

**Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET**

Meeting Date: August 5, 2013
Presenter: Meredith Nicholson
Attachment: No

ITEM TITLE: HYDE COUNTY ABC BOARD REPORT

SUMMARY: Meredith Nicholson will present monthly report on progress of the ABC Board and the FY2012-2013 ABC Board Audit.

RECOMMEND: Discussion and approval.

Motion Made By: Barry Swindell
 Dick Tunnell
 Anson Byrd
 John Fletcher
 Earl Pugh, Jr.

Motion Secouded By: Barry Swindell
 Dick Tunnell
 Anson Byrd
 John Fletcher
 Earl Pugh, Jr.

Vote: Barry Swindell
 Dick Tunnell
 Anson Byrd
 John Fletcher
 Earl Pugh, Jr.

**Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET**

Meeting Date: August 5, 2013
Presenter: Dee Gibbs
Attachment: Yes

ITEM TITLE: LAKEVIEW ROAD – REQUEST FOR PAVING

SUMMARY: Residents of the Lakeview Road community are requesting assistance from the Hyde County Board of Commissioners to have Lakeview Road paved.

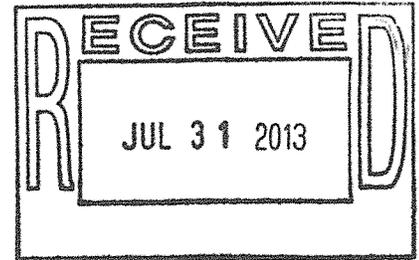
Ms. Dee Gibbs has contacted Commissioner Pugh and the County Manager's office requesting consideration of the paving project at the August 5th Board meeting.

RECOMMEND: Discussion and approval.

Motion Made By: Barry Swindell
 Dick Tunnell
 Anson Byrd
 John Fletcher
 Earl Pugh, Jr.

Motion Seconded By: Barry Swindell
 Dick Tunnell
 Anson Byrd
 John Fletcher
 Earl Pugh, Jr.

Vote: Barry Swindell
 Dick Tunnell
 Anson Byrd
 John Fletcher
 Earl Pugh, Jr.



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

PATRICK L. MCCRORY
GOVERNOR

ANTHONY J. TATA
SECRETARY

July 29, 2013

Ms. Deloris Midgett-Gibbs
81 Lakeview Road
Englehard, NC 27824

Ms. Midgett-Gibbs:

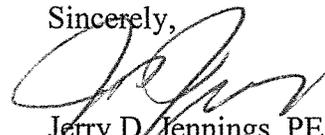
This is in response to your June 26, 2013 letter and petition requesting that Lakeview Road in Hyde County be paved.

As you are aware Lakeview Road is not currently part of the state system and therefore the Department cannot perform any work on the road. There are requirements that have been established by North Carolina General Statute that must be met in order to add a road to the State System. I have attached a copy of these requirements for your review.

Our previous investigation indicated that your subdivision plat was originally recorded in the Hyde County Register of Deeds Office on December 9, 1998. In accordance with North Carolina law and NCDOT policy any subdivision road recorded after September 30, 1975 cannot be added to the State System unless the road is built to meet the Department's minimum standards, which includes paving. Unfortunately, Lakeview Road is unpaved and does not meet those minimum requirements. Therefore I regret to inform you that your road does not qualify for addition at this time.

If you have any questions or need additional information please feel free to contact us.

Sincerely,



Jerry D. Jennings, PE
Division Engineer

Attachments

Cc: Malcolm Fearing, Board of Transportation
Darrick Lee, District Engineer
Bill Rich, Hyde County Manager

Requirements for Addition of Subdivision Roads to the System:

1. The minimum construction standards and other requirements in this manual must be a part of the proposal to be reviewed for approval prior to development in order for a plat to be recorded by the County Register of Deeds.
2. A Petition for Addition (DOT Form SR-1) is required from the developer and/or property owners. (See Pages 33 and 34 of this document.)
3. Developers or property owners must dedicate right-of-way, as indicated in the minimum design and construction criteria section of this manual, free of charge and clear of all encumbrances, including structural stormwater control (SSC) devices. (See Page 16 of this document.)
4. Existing utilities may remain within the right-of-way of any subdivision road added to the Secondary Road System provided the location of same meets Division of Highways' approval and the utility owner executes an encroachment agreement on forms furnished by the Division of Highways. Should utility adjustments or relocation to conform to Division of Highways' requirements be required, (See *Policy and Procedures for Accommodating Utility on Highway Rights of Way*; <http://www.ncdot.gov/doh/preconstruct/altern/value/manuals/pap.pdf>) they shall be made at no expense to the Division of Highways. As per General Statute 136-102.6, "Utilities are defined as electric power, telephone, television, telegraph, water, sewage, gas, oil, petroleum products, steam, chemicals, drainage, irrigation and similar lines." G. S. 136-102.6 dictates further that "The right of any utility placed or located on a proposed or existing subdivision public road right-of-way shall be subordinate to the road right-of-way, and the utility shall be subject to regulation by the Board of Transportation". NOTE: The developer and/or owners will be required to submit encroachment agreements for all utilities within a subdivision as dictated by G. S. 136-102.6. (See Page 29 of this document for Statute).
5. At least 20 percent of the lots bordering the road must be individually owned.
6. There must be at least two occupied residences for each one-tenth of a mile. A minimum of four occupied homes is required for the addition of roads less than two-tenths of a mile in length. If four occupied homes are not served, it will be treated as a private drive. An exception may be made if the cul-de-sac is fully developed, serves at least four platted lots, and has four occupied homes that abut the road. A minimum of two homes must have primary access to the cul-de-sacs.
7. Subdivision Access Roads must provide ingress and egress for at least five occupied residences for roads less than one mile in length and an average of five occupied residences per mile for roads over one mile in length.
8. The number of platted lots on each road will be reviewed to ensure that the minimum occupied housing requirements in this manual are served.
9. Connecting roads with less than the required occupied homes for the length involved may be reviewed as to traffic usage for addition purposes. Traffic usage equivalent to the traffic that would be generated by the correct number of occupied homes will be acceptable.
10. Any subdivision road with a right-of-way dedicated, recorded, or that has preliminary approval from a county planning board dated after September 30, 1975, will not be added to the State System unless the road is built to the minimum construction standards of the Division of Highways for subdivision roads.

