

CITY OF CHERRYVILLE
CITY COUNCIL MEETING
TUESDAY AUGUST 5, 2014 @ 7:00 PM
CHERRYVILLE COMMUNITY BUILDING

The Honorable Mayor H.L. Beam called the meeting to order at 7:02 pm. Present was Councilmember Brian Dalton, Councilmember David Kiser, Councilmember Jill Puett, and Councilmember Malcolm Parker. Also present was City Manager Ben Blackburn, City Clerk Paige Green, City Attorney Palmer Huffstetler Jr., Finance Director Dixie Wall, Public Works Brandon Abernathy, and Fire Chief Jeff Cash.

Michael Powell was present for media coverage.

Pastor Bob Wise of North Brook Baptist Church gave the invocation and it was followed by the Pledge of Allegiance.

MAYOR'S COMMENTS:

Mayor Beam welcomed everyone and shared that the Cherryville Water Plant recently won the AWWOP award. Out of several hundred water treatment facilities in North Carolina only 38 were recognized for winning this award. This award is presented to top performing water systems in the State.

On Friday July 25 a break in occurred at the public works facility. The police department is conducting an ongoing investigation. There are some leads but nothing substantial at this time. The equipment that was damaged or stolen has been reported to the insurance carrier and after our deductible they will issue the City of Cherryville a check for the damages.

Mayor Beam then read a letter that he received from the N.C. State Treasurers Department. (See attached letter).

Following the letter Mayor Beam stated that Rob Collis of Collis and Associates, the City's Auditing firm, had some of the same comments. Mr. Collis shared that the City's unrestricted fund had increased from a negative dollar amount to approximately \$350,000 in the black. He added that the City's financial standing had improved so much that an employee in the NC Treasurers Office had commented to him that she thought she had keyed in the wrong percentage number when reviewing the City's financial statements. Each member of the City Council as well as staff should be commended for this turnaround of events. They are the ones that allowed this good news to happen to our City.

Mayor Beam also reminded that there will be a Community Revival held at Buck Fraley Field on August 11, 12, 13 and 14. It will begin at 7:00 pm.

Mayor Beam also reported that he attended the opening of Peak Resources Memory Care Unit before he came to the meeting. Several City Council members as well as staff also attended.

APPROVAL OF MINUTES FROM THE PREVIOUS CITY COUNCIL MEETING HELD JULY 14, 2014:

Councilmember Kiser made a motion to adopt the minutes from the previous City Council meeting that was held on July 14, 2014. Councilmember Dalton seconded the motion and the vote was unanimous.

AGENDA APPROVAL/REVISION:

City Manager Blackburn asked that the agenda be revised to add a closed session ref: G.S. 143-318.11 (3). Councilmember Dalton made a motion to revise the agenda and add the closed session after other business. Councilmember Kiser seconded the motion and the vote was unanimous.

CITIZENS TO BE HEARD:

Mr. Rodney Bowyer of 305 Mark Street approached the podium to express his concerns about the utility bills. He stated that he is, "Very concerned because there will be a lot of power cut off." Mr. Bowyer addressed Mayor Beam and asked, "H.L. when you ran for office you said that you were not going to raise the power bill and that was the first thing you did. And another concern I had is Jill. Are you on REA Jill?"

Councilmember Jill Puett responded to Mr. Bowyer by saying, "Yes."

Mr. Bowyer responded by saying, "I do not think it is fair for Jill to be able to vote us a power increase when she is not affected by it. I don't think anybody should be able to vote on it that's not affected. That's all I got to say."

