



**TOWN OF DAVIDSON
BOARD OF COMMISSIONERS
216 South Main Street**

January 10, 2017

WORK SESSION - 4:00 PM

(Held in the Town Hall Meeting Room)

I. OTHER DISCUSSION ITEMS

- (a) Antiquity Woods - Town Manager Jamie Justice
- (b) National Citizen Survey - Assistant Town Manager Dawn Blobaum
- (c) Street Repair Project for Spring, 2017 - Public Works Director Doug Wright
- (d) Draft Financial Plan - Finance Director Piet Swart

REGULAR BOARD OF COMMISSIONERS MEETING - 6:00 PM

(Held in the Town Hall Meeting Room)

I. CALL TO ORDER

II. ANNOUNCEMENTS

- (a) Oath of Office - Town Clerk Carmen Clemsic
- (b) Proclamation for Dr. Martin Luther King, Jr. Day

III. CHANGES TO AGENDA

IV. PUBLIC COMMENTS

V. PRESENTATIONS

- (a) Lake Norman Teen Council Service Projects Review - President of Lake Norman Teen Council, Jordan Raszeja
- (b) Bee City Designation - Natural Assets & Sustainability Coordinator - Charlene Minor
- (c) Audit Presentation/State of the Finances - Finance Director Piet Swart

VI. PUBLIC HEARING

- (a) Planning Ordinance - Rural Area Plan Map Amendments - Senior Planner
Trey Akers
- (b) Planning Ordinance - Rural Area Plan Text Amendments - Senior Planner
Trey Akers
- (c) Planning Ordinance - Miscellaneous Text Amendments - Senior Planner
Trey Akers
- (d) Planning Ordinance - Markham Property Map Amendment - Senior Planner
Chad Hall

VII. CONSENT

- (a) Approve Agenda Minutes - December 6 & 13, 2016
- (b) Approve Revised Regular Meeting Schedule
- (c) Approve Resolution 2017-02 - Town of Davidson Bee City Designation
- (d) Approve Budget Ordinance Amendment - BA2017-11 - Finance Director -
Piet Swart

VIII. NEW BUSINESS

- (a) Consider Approval of North Carolina State Legislative Agenda - Town
Manager Jamie Justice
- (b) Consider Approval of Changes to Finance Policy - Finance Director Piet
Swart

IX. OLD BUSINESS

- (a) Town Facilities Update - Assistant Town Manager Dawn Blobaum

X. SUMMARIZE MEETING ACTION ITEMS

XI. ADJOURN



Agenda Title: Antiquity Woods - Town Manager Jamie Justice

Summary: Discussion on Antiquity Woods

ATTACHMENTS:

Description	Upload Date	Type
<input type="checkbox"/> Antiquity Woods draft letter	1/4/2017	Cover Memo



January 5, 2016

Town Manager, Mayor, Commissioners, and Planning Director
Town of Cornelius
21445 Catawba Avenue
Cornelius, NC 28031

Dear Anthony Roberts,

As neighboring towns, we've worked together on a number of regional projects for the betterment of our respective communities. On behalf of the Town of Davidson mayor, commissioners, planning department, and citizens, we are obligated to share with you concerns the Town of Davidson has with the proposed Antiquity Woods development to be constructed on South Street in Cornelius, immediately adjacent to Davidson and directly impacting our town's streets. Our staff has reviewed the proposed site plan, your planning staff's comments, and the recently released Traffic Impact Analysis (TIA). Below is a summary of our concerns, specifically pertaining to site design, regional mobility, recommendations from the TIA, and construction traffic.

A. Site Plan:

The lack of connections to adjacent properties is concerning. With one ingress/egress located along South Street, all traffic will be funneled to this intersection with South Street. The TIA states that 50 percent of the traffic will be northbound on South Street, directly impacting Davidson residents, streets, and intersections. In Davidson, developers are required to provide one stub to an adjacent parcel for every 600' of shared boundary with the objective of dispersing traffic and reducing chokepoints at intersections. At minimum, it seems there should be at least one stub at the rear of the property, though two would be preferred.

Also, private streets have proven problematic in past experiences as citizens often expect municipal responsibility for their care and maintenance. Municipal control over streets ensures their long-term maintenance.

- B. Regional Mobility:** A development of this size will impact regional mobility –vehicles, pedestrians, and cyclists. It's concerning that the TIA makes no mention of pedestrians or cyclists in their counts and recommendations. The proximity of a school nearby (Davidson Elementary)

exacerbates this concern. The proposed Charlotte-Mooresville greenway trail crosses this site, though it is not shown on any site plan. Cornelius staff recommends a dedicated easement for future construction, assumed to be funded later by Cornelius or Mecklenburg County. We would urge Cornelius to require construction of this vital greenway link as part of any approval. Greenways provide tremendous value to regional mobility and public health, and are valuable community assets.

C. TIA Recommendations

The TIA makes no recommendations for Davidson intersections, though approximately half of new traffic generated will be funneled through South Street and its intersection with Main Street. Widening the intersection is not an option. We have concerns regarding the additional traffic's impact upon this intersection's capacity, as well as the dispersal of additional traffic along our local streets. We would encourage the exploration of creative solutions to mitigate the additional traffic generated.

The TIA does, however, recommend new north and southbound turn lanes into Antiquity Woods from South Street. Davidson has concerns with the proposed turn lanes as they typically allow traffic to maintain current speeds and increase the width of the street, creating an unsafe environment for the pedestrian. Slowing vehicular traffic down is recommended, and the absence of turn lanes could help this.

Additionally, the TIA does not make any recommendations for pedestrians, specifically those students and parents travelling to Davidson Elementary or McEver Field ballpark, both located on South Street. Davidson would ask that Cornelius require analysis of pedestrian traffic. Subsequently, if pedestrian counts warrant, the developer should be required to install a HAWK signal beacon (High-Intensity Activated Crosswalk).

D. Construction Traffic

Davidson has concerns that construction traffic would primarily use South Street and Main Street. The town takes great pride in our local and nationally-registered historic districts. Additional construction traffic is of crucial concern, specifically if it travels via historic Main Street.

The Town of Davidson appreciates the opportunity to share our concerns with Cornelius. Regional collaboration is imperative to successful planning, and we look forward to working with you should this development move forward. Please let us know if you have any questions pertaining to the concerns described above.

Regards,

Jamie Justice
Town Manager
Town of Davidson, NC

cc. Chuck Travis, Mayor
Jim Duke, Commissioner
Dave Gilroy, Commissioner
Michael Miltich, Commissioner
Thurman Thomas, Commissioner
Woody Washam, Commissioner
Anthony Roberts, Town Manager
Wayne Heron, Planning Director

John Woods, Mayor
Beth Cashion, Mayor Pro Tem
Stacey Anderson, Commissioner
Jim Fuller, Commissioner
Rodney Graham, Commissioner
Brian Jenest, Commissioner
Jason Burdette, Planning Director



Agenda Title: National Citizen Survey - Assistant Town Manager Dawn Blobaum

Summary: Review custom questions for National Citizen Survey.

ATTACHMENTS:

Description	Upload Date	Type
No Attachments Available		

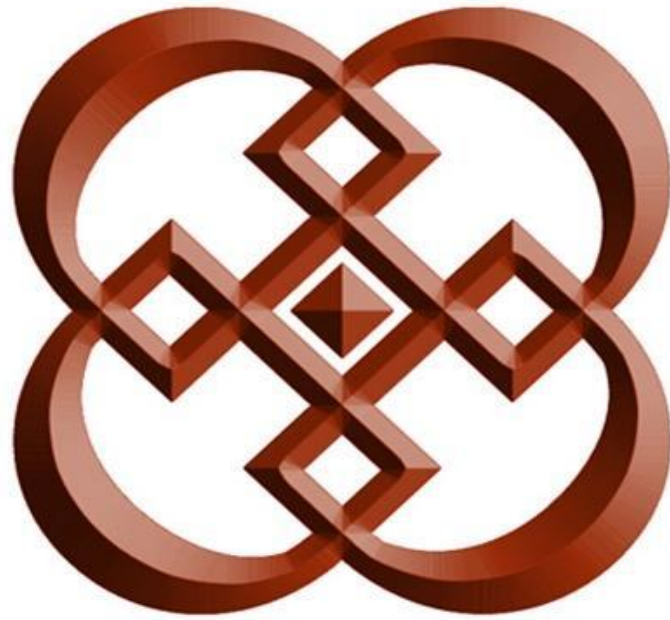


Agenda Title: Street Repair Project for Spring, 2017 - Public Works Director Doug Wright

Summary: Discussion on start of five year street repair maintenance plan.

ATTACHMENTS:

Description	Upload Date	Type
□ Street Repair Project	1/9/2017	Cover Memo



The Town *of* Davidson

College Town. Lake Town. *Your Town.*

Pavement Condition Survey 2014



College Town. Lake Town. *Your Town.*

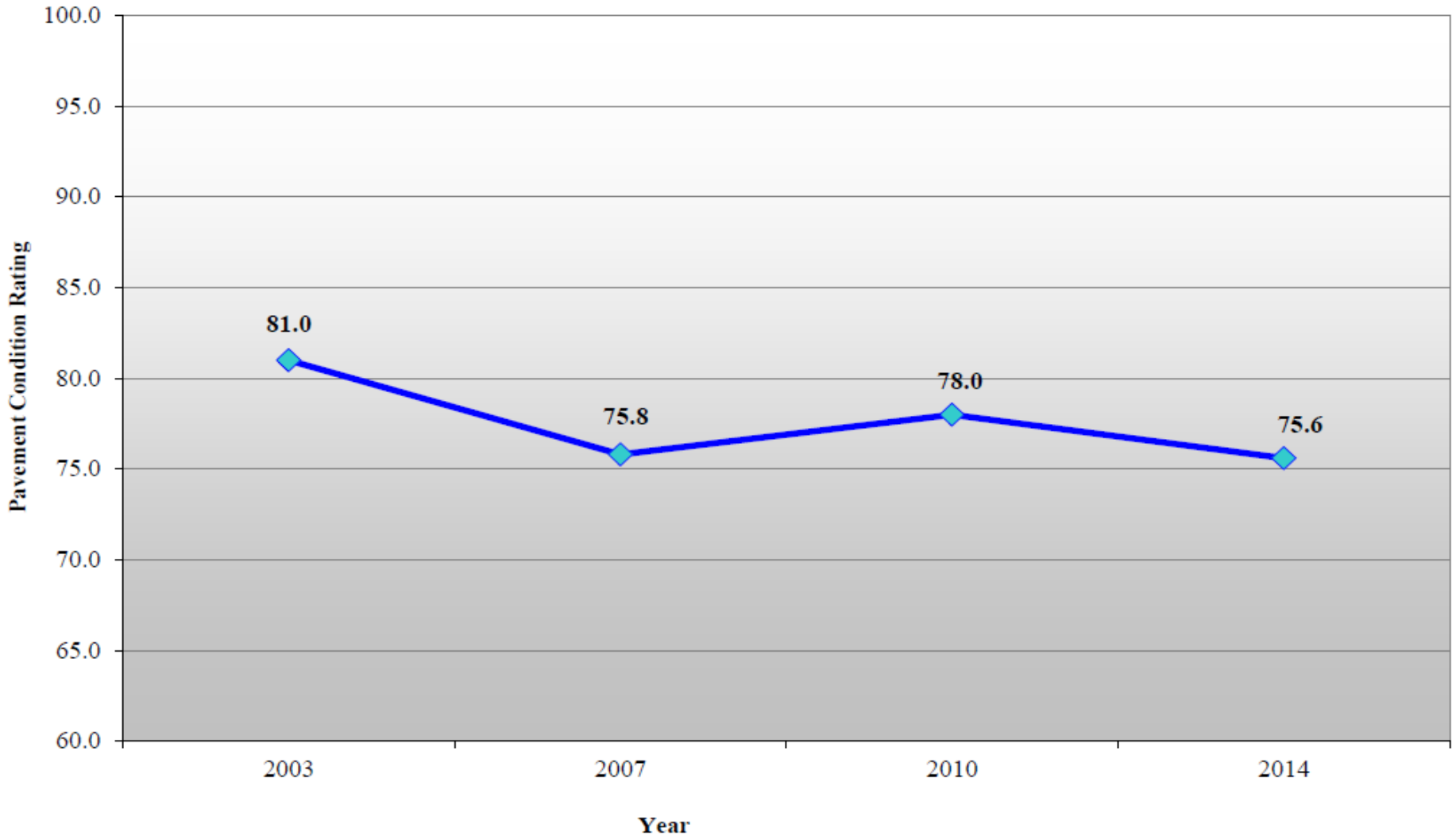
Public Works Department
Doug Wright, Public Works Department
Jan 2017

Summary

- 42.74 miles of asphalt streets
- Visual survey conducted
- Street segments were rated
- The Town of Davidson's street system is in "Fair" condition with an overall weighted average PCR value of 75.6. This is a decrease of 2.4 since the 2010 Pavement Condition Survey.
- Maintaining an aggressive crack sealing, patching and resurfacing program should be a high priority for the Town of Davidson in tandem with allocating adequate funds and resources to accomplish this task.