11. Erosion and Sedimentation - All subdivision roads shall have an acceptable permanent vegetative cover established and other acceptable permanent erosion control measures installed in accordance with Division of Highways' specifications, prior to addition to the State maintained system.
12. Subdivision roads shall meet the minimum design and construction criteria contained herein prior to addition to the State system and shall be in an acceptable state of maintenance prior to addition to the State maintained road system.
13. All pipe culverts, storm sewers and appurtenances shall be free of all debris and silt build-up and shall be structurally and hydraulically sound, and functioning in a normal manner. All drainage structures shall be of sufficient length to accommodate appropriate roadway side slopes, as defined in the minimum construction standards in this manual, with standard height headwalls. Extended height headwalls intended to reduce drainage structure length or to reduce right of way requirements are not acceptable. All drainage ditches shall be of such a width and depth and with such a slope as to carry the anticipated discharges. Paved ditches or Rip Rap shall be required where necessary.
14. Where extenuating circumstances exist, the Division Engineer has the authority to allow deviations from this manual which are reasonable, and limited only to safety, environmental and maintenance factors. No deviation will be allowed from the typical section requirements except by written approval from the Chief Engineer-Operations.
15. Within a Municipal Extra Territorial Jurisdiction or within Counties having local ordinances affecting subdivisions, the more restrictive ordinance shall apply if maintenance responsibilities by the NCDOT are not increased beyond normal maintenance by applying the construction standards of this document.
16. Designs using walkable community concepts shall be reviewed by the Chief Engineer - Operations. Traditional Neighborhood Development Street Design Guidelines (walkable community) can be found at:
<http://www.ncdot.gov/doh/preconstruct/altern/value/manuals/tnd.pdf>
(Reference to new policy for traffic calming devices added here when completed).
17. For the Policy on Roadway Bridges and Dams, see Page 17.
18. Roads being considered for addition must be clear of highway obstructions as defined in NCAC 2E.0404. (See Page 32.)
19. The Division of Highways will consider the addition of streets that serve developments with large lots or parcels that are of the size that the occupied housing requirement of two homes per tenth of a mile cannot be met. The number of occupied homes needed shall be a judgment factor based upon the length and the number of lots or parcels involved. The minimum requirement shall be four occupied homes.

<https://connect.ncdot.gov/resources/stateroads/Subdivisions/Subdivision%20Manual%20January%202010.pdf>

**Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET**

Meeting Date: August 5, 2013
Presenter: Manager Bill Rich
Attachment: Yes

ITEM TITLE: SPEED LIMIT REDUCTION ON NEWLANDS ROAD

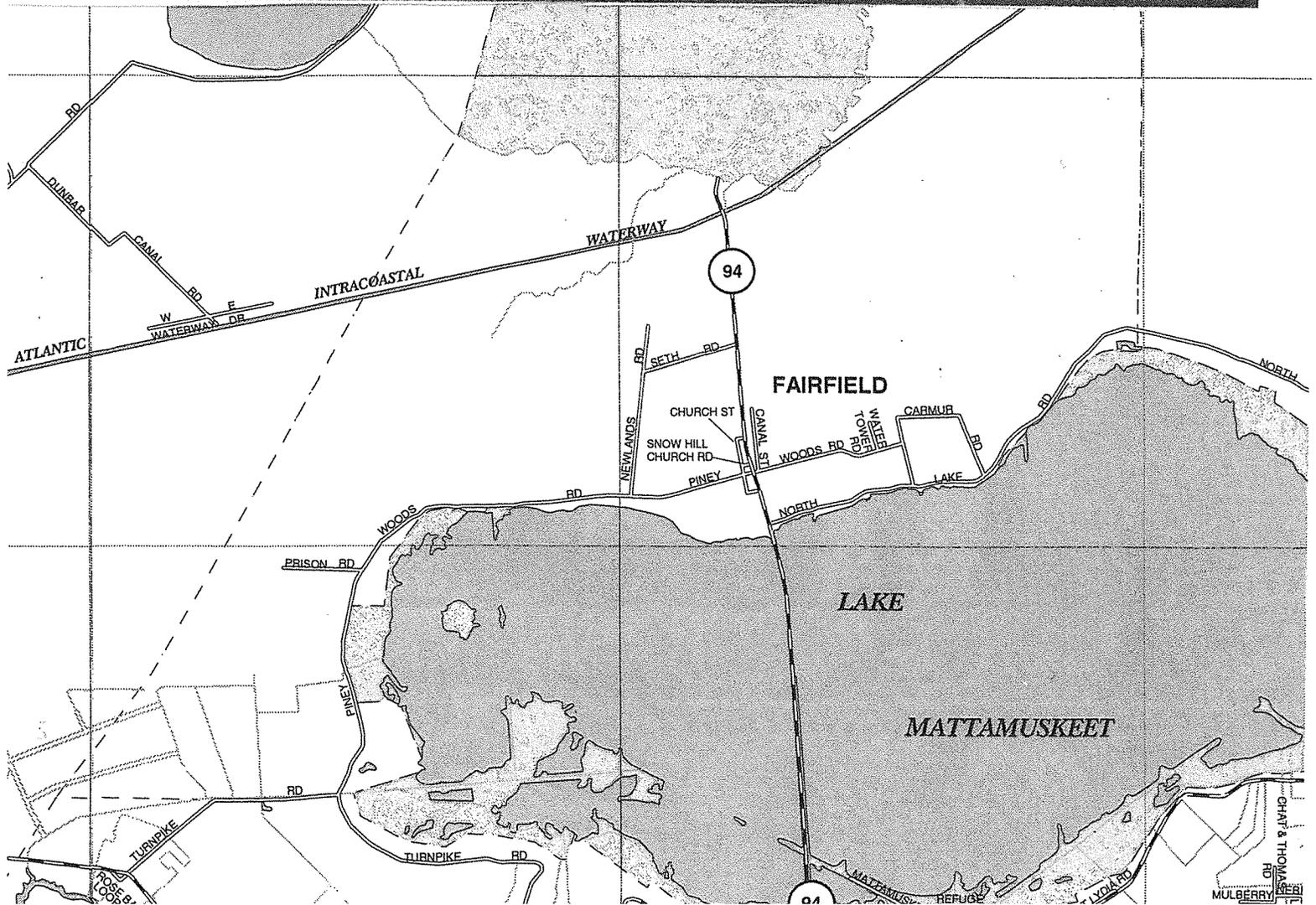
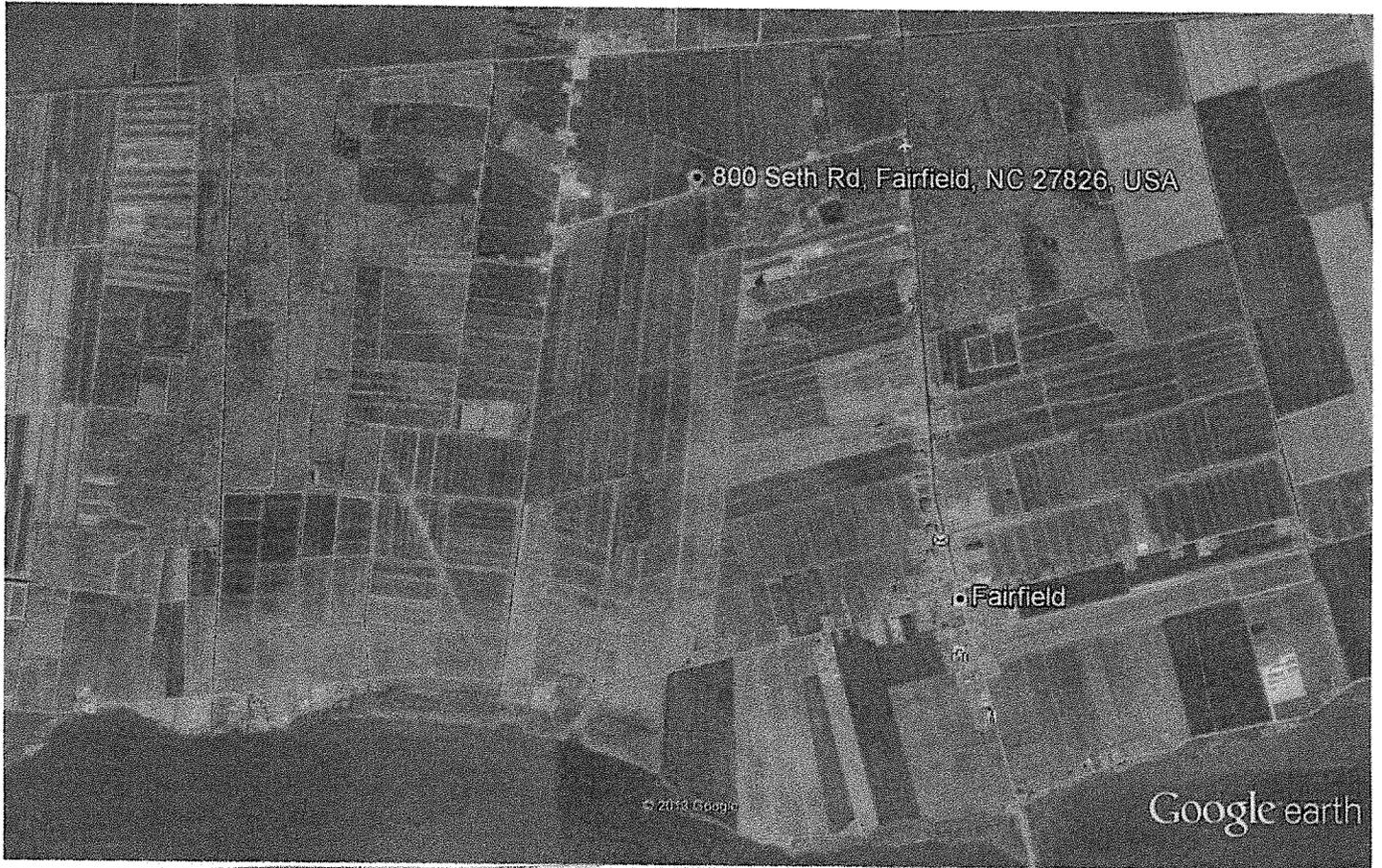
SUMMARY: After two meetings with NCDOT (Anthony Roper), several phone calls with Malcolm Fearing and a neighborhood drive through with Christian Gibbs and Anthony Roper it has been agreed that the speed limit on Seth Road from the first residence to Newlands Road will be reduced to 45 MPH. Newlands Road will be reduced to 45 MPH in its entirety except from Piney Woods Road to the first house on Newlands Road.

RECOMMEND: No action required.

Motion Made By: ___ Barry Swindell
 ___ Dick Tunnell
 ___ Anson Byrd
 ___ John Fletcher
 ___ Earl Pugh, Jr.

Motion Seconded By: ___ Barry Swindell
 ___ Dick Tunnell
 ___ Anson Byrd
 ___ John Fletcher
 ___ Earl Pugh, Jr.

Vote: ___ Barry Swindell
 ___ Dick Tunnell
 ___ Anson Byrd
 ___ John Fletcher
 ___ Earl Pugh, Jr.



