for the previous month. The data will be used to calculate the monthly Surcharge Billing for each non-domestic user subject to the Pretreatment and Surcharge Programs, in accordance with **WSACC's** Sewer Use Ordinance.

Article II

<u>Remedies For Non-compliance</u>

1) **KANNAPOLIS** agrees to reimburse and hold harmless **WSACC** from all costs and damages to treatment works or disruption of treatment processes or operations, including costs for sludge disposal, which may result from any act or omission by **KANNAPOLIS** not in accordance with this Agreement.

2) **WSACC** and **KANNAPOLIS** agree to not accept any wastewater from any source, domestic or non-domestic, whose facilities do not meet all State requirements concerning obtaining and holding a valid permit prior to construction or whose permit has been revoked by **WSACC**.

3) **KANNAPOLIS** agrees that **WSACC** may impose fines upon dischargers in violation of standards and limitations. **KANNAPOLIS** also agrees to support **WSACC** in the enforcement procedures and action(s) taken by **WSACC** to correct violations of **WSACC's** Sewer Use Ordinance and Pretreatment Program, provided such enforcement action(s) and procedures are in accordance with Section 8 of **WSACC's** Sewer Use Ordinance as may be amended. Appendix C is the present version of **WSACC**'s Sewer Use Ordinance, dated August 18, 1994.

4) In the event **KANNAPOLIS** and/or **WSACC** fails to comply with any of the terms of this Agreement, **WSACC** and/or **KANNAPOLIS** may initiate appropriate action for damages or for specific performance for compliance with the terms hereof.

Article III

<u>Section A- Duration of Agreement</u>

This Agreement is effective as of the day and year first above written and, unless amended or modified as set forth in Paragraph III B hereinafter, shall remain in effect until December 31, 2023. Action to review, renew, and/or extend this Agreement, as written or as appropriately modified, shall require action by both respective governing bodies of **WSACC** and **KANNAPOLIS** on or before December 1, 2023.

Section B- Method of Amendment/Termination of Agreement

This Agreement may be amended or terminated only by a vote of the majority of the members of each of the respective governing boards of **WSACC** and **KANNAPOLIS**.

Section C- Warranties

WSACC and **KANNAPOLIS** hereby warrant and represent that:

a) Execution of this Agreement and full performance of its own obligations hereunder is fully authorized by law;

b) Each has complied or will comply with all procedures necessary to render its execution of this Agreement and the performance of its obligations hereunder as valid, legal and binding acts of **WSACC** or **KANNAPOLIS**, respectively.

Section D- Miscellaneous

WSACC and **KANNAPOLIS** further say that:

a) No failure or delay in exercising any right hereunder on the part of either party shall operate as a waiver thereof, nor shall any single or partial exercise by either party of any right hereunder preclude any other further exercise thereof or the exercise of any other right;

b) Except as modified by separate written agreement of **WSACC** and **KANNAPOLIS** and/or termination as provided herein, this Agreement shall be binding upon and endure to the benefit of **WSACC** and **KANNAPOLIS**, and their respective successors and assigns.

c) Either party perceived to be in violation of this Agreement by the other shall be notified in writing of the perceived violation by the other and given 10 days from the receipt of such notification to cure any such violation. Said notice shall be hand-delivered to the Executive Director of **WSACC** or the City Manager of **KANNAPOLIS**.

d) Neither party shall be liable to the other for violation of this Agreement when such violation is proximately caused by force majeure whether by act of nature or person.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate originals, following due and proper approval by their respective governing bodies in official session.

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY

By: ______________________
Chairman, Board of Directors

ATTEST:

____
Secretary
(Seal)

CITY OF KANNAPOLIS

By: ______________________
City Manager

ATTEST:

____
City Clerk
(Seal)

CITY OF KANNAPOLIS
INCORPORATED
SEAL
1984
NORTH CAROLINA

Approved as to Form:

____
City Attorney

****

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

____
Michael W. Shinn, Finance Director
City of Kannapolis

____
Michael Wilson, Finance Director
Water & Sewer Authority of
Cabarrus County

APPENDIX A

PROCEDURES FOR APPROVING INDUSTRIAL CONNECTIONS TO THE SANITARY SEWER SYSTEM

(1) Once the industry has contacted the jurisdiction for a tie-in connection to discharge non-domestic wastewater into the sanitary sewer system, the jurisdiction should review the industry's request and determine whether they approve the wastewater discharge, discharge location, sampling location, connection to sanitary sewer system, etc. The Water and Sewer Authority of Cabarrus County (WSACC) should be informed in writing of the jurisdiction's decision, questions and/or concerns.

(2) After receiving approval from the jurisdiction, the industry should be instructed by the jurisdiction to submit a completed Industrial User Wastewater Survey and Permit Application to WSACC for review. If the jurisdiction does not have a copy of the application, they should instruct the industry to contact WSACC's Pretreatment staff at 788-4164, ext. 12.

(3) WSACC will review the application and determine whether the wastewater can be accepted into the Rocky River Regional Wastewater Treatment Plant or Muddy Creek Wastewater Treatment Plant. Upon this determination, WSACC will submit a letter to the industry of the decision, with a copy forwarded to the jurisdiction. For connections denied, the industry will be allowed to appeal the decision or request a hearing in accordance with Section 4.2(H) of WSACC's Sewer Use Ordinance.

(4) Once the proposed connection has been properly approved by both WSACC and the jurisdiction, WSACC will determine whether the industry should be permitted and/or included in the local pretreatment program.

(5) WSACC will notify the industry of the final determination and a copy of all correspondence will be sent to the jurisdiction, in accordance with the Pretreatment Agreement.

Note: These same procedures should be followed for additional connections to the sanitary sewer system from existing industries.