Figure 2 - Average PCR Comparison by Survey Year



Funding Plan 2016

–\$607,000 per year

- \$300,000 Capital

- \$307,000 Powell Bill

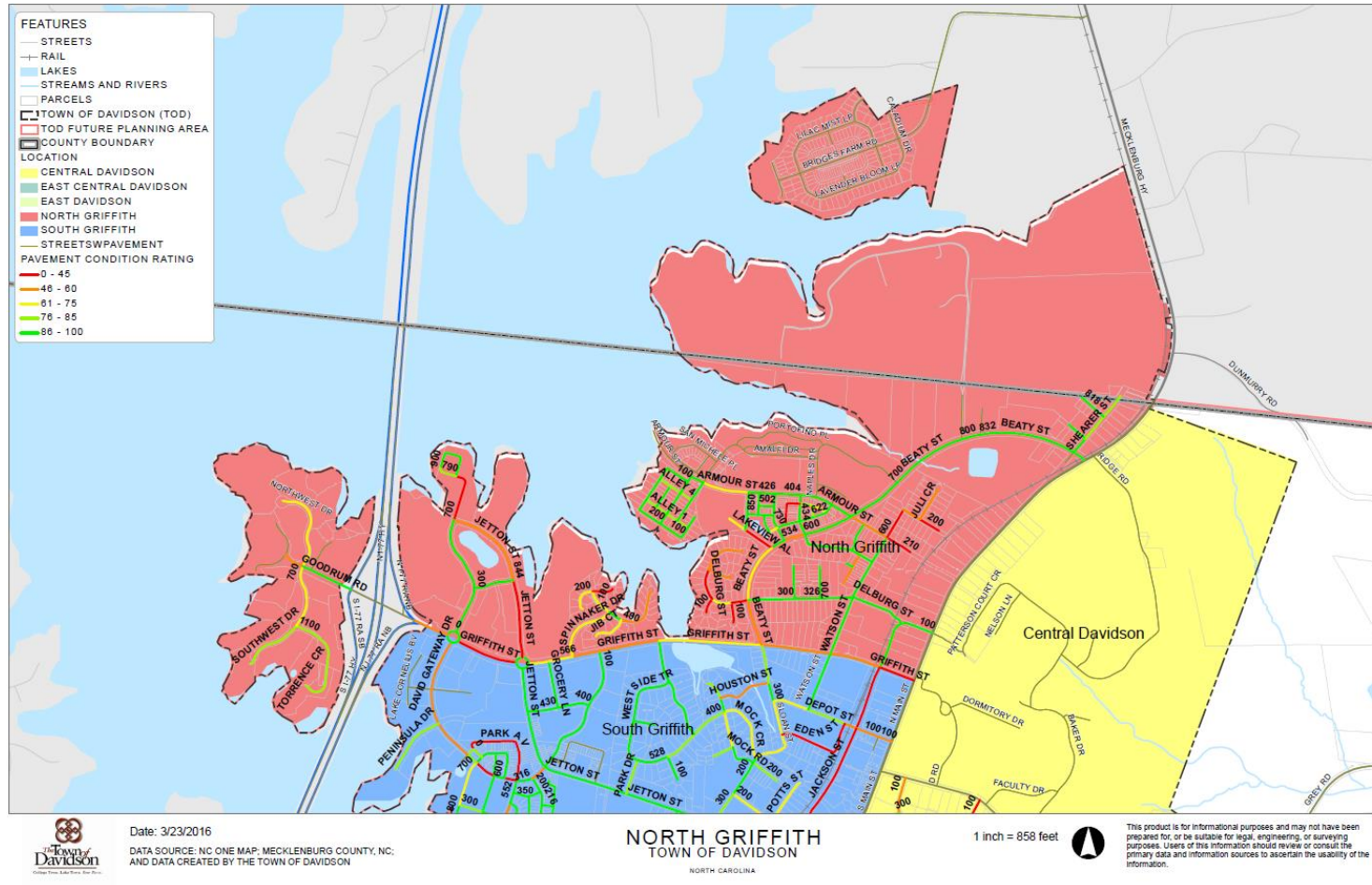


Five –Year Plan

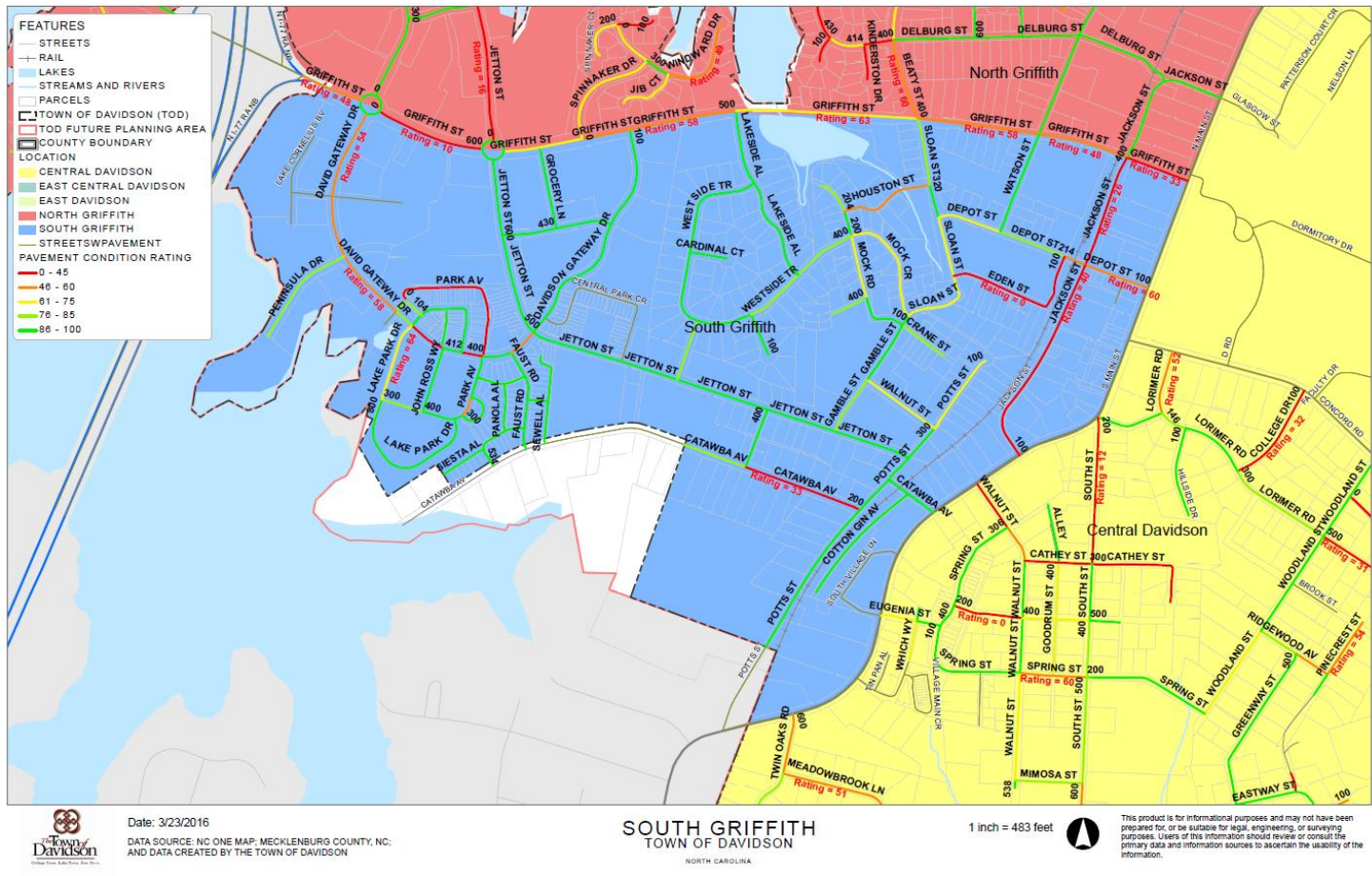
- 5 regions
 - North of Griffith
 - South of Griffith
 - Central
 - East Central
 - East
- Prioritize according to average pavement condition rating for region



North of Griffith



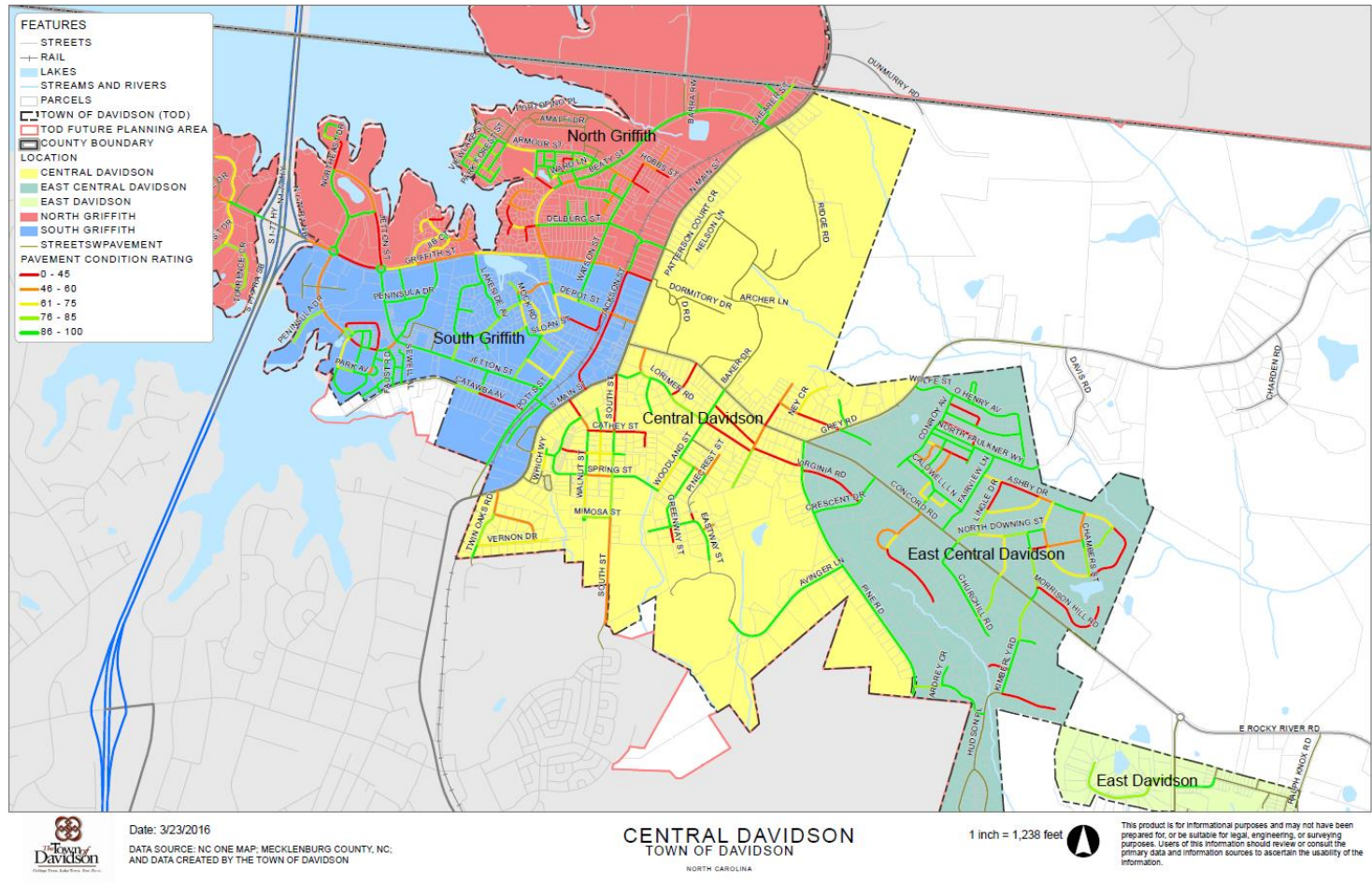
South of Griffith



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Davidson Public Works Department
Doug Wright
Jan 2017

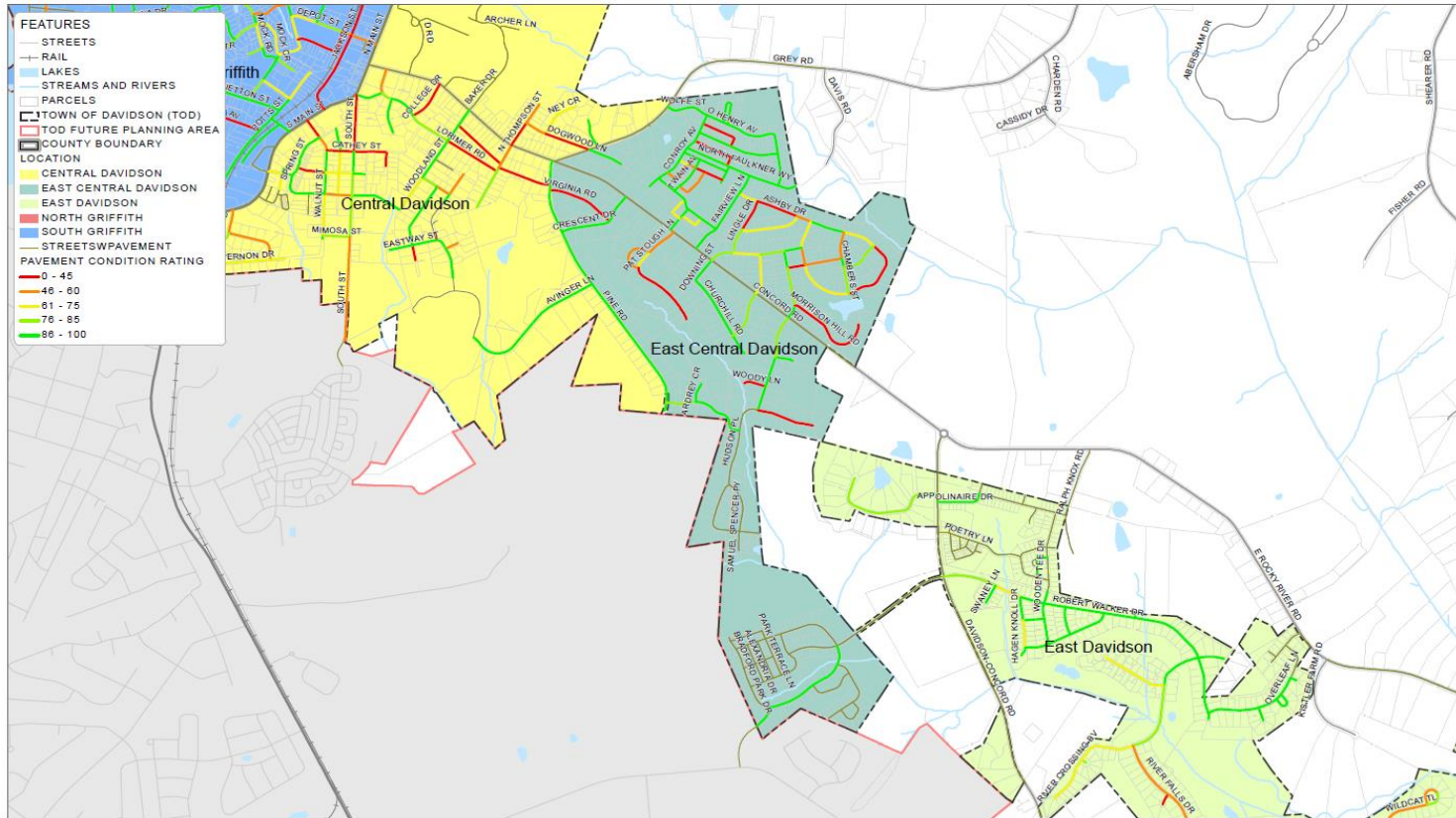
Central



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Doug Wright
Jan 2017

East Central



Date: 3/23/2016
 DATA SOURCE: NC ONE MAP, MECKLENBURG COUNTY, NC;
 AND DATA CREATED BY THE TOWN OF DAVIDSON

EAST CENTRAL DAVIDSON
 TOWN OF DAVIDSON

NORTH CAROLINA

1 inch = 1,268 feet



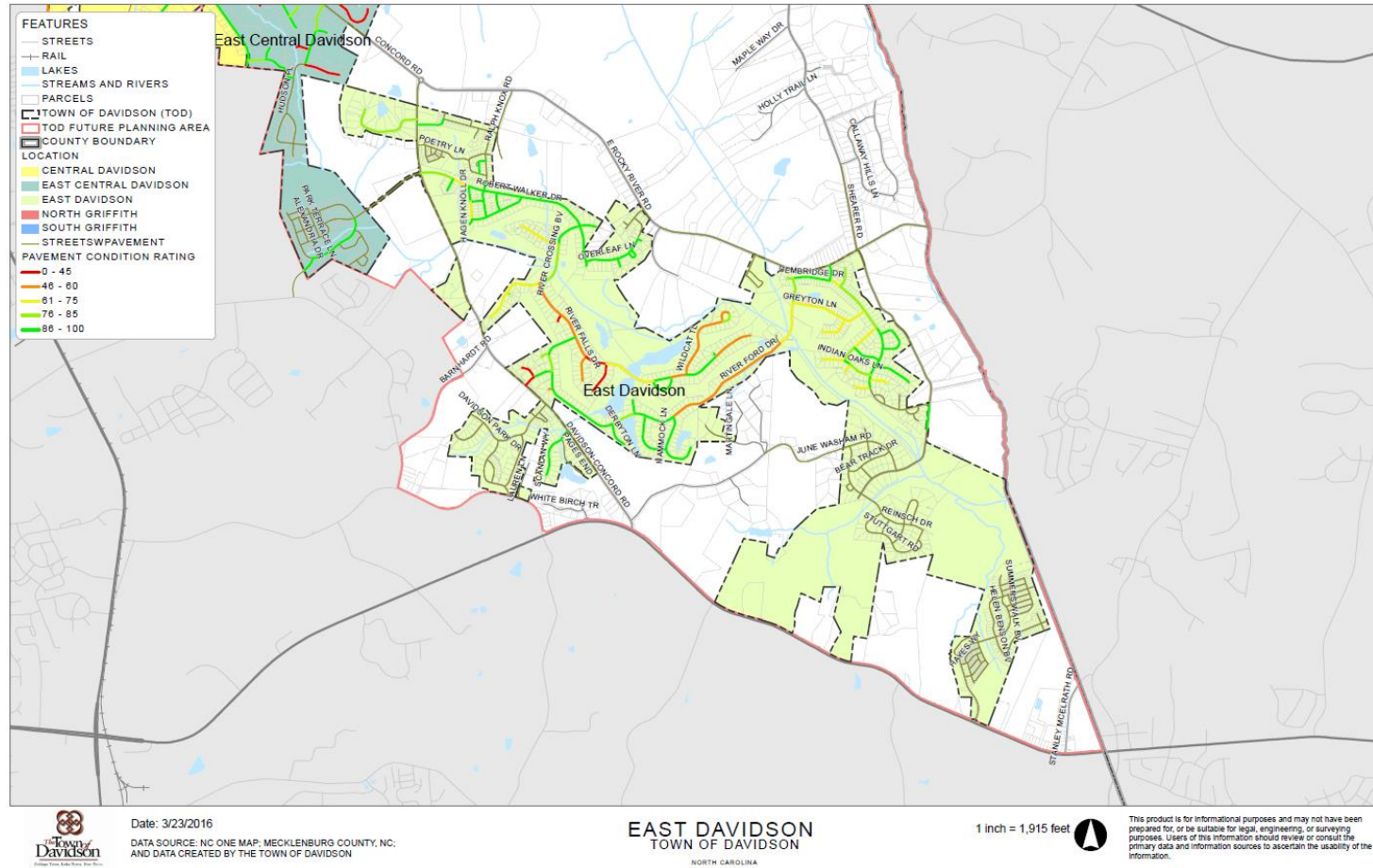
This product is for informational purposes and may not have been prepared for, or be suitable for, legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.