Bill Rich

From: WILLIAMS FARMS OFC <williamsfarm@embarqmail.com>
Sent: Tuesday, July 30, 2013 10:04 PM
To: brich@hydecourtynyc.gov; bsswindell; adtunnell; ansonbryd@gmail.com;
jeanmincey@yahoo.com; middletownfarms@embarqmail.com
Subject: Fwd: Speed Llimit Change Request for Newlands Community

Dear Mr. Roper,

I appreciate you taking the time to meet with my son in law, Christian Gibbs, yesterday. When I made up the petition I made mention of increased Prison Traffic. I was not referring to the buses coming through. I should have said the prison workers coming and going to their jobs. They do come through here and at a significant speed. We can always tell shift changes by the amount of increased traffic through the community. The north end of Newlands Road comes to a dead end, where a crab pot shop business is located. There is increased traffic from deliveries and pick up orders and workers coming to work there. We also have a man with a computer business located on the north end. This business has also increased traffic due to pick ups and deliveries. And last but not least, our farm is located on the north end. We have tractor trailers coming through to pick up grain all through the year, as well as trucks delivering tankers of fertilizer, nitrogen, seed, parts and the list goes on. We also run a duck hunting operation which has increased traffic November through January, by hunters coming and going as well as my guides. These hunters and their vehicles travel both Seth Road and Newlands Road to reach their hunting destinations. As for the NC Highway Patrol not coming to enforce the speed limit, they will come as they are only a phone call away and I have no problem calling them.

The roads coming into our community were dirt for a long time and traffic was not an issue. The south end of Newlands Road remained dirt up until the prison was built. At that time, my husband, Joseph, and my father in law, W.J. Williams, because they owned the land on the south end of Newlands Road, had to sign papers allowing the road to be paved. Once the existing road was paved, the traffic increased.

I ask you to please consider our request and lower our speed limit to 35. Drivers will always go 10 miles over the posted speed limit. If the speed limit is only lowered to 45, they will still be going at least 55 when traveling through here, and our children will still be unprotected and in danger. Thank you in advance for any help you can give us.

Respectfully,

Diana Carawan Williams
1966 Newlands Rd.
Fairfield NC 27826
Phone: 252-926-5221

**Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET**

Meeting Date: August 5, 2013
Presenter: Manager Bill Rich
Attachment: Yes

ITEM TITLE: UPDATE ON PUBLIC SAFETY CENTER

SUMMARY: Per my e-mail to the commissioners on Friday, July 26th, we have secured a temporary Dispatcher's Unit and had environmental tests done on the Public Safety Center and have had the building water tested.

RECOMMEND: No action required.

Motion Made By: Barry Swindell
 Dick Tunnell
 Anson Byrd
 John Fletcher
 Earl Pugh, Jr.

Motion Seconded By: Barry Swindell
 Dick Tunnell
 Anson Byrd
 John Fletcher
 Earl Pugh, Jr.

Vote: Barry Swindell
 Dick Tunnell
 Anson Byrd
 John Fletcher
 Earl Pugh, Jr.

**Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET**

Meeting Date: August 5, 2013
Presenter: Manager Bill Rich
Attachment: No

ITEM TITLE: ARCHITECTS REPORT ON EAST CAROLINA BANK (ECB)
BUILDING, GOVERNMENT CENTER AND PUBLIC SAFETY
CENTER

SUMMARY: Robert G. Griffin, AIA with Griffin Architecture out of Greenville, NC
has produced renderings for the ECB Building and an update on necessary
repairs to the Government Center and Public Safety Center.

RECOMMEND: No action required.

Motion Made By: Barry Swindell
 Dick Tunnell
 Anson Byrd
 John Fletcher
 Earl Pugh, Jr.

Motion Seconded By: Barry Swindell
 Dick Tunnell
 Anson Byrd
 John Fletcher
 Earl Pugh, Jr.

Vote: Barry Swindell
 Dick Tunnell
 Anson Byrd
 John Fletcher
 Earl Pugh, Jr.

**Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET**

Meeting Date: August 5, 2013
Presenter: Chris Hilbert, Program Administrator, Holland Consulting Planners
Attachment:

ITEM TITLE: HAZARD MITIGATION GRANT PROGRAM (HMGP) GRANT AGREEMENT

SUMMARY:

The scope of work for the current Hazard Mitigation Grant Program (4019 - HMGP) is the elevation of 5 residential structures which were damaged by Hurricane Irene. Many of the homes that Hyde County is proposing to elevate were built prior to the enforcement of the base flood levels as described in NFIP flood maps that were created in 1978.

Hyde County is seeking to assist these families by helping them eliminate the damages now caused by flooding events through elevation funded by the Hazard Mitigation Grant Program. This program will fund the project at 100% with no local match or homeowner contribution. Hyde County is expecting to receive the HMGP Grant Agreement from the NC Division of Emergency Management during the month of August 2013.

RECOMMEND: Authorize the Designated Agent, Kris Noble, Hyde County Planning and Economic Development Director to execute the 4019 Hazard Mitigation Grant Program Grant Agreement upon receipt from the NC Division of Emergency Management.

Motion Made By: Barry Swindell
 Dick Tunnell
 Anson Byrd
 John Fletcher
 Earl Pugh, Jr.

Motion Seconded By: Barry Swindell
 Dick Tunnell
 Anson Byrd
 John Fletcher
 Earl Pugh, Jr.

Vote: Barry Swindell
 Dick Tunnell
 Anson Byrd
 John Fletcher
 Earl Pugh, Jr.

**Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET**

Meeting Date: August 5, 2013
Presenter: Linda Basnight
Attachment: Yes

ITEM TITLE: 2012 County Tax Settlement
2012 DMV Tax Settlement

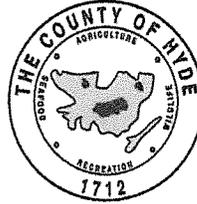
SUMMARY: ** See Attached 2 Settlement documents**

RECOMMEND: Discussion and approval.
Chairman Signature required.

Motion Made By: Barry Swindell
 Dick Tunnell
 Anson Byrd
 John Fletcher
 Earl Pugh, Jr.

Motion Seconded By: Barry Swindell
 Dick Tunnell
 Anson Byrd
 John Fletcher
 Earl Pugh, Jr.

Vote: Barry Swindell
 Dick Tunnell
 Anson Byrd
 John Fletcher
 Earl Pugh, Jr.