Updated: 6/18/02

APPENDIX B

PRETREATMENT: DAY-TO-DAY PROCEDURES

- New Industry:
  - Municipality should notify WSACC of Prospective User
  - WSACC will provide User with Industrial Discharge Permit Application/Survey
  - WSACC will: Review application
    - Verify information provided via site inspection (if possible)
    - Calculate limits and determine other requirements
    - Draft industrial user pretreatment permit (IUP)
    - Send draft to municipality and request comments or concerns within 14 days
    - Issue IUP to User
    - Issue Authorization to Construct to User for the construction of any pretreatment facility
    - Copy IUP to State, municipality, and WSACC Central Files

- Existing Industry:
  - WSACC inspects annually to verify compliance with IUP, Sewer Use Ordinance (SUO) and any other applicable standards and provide copy of report to municipality
  - Monitor effluent monthly, quarterly, or daily
    - WSACC evaluates compliance with data collected
    - WSACC issues Notices of Noncompliance or Notices of Violation with possible civil penalties or other enforcement actions available to WSACC in the SUO
    - Copy municipality and WSACC Central Files of correspondence
    - Provide Industry with compliance calculations
    - Summarize data and noncompliance for the Pretreatment Annual Report required by the NPDES permit for submission to the State
  - WSACC shall require each Industry to submit a new Industrial Discharge Permit Application/Survey every 5 years or as needed with plant expansions, change in operation or processes, and/or new ownership
  - WSACC will: Review application
    - Verify information provided via site inspection
    - Calculate limits and determine other requirements
    - Draft industrial user pretreatment permit (IUP)
    - Send draft to municipality and request comments or concerns within 14 days
    - Issue IUP to User
    - Issue Authorization to Construct to User for the construction of any pretreatment facility
    - Copy IUP to State, municipality, and WSACC Central Files

- Municipality will furnish industrial potable water and wastewater metered flows to WSACC by the 4th day of each month as requested
    - WSACC will utilize flows for surcharge billing and compliance judgment

➢ Other NPDES requirements for Pretreatment Program:

- WSACC shall maintain the Headworks Analysis for the wastewater treatment plants which is used to determine the available loading into the plants
    - A new HWA must be completed every 5 years and submitted to the State for approval
    - Maintain an Allocation Table, pursuant to the NPDES permit, which summarizes the results of the HWA and the limits from all of the IUPs. Permitted IUP loadings for each parameter or pollutant cannot exceed the treatment capacity of the plant as determined by the HWA.
- WSACC shall conduct an Industrial Waste Survey of the entire service area every 5 years and submit to the State for approval
    - Requires that all users of the sewer collection system be surveyed to determine actual discharge
    - Municipality will furnish a listing of all industrial customers, along with their mailing address and six month average potable water consumption and/or six month average wastewater metered flow
- WSACC shall develop and implement a Long Term Monitoring Plan (LTMP) for data collection to be used in the HWA for the development of specific pretreatment local limits. LTMP must be approved by the State
- WSACC shall develop and enforce an Enforcement Response Plan for handling noncompliant users
- WSACC shall publish annually a list of Significant Industrial Users that were in Significant Noncompliance with pretreatment standards in the IUP and/or SUO during the previous 12 month period
- WSACC shall maintain for a minimum of 3 years records of monitoring activities and results and other records of industrial impact on the wastewater treatment plant
- WSACC shall maintain adequate legal authority through the SUO in order to implement the pretreatment program

CITY OF KANNAPOLIS
CITY COUNCIL MEETING
BUSINESS MEETING MINUTES
January 22, 2024

A regular business meeting of the City Council of the City of Kannapolis was held on Monday, January 22, 2024, at 6:00 PM at the Kannapolis City Hall located at 401 Laureate Way, Kannapolis, NC.

CITY COUNCIL MEMBERS PRESENT:

Mayor:	Milton D. Hinnant	
Council Members:	Jeanne Dixon	
	Dianne Berry	
	Darrell Jackson	
	Ryan Dayvault	
	Tom Kincaid	
Council Members Absent:	Doug Wilson	
City Manager:	Mike Legg	
Assistant to the City Manager:	Kristin Jones	
Assistant City Manager:	Wilmer Melton	
Assistant City Manager:	Tina Cline	
City Clerk:	Bridgette Bell	
City Attorney:	Walter M. Safrit	
Staff Present:	Michael Rattler	Annette Privette Keller
	Tony Eury	David Jordan
	Terry Spry	Tracy Winecoff
	Kirk Beard	Irene Sacks
	Sharon Bailey	Sherry Gordon
	Alex Anderson	Gerald Faulkner
	Greg Summitt	Jerome Blakeney
Others Present:	Zach Erwin	Courtney Erwin
	Seth Moore	Phil Goodman
	Grant Rader	Patti Rader
	Darrell Lipe	Andre Cottrell
	Sophia Wilkerson	Mark Spitzer
	Stacy Harrington	Joanne Chesley
	Lottie Fortney	McKenzie Lingafelt
	Timothy Cook	Brad Jordan

Anna Cook	Travis Barnhardt
Hayden Radford	Benjamin Preddy
Pam Smith	Linda Cunningham
Gary Clark	Leslie Clark
Wayne Starnes	Britney Thomas
Kim Hall	Joe Hall
Yolanda Cooke	Thomas Allen
Chris Gordon	Queen Reid
Jonathan McCaskill	Dianne Sartiano
George Sartiano	Betty Rhyne
Joe Hatley	Bob Doty
Joanne Chesley	

<u>CALL TO ORDER AND WELCOME:</u>

Mayor Hinnant called the meeting to order and welcomed all in attendance. Mayor Hinnant led a moment of silent prayer and Council Member Kincaid offered the Pledge of Allegiance.