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 Doug Wright
 Jan 2017

East



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Doug Wright
Jan 2017

Prioritizing

Region	Average PCR for streets < 88	Repairs	Engineering	Total
South of Griffith	63	\$519,256.00	\$77,888.40	\$597,144.40
Central	57	\$404,163.00	\$60,624.45	\$464,787.45
North of Griffith	57	\$359,828.00	\$53,974.20	\$413,802.20
East Central (Grey to Roundabout)	58	\$347,403.00	\$52,110.45	\$399,513.45
East	64	\$353,924.00	\$53,088.60	\$407,012.60
TOTAL		\$1,984,574.00	\$297,686.10	\$2,282,260.10



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Davidson Public Works Department
Doug Wright
Jan 2017

Process

- Resurface or patch street sections depending on condition
- Crack seal



Minimal Crack Seal



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Davidson Public Works Department
Doug Wright
Jan 2017

Crack Seal



Unacceptable Crack Seal



Patching

- Appropriate density
 - Overlay patch areas must encompass full travel lane of roadway
 - Minimum patch size is 10 ft. x 10 ft.
 - Patch areas cannot be any closer than 150 ft. of each other, else the entire area requires patching

Acceptable Patching



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Davidson Public Works Department
Doug Wright
Jan 2017

Unacceptable Patching



Unacceptable Patching





Agenda Title: Draft Financial Plan - Finance Director Piet Swart

Summary:

ATTACHMENTS:

Description	Upload Date	Type
No Attachments Available		

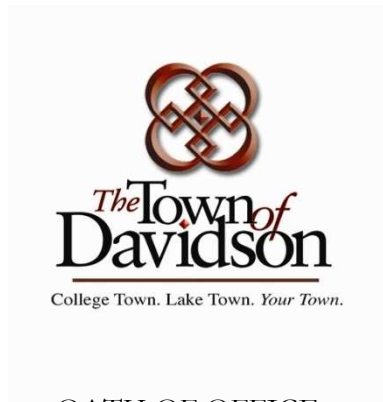


Agenda Title: Oath of Office - Town Clerk Carmen Clemsic

Summary:

ATTACHMENTS:

Description	Upload Date	Type
📎 Oath of Office	1/3/2017	Cover Memo



OATH OF OFFICE

Place your left hand on the Bible, raise your right hand, and repeat after me.

I, Carmen Clemsic, do solemnly swear I will support and maintain the Constitution and laws of the United States, and the Constitution and laws of North Carolina, not inconsistent therewith, and that I will faithfully discharge the duties of my office as Clerk of the Town of Davidson, so help me God.

Carmen Clemsic, Town Clerk

John M. Woods, Mayor

Heather James
Notary Public

Commission Expiration Date

Date of Oath



Agenda Title: Proclamation for Dr. Martin Luther King, Jr. Day

Summary: Proclamation for Dr. Martin Luther King, Jr. Day

ATTACHMENTS:

Description	Upload Date	Type
📎 Proclamation MLK	1/5/2017	Cover Memo
📎 MLK Event Flyer	1/5/2017	Cover Memo



**A PROCLAMATION
Martin Luther King Day
January 10, 2017**

WHEREAS, each year America sets aside a day to remember a giant of our Nation's history and pioneer of the Civil Rights Movement;

WHEREAS, Reverend Dr. Martin Luther King, Jr. gave mighty voice to the quiet hopes of millions, offered a redemptive path for oppressed and oppressors alike, and led a Nation to the mountaintop;

WHEREAS, behind the bars of a Birmingham jail cell, he reminded us that "injustice anywhere is a threat to justice everywhere"

WHEREAS, one a hot summer day, under the shadow of the Great Emancipator, he challenged America to make good on its founding promise, and he called on every lover of freedom to walk alongside their brother and sisters;

WHEREAS, we are reminded that our journey is not complete – it is our task to build on the gains of past generations, from challenging new barriers to the vote to ensuring the scales of justice work equally for all people;

WHEREAS, Dr. King taught us that "an individual has not started living until he can rise above the narrow confines of his individualistic concerns to the broader concerns of all humanity;"

WHEREAS, in honor of this spirit, Americans across the county will come together for day of service by volunteering our time and energy, we can build stronger, healthier, more resilient communities.

NOW, THEREFORE, I, Mayor John M. Woods of the Town of Davidson, do hereby proclaim **January 16, 2017** as Martin Luther King Jr. Day in the Town of Davidson and encourage all citizens to observe this day with appropriate civic, community and service projects in honor of Dr. King.

Proclaimed this 10th day of January, 2017.

John M. Woods,
Mayor

Attest:

Carmen Clemisic
Town Clerk

Davidson Area MLK Observance Opportunities



WITNESSING THE DREAM

Friday January 13th 6:30pm

Sabbath Seeking Wholeness, Justice and True Peace

A Shabbat Honoring Dr. Martin Luther King Jr.

Temple Kol Tikvah of Lake Norman

Saturday January, 14th 2-4pm

Davidson College Spencer Weintsien Center

Sharing Our Stories event as a wrap up for the NEH Community Heritage grant. The event will feature an exhibit on local African-American history, speakers, music and refreshments. Guest Speaker: Bea Thompson, Charlotte media personality.

Sunday January 8th, 4-5:30pm

Davidson College Presbyterian Church Parlor

Presentation by Nancy Snell Griffith and Charles E. Raynal based on their book Presbyterians in South Carolina 1925-1985:

Mid-Century Change in Historic Denominations.

Sunday January 15th, 11:00am

UU Fellowship of Lake Norman

Creative Tension with Rev. Amy Brooks

King speaks of the value of tension in order to bring about change. What does a rereading of King's Letter from Birmingham Jail have to tell us today, given recent events and where things are in our lives and in the world?

Sunday January 15th, 3:00pm

MUSIC AT ST. ALBAN'S

Music at St. Alban's presents the Charlotte Contemporary Ensemble in a program of Gospels, Spirituals, Anthems and Classical choral music honoring the legacy of Martin Luther King, Jr.

St. Alban's Episcopal Church, 301 Caldwell Lane in Davidson.

Tickets available at the door or on the website -www.musicatstalbansdavidson.org

\$15 general/\$10 students and seniors. Kids under 12 free!

Monday January 16th, 6:30pm

Gethsemane Baptist Church

Dr. Martin Luther King Jr. Community Worship Service

Sponsored by the Davidson Area Clergy. Dr. Ernest E. Jeffries, Host Pastor

Guest Speaker: Dr. Peter M. Wherry, Pastor of the Mayfield Memorial Bsptist Church of Charlotte, NC

Sunday January 22, 4-5:30 p.m.

Davidson College Presbyterian Church Parlor

The Genesis of Liberation: Biblical Interpretation in the Antebellum Narratives of the Enslaved

Presentation by Rodney S. Sadler, Jr., Associate Professor of Bible at Union Presbyterian Seminary, based on his book, co-authored with Emerson Powery



Agenda Title: Lake Norman Teen Council Service Projects Review - President of Lake Norman Teen Council, Jordan Raszeja

Summary:

ATTACHMENTS:

Description	Upload Date	Type
No Attachments Available		



Agenda Title: Bee City Designation - Natural Assets & Sustainability Coordinator - Charlene Minor

Summary: Presentation of what it means to have a Bee City designation.

ATTACHMENTS:

Description	Upload Date	Type
📎 Bee City Presentation	1/9/2017	Cover Memo

The background of the slide is a photograph of a field of yellow wildflowers, likely goldenrod, in bloom. The flowers are in sharp focus in the foreground and become more blurred towards the background. In the distance, several tall utility poles with power lines are visible against a clear blue sky. The entire image is framed by a solid yellow border on the left and right sides.

*Town of Davidson
In support of becoming a
Bee City USA*

CAN CITIES SAVE POLLINATORS?

- Federal government's National Pollinator Health Strategy
 - Enhance 7 million acres of land for pollinators over the next 5 years
- Total of 34 Bee City USA designations nationwide
- NC Bee City USA sites in order of certification...

- Asheville	(1)	- Wilmington	(10)
- Carrboro	(3)	- Durham	(20)
- Matthews	(4)	- Whiteville	(34)
- Hendersonville	(7)		

DAVIDSON'S RESOLUTION

- We recognize the paramount importance of and benefit from pollinators in our food chain and ecological web.
- The Davidson Lands Conservancy's Pollinator Project initiative was created, in part, to increase community awareness about the importance of pollinators, what is causing their decline, and what members of the community can do to help. We believe the designation of Bee City USA is another excellent platform from which we can continue to further these goals.
- Davidson has a long and rich history of bee-keeping and bee-related educational activities upon which we want to expand.
- We have a great desire to work with the Davidson municipal and public works leaders to create pollinator-friendly landscaping practices and mowing schedules at area parks.
- Preservation and planting of milkweed in area parks and private lands, as part of a Bee City event, will not only help Monarch butterflies but all pollinators.

“Bee City USA certification is both an honor and a responsibility. Launched in 2012, the Bee City USA program endorses a set of commitments, defined in a resolution, for creating sustainable habitats for pollinators, which are vital to feeding the planet. Cities, towns and communities across America are invited to make these commitments and become certified as a Bee City USA affiliate.”

POLLINATORS 101

- If you eat fruit, drink coffee, or love flowers, you are relying on pollinators
- 85% of flowering plants on earth rely on pollinators to reproduce
- Annual value of pollinators to US agriculture is over \$14 billion

(USDA 2016)



USDA

POLLINATOR SPECIES



Butterflies



Moths



Hummingbirds



Flies



Bees



Beetles



Wasps



Ants

POLLINATOR DECLINES

- Habitat loss
- Pesticide & herbicide use
- Pests & disease

(Potts et al, 2010)

44% of honeybees lost in the last year,

- April 2015 – March 2016 (USDA, 2016)

90% decline in Monarch population

- since the mid-1990 (US Department of Agriculture, 2016)



PRESERVE, PROTECT, AND INCREASE HABITAT

**PLANT NATIVE SPECIES
WILDFLOWERS, SHRUBS, TREES, AND
GRASSES**

**USE POLLINATOR-FRIENDLY MANAGEMENT
PRACTICES**

BUILDING A POLLINATOR FRAMEWORK

Plan-t for pollinators...

- Pollinator habitat in private gardens
- Community gardens
- Business and school campuses
- Parks & urban greenspaces
- Add pollinator habitat to existing corridors

DOWNTOWN HOUSTON
CURRENT Light Rail Corridor



DOWNTOWN HOUSTON
PROPOSED Light Rail Corridor



Danielle Bilot

BEE CITY USA REQUIREMENTS:

- **Adopt Bee City USA Resolution**
- Annually celebrate National Pollinator Week or similar occasion
- Annually apply for renewal of the community's designation and submit annual report
- Install/maintain *Bee City USA* street sign in a prominent location
- Create/maintain links on appropriate pages of the local government's website (this Resolution, national *Bee City USA* website link, annual reports, etc.)
- The Davidson Parks and Recreation Department will serve as the Bee City USA sponsor; with a staff member serving as the government liaison.
- The Davidson Lands Conservancy commits to, "encourage and coordinate local pollinator habitat and awareness activities" and to, "serve as the intermediary between the citizenry and local government on matters of enhancing pollinator awareness, health and habitat."

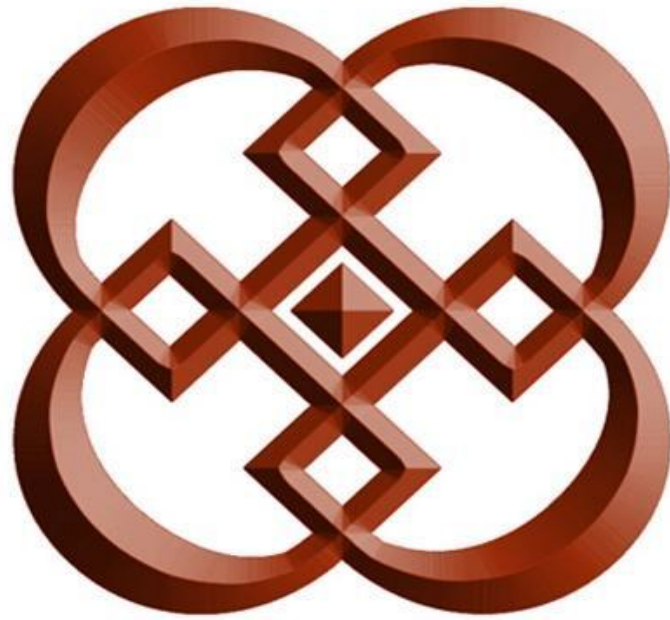


Agenda Title: Audit Presentation/State of the Finances - Finance Director Piet Swart

Summary: Audit Presentation/State of the Finances

ATTACHMENTS:

Description	Upload Date	Type
❏ Jan 10 2017 Audit and Finance Presentation	1/6/2017	Cover Memo
❏ Financial Statements FY2016	1/5/2017	Cover Memo



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Presentation of Financial Audit Results

Ann Craven
Rowell, Craven, and Short, P.A.



State of the Finances

- Financial Highlights
- Unassigned Fund Balance Summary
- Questions



Financial Highlights

- Actual Revenue Exceeded Final Budget by \$387K
- Actual Expenditures were nearly \$1.7 million less than budgeted
- The excess revenue due primarily to Sales and Utilities Taxes
- Expenses are under budget primarily due to Public Safety and Public Works



Unassigned Fund Balance

- Net of carry-forward and approved projects we have \$2.3million in Unassigned fund balance over our stabilization threshold.
- Street Paving is the primary carry forward
- Fire Station #2 is the primary approved project
- Board is well positioned to take advantage of potential grant funded projects which require match for our road and park enhancements.
- Board is able to fund possible municipal facilities improvement up-front costs.