NORTH CAROLINA

HYDE COUNTY

TO: THE HYDE COUNTY BOARD OF COMMISSIONERS

I hereby submit a report of settlement of the 2012 tax books recapitulated as follows:

DEBITS

2012 Tax Levy	\$ 8,610,290.23
Public Utility	151,377.38
After List	338,71
Deferred Tax	-0-
Interest	<u>23,224.53</u>
	\$ 8,785,230.85

CREDITS

Deposits	\$ 6,623,236.27
Prepayments	31,768.19
Bad Check add back	-0-
Refund	-0-
Releases/Adjustments	9,244.95
Data Entry Correction/Release	1,754,982.45
Unpaid Real	361,513.03
Unpaid Personal	<u>4,485.96</u>
	\$ 8,785,230.85

Linda M. Basnight
Tax Administrator

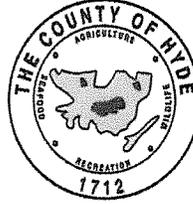
NORTH CAROLINA

HYDE COUNTY

I, Corrine Gibbs, Hyde County Finance Officer, do certify that I have examined and audited the final settlement and account of Linda M. Basnight, Tax Administrator of Hyde County, as to the 2012 taxes due Hyde County and that I have found said settlement and account correct and recommend that same be approved by the Hyde County Board of Commissioners.

Corrine Gibbs
Finance Officer

Barry S. Swindell, Chairman
Hyde County Board of Commissioners



NORTH CAROLINA

HYDE COUNTY

TO: THE HYDE COUNTY BOARD OF COMMISSIONERS

FROM: LINDA M. BASNIGHT, TAX ADMINISTRATOR

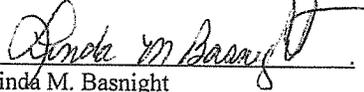
I hereby submit a report of settlement of the 2012 D. M. V. taxes recapitulated as follows:

DEBITS

2012 D. M. V. Levy	\$ 251,836.29
After List	-0-
Interest	<u>2,047.96</u>
	\$ 253,884.25

CREDITS

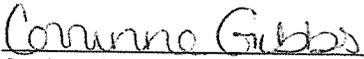
Deposits	\$ 178,088.26
Bad Check Add Back	-0-
Releases	7,636.76
Unpaid	<u>68,159.23</u>
	\$ 253,884.25


Linda M. Basnight
Tax Administrator

NORTH CAROLINA

HYDE COUNTY

I, Corrine Gibbs, Hyde County Finance Officer, do certify that I have examined and audited the final settlement and account of Linda M. Basnight, Tax Administrator of Hyde County, as to the 2012 D.M.V. taxes due Hyde County and that I have found said settlement and account correct and recommend that same be approved by the Hyde County Board of Commissioners.


Corrine Gibbs
Finance Officer

Barry S, Swindell, Chairman
Hyde County Board of Commissioners

Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET

Meeting Date: August 5, 2013
Presenter: Manager Bill Rich
Attachment: No

ITEM TITLE: OFFICIAL DEPOSITORY – VANTAGE SOUTH BANK

SUMMARY: The Hyde County Board of Commissioners must declare the Central Depository for the County. Under recommendation from the UNC School of Government, this approval should be made retroactive to May1, 2013.

RECOMMEND: Discussion and approval.

Motion Made By: ___ Barry Swindell
___ Dick Tunnell
___ Anson Byrd
___ John Fletcher
___ Earl Pugh, Jr.

Motion Seconded By: ___ Barry Swindell
___ Dick Tunnell
___ Anson Byrd
___ John Fletcher
___ Earl Pugh, Jr.

Vote: ___ Barry Swindell
___ Dick Tunnell
___ Anson Byrd
___ John Fletcher
___ Earl Pugh, Jr.

**Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET**

Meeting Date: August 5, 2013
Presenter: Manager Bill Rich
Attachment: Yes

ITEM TITLE: FY2011-2012 HYDE COUNTY AUDIT RESPONSE

SUMMARY: Each commissioner has received a copy of the bound FY2011-2012 Hyde County Audit. This has only changed to reflect the addition of the ABC Audit and is complete. Also, attached is a letter of comment from Sharon G. Edmundson, CPA, LGC, Director of Fiscal Management Section, concerning the audit and County Manager Rich's response to same.

RECOMMEND: No action required.

Motion Made By: ___ Barry Swindell
___ Dick Tunnell
___ Anson Byrd
___ John Fletcher
___ Earl Pugh, Jr.

Motion Seconded By: ___ Barry Swindell
___ Dick Tunnell
___ Anson Byrd
___ John Fletcher
___ Earl Pugh, Jr.

Vote: ___ Barry Swindell
___ Dick Tunnell
___ Anson Byrd
___ John Fletcher
___ Earl Pugh, Jr.

COUNTY OF HYDE

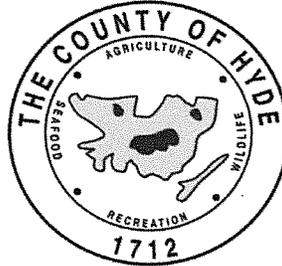
Board of Commissioners

Barry Swindell, Chair
Dick Tunnell, Vice-chair
Anson Byrd
Earl Pugh Jr.
John Fletcher

30 Oyster Creek Road
PO Box 188
SWAN QUARTER, NORTH CAROLINA 27885
252-926-4400
252-926-3701 Fax

Lois Stotesberry
Clerk to the Board

Fred Holscher
County Attorney



Ms. Edmunson,

In reference to the letter sent to Hyde County dated June 25, 2013, the concerns are addressed as follows:

1. The Hyde County ABC Board has been appointed new members and a new general manager. Under new direction the Hyde County ABC Board and the Hyde County Board of Commissioners are working closely to ensure that this situation is resolved and all deadlines are met.
2. Hyde County now fully understands the GASB 34 requirement that reimbursements for administrative expenditures should be shown as a reimbursement rather than a transfer. The proper procedures have been put in place to ensure that this is shown correctly in the future.
3. Hyde County is closely monitoring other funds to ensure that they will not be over budget at fiscal year end and if at any point in the future they do have a deficit they will be funded immediately after the fiscal year end.
4. The weaknesses in Hyde County's internal control system are being worked on very diligently. The significant deficiency that accounts receivable, taxes receivable and accounts payable were materially incorrect is in direct correlation to information not being transmitted efficiently from various Departments to the Finance Department. This is mainly due to lack of technology and is a short term goal of Hyde County to gain the technology required to better send and receive information. Hyde County has established the required reserve account for our USDA loan. Hyde County will be filing the Data Collection form with the Single Audit Clearinghouse within the nine month time frame of the fiscal year end.
5. Hyde County has noted the deficiencies in our budget ordinance amendment process and has developed procedures to ensure that this process will be resolved in future years.
6. The overall all position of the Water and Sewer fund is currently positive and will remain positive. Over the past few fiscal years the Water and Sewer Fund has purchased radio read meters to more accurately reflect water usage and increase collections. Once all old meters have been replaced the Water and Sewer Fund will have increased positive cash flow.