<u>ADOPTION OF AGENDA - Motion to Adopt Agenda or make revisions.</u>

Council Member Dixon requested that Consent Agenda "C" and Consent Agenda "D" be moved to the Business Agenda as Business Agenda "C"- Budget Amendment appropriating Powell Bill Funding to be used for Enhanced Street Paving Efforts and Business Agenda "D".-Resolution Authorizing the Upset Bid Process for the College Station Outparcels. There being no objections, Council Member Jackson made a motion to adopt the revised agenda. Motion was seconded by Council Member Dayvault and approved by unanimous vote.

<u>PROCLAMATIONS:</u>

Mayor Hinnant read a Proclamation recognizing February Black History Month and presented the proclamation to Mrs. Wilkerson.

<u>RECOGNITIONS:</u>

<u>New Hiring Pinning - Promotional Pinning and New Hire Pinning (Tracy Winecoff, Fire Chief)</u>

Those being honored tonight:

1. TJ Cook is being pinned as Assistant Chief
2. Chris Morris is being pinned as Battalion Chief
3. Jeremi Carter is being pinned as Captain
4. Clay Sellers is being pinned as Captain
5. Corey Cox is being pinned as Engineer
6. Bubba McLaughlin is being pinned as Engineer
7. Brad Harrington is being pinned as Firefighter
8. Blake Thomas is being pinned as Firefighter

RECOGNITION - Certified Operator of the Year Award - Gerald Faulkner (Alex Anderson, Director of Water Resources)

Mr. Anderson recognized Gerald Faulkner in recognition the Certified Operator of the Year Award given to recognize at each level of certification (A Surface, B Surface, C Surface, A-Well, B-Well, C-Well, D-Well). The candidate must be a Waterworks Operator who has demonstrated outstanding ability, devotion, and technical expertise in the operation of a water treatment facility. In order to obtain this award, the candidate must also be a member in good standing of the NCWOA and engaged in water treatment at least part time or on a regular basis.

CONSENT AGENDA – Motion to approve Consent Agenda or make revisions

Council Member Dixon made a motion to approve the Consent Agenda. Motion was seconded by Council Member Berry and approved by unanimous vote.

Appointment - North Carolina State Firefighters Relief Fund. (Kirk Beard, Deputy Fire Chief) (Copy included as Exhibit A)

Budget Amendment - Appropriating Powell Bill Funding to be used for Enhanced Street Paving Efforts (Kristin Jones, Assistant to the City Manager) (Copy included as Exhibit B)

December 11, 2023, Business Meeting Minutes (Bridgette Bell, City Clerk)

January 08, 2024, Work Session Minutes (Bridgette Bell, City Clerk)

BUSINESS AGENDA

Presentation - City Activity Update (Mike Legg, City Manager) (Copy included as Exhibit C)

Mr. Legg began his presentation with the Downtown area.

- Main Street Parklets. To be completed by Spring, 2024.
- Main Street Parking Lot. Property acquired from Insite. Homes to be demolished in the next 30 days. Potential partnership with NCDOT for larger single parking lot
- Ballpark Renovations- MLB requirement. Underway with completion prior to 2024 baseball season.
- West Avenue-South Parking Lot. Potential partnership with First Presbyterian Church
- Downtown Shuttles. Arrival within 60 days, Service to begin Spring 2024.
- Regulated Parking of Premium Spaces. City Council to consider proceeding in the next 60 days.
- Downtown- Block 1. Main Street utility improvements. Behind the Gem Theatre. Begin Fall/Winter 2024
- 2024 Restaurants. Towel City Tavern, Old Bank Building Food Court, Deli/Breakfast spot

on Main.

- Stadium Lofts. 43 Apartments, Tavern, Cannon Ballers store/offices. Completed March 2024
- 200 Main. 78 Apartments, Back under construction as soon as Stadium Lofts completed.
- Block 6 Requests for Projects. 5 received-currently under staff review. Any project likely 18 months from breaking ground.
- Block 10 Hotel. Development Agreement in process. Will include details on Chestnut St. conversion to linear park.
- Plant 4 Property. Agreement with the United States Performance Center expired. City has received repayment of previous grant ($1.2M)
- Block 4 North and Block 5. Owned by Temerity. Development on hold.

Parks and Recreation:

- West Avenue pedestrian upgrades. Completed in December 2023.
- Park Improvements. Underway at Village Park, Bakers Creek Park and Safrit Park.
- Cultural Arts/Historical Preservation Program. New coordinator position funded. Citizen Commission to be established.
- Gem Theatre Renovations. Underway-opening May 2024
- Swanee Theatre Operations. Spring 2014 decision of operating contract extensions vs in house operations.
- Parks and Recreation Master Plan Update. Underway.

Economic Development:

- Lakeshore Corporate Park. All three buildings completed, Chick-Fil-A Supply operating in 2025. Other buildings ready for occupants. 702,250 sq. ft.
- Kannapolis Crossing/Overlook 85. Mass grading underway, One building under construction 730,000 sq. ft. eight additional buildings planned, 4.4 million total sq.ft.
- Metro 63. One building completed-seeking tenant(s). 755,996 sq. ft.
- 85 Exchange. NC 73 @ Kannapolis Parkway. Two buildings under construction. Seven total buildings planned = 1,302,300 sq. ft.
- Davidson 85. NC 73@ Stanley Drive. One building under construction = 146,635 sq.ft.
- Core Lab and Related Assets. Castle & Cooke continues to seek potential buyers.
- Central Energy Plant and parking assets will be the City's primary interest.
- More than 7 million sq. ft. under development. Larger than the Cannon Mills/Pillowtex complex. Not the same economic impact but clearly, we are in a robust industrial development/job creation environment.