Unassigned Fund Balance

Unassigned Fund balance at June 30, 2016:	\$ 6,581,424	63% Of FY2017 Budget
		68% Of FY2016 Actual
35% of GF Budgeted Expenditures for FY2017 at July 1, 2016:	<u>\$ 3,682,425</u>	Stabilization Threshold
Unassigned FB over Stabilization Threshold:	\$ 2,898,999	
Unassigned FB allocated in FY 2017		Through January 10, 2017
Minus: Total Approved Projects	<u>\$ 182,000</u>	
Unassigned Fund Balance available for Capital Projects	\$ 2,716,999	Through January 10, 2017
Minus: Total Carry-forward & Approved Projects	<u>\$ 424,500</u>	
Unallocated Unassigned FB over Stabilization	\$ 2,292,499	



Questions



College Town. Lake Town. *Your Town.*

Annual Audit and Financial Statements
Piet Swart, Finance Director
January 10, 2017

**Town of Davidson,
North Carolina**

Audited Financial Statements

For the Fiscal Year Ended June 30, 2016

Town Board

John Woods, Mayor
Beth Cashion, Mayor Pro Tem
Stacey Anderson
Jim Fuller
Rodney Graham
Brian Jenest

Administrative and Financial Staff

James E. Justice, Town Manager
Pieter C. Swart, III, CPA, Finance Director

TOWN OF DAVIDSON, NORTH CAROLINA

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TOWN OF DAVIDSON, NORTH CAROLINA

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TOWN OF DAVIDSON, NORTH CAROLINA

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
and Board of Commissioners
Town of Davidson, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Davidson, North Carolina, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Davidson, North Carolina as of June 30, 2016, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 13, the Law Enforcement Officers' Special Separation Allowance, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset and Contributions on pages 60-62 and 63-64, be presented to supplement the basic financial statements. Such information, although not a required 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Davidson, North Carolina's basic financial statements. The combining and individual fund statements, budgetary schedules, and other schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements, budgetary schedules, and other schedules, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit and the procedures performed as described above, the combining and individual fund statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2016 on our consideration of Town of Davidson's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Davidson's internal control over financial reporting and compliance.



Rowell, Craven & Short P.A.
Charlotte, North Carolina
November 28, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Town of Davidson, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Davidson for the fiscal year ended June 30, 2016. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

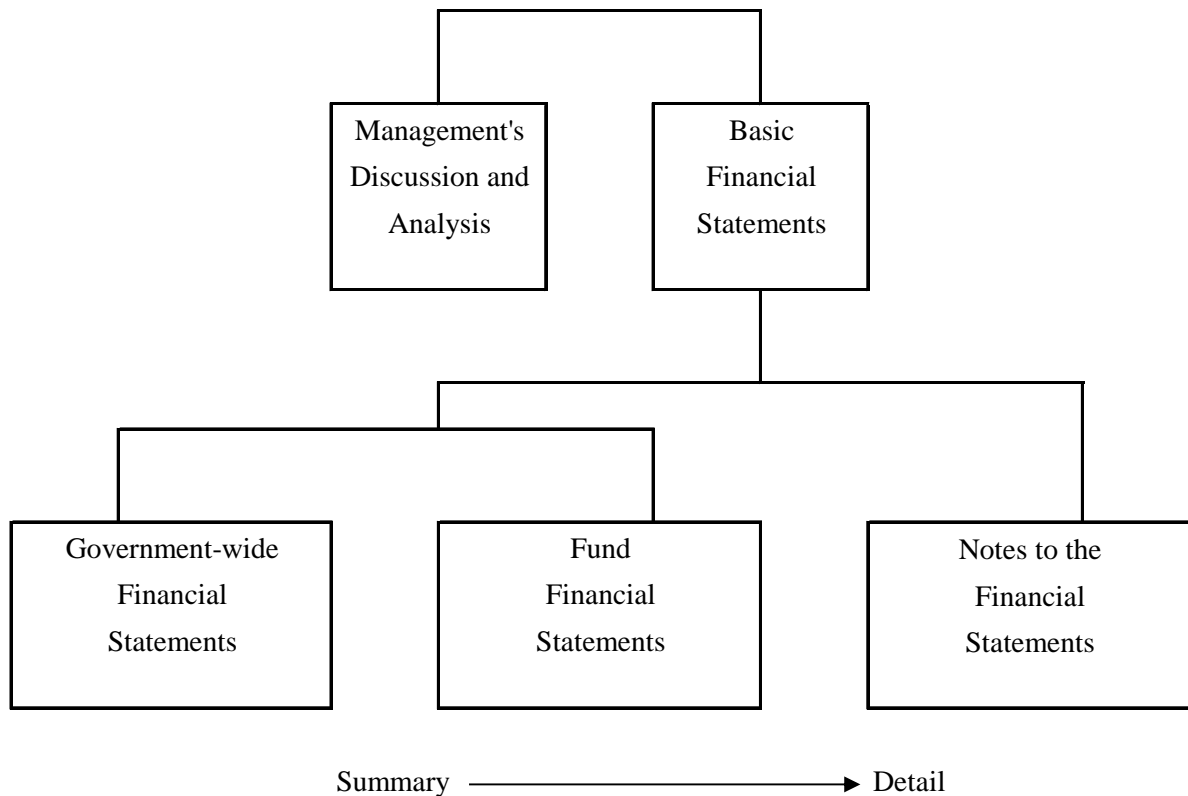
- The assets and deferred outflows of resources of the Town of Davidson exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$22,569,403 (*net position*).
- The government's total net position increased by \$2,342,701, primarily due to increases in the governmental-type activities net position.
- As of the close of the current fiscal year, the Town of Davidson's governmental funds reported combined ending fund balances of \$10,598,146, with a net change of \$1,102,048 in fund balance. Approximately 15.18 percent of this total amount or \$1,608,992 is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,581,424 or 73.41 percent of total general fund expenditures for the fiscal year.
- The Town of Davidson's total debt decreased by \$49,736 (1.10%) during the current fiscal year. The key factors relative to this increase in the General Fund were an increase in amount owed to Town of Mooresville under the amended joint agency agreement of \$60,918, a decrease in Compensated Absences and LEO Separation of \$6,824 and a decrease in Installment Notes of \$300,492.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Town of Davidson's basic financial statements. The Town's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of Davidson.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Town's financial status.

The next statements (Exhibits 3 through 9) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Town's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

Government-wide Financial Statements - Continued

The two government-wide statements report the Town's net position and how they have changed. Net position is the difference between the Town's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the Town's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include the solid waste and storm-water services offered by the Town of Davidson. The Town has no component units; however does participate in a Joint Agency with the Town of Mooresville. (See Notes to the Financial Statements, page 58).

The government-wide financial statements are on Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Davidson, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of Town of Davidson can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town of Davidson adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Funds – Town of Davidson has one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Town of Davidson uses enterprise funds to account for its solid waste and storm-water services activities. These funds are the same as those functions shown in the Statement of Net Position and the Statement of Activities.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Town of Davidson has one fiduciary fund, which is an agency fund.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 26 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Davidson’s progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 60 of this report.

Interdependence with Other Entities – Town of Davidson depends on financial resources flowing from, or associated with, both the Federal Government and the State of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign government and other holders of publicly held U.S. Treasury Securities.

Government-Wide Financial Analysis

Town of Davidson’s Net Position

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 11,004,160	\$ 10,094,117	\$ 281,409	\$ 189,568	\$ 11,285,569	\$ 10,283,685
Capital assets	16,015,739	15,164,888	-	-	16,015,739	15,164,888
Deferred outflows of resources	172,792	171,010	-	-	172,792	171,010
Total assets	27,192,691	25,430,015	281,409	189,568	27,474,100	25,448,573
Long-term liabilities						
outstanding	3,640,779	3,880,760	-	-	3,640,779	3,880,760
Other liabilities	1,171,222	898,798	-	8,275	1,171,222	907,073
Deferred inflows of resources	92,696	605,048	-	-	92,696	605,048
Total liabilities and deferred inflows of resources	4,904,697	5,384,606	-	8,275	4,904,697	5,392,881
Net position:						
Net investment in capital assets	13,950,411	12,799,068	-	-	13,950,411	12,799,068
Restricted	1,584,840	1,329,582	-	-	1,584,840	1,329,582
Unrestricted	6,752,743	5,916,759	281,409	181,293	7,034,152	6,098,052
Total net position	\$ 22,287,994	\$ 20,045,409	\$ 281,409	\$ 181,293	\$ 22,569,403	\$ 20,226,702

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of Davidson exceeded liabilities and deferred inflows of resources by \$22,569,403 as of June 30, 2016. The Town's net position increased \$2,332,701 for the fiscal year ended June 30, 2016. However, the largest portion (61.81%) reflects the Town's investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town of Davidson uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Davidson's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Davidson's net position, \$1,584,840, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$7,034,152 is unrestricted.

Several particular aspects of the Town's financial operations positively influenced the total unrestricted governmental net position:

- Overall, General Fund revenues exceeded expenses by over \$1.9 million.
- Actual revenues exceeded budgeted by over \$1 million.
- Actual expenditures were under budget by nearly \$.9 million due to cost saving measures and continued attention to finding reductions in spending.

Town of Davidson's Changes in Net Position
Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 372,506	\$ 407,674	\$ 971,727	\$ 923,827	\$ 1,344,233	\$ 1,331,501
Operating grants and contributions	528,896	641,325	-	-	528,896	641,325
Capital grants and contributions	273,094	380,618	-	-	273,094	380,618
General revenues:						
Property taxes	6,369,779	6,361,465	-	-	6,369,779	6,361,465
Other taxes	3,459,190	3,103,502	-	-	3,459,190	3,103,502
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Other	104,496	134,610	-	-	104,496	134,610
Total revenues	11,107,961	11,029,194	971,727	923,827	12,079,688	11,953,021
Expenses:						
General government	1,548,261	1,426,678	-	-	1,548,261	1,426,678
Public safety	2,568,775	2,376,711	-	-	2,568,775	2,376,711
Transportation	1,205,097	1,294,006	-	-	1,205,097	1,294,006
Economic development	2,011,453	2,202,372	-	-	2,011,453	2,202,372
Environmental protection	-	-	-	-	-	-
Culture and recreation	1,370,548	1,254,174	-	-	1,370,548	1,254,174
Interest on long-term debt	161,242	162,143	-	-	161,242	162,143
Solid Waste	-	-	663,001	665,303	663,001	665,303
Stormwater	-	-	208,610	214,787	208,610	214,787
Total expenses	8,865,376	8,716,084	871,611	880,090	9,736,987	9,596,174
Increase(decrease) in net position before transfers	2,242,585	2,313,110	100,116	43,737	2,342,701	2,356,847
Transfers	-	-	-	-	-	-
Increase(decrease) in net position	2,242,585	2,313,110	100,116	43,737	2,342,701	2,356,847
Net position, July 1 (consolidated)	20,045,409	18,056,898	181,293	137,556	20,226,702	18,194,454
Net position, beginning, restated	20,045,409	17,732,299	181,293	137,556	20,226,702	17,869,855
Net position, June 30	\$ 22,287,994	\$ 20,045,409	\$ 281,409	\$ 181,293	\$ 22,569,403	\$ 20,226,702

Governmental Activities. Governmental activities increased the Town's net position by \$2,242,585, thereby accounting for 95.7 percent of the total growth in the net position of the Town of Davidson. Key elements of this increase are as follows:

- Ad Valorem Tax revenues remained steady, while consumption-based tax revenue increased.

- Total revenues exceeded total expenses by \$2,242,585 due to cost saving measures and continued attention to finding reductions in expenses.

Business-type Activities. Business-type activities increased the Town's net position by \$100,116 accounting for 4.31 percent of the total growth in the government's net position.

Key elements of this increase are as follows:

- Fee revenues were evaluated and revised for fiscal year 2015 to align revenue with actual expenditures; fee revenues were evaluated for fiscal year 2016 but did not require revision.

Financial Analysis of the Town Funds

As noted earlier, the Town of Davidson uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Town of Davidson's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town of Davidson's financing requirements.

The general fund is the chief operating fund of the Town of Davidson. At the end of the current fiscal year, the Town of Davidson's fund balance available in the General Fund was \$6,581,424, while total fund balance reached \$8,864,548. The Governing Body of the Town of Davidson adopted a minimum fund balance policy during the current fiscal year. The policy that was adopted instructs management to conduct business in such a manner that the unassigned fund balance be no less than 35 percent of general fund expenditures in the next fiscal year. The purpose of a minimum fund balance policy is to have an adequate balance of general funds in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the Town. The Town currently has an available fund balance of 73.4% of general fund expenditures, while total fund balance represents 98.87% of the same amount.

At June 30, 2016, the governmental funds of Town of Davidson reported a combined fund balance of \$10,598,146 with a net increase in fund balance of \$1,102,048. Included in this change in fund balance are an increase in fund balance of \$995,384 in the General Fund and an increase of \$106,663 in special revenue and capital project funds.

General Fund Budgetary Highlights: During the fiscal year, the Town revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Revenues were adjusted to reflect:

- A grant received for the Arts Project Fund.
- Recognition of Ad Valorem and Sales Tax collections which were above projections.
- Award of Home Consortium pass-through funds for inclusive housing construction.

Expenditures were adjusted to reflect:

- Offsets to changes in revenue above
- Staff recruiting
- Improvements and repairs to buildings, streets and parking lots

Revenues were more than the budgeted amounts primarily because the Town's conservative revenue projections were exceeded in most revenue categories. Expenditures were held in check to comply with its budgetary requirements.

Proprietary Funds. The Town of Davidson's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Solid Waste Fund at the end of the fiscal year amounted to \$227,688, and for the Storm Water Fund amounted to \$53,721. The total change in net position for the Solid Waste Fund and the Storm Water Fund was \$86,602 and \$13,514, respectively. The increase in the net position of the solid waste fund was due primarily to a renegotiation of the waste collection services contract. The storm water fee structure was evaluated in fiscal year 2014 and an increase to rates was approved for fiscal year 2015.

Capital Asset and Debt Administration

Capital Assets. The Town of Davidson's investment in capital assets for its governmental and business-type activities as of June 30, 2016, totals \$16,015,739 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include the following additions:

- Purchase of vehicles and equipment in the governmental activities; Pilot electric vehicle (\$8,017); three police cars fully equipped (\$122,600); a Chevy Tahoe for the fire department (\$42,086); a pickup truck (\$32,261); a 5-Ton dump truck (\$131,136); a replacement body for the 1-Ton truck in service (\$9,350) and a snow plow for the pickup truck (\$6,947).
- The Roosevelt Wilson Park Pathways were completed for \$193,603.
- Also in the governmental activities, Other Capital Improvements include 3 pedestrian signals (\$24,150), Portable light tower (\$6,820) and other streets and sidewalk capital improvements (\$762,499); West Roundabout Wall (\$63,275); Kiosks on Main Street (\$30,684) and security fence panels (\$16,108).

Capital assets consist of:

- Land and other non-depreciable assets of \$4,407,344.
- Other capital assets (net of depreciation of \$5,955,570) total \$11,608,395.

**Town of Davidson's Capital Assets
Net of Depreciation**

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 4,259,985	\$ 4,259,985	\$ -	\$ -	\$ 4,259,985	\$ 4,259,985
Buildings and systems	3,372,684	\$ 3,450,475	-	-	3,372,684	3,450,475
Improvements other than buildings	7,070,269	6,206,192			7,070,269	6,206,192
Machinery and equipment	492,791	500,966	-	-	492,791	500,966
Computers and Computer software	33,058	47,141	-	-	33,058	47,141
Vehicles and motorized equipment	639,593	551,534	-	-	639,593	551,534
Construction in progress	147,359	148,595	-	-	147,359	148,595
Total	\$ 16,015,739	\$ 15,164,888	\$ -	\$ -	\$ 16,015,739	\$ 15,164,888

Additional information on the Town's capital assets can be found in Note III.A.5 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2016, the Town of Davidson had total debt outstanding of \$4,504,589. Of this total amount, \$216,321 is due Town employees for compensated absences and \$1,772,906 is due to Town of Mooresville under the amended joint agency agreement described in Note VII, beginning on page 58 of this report. In addition, \$253,372 relates to the obligation for the Law Enforcement Officers Special Separation Allowance, described in detail in Note III.B.3, beginning on page 44 of this report.