Mayor Beam responded by saying, "The only comment I would have Rodney is that I did not run under that premise that I would not raise the power bills, I don't know where you got that. If you will read my letter the full page that I put in the Eagle of what I would do, it did not concern a raise in the power bill or anything like that. My only comment on that is that you are looking at Electricities raising their rate and it was proposed at 5% but thanks to Councilmember Puett and Councilmember Dalton we got it lowered to 2 ½%. I felt like if we were to pass on an increase now would be the time to do it because we know for a fact, and the City Manager can back this up, that Electricities is already proposing a 5% increase for next year 5 more percent the next year and in 2017, 2018 and 2019 no increase. And in 2020 they are predicting that we will get a 17 to 18% decrease in the power. My decision at the time that I made it was that this was the best time if any to pass on an increase because it was the smallest amount we were going to have for the next five years. I stand by and I believe I did the right

thing. What is not known is the State had an increase in their tax to and that affects the power bills. Every utility Duke, REA everybody that supplies power got that increase.”

Councilmember Dalton stated, “I have got to interrupt there because it is not fair to make that statement, because REA has adjusted to where their people did not get that increase. They adjusted something else and Mrs. Puett could probably tell you because I am sure she got a letter as well from REA. So REA improvised to make it where their customers did not feel that increase. So that’s not a fair statement.”

Mayor Beam shared that he also received that same letter from REA and Councilmember Dalton was correct about the letter. Councilmember Dalton shared that he feels like that is what the City of Cherryville should have done.

Mayor Beam stated, “The City got into financial difficulties by partly absorbing the increases that were passed on by Electricities.”

Councilmember Dalton stated that Mayor Beam’s comment was, “Completely false.”

Councilmember Parker stated, “That he hoped the citizens were not looking for a decrease in their bills because he does not think we will ever see a decrease in the power rates.”

Mr. Bowyer approached the podium again to say, “Electricities will never be paid up by the City of Cherryville. They will gouge us from now to eternity. It will always be something and we will never get them paid”.

Mayor Beam reminded Mr. Bowyer by saying, “We are in a contract that we cannot get out of and no one seated in Council today made that decision to be in that contract”.

Mr. Bowyer shared, “I cannot believe the City of Cherryville would enter into a contract without some kind of regulations”.

Councilmember Parker shared, “I don’t know what the answer is to the power rates but I do feel like the City needs to do something to help its citizens”. The City needs to make cuts other places but cannot continue to go up on power rates”. Mayor Beam shared, “I would be willing to absorb the rates when they are twice as much as they were this year. We have no guarantee what the rate will be next year, it could be 5%. I was for the 2 ½% because if I had not went up this year and then next year the rate that is passed on is 5% the citizens are not dumb, they would be saying that we did not have an increase of 2 ½ but we doubled the rate the next year and pass on a 5% increase. Next year I will work as hard as I can to do something about the power bills and I want that on record”.

Councilmember Dalton stated, “I have a question for Finance Director Dixie Wall. He said, “Now before Mayor Beam or Councilmember Puett came on we set aside that we were going to have a rate stabilization fund, and every bit of money we could put in that to help offset these rate increases was going to be put in that fund for that purpose. We had \$200,000 this year that was supposed to go into it. Did it go into it?”

Dixie answered, “Yes”.

City Manager Ben Blackburn shared, "The money is in fund balance".