Public Safety:

- Cabarrus County Joint Public Safety Training Center. Preliminary site and building designs

underway. Kannapolis role limited mostly to driving course and firing range.
- Fire Station #1 and Station #4. Remodeling underway-completion summer/fall 2024.
- Storage Facility at Station #2. Construction to start summer 2024. Federal Grant.
- Western Cabarrus Transmission Tower.
- Mooresville Road Water Tank site. Construction tentatively slated to begin in spring of 2025. Currently in permitting stage.

Water and Sewer:
- Clearwell Rehab at the Water Treatment Plant. Project bid closes January 25. Target start construction late spring 2024.
- Kannapolis Crossing/Overlook 85. Water and sewer extensions are complete. Elevated tank and booster station are 90% complete.
- Lift Station Uplifts at Lakeshore Corp. Park. Rebuilt the entire station. Increases capacity and resiliency to the sewer system. 95% completed.
- Downtown Sewer Outfall. Project is designated and permitted, awaiting funding decisions with FY25 budget.
- Kannapolis Lake Spillway Replacement. Replaces the undersized and delaminated concrete chute at the Lake. 90% of design completed. Target of summer 2024 to bid.
- PFAS Review. New Federal drinking water regulation. Initial state review complete. Reviewing options on what true impacts to City's system and awaiting further engineering review. Will be a future City Council funding decision.
- Staffing Level Improved. Currently 6 vacant positions (3 offers pending). This is vastly improved from 17 vacant positions last year. New employees have limited experience.

Transportation, Stormwater & Environmental:
- New Solid Waste Contractor. Waste Connections begins service July 1, 2024.
- Stormwater Improvements Strategy.
- Stormwater Master Pla
- Stormwater Funding Decisions
- LASII Stormwater Grant- design of 3 potential projects (Peach St/Marie Lane, Breckenridge Rd).
- Highway 3 widening. Substantial completion-Summer 2024
- Train Station 2nd Platform and Pedestrian Overpass. Contract letting date June 2024.
- Little Texas Road Sidewalk. Right-of-Way acquisition fall 2024. Construction begins Spring 2025. Completion targeted for Fall 2026.
- Rogers Lake Road Bridge. Underway with substantial completion June 2026.
- Safe Streets for All-Traffic Study. Federal Grant. Selection of engineering firm underway. 5-12 months duration.
- MLK Bridge Replacement. In design, right-of-way and permitting in progress. Contract

letting fall/winter 2024.

Planning:
- Cannon Boulevard Plan. Planning and Zoning Commission review, City Councill summer 2024.
- City Code revisions. Enhanced enforcement tools to remedy some minimum housing issues more effectively. Early summer 2024.
- West C Street area remaining. Staff driven. Neighborhood meeting last Tuesday. Mixed input. Goal is balancing commercial and residential interests.
- Lowes Foods & McDonald @ Kellswater. Target is spring 2025 completion (likely sooner for McDonalds).
- Coleman Mills (West C Street & Glen Ave). Review underway for this 235-unit townhome site (Insite property). Rezoning rescheduled for February P&Z meeting.
- Other Insite Properties. Former NCRC vacant land. Plans continue to evolve. New letter of intent being drafted.

Other Updates:
- Youth Council. Applications now open for Fall 2024
- Stormwater Fee Audit. Some non-residential properties will see an increase in Stormwater fees due to changes in impervious surface. Planned to be included in FY25 budget.
- Pulse Survey. This is a tool that was originally used in 2022 and with the employee feedback received, we have implemented several things including: compensation improvements, personnel policy improvements and supervisory training. Second pulse survey launched early this month.
- SEEK- "Support Engage & Excel Kannapolis". Supervisor training program launching in February.
- Mid-Level Manager's Group. Leadership development, better connection between department heads/manager and all employees. SEEK first then first meeting late spring/early summer 2024.
- In the Loop with Mike. Quarterly interactive MS-Teams webinar with employees launched late 2023. Next one Spring, 2024.
- Benefits Out to Market. Plan is to take all benefits out to bid to ensure we have the most competitive rates on the market. Recommendation will be to use savings (if any) to enhance our current benefit offerings to maintain our competitive edge.
- Hiring Process Improvements. Streaming lining the hiring process with NEOGOV, e-offers and moving pre-hire drug-testing in-house. Hiring process timeline has been reduced by 50%.

Imagine Kannapolis.

- Debt vs. Cash Analysis. Underway
- FY25 Revaluation in Cabarrus. Minimum 46% increase projected (final % could be higher). Rowan was 58.
- 5 Major Projects. Projects/initiatives in the plan already funded: Transitional Housing Grant ($3M), Swanee Renovations ($1.3M), Gem Renovations ($1.25M), Fire Station Renovations ($3M), Park Improvements ($2.4M) and many smaller ones.
- 9 Projects/Initiatives ($3.5M) originally planned for FY 214 that have not yet started.
- FY125 budget decisions. Important before completing the Strategic Plan.
- New Stormwater Program and future Transit. Considerations important.

Mr. Legg concluded this presentation by asking for any questions or comments.

Mayor Hinnant noted that is a lot of information and it appears that Council has a lot of work to do and sounds like the work sessions will be as full as the business meetings. So that work can be done prior to making budget decisions. He invited citizens to come and participate and be a part of the process.

Presentation - Downtown Business Survey (Irene Sacks, Director of Economic & Community Development, Annette Privette Keller, Director of Communications, Mike Legg, City Manager) (Copy included as Exhibit D)

Mrs. Sacks begin the presentation by explaining a survey was sent out last November to downtown business owners to find out how they feel about several issues including, business climate, marketing, special events, organization/communication, and parking. The survey included the West Avenue business district, businesses on Oak Avenue and Main Street. In terms of the types of businesses represented, retail, food and beverage and some service type businesses. Out of 50 businesses, 35 responses were received with two responses for parking questions only. The purpose of the survey results and what can potentially be done to improve the downtown. 71% of businesses agree that downtown Kannapolis is a desirable place to open a business and is important for their business to be located downtown Kannapolis. 57 percent stated their business is growing, 34% agree they have the resources needed to grow their business and 54% rely on walk-by or drive-by-traffic to generate revenue.