**Town of Davidson's Outstanding Debt
Capitalized Leases and Installment Purchases**

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Capital leases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Installment financing	2,065,328	2,365,820	-	-	2,065,328	2,365,820
Total	\$2,065,328	\$2,365,820	\$ -	\$ -	\$2,065,328	\$2,365,820

Town of Davidson's Outstanding Debt

The Town of Davidson's total debt decreased by \$300,492 (12.7%).

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Town of Davidson is \$145,398,217. The Town has no bonds authorized but un-issued at June 30, 2016.

Additional information regarding Town of Davidson's long-term debt can be found in Note III.B.4 of this report.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the Town of Davidson:

- The Town of Davidson's unemployment rate is unavailable due to its small population; however, it does fall in Mecklenburg County which has an unemployment rate of 4.8% as of June 2016 as compared to the rate for the State of North Carolina of 5.2%.
- The Town continues to fund a joint industrial park with the neighboring towns of Huntersville and Cornelius to help bring a better balance to our 82% residential/18% commercial tax base.
- The Town's commercial occupancy rates are about 98% for the year.

Budget Highlights for the Fiscal Year Ending June 30, 2017

Governmental Activities:

- Property taxes and revenues are expected to increase 4.0% over the fiscal year 2016 budget.
- Sales tax distributions are expected to increase by 10.9% over the fiscal year 2016 budget.
- Total General Fund revenues and expenditures are expected to increase 6.3%.

Business – type Activities:

- User fees were put in place for collection of solid waste and storm water management in fiscal year 2010, and these funds were established as proprietary funds for the 2011 – 2012 fiscal year. The Town will carefully monitor the collection of fees to support the operations of the enterprise funds.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, Town of Davidson, PO Box 579, Davidson NC 28036. You may also visit our website at www.townofdavidson.org or send an e-mail to pswart@townofdavidson.org for more information.

BASIC FINANCIAL STATEMENTS

TOWN OF DAVIDSON, NORTH CAROLINA

Statement of Net Position
June 30, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Unrestricted cash and cash equivalents	\$ 10,163,376	\$ -	\$ 10,163,376
Taxes receivable	98,603	12,859	111,462
Due from other governments	435,579	-	435,579
Prepaid items	24,152	-	24,152
Internal balances	(268,550)	268,550	-
Notes receivable	49,895	-	49,895
Restricted cash and cash equivalents	501,105	-	501,105
Total current assets	11,004,160	281,409	11,285,569
Capital assets			
Land, non-depreciable improvements, and construction in progress	4,407,344	-	4,407,344
Other capital assets, net of depreciation	11,608,395	-	11,608,395
Total capital assets	16,015,739	-	16,015,739
Total assets	27,019,899	281,409	27,301,308
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals	172,792	-	172,792
Total deferred outflows of resources	172,792	-	172,792
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	307,412	-	307,412
Current portion of long-term liabilities	667,148	-	667,148
Total current liabilities	974,560	-	974,560
Long-term liabilities:			
Net pension liability	196,662	-	196,662
Due in more than one year	3,640,779	-	3,640,779
Total liabilities	4,812,001	-	4,812,001
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	92,696	-	92,696
Total deferred inflows of resources	92,696	-	92,696
NET POSITION			
Net investment in capital assets	13,950,411	-	13,950,411
Restricted for:			
Stabilization by state statute	1,083,735	-	1,083,735
Streets - Powell Bill	501,105	-	501,105
Unrestricted	6,752,743	281,409	7,034,152
Total net position	\$ 22,287,994	\$ 281,409	\$ 22,569,403

TOWN OF DAVIDSON, NORTH CAROLINA

Statement of Activities For the Fiscal Year Ended June 30, 2016

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
<i>Governmental Activities:</i>				
Public safety	\$ 2,568,775	\$ 47,463	\$ 148,228	\$ 174,994
Economic and physical development	2,011,453	41,715	2,000	-
General government	1,548,261	20,990	-	-
Cultural and recreational	1,370,548	262,338	50,750	2,500
Transportation	1,205,097	-	319,925	95,600
Environmental protection	-	-	7,993	-
Interest on long-term debt	161,242	-	-	-
Total governmental activities	8,865,376	372,506	528,896	273,094
<i>Business-type activities:</i>				
Solid Waste Fund	663,001	749,603	-	-
Stormwater Fund	208,610	222,124	-	-
Total business-type activities	871,611	971,727	-	-
Total primary government	<u>\$ 9,736,987</u>	<u>\$ 1,344,233</u>	<u>\$ 528,896</u>	<u>\$ 273,094</u>
		General revenues:		
		Taxes		
		Property taxes levied for general purposes		
		Other taxes		
		Unrestricted investment earnings		
		Miscellaneous		
		Gain on sale of assets		
		Total general revenues, not including transfers:		
		Transfers		
		Total general revenues and transfers		
		Change in net position		
		Net position, beginning, previously reported		
		Restatement		
		Net position, beginning, restated		
		Net position, ending		

The notes to the financial statements are an integral part of this statement.

Exhibit 2

Net (Expense) Revenues and Changes in Net Position Primary Government		
Governmental Activities	Business Type Activities	Total
\$ (2,198,090)	\$ -	\$ (2,198,090)
(1,967,738)	-	(1,967,738)
(1,527,271)	-	(1,527,271)
(1,054,960)	-	(1,054,960)
(789,572)	-	(789,572)
7,993	-	7,993
(161,242)	-	(161,242)
(7,690,880)	-	(7,690,880)
-	86,602	86,602
-	13,514	13,514
-	100,116	100,116
\$ (7,690,880)	\$ 100,116	\$ (7,590,764)
6,369,779	-	6,369,779
3,459,190	-	3,459,190
24,934	-	24,934
45,958	-	45,958
33,604	-	33,604
9,933,465	-	9,933,465
-	-	-
9,933,465	-	9,933,465
2,242,585	100,116	2,342,701
20,045,409	181,293	20,226,702
-	-	-
20,045,409	181,293	20,226,702
\$ 22,287,994	\$ 281,409	\$ 22,569,403

TOWN OF DAVIDSON, NORTH CAROLINA

Balance Sheet
Governmental Funds
June 30, 2016

	Major Funds		Total Non-Major Funds	Total Governmental Funds
	General Fund	MI Connection Capital Project Fund		
ASSETS				
Cash and cash equivalents	\$ 8,429,779	\$ 1,000,000	\$ 733,598	\$ 10,163,377
Restricted cash	501,105	-		501,105
Taxes receivable	98,603	-		98,603
Due from other governments	435,579			435,579
Prepaid expenses	24,152	-		24,152
Notes receivable	49,895			49,895
Total assets	<u>\$ 9,539,113</u>	<u>\$ 1,000,000</u>	<u>\$ 733,598</u>	<u>\$ 11,272,711</u>
LIABILITIES				
Accounts payable and accrued liabilities	307,412	\$ -	-	307,412
Due to other funds	268,550	-	-	268,550
Total liabilities	<u>575,962</u>	<u>-</u>	<u>-</u>	<u>575,962</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes receivable	98,603	-	-	98,603
Total deferred inflows of resources	<u>98,603</u>	<u>-</u>	<u>-</u>	<u>98,603</u>
FUND BALANCES				
Restricted				
Stabilization by state statue	1,083,735	-	-	1,083,735
Streets - Powell Bill	501,105	-	-	501,105
Committed				
Community Parks Reserve Funds	420,760		-	420,760
Special projects	-	1,000,000	733,598	1,733,598
Unspendable				
Prepaid expenses	24,152	-	-	24,152
Assigned				
Subsequent year's expenditures	-	-	-	-
Law enforcement separation allowance	253,372	-	-	253,372
Unassigned	6,581,424	-	-	6,581,424
Total fund balances	<u>8,864,548</u>	<u>1,000,000</u>	<u>733,598</u>	<u>10,598,146</u>
Total liabilities, deferred inflows of resources and fund balances	\$ 9,539,113	\$ 1,000,000	\$ 733,598	

The notes to the financial statements are an integral part of this statement.

TOWN OF DAVIDSON, NORTH CAROLINA

***Reconciliation of Balance Sheet of
Governmental Funds to the Statement of Net Position
June 30, 2016***

Total fund balances		\$ 10,598,146
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds statement.		
Gross capital assets at historical cost	21,971,309	
Accumulated depreciation	<u>(5,955,570)</u>	16,015,739
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position.		172,792
Long-term liabilities used in governmental activities are not financial uses and, therefore, are not reported in the funds statement. Long-term debt included as net position below (includes the addition of long-term debt and principal payments during the year.		(4,504,590)
Liabilities for earned revenues considered deferred inflows of resources.		98,603
Pension related deferrals.		<u>(92,696)</u>
Net position of governmental activities		<u>\$ 22,287,994</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF DAVIDSON, NORTH CAROLINA

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
June 30, 2016

	Major Funds		Total Non-Major Funds	Total Governmental Funds
	General Fund	MI Connection Capital Project Fund		
REVENUES				
Ad valorem taxes	\$ 6,385,770	\$ -	\$ -	\$ 6,385,770
Other taxes and licenses	350,818	-	-	350,818
Unrestricted intergovernmental	3,108,372	-	-	3,108,372
Restricted intergovernmental	626,902	-	-	626,902
Permits and fees	57,232	-	-	57,232
Sales and services	300,274	-	-	300,274
Investment earnings	24,934	-	-	24,934
Miscellaneous	99,250	-	140,150	239,400
Total revenues	10,953,552	-	140,150	11,093,702
EXPENDITURES				
Current:				
Public safety	2,558,123	-	49,707	2,607,830
Transportation	1,918,968	-	16,357	1,935,325
General government	1,513,528	-	-	1,513,528
Culture and recreation	1,509,245	-	53,321	1,562,565
Economic and physical development	889,380	1,000,000	56,102	1,945,482
Debt Service:				
Principal retirement	414,966	-	-	414,966
Interest and other charges	161,242	-	-	161,242
Total expenditures	8,965,452	1,000,000	175,487	10,140,938
Excess (deficiency) of revenues over expenditures	1,988,100	(1,000,000)	(35,337)	952,764
OTHER FINANCING SOURCES (USES)				
Proceeds from debt	114,474	-	-	114,474
Proceeds from disposal of assets	34,810	-	-	34,810
Transfers (to)/from other funds	(1,142,000)	1,100,000	42,000	-
Total other financing sources	(992,716)	1,100,000	42,000	149,284
Net change in fund balance	995,384	100,000	6,663	1,102,048
Fund balance, beginning	7,869,164	900,000	726,935	9,496,099
Fund balance, end of year	\$ 8,864,548	\$ 1,000,000	\$ 733,598	\$ 10,598,147

The notes to the financial statements are an integral part of this statement.

TOWN OF DAVIDSON, NORTH CAROLINA

*Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
to the Statement of Activities of Governmental Funds
For the Fiscal Year Ended June 30, 2016*

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds		\$1,102,048
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay expenditures which were capitalized	1,494,300	
Loss on disposals	(2,084)	
Depreciation expense for governmental assets	<u>(641,006)</u>	851,210
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		172,792

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in unavailable revenue for tax revenues		<u>(15,991)</u>
--	--	-----------------

The issuance of long-term debt provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

New long-term debt issued	(114,474)	
Principal payments on long-term debt	414,966	300,492

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures.

Compensated absences	8,314	
MI Connection obligation	(60,918)	
Pension expense	(93,958)	
Net pension obligation	<u>(1,490)</u>	<u>(148,052)</u>
Total changes in net position of governmental activities		<u>\$2,262,499</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF DAVIDSON, NORTH CAROLINA

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Governmental Funds
June 30, 2016

General Fund				Variance with
	Original Budget	Final Budget	Actual Amounts	Final Budget- Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 6,279,458	\$ 6,398,133	\$ 6,385,770	\$ (12,363)
Other taxes and licenses	332,200	332,200	350,818	18,618
Unrestricted intergovernmental	2,746,250	2,819,250	3,108,372	289,122
Restricted intergovernmental	443,054	620,509	626,902	6,393
Permits and fees	50,900	50,900	57,232	6,332
Sales and services	266,000	266,000	300,274	34,274
Investment earnings	2,000	8,000	24,934	16,934
Miscellaneous	70,000	72,000	99,250	27,250
Total revenues	10,189,862	10,566,992	10,953,552	386,560
Expenditures:				
Current:				
Public safety	2,697,881	3,023,248	2,558,123	465,125
Transportation	1,729,405	2,771,714	1,918,968	852,746
General government	1,591,082	1,620,672	1,513,528	107,144
Culture and recreation	1,656,313	1,692,083	1,509,245	182,838
Economic and physical development	657,359	930,015	889,380	40,635
Debt service:				
Principal retirement	579,390	418,148	414,966	3,182
Interest and other charges	-	161,242	161,242	-
Contingency	190,183	27,658	-	27,658
Total expenditures	9,101,613	10,644,780	8,965,452	1,679,328
Revenues over (under) expenditures	1,088,249	(77,788)	1,988,100	2,065,888
Other financing sources (uses):				
Proceeds from debt	-	114,474	114,474	-
Proceeds from disposal of assets	-	10,000	34,810	24,810
Transfers to other funds	(1,142,000)	(1,142,000)	(1,142,000)	-
Total other financing sources (uses)	(1,142,000)	(1,017,526)	(992,716)	24,810
Fund balance appropriated	53,751	1,095,314	-	(1,095,314)
Net change in fund balance	\$ -	\$ -	995,384	\$ 995,384
Fund balance, beginning			7,869,164	
Fund balance, end of year			\$ 8,864,548	

The notes to the financial statements are an integral part of this statement.

TOWN OF DAVIDSON, NORTH CAROLINA

Statement of Net Position
Proprietary Fund
June 30, 2016

	Major Fund	Proprietary Funds	
	Solid Waste	Non-Major Fund	Total
		Stormwater	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ -	\$ -	\$ -
Accounts receivable, net	12,859	-	12,859
Due from other funds	214,829	53,721	268,550
Total current assets	227,688	53,721	281,409
Total assets	\$ 227,688	\$ 53,721	\$ 281,409
LIABILITIES			
Current liabilities:			
Accounts payable	-	-	-
Total current liabilities	\$ -	\$ -	\$ -
NET POSITION			
Unrestricted	227,688	53,721	281,409
Total net position	\$ 227,688	\$ 53,721	\$ 281,409

The notes to the financial statements are an integral part of this statement.

TOWN OF DAVIDSON, NORTH CAROLINA

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	Proprietary Funds		
	Major Fund	Non-Major Fund	
	Solid Waste	Stormwater	Total
OPERATING REVENUES			
Solid waste management fee	\$ 749,603	\$ -	\$ 749,603
Stormwater management fee	-	222,124	222,124
Total operating revenues	<u>749,603</u>	<u>222,124</u>	<u>971,727</u>
OPERATING EXPENSES			
Operations	<u>663,001</u>	<u>208,610</u>	<u>871,611</u>
Total operating expenses	<u>663,001</u>	<u>208,610</u>	<u>871,611</u>
Operating income	<u>86,602</u>	<u>13,514</u>	<u>100,116</u>
NON-OPERATING EXPENSES			
Investment earnings	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating expenses	<u>-</u>	<u>-</u>	<u>-</u>
Income (loss) before contributions and transfers	<u>86,602</u>	<u>13,514</u>	<u>100,116</u>
Transfers from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	86,602	13,514	100,116
Total net position, beginning	<u>141,086</u>	<u>40,207</u>	<u>181,293</u>
Total net position, ending	<u><u>\$ 227,688</u></u>	<u><u>\$ 53,721</u></u>	<u><u>\$ 281,409</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF DAVIDSON, NORTH CAROLINA

Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2016

	Proprietary Funds		
	Major Fund	Non-Major Fund	Total
	Solid Waste	Stormwater	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 747,549	\$ 222,124	\$ 969,673
Cash paid for goods and services	(663,001)	(216,885)	(879,886)
Net cash provided (used) by operating activities	84,548	5,239	89,787
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Net due to (from) General Fund	(84,548)	(5,239)	\$ (89,787)
Net increase (decrease) in cash and cash equivalents	-	-	-
Balances, beginning	-	-	-
Balances, ending	\$ -	\$ -	\$ -

	Proprietary Funds		
	Major Fund	Non-Major Fund	Total
	Solid Waste	Stormwater	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 86,602	\$ 13,514	\$ 100,116
Adjustments to reconcile operating income(loss) to net cash provided (used) by operating activities			
Change in assets and liabilities			
(Increase) decrease in accounts receivable	(2,054)	-	(2,054)
Increase (decrease) in accounts payable	-	(8,275)	(8,275)
Total adjustments	(2,054)	(8,275)	(10,329)
Net cash provided (used) by operating activities	\$ 84,548	\$ 5,239	\$ 89,787

The notes to the financial statements are an integral part of this statement.