Councilmember Dalton shared, "I don't want fund balance, I want to know that it's in a rate stabilization fund. It was supposed to get transferred to that account." Mr. Blackburn responded by saying, "Yes". Councilmember Dalton stated, "I gonna go ahead and tell you, put it on record, write it on that wall, that is going toward that increase next year as far as Brian Dalton is concerned period. Because that is what it is for. That's what you voted for (speaking to David Kiser) that's what I voted for and that what Mr. Parker voted for. If we're gonna have excesses left over we need to give it to the citizens period. It doesn't need to set there because you only got two more increases and then you level off. So what we are trying to do it fight through these next two years. Let's not set there and not use it, to me that's the wrong approach. Because what happens is, you got citizens moving out. I got a call, I leaving I'm done, you got a business shut down saying they can't afford it. I got a call from a 65 year old woman in tears tonight because her bill went up \$120.00. I'm fed up with it, I'm tired of it. And we set here and we give excuse, after excuse, after excuse and it's got to stop. I don't care what we have to do. If some services have to be cut they will just have to be. People have to be able to afford to live here. And we all make this mistake, as far as what Mr. Bowyer said at that podium. We say power bill, it's not a power bill. It's not, it's a utility bill it's power, its water, its sewer. But bottom line is the cost to live in this town is too high. If you look at our tax rate, the fees we have, it's too high. We've got to get it under control. I know we have faced some dire situations the last couple years. And we have worked hard and this board continues to work hard and we are going to make it, but we have to quit. We have to quit doing what is easy all the time and get a little creative and make this thing work. If REA can do it being creative and make it work than we can be creative and make it work. We can't, we can't we can do this but you can't waste money. You can't just say that thousand dollars doesn't matter because it all matters. It all adds up and we got to do a better job at. And that has got to be our focus. Everything else is going to be ok, it's going to be fine. We have got to focus on that utility bill because it is out of hand. I mean I don't know what to tell that 65 year old woman that calls me crying because her bill has gone up \$120.00."

Mayor Beam asked Councilmember Dalton, "Did you explained that part of the increase was in taxes that the State passed on, or did you just say that we went up and that is why."

Councilmember Dalton stated, "I explained all of that and I know there are a lot of factors. But with that being said, even with the increases we tell people the average bill is going to go up ten or twelve dollars. Well everybody I have talked to says there bill did not go up ten or twelve dollars. Me personally mine went up about thirty five or forty dollars. So that formula that we use every year, just throw it out the window because it doesn't work. It's not reality."

Finance Director Dixie Wall asked to speak. Mrs. Wall approached the podium and stated, "Mayor, Council we have numerous calls coming in the office. You got to look at numerous factors. Ok, you got to look at kilowatts, you got to look at water consumption. You can't just look at, I mean they could have used more kilowatts because it has been hotter. We bill a month behind. You have to look at days. What REA took off their bill was franchise, which they pay into the State, and Cherryville gets. We get franchise as revenue that is from the State. We get sales tax back. And if you are going to cut services just make sure the citizens understand

what services you are cutting where you're cutting, and when we don't have personnel to do it, we don't have the money to do it. Just make sure they understand that because we going to get the calls and they are still going to expect these services. It is hard for my office especially to hold up."

Councilmember Dalton stated, "I know you got a difficult job but we have not increased customers in thirty five years. That's reality. We've not, if I am wrong tell me I am wrong. We have no more power customers or water customers now than we had thirty five years ago. We don't. We should be able to do it. We have got to be more efficient. We have talked about this on everything. You know rather it's how to pick up limbs or how to do this."

Mrs. Wall responded by saying, "That's not your power bill fund."

Councilmember Dalton stated, "What I am talking about is how you do things and how efficient you are at certain task. What I'm saying is, is that's where you make a difference. It's not always add more money or add more people or this, it's can you be more efficient first in my opinion. Can you be more efficient?"

Mayor Beam spoke up and said, "I think we have tried to do that with our budget by cutting \$20,000 from every department. If that's not being efficient I don't know what is."

Councilmember Dalton said, "In reality that is another falsely to. If you look at that budget and you really start study it, no those budgets were not cut. You know we said to cut \$20,000 out of Chief Cash's budget, no we didn't. His budget is actually \$1,000 higher this year. That's reality. We didn't cut \$20,000. We didn't. And you know the staff has done a lot with less no doubt about it for three years. There is not a department head out there that hadn't done more with less. But we still have to look at what's coming in, and that's what drives what they get. And we got to be very cautious about this stuff."

Councilmember Parker stated, "I have brought this up before, I don't understand the days. I've kept up with it the last two years and I am getting charged like 368 days one year and 367 days the next year. I keep getting the same answer, that it's gonna catch up. But it's not catching up it keeps going and going. I can't understand why we are getting charged for more days than there are in a year."