If you have any questions regarding this response, please let me know.

Thank You,

Bill Rich
County Manager
Hyde County



NORTH CAROLINA
DEPARTMENT OF STATE TREASURER
STATE AND LOCAL GOVERNMENT FINANCE DIVISION
AND THE LOCAL GOVERNMENT COMMISSION

JANET COWELL
TREASURER

T. VANCE HOLLOMAN
DEPUTY TREASURER

June 25, 2013

Sharon Spencer, Chairperson
Hyde County
P O Box 188
Swan Quarter, North Carolina 27885-0188

Dear Chairperson Spencer:

The State and Local Government Finance Division in its role as staff to the Local Government Commission has analyzed the audited financial statements of Hyde County for the fiscal year ended June 30, 2012. Corrective action regarding the issues discussed below may improve your financial condition and operations.

The County's audited financial statements were not received by our office until June 20, 2013, well after the due date of October 31, 2012. We understand that the inability of the ABC board, a component unit of Hyde County, to produce their statements caused a delay in the issuance of the Comprehensive Annual Financial Report. As stewards of the public's resources, the governing body is responsible for ensuring that the audited financial statements are available to the public in a timely manner. Going forward, the board needs to work with its component units to ensure that all deadlines can be met. According to our records, the County's statements also were received late in the prior year. Information in the report is needed by various external groups such as the North Carolina General Assembly, federal and State agencies that provide funding, and other public associations. We urge the Board to analyze these issues or concerns and take the appropriate action to ensure that the audited financial statements including any component units for the current fiscal year are completed and submitted by October 31, 2013.

The notes indicate that a \$40,000 transfer from the Water Sewer fund to the General fund was for administrative expenditures. GASB 34 requires that reimbursements for administrative expenditures between funds should be shown as a reimbursement of expenditure rather than a transfer. The proper accounting treatment would record actual cost in the Water fund and reduce costs in the General Fund. Please make the appropriate adjustments in next year's financial statements.

The County's Mattamuskeet Opportunities Fund, Senior Center Fund and the HMGF – Isobel elevation Project fund all reported a deficit at June 30, 2012. G.S. 159-13(b)(2) requires that the board fund the full amount of a prior fiscal year's deficit in the current fiscal year's budget. Therefore, this deficit should have been funded immediately after the

Sharon Spencer, Chairperson
Hyde County
June 25, 2013
Page 2

June 30, 2012, fiscal year-end. The law requires such action be taken in order to stop any further deterioration of the overall financial condition of the fund. The County should review its budget and take immediate action to resolve the deficit issue.

We noted various weaknesses concerning your County's internal control system that were communicated in writing to you by the auditor. We are especially concerned that the auditor reported as a significant deficiency that accounts receivable, taxes receivable and accounts payables were materially incorrect at year end. Additionally, the County had not established the required reserve account for their USDA loan. The County has also failed to file the Data Collection Form with the Single Audit Clearinghouse within 9 months of year end for fiscal years 2009, 2010, 2011 and 2012. Each of the items noted by the auditor was identified to assist the Board in improving the County's overall accounting system. Many of the above issues were mentioned in last year audit. We note that you have developed a corrective action plan to eliminate these weaknesses. We encourage the Board to monitor the County's progress in implementing this plan.

In the Swan Quarter, School construction Bond Fund, Occupancy Tax Fund, Hurricane Irene Fund, Senior Center Fund and 4-H Fund, certain expenditures were made in excess of appropriations authorized by the budget ordinance. Budget over-expenditures indicate that the unit's pre-audit process is not functioning as it should. The North Carolina Local Government Budget and Fiscal Control Act requires that an expenditure be budgeted prior to the County entering into the obligation. Over-expenditures occur when commitments are made or funds are expended without ensuring that adequate amounts are included in the budget to allow for such commitments or expenditures. The finance officer and his/her sureties are legally liable for any sums that are disbursed without an authorized appropriation. Accordingly, the budget must be amended to allow for the otherwise unauthorized expenditure before making any disbursement of funds. [G.S. 159-13, 159-15, 159-25, 159-28(b) and (e)]. The North Carolina Department of State Treasurer Policies Manual contains a section on budgeting that provides guidance in establishing and maintaining budgetary controls. A copy of this section can be downloaded from our website at <http://www.nctreasurer.com>. Select "Divisions" then "Local Fiscal Management" followed by "Policy and Audit Manuals".

While the overall position of the Water and Sewer Fund is currently positive, we see signs of potential weakness in coming years. Cash flow from operations, while positive, is not sufficient to cover the cash outflows necessary to provide water and sewer services to your customers and the related debt service payments. The Board must evaluate the performance of this fund and make the changes necessary to improve financial operations and sustainability over the long-term.

Please respond in writing within the next 30 days to each concern that we have raised in this letter. If you are planning to issue debt that requires the approval of the Local

Sharon Spencer, Chairperson
Hyde County
June 25, 2013
Page 3

Government Commission, we must have a complete response to this letter on file prior to the Commission's consideration of your debt application. If we can be of any assistance to you please contact me at 919-807-2380.

Sincerely,



Sharon G. Edmundson, CPA
Director, Fiscal Management Section

cc: Mazie Smith, County Manager
Corrinne Gibbs, Finance Officer
Andrew Harris, CPA

Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET

Meeting Date: August 5, 2013
Presenter: Manager Bill Rich
Attachment: No

ITEM TITLE: FY2012-2013 HYDE COUNTY AUDIT CONTRACT AWARD

SUMMARY: County Manager Rich requested Board approval to award the FY2012-2013 Hyde County Audit Contract to Andrew Harris, CPA on June 3, 2013. Commissioner Fletcher moved to authorize contract award to the auditor of his choice, and to put RFP for the audit contract out for bid in January, 2014. At that time, Commissioner Byrd requested another RFP for the audit contract be sent out in order to solicit competitive pricing.