Marketing Support: 82% agree that it would be helpful to have a centralized website with an online calendar and directory of businesses to promote downtown Kannapolis and its events. However, 91% felt it would be helpful to have an email newsletter that goes to the general public to promote downtown. 73% would like to see more events and festivals downtown.

Business Climate: Responses were generally positive in terms of downtown Kannapolis being a good place to do business, location of businesses and the ability of businesses to remain long term. Funding for Downtown Organization: 27 businesses responded to have a that fee-based organizational fee used to pay for marketing, promotions, and events. Next steps: City's Role, Lead, Liasian, Coordination? Could allow businesses to drive these efforts. How would funding model work. Potential next step to meet with business owners, prioritize and get details to type of marketing/support desired. Determine their capacity for financial participation.

Mrs. Sacks indicated that on February 5, there will be a work shop specific to downtown businesses using this marketing platform that the City has subscribed to. The offer is free to downtown businesses to get insights specific to their business related to the visitation and demographics of the people who do come downtown.

Proposed Parking Plan Goals.

- Improving parking space turnover and increasing availability of prime parking spots for downtown customers.
- Providing expanded parking options to customers parking for longer periods of time.
- Free period (30-60 minutes/TBD) for premium parking spaces.
- Use a kiosk or smart phone app to pay to parl.
- Customers parking longer than the free period in a premium space will use a kiosk or the ap to register their vehicles license tag number ad enter a credit card. Increasing scale of parking fee (TBD) to discourage using premium parking spaces for longer than 2 hours.
- Parking in the premium spaces overnight will be permitted and free.
- Businesses can purchase validation code to distribute to customers if needed.
- 6-month implementation period where fines will be limited.
- Shuttle Service between the NCRC parking deck and the roundabout in front of the Swanee Theatre during peak times (weekends, baseball games, etc.), with 10 minimum maximum wait times.
- Parking lots on Main Street, Oak Avenue, Laureate Way, and City Hall will continue to be free now. Over time, some of these parking lots may be converted to paid parking during peak times including baseball game days.
- The Vida parking deck is open and costs \$1/hour (no-peak) and \$3/hour (peak) with a daily rate of \$25 (which is applied after the first 5 hours).
- The NCRC parking deck on North Main Street will be open to customers and free after 6PM and on weekends.
- Two new parking lots (53 spaces and 48 spaces) will be constructed on South Main Street next to the Train Station. Parking lot design is underway.
- A 300+ space gravel parking lot will be constructed behind First Presbyterian Church to help with large crowd events.
- Downtown employees will park for free in the non-premium lots.

The business survey also shown that 62% agree that new parking rules are needed to free up premium spots for their customers to use. 50% agree that a proposed parking plan will help free up spots for their customers to use during mom-baseball game times. 40% agreed that a proposed parking plan will help free up spots for their customers to use during baseball and other special events.

Other Parking Considerations:

- New surface lots and Shuffle programs proceeding.
- City Council will need to consider final endorsement of regulated, pay-to-park plan before staff proceeds.
- Will not be in place prior to the 2024 baseball season.
- In the interim, an honor system/public education effort will be put into place to encourage more rapid space turnover leading up to implementation of new regulation.

Mrs. Sacks concluded this presentation by asking for any questions or comments.

Mrs. Dixon said in reference to the February 5 workshop, she noticed that a lot of responses were either neutral or no response. Will the survey be available to the business that are unique to them so they can address some of the areas where there were no responses. Mrs. Sacks stated that is not the purpose of the February 5 workshop but can certainly meet separately with businesses on some of the questions.

Mr. Legg added that the results were also sent to the businesses.

Mr. Dayvault stated it has been mentioned several times by business owners the fact that employees are parking in spaces meant for customer parking. Overall, he has a level of heartburn for charging for parking downtown but understands the purpose for those who are parking for hours and hours. Since this plan won't be in place by the start of the baseball season, he suggested to make West Avenue a 90-minute free parking and choose some spaces for the 15-minute, quick pick-up type spaces. Don't implement a fee but use this year as an educational process. Have the Park Rangers look at cars and if someone has been there 4 or 5 hours, leave a note and remind them that West Avenue is 90-minute free parking. He has a fear of running people out of downtown because of the parking.

Mr. Jackson agrees with Mr. Dayvault. To ride down West Avenue at 9:00 or 10:00 in the morning, you see a lot of employee parking. He has been on West Avenue for 35 years and that has always been a problem. If there can be some sort of monitoring system through the Park Rangers to institute a 90-minute parking, may bring about an awareness there is an issue. He asked if anything can be done to expedite the use of the two parking lots on Main Street with 400 spaces total. It would be beneficial to all downtown to utilize these spaces.

Mr. Dayvault stated that West B Street, (Cannon Ballerway) is cut off from West Avenue. It is important to have clear access to these parking areas because you are choking out your parking options. People get on West Avenue and look for parking. There is parking at the Swanee and a parking lot on Main Street, but because the street is closed, can't get to it so easily.

If there was a way to open the street up on these heavily travel visited days, especially during the baseball games. He knows they use that street for construction use, but they don't work all day and night. There are times when there is no construction, and it is just sitting there and is a valuable connection to direct people to Main Street.

Award Bid and Approve Budget Amendment for Electric Shuttle purchase with EECBG Grant Funds (Kristin Jones, Assistant to the City Manager) (Copy included as Exhibit E)

Mrs. Dixon asked if there will be additional staff to operate the electric shuttle. In reference to the budget amendment before, will there be future additional costs.