Finance Director Mrs. Wall shared, "If you look at your bill it tells you the same day on the bill so August 6th, may be on there twice in one month."

Councilmember Parker stated, "But I look at what you got on there like they said a while ago, it says 33 days. I got charged for 363 days is that not right? What's on that bill? If you count 33 and 33 and I keep all my bills and at the end of the year it's more days that I am being charged for then is in a year."

Mayor Beam stated, "But that's what she is explaining, August 6th can show up on both bills."

Councilmember Parker said. "I don't go by August 6 and such I go by days that's on that bill what I was charged for. If there's 33 days on that bill than you telling me that I got charged for 33 days. I add that 33 days to last month and then I add it to the rest of them. And at the end of

the year there's more days than there is in a year. And the answer I get is it will catch up next year. But we keep getting a day or two further ahead, one of these days we are gonna be a month ahead, I guess were gonna have to give all the citizens a whole month off."

Mayor Beam shared the following, "I think this board as a whole feels for the citizens, I really do. I know power bills are high but they are high in other places to, and I am not making excuses, I'm just saying that I stand by what I did and I will always stand by it. I will be as hard a worker as anybody on this board but I feel we will do what is best for the power bills for the 5% increase that is proposed for next year. We have got to buy our time through it and maybe we won't see that 17 or 18% drop but that is what we have got to hope for because that is what is proposed."

Councilmember Dalton stated, "Let me just say this to and this is my last comment on it. I know when I first got elected 3 year ago, we had numerous meeting with Mr. Shull. I know Mr. Edwards came several times and they set down with us at night and we set and talked about what we can do. I think it would be a good idea to get them back up here so Councilmember Puett and the Mayor can set there and we can have these talks with them some more, because we got to get on the same page a little bit."

Mayor Beam commented, "I think you made the comment to me Mr. Dalton that you believe in passing it one year and absorbing it the next and you were going to stand by that. Pass it on one year and absorb it the next. So if we go by your comment, you want to pass on the 2 ½% and absorb the 5% next year. That's exactly what you told me. That you believed in passing it on one year and absorbing it the next."

Councilmember Dalton responded by saying, "If the finances allow, I believe in absorbing it anytime the finances allow. And the bottom line is, your increase this year cost the City about \$145,000 more to purchase the amount of power you needed. We already banked \$200,000 in excess from the year before so you had enough to already cover it. So in my opinion you absorb it and you got \$60,000 to go toward the next year. That's excess, it's not like we are trying, that's where your problem has been. That's why you got that letter that's so good, I want you to realize that letter right there is based on the first budget that I was involved in. The first one. Me, Malcom and David and that was the first one that I was involved in, and that budget, that letter right there is based on us making a statement and making a commitment that we were not going to rob from the electric fund and move it to the general fund because we over spent. That's why we got that in every fund, because every fund is pretty much standing on its own. Now I still stand by that. When the electric fund is making money, you bank it, save it, or waste it like we have done the last 20 years, that's what was done. They over spent in the general fund and they robbed from the electric fund. Twenty years, maybe more. That's what they done every year and that is why we are in this position. This year we didn't have to do that it was there. We already had the money available. So why not use it. I think you could have done the same thing this year and still made enough off of this years old rate to absorb next years."

Mr. Rodney Bowyer stated, "Can I say one more thing Mr. Mayor? I want to say that I think Patty does an exceptional job. She is walking on water but I wish she would come down there

and look at my water. I have a filtering system and when I change that filter it is nothing but mud. Red mud. I don't drink it so, I wash clothes in it and they turn red."

Mayor Beam commented, "I think they are experiencing some of that in the Delview area right now and they are making arrangement on Friday nights to flush the lines."

Mr. Bowyer commented, "She can't do that down there, we are on a dead in and you know what happens on a dead end. So she can't so nothing about that, but she is doing a good job."