TOWN OF DAVIDSON, NORTH CAROLINA

Statement of Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2016

	Davidson Police Relief Fund
ASSETS	
Cash and cash equivalents	\$ -
LIABILITIES	
Agency fund payable	\$ -

TOWN OF DAVIDSON, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Davidson conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Town of Davidson is a municipal corporation that is governed by an elected mayor and five commissioners. As required by generally accepted accounting principles, these financial statements present the Town which has no component units.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government and its component unit. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between *governmental* and *business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category – *governmental, proprietary and fiduciary* - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings.

TOWN OF DAVIDSON, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Town reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, various other taxes and licenses and State grants. The primary expenditures are for public safety and street maintenance and construction.

MI Connection Capital Project Fund. This fund is used to account for the operations of the Town's share of MI Connection.

The Town reports the following non-major governmental funds:

Special Revenue Funds. These funds are used to account for funds that are restricted for use for a particular purpose. The Town's two Special Revenue Funds: Affordable Housing Program, and Public Art Project.

Capital Project Funds. These funds are used to account for the construction, improvements and repairs for various projects within Town limits. The Town has four Capital Project Funds: Bradford Street Project, Fire Station Project, Potts-Sloan-Beaty Corridor Project and Parks/Greenway Project.

The Town reports the following major enterprise fund:

Solid Waste Fund. This fund is used to account for the Town's solid waste operations.

The Town reports the following non-major enterprise fund:

Storm-water Fund. The fund is used to account for the Town's storm-water operations.

The Town reports the following fund types:

Agency Fund. Agency funds are custodial in nature and do not involve the measurement of operating results. An agency fund is used to account for assets the Town holds on behalf of others. During the fiscal year ended June 30, 2016, the Davidson Police Officers Relief Fund, which was formed to assist police officers' families after tragedies, received non-profit status, and the Town no longer holds funds on their behalf.

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the Town are maintained during the year using the modified accrual basis of accounting.

TOWN OF DAVIDSON, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide, Proprietary Fund and Fiduciary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Davidson because the tax is levied by Mecklenburg County and then remitted to and distributed by the State.

-Continued-

TOWN OF DAVIDSON, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues, which are unearned at year-end, are recorded as unearned revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net positions available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Funds. All annual appropriations lapse at the fiscal-year end. Project ordinances are adopted for the Special Revenue Funds and Capital Projects Funds. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations within a fund by more than 10 percent of the function that is being reduced. All amendments must be approved by the governing board and the Board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Assets, Liabilities, Deferred inflows of Resources, and Fund Equity

1. Deposits and Investments

All deposits of the Town made in board-designated official depositories and are secured as required by State Law (G.S. 159-31). The Town may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

The Town's investments with a maturity of more than one year at acquisition and non-money market investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, a SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value.

2. Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

-Continued-

TOWN OF DAVIDSON, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred inflows of Resources, and Fund Equity (Continued)

3. Restricted Assets

Powell Bill funds are also classified as restricted cash because it can be expended only for purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136.41.4.

Town of Davidson Restricted Cash

Governmental Activities

General Fund

Streets	<u>\$ 501,105</u>
Total Restricted Cash	<u><u>\$ 501,105</u></u>

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2015. As allowed by State law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years. No allowance for doubtful accounts was required at June 30, 2016.

6. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are \$5,000 for the following: land, buildings, and improvements, infrastructure, furniture and equipment, computers and computer software, and vehicles. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The Town has elected not to adopt retroactive capitalization of general infrastructure assets acquired prior to July 1, 2003, pursuant to GASB 34. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

-Continued-

TOWN OF DAVIDSON, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred inflows of Resources, and Fund Equity (Continued)

7. Capital Assets (Continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	75
Other improvements	15-75
Vehicles and motorized equipment	5-15
Equipment	3-10
Computers	3-5
Computer software	3-5

8. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town of Davidson has one item that meets this criterion - contributions made to the pension plan in the 2016 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town of Davidson has two items that meet the criterion for this category – property taxes receivable and deferrals of pension expense that result from the implementation of GASB Statement 68.

9. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

10. Compensated Absences

The vacation policy of the Town provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the Town's government-wide financial statements, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

TOWN OF DAVIDSON, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred inflows of Resources, and Fund Equity (Continued)

10. Compensated Absences (Continued)

The Town's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

11. Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified as investment in capital assets; restricted, and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Non Spendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Prepaid Expenditures – portion of fund balance that is not an available resource because it represents prepaid expenditures that are not in spendable form.

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by state statute - portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

Restricted for Streets - Powell Bill - portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Town of Davidson's governing body (highest level of decision-making authority).

-Continued-

TOWN OF DAVIDSON, NORTH CAROLINA

*Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016*

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred inflows of Resources, and Fund Equity (Continued)

11. Net Position/Fund Balances (Continued)

The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Committed pursuant to the Community Parks Reserve Funds – portion of fund balance that has been committed to the community parks.

Committed to Non-major funds – portion of fund balance that has been committed to special projects in non-major funds.

Committed to MI Connection – portion of fund balance that has been committed to fund MI Connection.

Assigned fund balance – portion of fund balance that Town of Davidson intends to use for specific purposes.

Assigned for Law Enforcement Separation Allowance – portion of fund balance that is restricted for retirement benefits to qualified sworn law enforcement officers.

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within departments, not to exceed 10% of the appropriated monies in the departments.

Unassigned fund balance – the portion of fund balance that has not been restricted, committed or assigned to specific purposes or other funds.

The Finance Officer uses resources in the following hierarchy; bond proceeds, federal funds, state funds, local non-town funds, town funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed, in order, by committed fund balance, assigned fund balance and lastly unassigned fund balance.

During fiscal year 2016, Town of Davidson adopted a minimum fund balance policy for the general fund. The policy instructs management to conduct business in such a manner that the unassigned fund balance should not be less than 35 percent of general fund expenditures in the following fiscal year.

TOWN OF DAVIDSON, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred inflows of Resources, and Fund Equity (Continued)

12. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town of Davidson's employer contributions are recognized when due and the Town of Davidson has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

13. Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

14. Total Governmental Fund Columns

In the accompanying financial statements, the "Total Governmental Funds" columns are not the equivalent of consolidated totals and do not represent consolidated financial information. These columns are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations, or cash flows in accordance with accounting principles generally accepted in the United States of America. Inter-fund eliminations have not been made in the aggregation of this data. However, the reconciliations to net position are reflective of inter-fund eliminations and reflect financial position.

II. Stewardship, Compliance, and Accountability

A. Significant Violations of Finance-Related Legal and Contractual Provisions

1. Non-Compliance with North Carolina General Statutes

None

B. Deficit Fund Balance or Net Position of Individual Funds

None

C. Excess of Expenditures over Appropriations

None

-Continued-

TOWN OF DAVIDSON, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2016

III. Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the Town of Davidson are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer.

Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agent in their name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2016, the Town's deposits had a carrying amount of \$148,875 and a bank balance of \$373,278. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered under the pooling method. At June 30, 2016, the Town's petty cash fund totaled \$1,150.

2. Investments

At June 30, 2016, the Town of Davidson had \$10,520,455 invested with the North Carolina Capital Management Trust's Cash Portfolio, which carried a credit rating of AAAM by Standard and Poor's. The Town has no policy regarding credit risk.

3. Note Receivable

In 1999 the Town entered into an agreement to make loans of up to \$250,000 to a non-profit corporation which acquires homes for resale to low income families. Monthly interest payments are made to the Town with the principal due in full upon resale of the house. This agreement was amended in May 2010 to reduce the loans available from \$250,000 to \$50,000. The agreement provides for loans to be repaid in 1 to 4 years based on the nonprofit's projection of when the house will be sold. At June 30, 2016, the Town had one loan outstanding for \$49,895, with an annual interest rate of 2.51%. The loan is due in full on February 23, 2019.

TOWN OF DAVIDSON, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2016

III. Detail Notes on All Funds

A. Assets

4. Lease Income

In July 1991, the Town entered into a lease agreement with a local nonprofit organization for a building that the Town is leasing. The Agreement calls for rent payment of \$1 per year in relation to said property. In December 2009, this agreement was extended until June 30, 2019.

In 1995, the Town entered into a 50-year lease agreement to lease a building to Mecklenburg County Public Library System for a base rent of an amount sufficient to amortize improvement costs, to be reduced to \$1 when fully amortized. Costs are fully amortized and base rent is \$1 per year. In addition the agreement calls for annual rental payments of \$1,500 for the duration of the contract.

In February 2008, the Town entered a lease agreement to lease a building to a local theatre group for a base rent of \$25,600 for the first year and scheduled increases to \$26,184 per year for the following four years and \$27,504 until the end of the lease in February 2018. The lease contains two options to extend for an additional five years each, with an increase of 5%. Lease income received for the year ended June 30, 2016 was \$27,504.

In June 2015, the Town entered into a lease agreement to lease land to a local restaurant for a base rent of \$2,400 annually and adjusted annually for changes in the Consumer Price Index for all urban consumers, food and beverage average. The lease expires in June 2025. Lease income was received during the fiscal year ended June 30, 2016 was \$2,300.

TOWN OF DAVIDSON, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2016

III. Detail Notes on All Funds

A. Assets

5. Capital Assets

Capital asset activity for the Primary Government for the year ended June 30, 2016 was as follows:

	Beginning Balance	Increases	(Decreases) Transfers	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 4,259,985	\$ -	\$ -	\$ 4,259,985
Construction in Progress	148,595	57,059	58,295	147,359
Total capital assets not being depreciated	4,408,580	57,059	58,295	4,407,344
Capital assets being depreciated:				
Buildings	4,610,230	5,515	-	4,615,745
Other improvements	7,301,127	1,100,211	-	8,401,338
Equipment	1,240,200	43,124	(22,852)	1,260,472
Computers	40,284	-	-	40,284
Computer software	29,938	-	-	29,938
Vehicles and motorized equipment	2,899,246	345,450	(28,508)	3,216,188
Total capital assets being depreciated	16,121,025	1,494,300	(51,360)	17,563,965
Less accumulated depreciation for:				
Buildings	1,159,755	83,306	-	1,243,061
Other improvements	1,094,935	236,134	-	1,331,069
Equipment	739,234	51,299	(22,852)	767,681
Computers	15,165	8,079	-	23,244
Computer software	7,916	6,004	-	13,920
Vehicles and motorized equipment	2,347,712	256,184	(27,301)	2,576,595
Total accumulated depreciation	5,364,717	641,006	(50,153)	5,955,570
Total capital assets being depreciated, net	10,756,308			11,608,395
Governmental activity capital assets, net	\$ 15,164,888			\$ 16,015,739
General government		\$ 58,322		
Public safety		205,794		
Transportation		290,654		
Economic and physical development		12,427		
Culture and recreation		73,809		
Total depreciation expense		<u>\$ 641,006</u>		

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TOWN OF DAVIDSON, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2016

III. Detail Notes on All Funds (Continued)

Construction Commitments

The Town has active construction projects as of June 30, 2016. At year end, the Town's commitments with contractors are as follows:

Project	Project Authorization	Actual		Total Spent-to-date	Remaining Commitment
		Prior Years	Current Year		
Information Kiosks	\$ 56,498	\$ 26,000	\$ 30,684	\$ 56,684	\$ -
Potts Sloan Beaty	89,622.00	76,542.00	8,953.00	85,495.00	4,127.00
SmartFusion Payroll	27,208.00	13,758.00	-	13,758.00	13,450.00
Jackson Street	98,818.00	6,820.00	91,998.00	98,818.00	-
Roundabout Wall	63,275.00	25,475.00	37,800.00	63,275.00	-
Total	<u>\$ 335,421</u>	<u>\$ 148,595</u>	<u>\$ 169,435</u>	<u>\$ 318,030</u>	<u>\$ 17,577</u>

B. Liabilities

1. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The Town of Davidson is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Government Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410 or by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters).

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TOWN OF DAVIDSON, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2016

III. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Davidson employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of Davidson's contractually required contribution rate for the year ended June 30, 2016, was 7.15% of compensation for law enforcement officers and 6.80% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Davidson were \$172,792 for the year ended June 30, 2016.

Refunds of Contributions – Town employees who have terminated service as a contributing member of LGERS may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the Town reported a liability of \$196,662 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014.

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TOWN OF DAVIDSON, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2016

III. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

The total pension liability was then rolled forward to the measurement date of June 30, 2015, utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension asset was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2015, the Town's proportion was 0.029%, which was a decrease of 0.001% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the Town recognized pension expense of \$93,598. At June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 46,227
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	55,989
Changes in proportion and differences between Town of Davidson contributions and proportionate share of contributions	18,154	8,636
Town of Davidson contributions subsequent to the measurement date	176,144	-
Total	<u>\$ 194,298</u>	<u>\$ 110,852</u>

\$172,792 reported as deferred outflows of resources related to pensions resulting from Town of Davidson contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	\$ (61,426)
2017	(61,426)
2018	(61,416)
2019	91,572
2020	-
Thereafter	-
	<u>\$ (92,696)</u>

-Continued-

TOWN OF DAVIDSON, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2016

III. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

Actuarial Assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	2.2%
Global Equity	42.0%	5.8%
Real Estate	8.0%	5.2%
Alternatives	8.0%	9.8%
Credit	7.0%	6.8%
Inflation Protection	6.0%	3.4%
Total	100%	

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TOWN OF DAVIDSON, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2016

III. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

The information above is based on 30 year expectations developed with the consulting actuary for the 2014 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town of Davidson share of the net pension asset to changes in the discount rate. The following presents the Town of Davidson's proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the Town of Davidson's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Town's proportionate share of the net pension liability (asset)	\$ 1,371,352	\$ 196,662	\$ (792,988)

Pension Plan fiduciary net position. Detail information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

TOWN OF DAVIDSON, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2016

III. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

b. Law Enforcement Officers Special Separation Allowance

1. *Plan Description*

The Town of Davidson administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the Town's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increase in salary or retirement allowances that may be authorized by the General Assembly. Article 12 D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full time law enforcement officers of the Town are covered by the Separation Allowance. At December 31, 2015, the Separation Allowance's membership consisted of:

Retirees receiving benefits.	2
Terminated plan members entitled to but not yet receiving benefits.	-
Active plan members	15
Total	<u>17</u>

A separate report was not issued for the plan.

2. Summary of Significant Accounting Policies:

Basis of Accounting. The Town has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statements 67 and 68:

- contributions to the pension plan and earnings on those contributions are irrevocable.
- pension plan assets are dedicated to providing benefits to plan members.
- pension plan assets are legally protected from the creditors or employers, non-employer contributing entities, the plan administrator, and plan members.

-Continued-

TOWN OF DAVIDSON, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2016

III. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

b. Law Enforcement Officers Special Separation Allowance (Continued)

Method Used to Value Investments. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

3. Contributions.

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the current year was determined as part of the December 31, 2015 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.25% to 7.85% per year. Both (a) and (b) included inflation component of 3.00%. The assumptions did not include post-employment benefit increases.