Mr. Legg responded that the budget amendment is just for the purchase of the shuttles using a federal grant plus a small amount of money the City will need to add. The drivers will be part-time Parks and Recreation employees. It may be that they come from existing part-time employees or new hires. A trial run will be conducted to see how much it takes and then it will become a budget item for discussion.

Mrs. Dixon asked if the arrival date will be prior to the opening of the baseball season. Mr. Legg noted it is anticipated to have them in place by baseball season, but they will primarily be run on Friday and Saturday nights, or when a big crowd is expected.

Mr. Jackson asked if the season ticket holders will be notified that this service will be available. Mr. Legg stated that is a good suggestion.

Mayor Hinnant stated people do have difficulty walking distances, perhaps a list should be created of names of people who may be affected and contact those directly.

Mr. Kincaid asked if this shuttle only goes to the parking deck and downtown. Mr. Legg stated the reason is that just like with the regular bus system, if there are too many stops, makes it much longer. It is mainly designed to get people from an outlying space into the heart of downtown.

Mrs. Dixon asked if the shuttle will be available during the concerts. Mr. Legg stated yes, that is the beauty of these shuttles, they are electric and only have to be charged. They can be easily moved around. Staff is currently looking for a place to store the shuttles.

Mr. Dayvault made a motion to award this bid and approve a budget amendment for the purchase of electric shuttles using EECBG Grant Funds. Motion was seconded by Mr. Kincaid and approved by unanimous vote.

Resolution authorizing the Upset Bid Process for the College Station Outparcels. (Irene Sacks,

Director of Economic & Community Development, Walter Safrit, City Attorney) (Copy included as Exhibit F)
Mrs. Dixon stated the design appears to block the two entrances into the property and wanted to know where the entrance is being proposed.

Mrs. Sacks responded there are two entrances into the shopping center from Cannon Boulevard. The drive between the two parcels will be one they are purchasing and will close. There is also an opening north of the two out parcels and will remain open.

Mr. Legg added that the main entrance will be the northern end of the restaurant.

Mrs. Dixon asked if it will be fitted for in and out traffic, being a narrow entrance. Mrs. Sacks stated she is not sure at this point where the site plan process is for this project and not sure of the access requirements.

Mr. Legg added the project will go through the site plan process.

Mrs. Dixon made a motion to approve a resolution authorizing the upset bid process for the college station outparcels. Motion was seconded by Mr. Jackson and approved by unanimous vote.

CITY MANAGER COMMENTS: None

CITY COUNCIL COMMENTS: None

SPEAKERS FROM THE FLOOR:
Bob Doty of 6325 Stirewalt Road thanked the Mayor and Council Members for their service to the community. Mr. Doty recently took the Citizen Academy 101 class and commented how amazing it was. He said without exception, the Department heads, and employees they came in contact with, were very positive, very can do and seemed happy and very professional in what they were doing. The only thing wrong is that he can't take the class again. Mr. Doty said from this point forward the views he is expressing is his opinions and his opinions only.

During the closing time of the class, the community became embroiled in a controversy. This controversary has grown and been covered by the print media but now is being covered by the broadcast media by stations as far away as Greensboro. He finds this unfortunate because we have some very capable and talented people on our City payroll that sell our City and promote it to industry and corporate leaders. This controversy seems to be counter productive as to what we are trying to do as a City. He is fortunate to have retired with the military as well as the civilian sector. What he observed in those workplaces was leadership that promoted cohesiveness, teamwork, working together and also work to help develop the people under them to be all they can be. This controversy has brought the kind of politics people have grown to hate to our City. It goes on in Washington and it goes on in Raleigh, but we don't believe we deserve this. Our voters and the citizens of this City deserve better. He urged Council to move on from this controversy and give the voters the time they deserve working on constructive issues.

Seth Moore of 2208 Clay Street stated he was not born and raised in Kannapolis. All four sets of his great grand parents relocated here to work at the mill during the great depression.

He was born in Concord and his hometown is Landis. He is a current resident of Kannapolis and served 4 years on the Town of Landis as an Alderman. His comments are not directed to anyone in an ugly way but wants to express his concerns. He stated in his four years on the Landis Board of Alderman, he was the youngest to be elected to the Landis board at age 23. He retired from politics at the age of 27 and has no desire to serve again. What he saw when he was on the Town of Landis board, was a lot of corruption and he was the sole member initiating the investigation of embezzlement by three of the town's employees. If it can happen in Landis, it can happen in Kannapolis. His concern is to express his fear of corruption and cronyism that could take place within the City Council. At the December meeting with the resignation of a Board Member and the reinstatement of the Board Member later in January, seems like it is teetering on the slope of corruption. What he has seen and read from articles, is that it was agreed upon that one Board Member would resign so that the deal would go through with grant money. Because that Board Member was part owner. The next month, in the absence of a Board Member, it seemed they were caught off guard and that particular Board Member was reinstated. The minutes does not show that the Board Member reinstated was sworn in. It seems that if a Board Member agreed to resign from a Board would not go back to that same Board when he resigned.

Phil Goodman of 1005 Central Drive agreed with both of the gentlemen who spoke earlier and that they said it very well. The citizens are concerned about the integrity and welfare of Kannapolis. He said whoever came up with getting new trash collection contractors, I owe you lunch. Waste Management is the worst company on planet earth. Mr. Goodman said it would be wonderful if the City could come up with a way to televise the Council meetings. There are a lot of people who are still voting that are either handicapped and don't drive at night or just busy with work. Mr. Goodman asked if the Little Texas sidewalk will go all the way up to Lane Street. Mayor Hinnant stated that Mr. Melton could answer that for him. He commended the management team at the Swanee. They have their act together and know what they are doing. He does not think you can bring three or four people from the City or hire from outside that can do a better job than is being done now. He suggested to designate a parking area for downtown employees.