CONSIDERATION OF PROCLAMATION FOR CHERRYVILLE AREA WIDE REVIVAL:

Mayor Beam shared a Resolution for the Cherryville Area Wide Revival that will be held August 11, 12, 13 and 14 at Buck Fraley Field. Mayor Beam shared the following:



**A PROCLAMATION
IN SUPPORT OF
THE CHERRYVILLE COMMUNITY
REVIVAL**

WHEREAS, from the earliest days of our history our people have been accustomed to turn to the Almighty God for help, guidance and spiritual revival; and

WHEREAS, since the first call to prayer in 1775, when the Continental Congress asked the colonies to pray for wisdom in forming a nation, the call to prayer and spiritual renewal has continued throughout our history; and

WHEREAS, throughout our city and nation's history spiritual awaking has occurred through the fervent prayers and sermons of the circuit riding evangelist, minister of the gospel, and the countless lay people sharing the sole burden of proclaiming the good news of the Gospel of Christ; and

WHEREAS, by proclaiming the Gospel of the Kingdom of God, forgiveness through the cross of Christ, we seek spiritual renewal of God's people, transformation in the lives of children and adults, and to bestow His blessing on our community, state, and nation; and

WHEREAS, through the devout purposes of rendering the Sovereign of the Universe and the Benefactor of Mankind the public homage due to His holy attributes; of seeking His merciful forgiveness and his assistance in the great duties of repentance and transformation; and

WHEREAS, our community recognizes the need for spiritual restoration in our individual lives, families, and city.

THEREFORE, BE IT PROCLAIMED the City Council for the City of Cherryville does hereby support the Cherryville Community Revival for spiritual renewal for the dates of August 11, 12, 13, and 14, 2014.

BE IT FURTHER PROCLAIMED that the results of the Cherryville Community Revival be manifested through the Almighty God bestowing upon this community and its citizens His blessings of grace and forgiveness, and He will take the people under his care and protection now and forever.

ADOPTED this the 5th day of August 2014.

H. L. Beam, Mayor

Paige H. Green, City Clerk

Councilmember Parker made a motion to adopt the Proclamation as written. It was seconded by Councilmember Kiser and the vote was unanimous.

CONSIDERATION OF PROCLAMATION COMMEMORATING THE 50TH ANNIVERSARY OF GASTON COLLEGE:

Mayor Beam shared a Proclamation commemorating the 50th anniversary of Gaston College. The Mayor shared the following:



**CHERRYVILLE
PROCLAMATION**

WHEREAS, In 2014, Gaston College is celebrating 50 years of excellence as an institution of higher education in Dallas, North Carolina; and

WHEREAS, after being granted a chapter in 1963 by the State of North Carolina, Gaston College opened with a single campus and has since expanded to three campuses and one regional training center serving approximately 30,000 students each year through more than 100 programs leading to degrees, diplomas, and certificates; and

WHEREAS, Gaston College is part of the North Carolina Community College System and is the 9th largest of 58 institutions in the system; and Gaston College is accredited by the Southern Association of Colleges and Schools; and

WHEREAS, Gaston College continues to be an open-door public community college that promotes student success and lifelong learning through high caliber, affordable, and comprehensive educational programs and services responding to economic and workforce development needs; and

WHEREAS, Gaston College continually adapts to the needs of its students by offering courses in four curriculum areas: Arts & Sciences; Health Education; Business & Information Technology; and Engineering & Industrial Technology. The college also serves Economic and Workforce Development service in six areas: Corporate Education; BioEd; Small Business; Life Skills; Community Education; and Public Safety; and

WHEREAS, through five decades of growth, Gaston College’s reputation for academic excellence and comprehensive educational programs and services has empowered people to set and achieve high standards of quality, creating skilled lifelong learners, and supporting active learner-centered environments offering real-life educational experiences.