Mr. Rich, on July 1, 2013, reported that although not mandatory per Board motion on June 3, 2013, he authorized a Request for Proposal (RFP) sent out for the FY2012-2013 Hyde County Audit. Four responses were sent out for the RFP and two submittals received. Manager Rich recommended award of the Audit Contract to CPA Andrew Harris. Commissioner Byrd moved to award the FY12-13 Hyde County Audit Contract to Thompson, Price, Scott, Adams & Co., PA. The motion died for lack of a second.

Commissioner Byrd moved to re-open bidding for the FY12-13 Hyde County Audit Contract and to re-send the RFP. Mr. Fletcher seconded the motion. The motion passed on the following vote: Ayes – Byrd, Fletcher and Swindell; Nays – Tunnell; Absent or not voting – Pugh.

Commissioner Fletcher moved to award the FY12-13 Hyde County Audit Contract to Andrew Harris, CPA. The motion died for lack of a second.

RFP was re-sent and deadline for RFP for FY2012-2013 Hyde County Audit Contract is Friday, August 2, 2013 and results will be reported at the August 5, 2013 Board of Commissioners meeting.

RECOMMEND: Discussion and award audit contract.

Motion Made By: ___ Barry Swindell
___ Dick Tunnell
___ Anson Byrd
___ John Fletcher
___ Earl Pugh, Jr.

Motion Seconded By: ___ Barry Swindell
___ Dick Tunnell
___ Anson Byrd
___ John Fletcher
___ Earl Pugh, Jr.

Vote: ___ Barry Swindell
___ Dick Tunnell
___ Anson Byrd
___ John Fletcher
___ Earl Pugh, Jr.

**Hyde County Board of Commissioners
AGENDA ITEM SUMMARY SHEET**

Meeting Date: August 5, 2013
Presenter: Clint Berry
Attachment: Yes

ITEM TITLE: NCDOT Utility Relocation Agreement

SUMMARY: Hyde County Utilities Department received an e-mail from NCDOT stating that the original relocation agreement that was approved by Hyde County for the Creekside Road project was the wrong relocate agreement. Attached is the correct agreement for a secondary roads project. NCDOT will still cover all expenses for the utility relocation.

RECOMMEND: Approve

Motion Made By: Barry Swindell
 Dick Tunnell
 Anson Byrd
 John Fletcher
 Earl Pugh, Jr.

Motion Seconded By: Barry Swindell
 Dick Tunnell
 Anson Byrd
 John Fletcher
 Earl Pugh, Jr.

Vote: Barry Swindell
 Dick Tunnell
 Anson Byrd
 John Fletcher
 Earl Pugh, Jr.

UTILITY RELOCATION AGREEMENT

NORTH CAROLINA STATE HIGHWAY PROJECT NO 1C.048032
WBS ELEMENT: 1C.048032
COUNTY Hyde

This agreement made this ____ day of _____, 2013, by and between the Department of Transportation, an agency of the State of North Carolina, hereinafter referred to as the DEPARTMENT, and Hyde County hereinafter referred to as the COMPANY:

WITNESSETH:

THAT WHEREAS, the DEPARTMENT will submit a project for construction as follows:

Grade, drain and pave SR 1135, locally known as Creekside Drive

known as route SR 1135 in Hyde County, North Carolina to be designated as N.C. State Highway Project and/or WBS Element 1C.048032 and,

WHEREAS, the construction of said project requires certain adjustments to be made to the existing facilities of the COMPANY;

NOW, THEREFORE, in order to facilitate the orderly and expeditious relocation of the said facilities of COMPANY, the DEPARTMENT and the COMPANY have agreed as follows:

1. That the scope, description, and location of work to be undertaken by the COMPANY are as follows: Relocate 6" water line and reconnect to existing, including necessary directional bore and reconnection of services to accommodate highway construction.

2. That any work performed under this agreement shall comply with DEPARTMENT's "POLICIES AND PROCEDURES FOR ACCOMMODATING UTILITIES ON HIGHWAY RIGHTS OF WAY" dated January 1, 1975, and such amendments thereto as may be in effect at the date of this agreement. The work to be performed by the COMPANY shall conform with Federal Highway Administration's Federal-Aid Policy Guide, Subchapter G, Part 645, Subpart A hereinafter referred to as FAPG dated December 9, 1991, and such amendments thereto as may be in effect at the date of this agreement. The provisions of said FAPG and amendments thereto are incorporated in this agreement by reference as fully as if herein set out. Any work performed under this agreement not in compliance with FAPG shall constitute unauthorized work and the DEPARTMENT shall be relieved of participating in the costs of such unauthorized work unless such work is done pursuant to a supplemental agreement attached to and made a part hereof.

3. That the COMPANY will prepare an estimate, broken down as to estimated cost of labor, construction overhead, materials and supplies, handling charges, transportation and equipment, rights of way, preliminary engineering and construction engineering, including an itemization of appropriate credits for salvage, betterments and accrued depreciation, all in sufficient detail to provide the DEPARTMENT a reasonable basis for analysis. Unit costs, such as broad gauge units of property, may be used for estimating purposes where the COMPANY uses such units in its own operations. The COMPANY will also prepare plans, sketches or drawings showing their existing facilities, temporary and permanent changes to be made with reference to the DEPARTMENT's new right of way using appropriate nomenclature, symbols, legend, notes, color coding or the like. The aforementioned estimate and plans are attached hereto and made a part hereof. The DEPARTMENT will not reimburse the COMPANY for any utility relocations or changes not necessitated by the construction of the highway project, nor for changes made solely for the benefit or convenience of the COMPANY, its contractor, or a highway contractor.