Lottie Forney of 1668 Barbara Ann Circle mentioned there are a lot of nice apartments going up and wondered what is being done about affordable housing. She represents Rose Hill Missionary Baptist Church and spoke on the problems of flooding at the church. The City came out and gave an evaluation of their problem. They were told they are in a flood zone and that everything has deteriorated to the point where the lower level of the church is flooded. They would like for the

Council to consider helping the church with the flooding problem.

Dianne Sartiano of 1033 West Lake Drive presented Council with the idea Field of Heros. Flying American Flags in the horseshoe out front of City Hall. A resident could purchase a flag with each flag representing a person who has served our country. There are three holidays Kannapolis can sponsor. Memorial Day, Independence Day, and Veterans Day. The installation of the flags would be volunteers. She mentioned several cites that are already paying tribute, recognizing, and honoring heroes. She felt this would be a great way for Kannapolis to honor those who served by putting up flags on poles around the loop.

Patti Rader of 1050 Betty Street agreed with the first two speakers. When the City recently assisted in the purchase sale of a tax based multi-million-dollar piece of property on Kannapolis Parkway, they also assisted with the removal of the tax base from City and County tax revenues. She would like to know the loss of revenue to the City and County on an annual basis and what it will be over the next five years. She does not agree that this should have taken place. She feels the $3 million dollars could have been used in other ways. There was a slide in Mr. Legg's presentation that shown a number of projects identified as $3.5 million. This money could have been used elsewhere and we would still have a tax base generating revenue ongoing for the City and County. She would appreciate a call or email the first of the week with that number.

David Deal owner of Sabor Restaurant 203 West Avenue spoke on the business survey. He said there is not a lot of honor in the honor system, speaking of the downtown parking. He only has five spots in front of his restaurant and believes there were 10 or 15 spaces when the building was built. The two adjoining businesses have expanded into outdoor spaces. He was promised by the Landlord in negotiations of his lease additional parking, but still has not been able to do so. He stated there is a serious problem with business owners and employees of these businesses using parking spaces. One of the most common complaints of his customers is parking, especially of older customers and the ones new to the area. The only available posting of the parking regulations proposed are available on the website. That is problematic in itself to enforce and there is no enforcement of it. He suggested posing the parking regulations in areas of concern. The mall parking lots have designated parking areas for employees.

Donald Propst of 6124 Charlie Walker Street spoke on the flooding issues of the Rose Hill Missionary Church. He has heard about a lot of money coming in from federal grants. They understand you can't do everything for everybody, but this is a group of people who have been here a very long time. It would be greatly appreciated if the City would consider helping them out.

Joanne Chesley of 308 Lowrance Avenue encouraged to keep some free parking available downtown for those that like to walk. The swing area in front of the businesses is nice and she understands at some point may have to access fees for parking. Perhaps working the peak hours and shuttle together, is when you want to access the parking fees. Another idea could be is for businesses to validate parking.

Mark Spitzer of 2115 Golfcrest Drive spoke on three things: 1) Each of the Council members has been re-elected. 2) The people in our community who are at a stage of transition and struggling with keeping their heads above water are best served by the decisions of the City Council. 3) This community has shown its strength, its willingness to forgive and its willingness to move on from what was a conflicted period that we went through. It is his hope to move on as a community, frustrations do happen and gets the best of us, but hope with the humanity he sees in the community will be followed by healing on the City Council and move forward.

Zach Erwin of 903 Applewood Avenue has written about the controversy of the re-appointment of Mr. Kincaid, it has been circulated on Facebook and other means. He shares his own personal accounts of the issue and hope you will take the time to read it. A recommendation to the City. In the event that a person is sworn into power, please publicize it on the official City website and on social media accounts. It was done when Mr. Dayvault and Mr. Jackson were re-sworn in after their re-elections and understands why they held off on Mr. Kincaid, given the circumstances following the resignation and re-appointment of Mr. Kincaid. There was no post from the City, no communication whatsoever. Which is why he feels the need to make these facts public and share his own concerns. What he does not want the City to do is to give off the air of secrecy when a major decision like this is made. The people need to know directly from the City that these decisions are being made. The second thing is that he has a great fear the perception of personal favors. He does not want the City to be attached to the idea that favors are being done for people in positions of power. With the resignation of Mr. Kincaid, appears that situation was alleviated. He has said as a point of record, social media and elsewhere, that he is totally for the sale of the Caremoor Facility to CCM. But with the reinstatement of Mr. Kincaid, it gives the perception of flavors being done. We need more clarification, more direct communication with the people of the City to clarify any misunderstandings that may occur in situations like this.

Tom Kincaid said again that what he said last Monday was from his heart. It was his decision to sell Caremoor Retirement Center and his decision was based on a lot of different conclusions. He said if you think for a moment this was a knee jerk reaction, was done quickly behind closed doors, you are wrong again. This took months to come about. He had five attorneys involved and Mr. Safrit was one of them. They got three opinions from three different attorneys stating there was nothing wrong with this, because he was not involved in the dealings of the City and CCM. That was their business, his business with CCM was his business. But people don’t want to know the truth. They had rather go out and pass on what they hear or what they perceive to be the truth to make it sound good, but nobody will come to him and ask him the truth. He said he will take the time if you want to know and sit down and talk with anyone. He has invited a few to sit and have coffee, but they refused. It seems like the ones who has the most to talk about are the ones that know the least about what happened. So, if you really care about this and I know some of you do, please contact me and I will through it with you step by step. When you do a deal like this with this amount of money and government and all entities, you can’t be totally transparent. He couldn’t tell you in January he was going to do this. You can only do it when it is time. He said again, if you really want to know the truth, I will talk to anybody at any time and I will explain it with you. Ed Hosack will sit down and talk, but for me to apologize for making a home for homeless children and women, a facility they can walk into immediately, where they don’t have to wait five years to build a facility. I am not going to apologize for that because I still feel I did the right thing. I put 33 years into that business, and I think I have the right to sell it when I get ready.