NOW, THEREFORE, BE IT RESOLVED THAT the Mayor and Council of the City of Cherryville, North Carolina, congratulate Gaston College on its Golden Anniversary and its contributions to the community and the surrounding area by providing tools to ensure excellence in education.

IN WITNESS WHEREOF, I have hereunto set my hand and caused this seal to be affixed, this the 5th day of August, in the year of our Lord two thousand and fourteen.

City Clerk, Paige H. Green

Mayor, H.L. Beam

Councilmember Kiser made a motion to approve the Proclamation as written and it was seconded by Councilmember Puett. Vote was unanimous.

CONSIDERATION TO AMEND ARTICLE II SECTION 11 OF THE EMPLOYEE PERSONNEL POLICY:

City Manager Ben Blackburn addressed everyone sharing with them that currently employees that are hired are given a salary that they will make annually. The employee does not make that salary until they have reached a six month period, (12 month for police and fire). After ninety days of employment the employee receives a 5% increase to offset the retirement. The employee is then put into the retirement system. After a 6 month probationary period (12 for police and fire) the employee receives a 2 ½% pay increase. If an employee is hired and they are already in the retirement system, they automatically stay in the retirement system. For the employees that have had this 90 day (3 month) waiting period, they will have to work for 30 years and 3 months to get a full 30 years in the retirement system. Mr. Blackburn shared that it was only fair to pay the employee what they were told they would make when they start and also immediately start the employee off in the retirement system since they are actually working and would get the credit for working. Councilmember Dalton agreed that most

employers do start their employees at the starting salary and in the retirement system. Councilmember Dalton made a motion to strike the 2 ½% pay increase at 6 or 12 months and also start any new employees immediately in the retirement system. The probationary period will still be 6 or 12 months. All new employees will begin working at the salary they are told they will make. Councilmember Parker seconded the motion and the vote was unanimous.

CONSIDERATION OF SURVELANCE AT THE PUBLIC WORKS DEPARTMENT:

Due to the recent break in at the Public Works Department the City has received quotes for a security system. City Manager Ben Blackburn shared that when we have theft or damage it cost the tax payers and we need to have a security system in place so that this does not happen again.

City Manager Blackburn also addressed the Mayor and Council wanting to share that he was elated with the letter that the Mayor received from Sharon Edmundson of the NC Department of State Treasurer's Office regarding the audit report. Mr. Blackburn shared that credit goes to the Mayor and Councilmembers for adopting a budget and supporting staff. He went on to say that the employees that work for the department heads deserve recognition as well. Be it for taking care of equipment, or for not filing a workers comp claim when they trip over their own feet, for taking care of the patrol car they are assigned to, or taking care of the fire hose they are given to use. Mr. Blackburn shared that all employees deserve recognition for that letter.

Mr. Blackburn asked Brandon Abernathy to share the quotes that he has received. Knowles Security gave a quote for several motion detectors, cameras and an audible alarm that will set pages off to personnel as well as the police department. The quote was for \$2,000.

Councilmember Dalton asked for several more quotes. Mayor Beam and Council directed staff to move forward with installing this security system.

OTHER BUSINESS:

Councilmember Parker asked for an update on the cemetery. He wanted to know if we had the information in the system yet. We have not. He wanted to know who was going to finish getting the information needed. We are asking the scouts for help with this project.

Councilmember Dalton asked where the city would be paving next. City Manager Blackburn and Public Works Director will be putting a list of streets together that need to be paved.

City Manager Blackburn shared that the North Carolina League of Municipalities will be hosting its annual conference in Greensboro October 11th, 12th, 13th and 14. If the Mayor and Council are interested in attending please see City Clerk Paige Green for registration. Deadline for registration is September 17.

Councilmember Kiser asked for an update on Modern Polymers.

Mayor Beam shared that Biz Magazine had a wonderful article about Cherryville. It spoke of all Cherryville had to offer.

Councilmember Puett thanked Dixie Wall and Leesa Workman for their hard work.