4. That the DEPARTMENT's authority, obligation, or liability to pay for relocations as set forth in this agreement is based on the COMPANY having a right of occupancy in its existing location by reason of holding the fee, an easement or other real property interest, the damaging or taking of which is compensable in eminent domain.

5. That payment for all work done hereunder shall be made in accordance with the requirements of FAPG unless payment is being made pursuant to a supplemental agreement attached to and made a part of this agreement.

6. That the construction work provided for in this agreement will be performed by the method or methods as specified below:

 BY COMPANY'S REGULAR FORCE: The COMPANY proposes to use its regular construction or maintenance crews and personnel at its standard schedule of wages and working hours in accordance with the terms of its agreement with such employees.

 BY EXISTING WRITTEN CONTINUING CONTRACT: The COMPANY proposes to use an existing written continuing contract under which certain work as shown by the COMPANY's estimate is regularly performed for the COMPANY and under which the lowest available costs are developed.

 X BY CONTRACT: The COMPANY does not have adequate staff or equipment to perform the necessary work with its own forces. The COMPANY proposes to award a contract to the lowest qualified bidder who submits a proposal in conformity with the requirements and specifications for the work to be performed as set forth in an appropriate solicitation for bids.

7. a. Construction of this State Highway Project is complete.

b. Based on the best information available at the present time to the COMPANY, indicate applicable paragraph below:

 X Materials are available and it is expected that work will be complete prior to highway construction.

 All work will take place during highway construction and arrangements for said work will be coordinated with highway construction operations at preconstruction conference.

 Work will begin promptly upon notification by the DEPARTMENT; however, it is not expected to be complete prior to highway construction. Any remaining work will be coordinated with highway construction operations at preconstruction conference.

 Other (Specify) : _____

8. That the method used by the COMPANY in developing the relocation costs shall be as indicated by Paragraph (a), (b), or (c) as follows:

- a. Actual direct and related indirect costs accumulated in accordance with a work order accounting procedure prescribed by the applicable Federal or State regulatory body.
- b. Actual direct and related indirect costs accumulated in accordance with an established accounting procedure developed by the COMPANY and approved by the DEPARTMENT.
- c. On a lump-sum basis where the estimated cost to the DEPARTMENT does not exceed \$_____. Except where unit costs are used and approved, the estimate shall show such details as man-hours by class and rate; equipment charges by type, size, and rate; materials and supplies by items and price; and payroll additives and other overhead factors.

9. Indicate if (a), (b), or (c) is applicable:

- a. That the replacement facility is not of greater functional capacity or capability than the one it replaces, and includes no COMPANY betterments.
- b. That the replacement facility involves COMPANY betterments, or is of greater functional capacity or capability than the one it replaces.
- c. That the replacement facility is other than a segment of the COMPANY's service, distribution, or transmission lines, such as a building, pumping station, filtration plant, power plant or substation, production or transfer of storage facilities and other similar operating units of the COMPANY's physical plant or operating facilities.

If (c) is applicable, set forth credit to the project for the accrued depreciation of the facility being replaced.

10. That the total estimated cost of the work proposed herein, including all cost to the DEPARTMENT and COMPANY less any credit and COMPANY less any credit for salvage, is estimated to be one hundred and eight thousand, eight hundred and fifty and 00/100 -----dollars (\$108,850.00).

The estimated non-betterment cost to the DEPARTMENT, including all cost less any credits for salvage, betterments, accrued depreciation and additional work done by the COMPANY will be one hundred and eight thousand, eight hundred and fifty and 00/100 -----dollars (\$108,850.00).

The estimated cost to the COMPANY including betterments, accrued depreciation and any additional work done by the COMPANY will be zero and no/100 ----- dollars (\$0.00).

(The above costs shall be supported by attached estimate and plans)

11. That in the event it is determined there are changes in the scope of work, extra work, or major changes from the statement of work covered by this agreement, reimbursement shall be limited to costs covered by a modification of this agreement or a written change or extra work order approved by the DEPARTMENT.

12. Periodic progress billings of incurred costs may be made by COMPANY to the DEPARTMENT not to exceed monthly intervals; however, total progress billing payments shall not exceed 95% of the approved non-betterment estimate. Progress billing forms may be obtained from the State Utility Agent. One final and detailed complete billing of all costs shall be made by COMPANY to the DEPARTMENT at the earliest practicable date after completion of work and in any event within 6 months after completion of work. The statement of final billing shall follow as closely as possible the order of the items in the estimate portion of this agreement.

13. That the DEPARTMENT shall have the right to inspect non-reusable materials of the COMPANY recovered on this project prior to disposal by sale or scrap.

14. That the DEPARTMENT shall have the right to inspect all books, records, accounts and other documents of the COMPANY pertaining to the work performed by it under this agreement at any time after work begins and for a period of 3 years from the date final payment has been received by the COMPANY.

15. That the COMPANY obligates itself to erect, service and maintain the facilities to be retained and installed over and along the highway within the DEPARTMENT right of way limits in accordance with the mandate of the Statute and such other laws, rules, and regulations as have been or may be validly enacted or adopted, now or hereafter.

16. That if, in the future, it becomes necessary due to highway construction or improvement to adjust or relocate utilities covered in this agreement being relocated at DEPARTMENT expense that are crossing or otherwise occupying highway right of way, the non-betterment cost of same will be that of the DEPARTMENT.

17. That if, at any time, the DEPARTMENT shall require the relocation of or changes in the location of the encroaching facilities covered in this agreement being relocated at COMPANY expense, the COMPANY binds itself, its successors and assigns, to promptly relocate or alter the facilities, in order to conform to the said requirements, without any cost to the DEPARTMENT.

18. That the COMPANY agrees to relinquish their rights in that portion of right of way vacated by their existing facilities now absorbed within DEPARTMENT right of way.

IN WITNESS WHEREOF, the parties hereby have affixed their names by their duly authorized officers the day and year first above written.

DEPARTMENT OF TRANSPORTATION

BY:

ASST. STATE UTILITY AGENT

ATTEST OR WITNESS

(Title)

HYDE COUNTY

BY:

Chairman

ATTEST OR WITNESS

Clerk to the Board

Form R/W 16.8
Rev. 07/02/07