Annual Pension Cost and Net Pension Obligation. The Town's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Employer annual required contribution	\$ 43,634
Interest on net pension obligation	12,594
Adjustment to annual required contribution	(22,134)
Annual pension cost (expense)	<u>34,094</u>
Contributions made	<u>32,604</u>
Increase in net pension obligation	<u>1,490</u>
Net pension obligation, beginning of year	<u>251,882</u>
Net pension obligation, end of year	<u><u>\$ 253,372</u></u>

3 Year Trend Information

For Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2014	\$ 28,803	63.73%	\$ 251,623
2015	\$ 32,863	99.21%	\$ 251,882
2016	\$ 34,094	95.63%	\$ 253,372

-Continued-

TOWN OF DAVIDSON, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2016

III. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

b. Law Enforcement Officers Special Separation Allowance (Continued)

4. Funded Status and Funding Progress.

As of December 31, 2015, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was \$410,433. The covered payroll (annual payroll of active employees covered by the plan) was \$842,962 and the ratio of the UAAL to covered payroll was 48.69%.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The Town contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The State's CAFR includes financial statements and required supplementary information for the pension trust fund financial statements for the Internal Revenue Code 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2016 were \$88,014, which consisted of \$46,125 from the Town and \$41,889 from the law enforcement officers.

The Town has elected to contribute to the Supplemental Retirement Insurance Plan for non-law enforcement employees. Contributions for the year ended June 30, 2016 were \$177,134 which consisted of \$68,714 from the Town and \$108,420 from general employees.

d. Firefighter's and Rescue Squad Workers' Pension Fund

Plan Description. The State of North Carolina contributes, on behalf of the Town of Davidson, to the Firefighter's and Rescue Squad Workers' Pension Fund (FRSWPF), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina.

-Continued-

TOWN OF DAVIDSON, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2016

III. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

d. Firefighter's and Rescue Squad Workers' Pension Fund

FRSWPF provides pension benefits for eligible fire and rescue squad workers that have elected to become members of the fund. Article 86 of G.S. Chapter 58 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members - nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Firefighter's and Rescue Squad Workers' Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Firefighter's and Rescue Squad Workers' Pension Fund. That report may be obtained by writing to the Office of the State Controller 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

e. Other Employment Benefits

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State—administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan and not the Town, the Town does not determine the number of eligible participants. The Town has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payrolls, based upon rates established by the State. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The Town considers these contributions to be immaterial.

2. Deferred Outflows and Inflows of Resources

Deferred outflows of resources at year end is composed of the following:

<u>Source</u>	<u>Amount</u>
Contributions to pension plan in current fiscal year	\$ 176,144
Pension related deferrals	(3,352)
	<u>\$ 172,792</u>

TOWN OF DAVIDSON, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2016

III. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

2. Deferred Outflows and Inflows of Resources (Continued)

Deferred inflows of resources at year end is comprised of the following:

Source	Amount
Property taxes receivable (General Fund)	\$ 98,603
Pension deferrals	92,696
	<u>\$ 191,299</u>

3. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in three self-funded risk financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insurance values of the property policy, workers' compensation coverage up to statutory limits, and employee health coverage. The liability and property exposures are reinsured through commercial companies for claims in excess of retentions as selected by the Board of Trustees each year. Stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the board of Trustees can be obtained by contacting the Risk Management Services Department of NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request.

The Town carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The Town of Davidson does not carry flood insurance, as they are not in a designated flood zone.

In accordance with G.S. 159-29, the Town's employees that have access to one hundred dollars (\$100) or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The finance officer is individually bonded for \$75,000. The remaining employees that have access to funds are bonded under a blanket bond for \$10,000.

-Continued-

TOWN OF DAVIDSON, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2016

III. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

4. Long-Term Obligations

a. Operating Lease

1. In October 1997, the Town entered into a 25 year lease agreement for land and improvements referred to as the Beaver Dam Lease. The following is a schedule of minimum lease payments required under the lease:

<u>Year Ending June 30,</u>	
2017	9,940
2018	9,940
2019	9,940
2020	9,940
2021	9,940
2021-2023	14,510
Total	<u>\$ 64,210</u>

Lease expense for the land and improvements was \$9,940 for the year ended June 30, 2016.

With respect to this same property and with the consent of the lessor, the Town entered into an operation and management agreement with a local organization. This agreement called for quarterly payments to the Town totaling \$10,000 per year, through December 31, 2012. The agreement was renewed and extended through the end of the lease in October 2023, with semi-annual payments of \$6,000. For the year ended June 30, 2016, \$12,000 was received by the Town with respect to this agreement.

2. In January 2006, the Town entered into a lease agreement with Mecklenburg County for 34.34 acres of land to be used as a "joint venture" park with the County. The cost of the lease to the Town was \$1. The lease remains in effect until February 1, 2105.
3. Also in 2006, the Town entered into a lease agreement with Mecklenburg County for several parcels for land which will be purchased by the County to be used in the Davidson greenway system. The cost of the lease to the Town was \$1. The lease remains in effect until 2046.
4. In January 2014, the Town revised a lease agreement for residential space for use by the fire department. The six month lease, with an exercised option for renewal for an additional twelve months, expired June 2015. This lease was extended an additional twelve months, expiring June 2016. The lease expense for the year ended June 30, 2016 was \$14,494.

-Continued-

TOWN OF DAVIDSON, NORTH CAROLINA

*Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016*

III. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

4. Long-Term Obligations (Continued)

b. Installment Notes

1. In November 2012, the Town refinanced the original December 2002 \$2,000,000 seller financed loan for the purchase of land. The debt was refinanced through a financial institution in the amount of \$1,237,882. The loan agreement requires 120 monthly payments of \$10,230, plus interest through December 30, 2022. The annual interest is 2.49%.

Annual debt service payments of the installment financing as of June 30, 2016, including \$65,404 of interest are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 122,765	\$ 18,468
2018	122,765	15,412
2019	122,765	12,355
2020	122,765	9,298
2021	122,765	6,241
Thereafter	184,148	3,630
Total	<u>\$ 797,973</u>	<u>\$ 65,404</u>

2. In November 2012, the Town entered into a loan modification agreement to the original March 2008 loan with a bank. The original loan totaling \$540,000 was for the purchase a pumper fire truck. The loan modification agreement amended the original agreement, including the payments and the interest rate. The modification agreement requires 11 semi-annual payments of \$30,585, including interest through March 2018. The annual interest rate is 1.7%.

Annual debt service payments of the installment financing as of June 30, 2016, including \$2,645 of interest are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2017	59,323	1,847
2018	60,372	798
Total	<u>119,695</u>	<u>2,645</u>

-Continued-

TOWN OF DAVIDSON, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2016

III. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

4. Long-Term Obligations (Continued)

b. Installment Notes (Continued)

3. In November 2012, the Town entered into a loan modification agreement to the original January 2008 loan with a bank. The original loan totaling \$625,000 was for the purchase of a building. The loan modification agreement amended the original agreement, including the payments and the interest rate. The modification agreement requires 31 semi-annual payments of \$15,625 plus interest through January 2028. The annual interest rate is 3.21%.

Annual debt service payments of the installment financing as of June 30, 2016, including \$75,234 of interest are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2017	31,250	11,787
2018	31,250	10,784
2019	31,250	9,780
2020	31,250	8,777
2021	31,250	7,774
2022-2026	156,250	23,824
2027-2028	62,500	2,508
Total	<u>\$ 375,000</u>	<u>\$ 75,234</u>

-Continued-

TOWN OF DAVIDSON, NORTH CAROLINA

*Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016*

III. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

4. Long-Term Obligations (Continued)

b. Installment Notes (Continued)

4. In November 2005, the Town obtained a \$1,614,000 loan from a bank to finance street construction. The loan agreement requires 30 semi-annual payments of \$53,800, plus interest through November 2020. The annual interest rate is 3.81%.

Annual debt service payments of the installment financing as of June 30, 2016, including \$46,120 of interest are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 107,600	\$ 17,423
2018	107,600	13,324
2019	107,600	9,224
2020	107,600	5,124
2021	53,800	1,025
Total	<u>\$ 484,200</u>	<u>\$ 46,120</u>

5. In November 2012, the Town entered into a loan modification agreement to the original August 2009 loan with a bank. The original loan in the amount of \$314,000 was for a land purchase. The loan modification agreement amended the original agreement, including payments and the interest rate. The loan modification agreement requires 8 semi-annual payments of \$24,572, including interest through August 2016. The annual interest rate is 1.49%.

Annual debt service payments of the installment financing as of June 30, 2016, including \$182 of interest are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 24,391	\$ 182
	<u>\$ 24,391</u>	<u>\$ 182</u>

-Continued-

TOWN OF DAVIDSON, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2016

III. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

4. Long-Term Obligations (Continued)

b. Installment Notes (Continued)

6. In May 2013, the Town obtained a \$67,500 loan from a bank to purchase a truck. The loan agreement requires 5 annual payments of \$14,213, including interest through May 2018. The annual interest rate is 1.74%.

Annual debt service payments of the installment financing as of June 30, 2016, including \$725 of interest are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 13,731	\$ 482
2018	13,970	243
Total	<u>\$ 27,701</u>	<u>\$ 725</u>

7. In August 2012, the Town obtained a \$160,000 loan from a bank to purchase fire department equipment. The loan agreement requires 14 semi-annual payments of \$12,264, including interest through August 2019. The annual interest rate is 1.91%.

Annual debt service payments of installment financing as of June 30, 2016, including \$3,188 of interest are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 23,059	\$ 1,469
2018	23,501	1,027
2019	23,952	576
2020	12,148	116
Total	<u>\$ 82,660</u>	<u>\$ 3,188</u>

-Continued-

TOWN OF DAVIDSON, NORTH CAROLINA

*Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016*

III. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

4. Long-Term Obligations (Continued)

b. Installment Notes (Continued)

8. In September 2014, the Town obtained a \$55,194 loan from a bank to purchase equipment. The loan agreement requires 10 semi-annual payments of \$5,842, including interest through September 2019. The annual interest rate is 2.09%.

Annual debt service payments of the installment financing as of June 30, 2016, including \$1,657 of interest are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 10,920	\$ 763
2018	11,149	534
2019	11,384	300
2020	5,781	60
Total	<u>\$ 39,234</u>	<u>\$ 1,657</u>

9. In January 2016, the Town obtained a \$114,474 loan from a bank to purchase a dump truck. The loan agreement requires 10 semi-annual payments of \$12,099, including interest through January 2021. The annual interest rate is 2.04%.

Annual debt service payments of the installment financing as of June 30, 2016, including \$6,519 of interest are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 21,975	\$ 2,224
2018	22,426	1,773
2019	22,885	1,313
2020	23,355	844
2021	23,833	365
Total	<u>\$ 114,474</u>	<u>\$ 6,519</u>

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TOWN OF DAVIDSON, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2016

III. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

4. Long-Term Obligations (Continued)

c. Changes in Long-Term Liabilities

	Balance July 01, 2015	Increases	Decreases	Balance June 30, 2016	Current Portion of Balance
Governmental Activities:					
Installment notes	\$ 2,365,820	\$ 114,474	\$ 414,966	\$ 2,065,328	\$ 415,013
Due to other governments	1,711,988	60,918	-	1,772,906	-
Compensated absences	224,635	216,321	224,635	216,321	216,321
Net pension obligation (LGERS)	-	196,662	-	196,662	-
Net pension obligation (LEO)	251,882	1,490	-	253,372	35,814
Governmental Activity:					
Long-term liabilities	\$ 4,554,325	\$ 589,865	\$ 639,601	\$ 4,504,589	\$ 667,148

Compensated absences typically have been liquidated in the General Fund.

The LGERS plan had a net pension liability as of June 30, 2016; however the plan had a net pension asset at the beginning of the fiscal year.

C. Inter-fund Balances and Activity

1. Balances due to/from other funds at June 30, 2016, consist of the following:

Due from the General Fund for its activity allocation to:

	Receivable	Payable
Stormwater Fund	\$ -	\$ 53,721
Solid WasteFund	-	214,829
Total	\$ -	\$ 268,550

The inter-fund balances resulted from a time lag between the dates that (1) inter-fund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

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TOWN OF DAVIDSON, NORTH CAROLINA

*Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016*

III. Detail Notes on All Funds (Continued)

C. Inter-fund Balances and Activity (Continued)

2. Transfers (to)/from other funds at June 30, 2016, consist of the following:

From the General Fund to the Public Art Project Special Revenue Fund	\$ (32,000)
From the General Fund to the MI Connection Capital Project Fund	(1,100,000)
From the General Fund to the Parks/Greenway Capital Project Fund	(10,000)
From the General Fund to the Affordable Housing Program Special Revenue Fund	-
	<u><u>\$ (1,142,000)</u></u>

The Town makes transfers between funds in order to facilitate operations of the various funds.

3. Net Investment in Capital Assets

Capital Assets	\$ 16,015,739
Less: Installment notes	2,065,328
Net Investment in capital assets	<u><u>\$ 13,950,411</u></u>

4. Fund Balance

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation:

<i>Total fund balance-General Fund</i>	<i>\$ 8,864,548</i>
Less:	
Stabilization by state statute	1,083,735
Prepaid items	24,152
Streets - Powell Bill	501,105
Committed for Community Parks Reserve Funds	420,760
Assigned for Law Enforcement Separation	253,372
Appropriated Fund Balance in 2016 Budget	-
Unassigned	\$ 6,581,424

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TOWN OF DAVIDSON, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2016

III. Detail Notes on All Funds (Continued)

C. Inter-fund Balances and Activity (Continued)

4. Fund Balance (Continued)

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year end.

Encumbrances	General Fund	Proprietary Fund	Non-Major Fund
	\$ 497,927	\$ 20,169	\$ 47,991

IV. Related Party Transactions

A town employee lived in a house located in a town park and paid rent equal to \$500 per month until May 2016 when the employee vacated the premises.

V. Commitments

- A. The Town entered into a contract with a local fire department for fire service and protection to an area within Town limits, within a five mile radius of the local fire station and more than five miles from the Town's fire department. The Town shall pay, on an annual basis, an amount equal to the approved district tax rate based upon the value of the property on March 1 that is located with the service area. This agreement will terminate on June 30, 2017 to coincide with the opening of Davidson's Fire Station #2. If Fire Station #2 cannot open, as scheduled, on or before June 30, 2017, the agreement will continue on a month-to-month basis until opening.
- B. The Town has entered a contract for solid waste and recycling collection with a company. This agreement is in effect until September 2017.

VI. Inter-local Agreements

- A. The Town has entered an inter-local agreement with two neighboring towns for industrial and business park development. The Town has agreed to reimburse the lead town for certain debt service payments. The Town has no ownership of the land nor are they a named party with respect to the financing associated with the land. Pursuant to this agreement, the Town will fund \$40,000 plus interest each year through 2019. The anticipated cost with respect to this portion of the agreement is \$600,000 plus \$236,064 of interest. For the year ended June 30, 2016, the Town paid \$49,861 with respect to this agreement. The Town has also agreed to pay a certain percentage of the improvements and additional development costs with respect to this park. As of June 30, 2016, the Town's share of debt related to this clause is \$512,351 plus interest. The Town cannot determine what additional cost may be incurred at this time. For the year ended June 30, 2016, the Town paid \$48,156 with respect to this section of the agreement.