CLOSED SESSION:

Councilmember Parker made a motion to enter into a closed session. Councilmember Kiser seconded the motion and the vote was unanimous. No votes were taken during the closed session.

ADJOURNMENT:

Councilmember Parker made a motion to adjourn the meeting. Councilmember Kiser seconded the motion and the vote was unanimous. The meeting adjourned at 8:30 pm.

Adopted this 8th day of September, 2014.

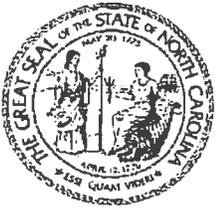
H.L. Beam

Mayor, H.L. Beam

Paige H. Green
City Clerk, Paige H. Green

(SEAL)





JANET COWELL
TREASURER

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

T. VANCE HOLLOMAN
DEPUTY TREASURER

July 15, 2014

The Honorable H.L. Beam, Mayor
City of Cherryville
404 Spring Street
Cherryville, North Carolina 28021

Dear Mayor Beam:

The State and Local Government Finance Division in its role as staff to the Local Government Commission has analyzed the audited financial statements of the City of Cherryville for the fiscal year ended June 30, 2013. The purpose of this letter is to convey our assessment about your City's financial position and operations. We request that you respond to this letter, addressing each concern we have raised.

We see that there has been a marked improvement in the financial condition of both the General Fund and the Water and Sewer Fund, and we commend the Board, the staff and the citizens of Cherryville for that welcomed improvement. We realize the City has faced some difficult challenges in past years to improving its financial condition and it is good to see so much progress in just a year's time. For comparative purposes, the City's fund balance available was \$701,722 or 18.13% of total fund expenditures at June 30, 2013, and stood at \$214,388 or 5.05% of expenditures at the close of 2012. Also at that time fund balance available was 100% Powell Bill Funds; at June 30, 2013, Powell Bill made up approximately half of the fund balance available. Statewide, the average fund balance available for comparably sized units in fiscal year 2013 was 49.18% of their total General Fund expenditures. For cash flow purposes local governments need to maintain adequate amounts of fund balance to finance their operations during periods of declining revenues. Also, fund balance represents a reserve that can be used for emergencies and other unexpected expenditures or to take advantage of financial opportunities that may unexpectedly arise. We encourage you to continue your efforts to build fund balance and provide the City a sufficient safety net with which to operate.

The City's audited financial statements were not received by our office until June 13, 2014, seven months after the due date of October 31, 2013, and almost a year after fiscal year end. 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. Information in the report is needed by you and your Board in order for you to take prompt and effective corrective action on any deficiencies noted. Various external groups such as the North Carolina General Assembly, federal and State agencies that provide funding, and other public associations need current financial information about your City as well.

The Honorable H.L. Beam, Mayor
City of Cherryville
July 15, 2014
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We have received a letter from the auditor dated April 4, 2014, which explained that the delay was caused by his delay in receiving a required pre-issuance review. The auditor has made it clear that this was not a result of any action or inaction by the City. We urge the Board to take the appropriate action to ensure that the audited financial statements for the current fiscal year are completed and submitted by October 31, 2014.

Again, we are impressed with the significant improvement Cherryville has experienced this fiscal year and wish to commend you on your efforts. We appreciate the obstacles Cherryville has overcome in recent years and encourage you to continue to enacting policies that advance the City's fiscal health.

Please respond in writing within the next 30 days to each concern that we have raised in this letter. Responses should be in letter form, signed, and may be submitted in hard copy by mail or via email. If you email your response, please send it to unitletter@nctreasurer.com. If you are planning to issue debt that requires the approval of the Local 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: Ben Blackburn, City Manager
Dixie Wall, Finance Officer
David Kiser, Town Councilor
Brian Dalton, Town Councilor
Jill Puett, Town Councilor
Malcolm Parker, Town Councilor
Darrell Keller, CPA, P.A.