Mr. Dayvault asked in reference to the Rose Hill Church, could Council have a presentation like was done for the Debbie Street project. It seems to be a pretty urgent matter.

Mrs. Berry asked if it could be ready by the next meeting.

Mr. Legg stated the study that was done for Debbie Street took several months that included a full engineering study. Staff can explain what they know and may not have all the solutions, but at least can describe the problem in more detail at the next meeting.

There being no further comments, Mr. Jackson made a motion to adjourn. Motion was seconded by Mrs. Dixon and approved by unanimous vote.

The meeting adjourned at 7:55 PM on Monday, January 22, 2024

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Milton D. Hinnant, Mayor

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Bridgette Bell, MMC, NCCMC
City Clerk

Agenda Item: F.A

Kannapolis

Agenda Staff Report
February 12, 2024

To: Mayor and City Council

From: Michael Rattler, Director of Transportation & Environmental Services, Wilmer Melton, Assistant City Manager

Subject: **PRESENTATION** - Rose Hill Neighborhood Stormwater Issues

Action Requested by City Council
Presentation Only

Required Votes to Pass Required Action
Presentation Only. No Action Required

Background
At the October 2023 City Council work session, Staff provided a presentation regarding the City's current stormwater program which focuses on the maintenance of publicly dedicated infrastructure, and the growing request from residents to assist with privately maintained drainage infrastructure. To date, we have 317 private requests for public assistance with drainage systems or flooding issues. Current City policy does not allow for maintenance of private infrastructure outside of public right-of-way. Representatives from Rose Hill Missionary Baptist Church on Rice Street have brought drainage issues to the City's attention. The concerns brought before the City include flooding in the basement of the church.

City staff have conducted preliminary evaluations of the storm drainage in the area to determine the cause of the flooding. It has been determined that the public stormwater crossing pipes on Rice Street and upstream on Rosemont Street are both undersized. In addition, the private stormwater system between Rice Street and Rosemont Street is undersized and is in poor condition. City staff evaluated alternatives to address the flooding concerns and provided City Council with the following options to consider:

Option 1- Do nothing. This option is not recommended as the public crossline pipes under Rice Street and Rosemont Street are undersized and will continue to contribute to the flooding on church property during future storm events.

Option 2- Upgrade the City storm system within the right of way of Rice Street and Rosemont Ave. This approach will only partially address the flooding issues on the church property as there is private drainage piping between Rice Street and Rosemont Ave that is undersized and in poor condition. Flooding of the church property is still likely to occur with this option; therefore, this option is not recommended.

Option 3- Remove and replace the entire stormwater system from below Rice Street to above Rosemont Ave.his approach would require the removal of existing storm drainage and replacement with larger pipes. This option would require drainage easement acquisitions to allow work on private property if constructed by the City. This option would minimize the flooding on the property, but due to the church property being located in the floodplain, the property will most likely still experience flooding during large storm events. The estimated project budget is in excess of $1 million.

Option 4- Work with the church to relocate out of the floodplain and demolish the existing facility. This option would require development restrictions to be placed on the existing church property to prevent construction of a structure on the property and would require cooperation with the church and community to assist in the location of an alternative site to construct a new facility.

Rose Hill Missionary Baptist Church request for assistance with their drainage concerns is unique and different from most of the other complaints we have received City-wide because the actual structure is located within the 100-year floodplain and is experiencing regular flooding of the structure itself. Upgrading the existing public and private storm systems to carry the 25-year storm will not fully address the flooding issues on the property. This is one of the remaining sites within the City where the structure was constructed within the floodplain, similar to the Pine Street nursing facility and homes on Kingston Drive all of which the City purchased with federal assistance.

Therefore, it is staff's recommendation that the City explore Option 4 with the church. Unless there are objections from City Council about this course of action, staff will pursue it. There are a lot of variables, not the least of which is securing federal assistance with the acquisitions. If that effort is not successful, then more discussion will be necessary.

While the City was awarded a local federal storm water assistance grant that will evaluate and provide recommendations for four sites within the City, it is still our recommendation that a comprehensive Stormwater Master Plan be completed. This will help to identify projects and establish criteria for public investment if City Council desires to change current policy and offer assistance with private drainage systems. This shift would also need to evaluate funding options that could include modifying the existing stormwater fee, property owner assessments, establish a participation program, or a tax increase.

Fiscal Implications

None

Policy Issues

None

Legal Issues

None

Recommendations and Alternate Courses of Action

None

Attachments

None

Agenda Item: F.B

Kannapolis

Agenda Staff Report
February 12, 2024

To: Mayor and City Council

From: Eddie Smith, Deputy City Manager

Subject: **PRESENTATION -** Cabarrus County Joint Public Safety Training Facility

Action Requested by City Council
Presentation Only. No action requested.

Required Votes to Pass Required Action
Presentation Only. No Action Required

Background
A project that is included on the back end of the City's draft Strategic Plan (FY 2029) is the emerging move to construct a Regional Public Safety Training Facility in collaboration with Cabarrus County, Concord and other entities. The planned location is part of the old Jackson Training School property off Highway 49 in Concord.

$12 million is included as a placeholder in the City's current six-year financial plan. A preliminary project scope is currently being developed which will help define the level of the City's participation better. The overall project will be much more expensive, but there will be multiple funding partners.

Staff will provide a very brief overview of the project as it currently stands.

Fiscal Implications
To be determined.

Policy Issues
None.

Legal Issues
None.

Recommendations and Alternate Courses of Action
Presentation Only. No action requested.

Attachments
None