-Continued-

TOWN OF DAVIDSON, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2016

VI. Inter-local Agreements (Continued)

- A. In exchange for the Town's participation in the agreement, the Town will receive a percentage of the park tax revenues and proceeds from the sale of any property in the development. This inter-local agreement is in effect until 2045. Should the Town elect out of the agreement, they will be liable for their remaining share of the debt service. In addition, they will be liable for any unpaid operating expenses incurred or contracted for through the date of the withdrawal.
- B. The Town entered an inter-local agreement with two neighboring towns to fund a local non-profit, Visit Lake Norman, for the purpose of promoting the Lake Norman area. The agreement calls for funding in the amount equal to 28% of the Hotel/Motel tax collected from the preceding fiscal year and 25% of prepared food tax collected in the preceding fiscal year. This inter-local agreement is in effect until June 30, 2020, with automatic renewals of five years. For the year ended June 30, 2016, the Town paid \$96,304 with respect to this agreement.
- C. The Town entered another inter-local agreement with three neighboring towns to create a regional transportation commission. The towns agreed to share the cost of funding this commission. The commission terminated on June 30, 2016. For the year ended June 30, 2016, the Town paid \$22,443 with respect to this agreement.
- D. The Town has entered another inter-local agreement with neighboring towns to share cost with respect to a local park. The agreement can be terminated at the end of any fiscal year upon one month written notice. For the year ended June 30, 2016, the Town paid \$26,266 with respect to this agreement.
- E. In July 2011, the Town entered an inter-local agreement with the City of Charlotte for animal control services. This agreement is in effect for one year and shall automatically renew for four additional one-year periods. For the year ended June 30, 2016, the Town paid \$1,001 with respect to this agreement.

VII. Joint Agency

In August of 2007, the Town entered an asset purchase agreement with a local telecommunications company for the purchase of its assets. Pursuant to the agreement, the Town of Mooresville purchased the assets of the telecommunications company. The Towns of Mooresville and Davidson then entered a joint agency agreement pursuant to the General Statutes of North Carolina to form an organization to own, upgrade, manage and operate this telecommunications system. This agency operates as MI Connection Communications System (MIC).

During the fiscal year ended June 30, 2008, the Town of Mooresville agreed to enter into an installment finance contract for \$80,000,000 on behalf of the parties and the joint agency to finance the acquisition of, improvement to and operation of the telecommunications system. During the year ended June 30, 2015, the Town of Mooresville refunded this financing contract in order to obtain more favorable interest rates (from floating rates of 4% to 5% to floating rates from 2% to 5%).

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TOWN OF DAVIDSON, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2016

VII. Joint Agency (Continued)

The financing contract agreement between MIC and the Town of Mooresville was modified to mirror the new debt service requirements for the Town of Mooresville. The contract matures in September 2032.

During the year ended June 30 2010, Mooresville entered into an additional installment financing contract of \$12,550,000 on behalf of MIC. During the year ended June 30, 2015, the Town of Mooresville entered into a rate modification agreement for the aforementioned installment financing contract to lower the applicable interest rate from 6.24% to 2.28%. As a result of the modification, the financing contract between MIC and the Town of Mooresville was modified to mirror the new debt service requirements for the Town of Mooresville. The contract matures in March 2023.

The audited financial statements of MIC indicate that the agency incurred a change in net position of \$1,745,594 for the year ended June 30, 2016. The Agency has a deficit net position balance of \$7,013,765 as of June 30, 2016.

The parties acknowledge that to the extent that revenues and assets of the system are not adequate to pay operating costs of the system, the parties agree to the extent of their financial interest, to provide the joint agency funds necessary to operate the system. For the year ended June 30, 2016, the Town funded \$1,000,000 with respect to this clause. Effective June 30, 2012, the inter-local agreement was amended so that the financial interest of the Town is 30%. Under the amended agreement, the Town of Davidson shall contribute \$1,000,000 annually and to the extent that the annual contribution exceeds its financial interest, such excess shall be paid to the Town of Mooresville, until such a time that the Town of Mooresville has recovered its contributions in excess of its financial interest. As of June 30, 2016, the Town of Mooresville has contributed \$1,570,295 in excess of its financial interest, and per the agency agreement, this is an obligation of the Town of Davidson. The MIC audit report has been issued and copies can be obtained from James Justice, Town Manager of the Town of Davidson.

VII. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The Town has received proceeds from several State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds would be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

Other

The Town is subject to the authority of various federal and state regulatory agencies. No provision has been made in these financial statements for any sanctions which could be imposed if the Town were found to be in noncompliance or violation of regulations promulgated by the agencies.

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TOWN OF DAVIDSON, NORTH CAROLINA

***Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016***

VIII. Summary Disclosure of Significant Contingencies (Continued)

Lawsuits

The Town may be subject to various lawsuits. In the opinion of the Town's management and the Town's attorney, the ultimate effect of any of these legal matters will not have a material effect on the Town's financial position.

IX. Date of Management's Review

The Town of Davidson has evaluated all subsequent events through November 28, 2016, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

This section contains additional information required by generally accepted accounting principles.
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- Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance
- Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance
- Town of Davidson's Proportionate Share of Net Pension Liability (Asset)
- Town of Davidson's Contributions

TOWN OF DAVIDSON, NORTH CAROLINA

***Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Schedule of Funding Progress***

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
12/31/1998	-	\$ 64,225	\$ 64,225	0%	\$ 413,726	15.52%
12/31/1999	-	65,262	65,262	0%	482,716	13.52%
12/31/2000	-	96,675	96,675	0%	536,249	18.03%
12/31/2001	-	73,823	73,823	0%	513,904	14.37%
12/31/2002	-	76,904	76,904	0%	612,321	12.56%
12/31/2003	-	91,018	91,018	0%	776,185	11.73%
12/31/2004	-	115,495	115,495	0%	845,788	13.66%
12/31/2005	-	102,819	102,819	0%	915,537	11.23%
12/31/2006	-	92,656	92,656	0%	800,935	11.57%
12/31/2007	-	132,629	132,629	0%	901,263	14.72%
12/31/2008	-	137,461	137,461	0%	828,614	16.59%
12/31/2009	-	219,897	219,897	0%	940,238	23.39%
12/31/2010	-	216,488	216,488	0%	891,076	24.30%
12/31/2011	-	248,098	248,098	0%	965,991	25.68%
12/31/2012	-	281,822	281,822	0%	936,186	30.10%
12/31/2013	-	290,881	290,881	0%	924,082	31.48%
12/31/2014	-	328,010	328,010	0%	875,579	37.46%
12/31/2015	-	410,433	410,433	0%	842,962	48.69%

TOWN OF DAVIDSON, NORTH CAROLINA

***Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Schedule of Employer Contributions***

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
1999	\$ 7,976	0.0%
2000	9,779	0.0%
2001	10,524	0.0%
2002	13,658	0.0%
2003	12,198	0.0%
2004	13,599	0.0%
2005	20,594	0.0%
2006	17,980	0.0%
2007	15,430	0.0%
2008	19,000	0.0%
2009	19,224	0.0%
2010	29,858	0.0%
2011	29,287	0.0%
2012	27,333	0.0%
2013	30,816	24.6%
2014	28,803	63.7%
2015	32,863	99.2%
2016	34,094	95.6%

TOWN OF DAVIDSON, NORTH CAROLINA

***Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Notes to the Required Schedules***

The information presented in the required supplementary schedule was determined as part of an actuarial valuation as follows:

Valuation date:	12/31/2015
Actuarial cost method:	Entry Age Normal
Amortization method:	Level dollar closed
Remaining amortization period:	15 years
Asset valuation method:	Market value
Actuarial assumptions:	
Investment rate of return*	3.57%
Projected salary increases	3.5 - 7.35%
*Includes inflation at	3.00%
Cost-of-living adjustments	N/A

TOWN OF DAVIDSON, NORTH CAROLINA

Town of Davidson's Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Three Fiscal Years*

Local Governmental Employees' Retirement System

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Town of Davidson's proportion of the net pension liability (asset) (%)	0.04%	0.04%	0.04%
Town of Davidson's proportion of the net pension liability (asset) (\$)	\$ 196,662	\$ (258,191)	\$ 491,797
Town of Davidson's covered-employee payroll	\$ 2,540,221	\$ 2,313,254	\$ 2,287,848
Town of Davidson's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	7.74%	(11.16%)	21.50%
Plan fiduciary net position as a percentage of the total pension liability**	98.09%	102.64%	94.35%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

** This will be the same percentage for all participant employers in the LGERS plan.

TOWN OF DAVIDSON, NORTH CAROLINA

***Town of Davidson's Contributions
Required Supplementary Information
Last Three Fiscal Years***

Local Governmental Employees' Retirement System

	2016	2015	2014
Contractually required contribution	\$ 176,144	\$ 171,010	\$ 167,198
Contributions in relation to the contractually required contribution	176,144	171,010	\$ 167,198
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town of Davidson's covered-employee payroll	\$ 2,540,221	\$ 2,313,254	\$ 2,287,848
Contributions as a percentage of covered-employee payroll	6.93%	7.39%	7.31%

SUPPLEMENTAL STATEMENTS

TOWN OF DAVIDSON, NORTH CAROLINA

Statement 1

Page 1 of 5

General Fund

**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Ad valorem taxes	\$ 5,947,133	\$ 5,885,493	\$ (61,640)
Ad valorem taxes - Motor vehicles	426,000	480,194	54,194
Penalties and interest	25,000	20,083	(4,917)
Total	6,398,133	6,385,770	(12,363)
Other taxes and licenses:			
Motor vehicle fees	166,000	174,146	
Occupancy taxes	165,000	174,949	9,949
Vehicle rental tax	-	913	
Animal taxes	1,200	810	(390)
Total	332,200	350,818	18,618
Unrestricted intergovernmental:			
Local option sales taxes	1,498,500	1,666,016	167,516
Payments in lieu of taxes	161,500	109,000	(52,500)
Telecommunications sales taxes	117,000	100,335	(16,665)
Utility and cable TV franchise taxes	722,250	782,643	60,393
Food and beverage tax	190,000	234,512	44,512
Piped natural gas sales tax	-	48,814	48,814
Beer and wine tax	54,000	54,248	248
Sales tax refund	-	-	-
ABC profit distribution	76,000	112,804	36,804
Total	2,819,250	3,108,372	289,122
Restricted intergovernmental:			
Safe Route to School Grant	-	-	-
Public Safety Grant	-	-	-
Solid waste disposal tax	7,600	7,993	393
Powell Bill allocation	312,954	319,925	6,971
Substance abuse	-	1,490	1,490
Contributions from Mecklenburg County Fire	120,000	120,000	-
Other state grants	179,955	177,494	(2,461)
Total	620,509	626,902	6,393
Permits and fees:			
Zoning fees	23,500	26,715	3,215
Other permits	1,000	600	(400)
Business registration fee	800	1,040	240
First responder income	25,600	28,877	3,277
Total	50,900	57,232	6,332

The notes to the financial statements are an integral part of this statement.

TOWN OF DAVIDSON, NORTH CAROLINA

Statement 1

Page 2 of 5

General Fund

**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Sales and service:			
Rental income	6,000	6,600	600
Parking violations	25,000	18,586	(6,414)
Other facility revenue	47,000	34,459	(12,541)
Recreation program revenue	177,000	220,559	43,559
Recreation facility revenue	1,000	720	(280)
Cemetery revenue	10,000	19,350	9,350
Total	<u>266,000</u>	<u>300,274</u>	<u>34,274</u>
Investment earnings	<u>8,000</u>	<u>24,934</u>	<u>16,934</u>
Miscellaneous			
Donations - fire department	-	13,050	13,050
Donations - police	-	300	300
Donations - arts	-	6,000	6,000
Transit planning	15,000	15,000	-
Other	57,000	64,900	7,900
Total	<u>72,000</u>	<u>99,250</u>	<u>27,250</u>
Total revenues	<u>10,566,992</u>	<u>10,953,552</u>	<u>386,560</u>
Expenditures:			
General government:			
<i>Governing board:</i>			
Salaries and employee benefits		37,769	
Contracted services		29,056	
Other operating expenditures		44,334	
Total	<u>124,377</u>	<u>111,159</u>	<u>13,218</u>
<i>Administration:</i>			
Salaries and employee benefits		733,800	
Contracted services		175,116	
Capital outlay		-	
Other operating expenditures		217,670	
Total	<u>1,179,245</u>	<u>1,126,586</u>	<u>52,659</u>
<i>Legal:</i>			
Salaries and employee benefits		49,168	
Contracted services		57,538	
Other operating expenditures		5,162	
Total	<u>124,810</u>	<u>111,868</u>	<u>12,942</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF DAVIDSON, NORTH CAROLINA

*Statement 1
Page 3 of 5*

**General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016**

	Budget	Actual	Variance Positive (Negative)
<i>Public buildings:</i>			
Contracted services		15,048	
Capital outlay		6,799	
Other operating expenditures		142,068	
Total	192,240	163,915	28,325
Total general government	1,620,672	1,513,528	107,144
<i>Public safety:</i>			
<i>Police:</i>			
Salaries and employee benefits		1,288,724	
Contracted services		64,900	
Vehicle maintenance		23,892	
Other operating expenditures		157,325	
Capital outlay		129,420	
Total	1,818,910	1,664,261	154,649
<i>Fire:</i>			
Salaries and employee benefits		563,089	
Contracted services		68,183	
Vehicle maintenance		53,355	
Capital outlay		90,192	
Other operating expenditures		119,043	
Total	1,204,338	893,862	93,036
Total public safety	3,023,248	2,558,123	247,685
<i>Transportation:</i>			
<i>Streets and highways:</i>			
Salaries and employee benefits		399,257	
Vehicle maintenance		8,603	
Street lights		146,744	
Contracted services		146,090	
Other operating expenditures		210,710	
Capital Outlay		761,769	
Total	2,201,190	1,673,173	528,017
<i>Powell Bill - streets:</i>			
Street and sidewalk maintenance		241,070	
Contracted services		4,725	
Other operating expenditures		-	
Total	570,524	245,795	324,729

The notes to the financial statements are an integral part of this statement.

TOWN OF DAVIDSON, NORTH CAROLINA

*Statement 1
Page 4 of 5*

**General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Economic and physical development:			
<i>Planning:</i>			
Salaries and employee benefits		332,376	
Contracted services		76,762	
Capital outlay		-	
Other operating expenditures		14,833	
Total	449,234	423,971	25,263
<i>Economic and community development:</i>			
Salaries and employee benefits		85,818	
Contracted services		80,500	
Other operating expenditures		260,591	
Total	441,281	426,909	14,372
<i>Contributions:</i>			
Other service agencies		38,500	
Total	39,500	38,500	1,000
Total economic and physical development	930,015	889,380	40,635
Cultural and recreation:			
<i>Travel and tourism:</i>			
Salaries and employee benefits		90,859	
Contracted services		100,049	
Capital outlay		46,792	
Other operating expenditures		115,607	
Total	362,900	353,307	9,593
<i>Recreation:</i>			
Salaries and employee benefits		219,599	
Contracted services		167,302	
Other operating expenditures		74,209	
Capital outlay		8,017	
Total	507,468	469,127	38,341

The notes to the financial statements are an integral part of this statement.

TOWN OF DAVIDSON, NORTH CAROLINA

*Statement 1
Page 5 of 5*

**General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<i>Parks:</i>			
Salaries and employee benefits		230,261	
Contracted services		120,459	
Other operating expenditures		136,038	
Capital outlay		200,053	
Total	<u>821,715</u>	<u>686,811</u>	<u>134,904</u>
Total cultural and recreation	<u>1,692,083</u>	<u>1,509,245</u>	<u>182,838</u>
Debt service:			
Principal		414,966	
Interest and other charges		161,242	
Total debt service	<u>579,390</u>	<u>576,208</u>	<u>3,182</u>
Contingency	<u>27,658</u>		<u>27,658</u>
Total expenditures	<u>10,644,780</u>	<u>8,965,452</u>	<u>1,461,888</u>
Revenues over (under) expenditures	(77,788)	1,988,100	1,848,448
Other Financing Sources (Uses)			
Proceeds from debt	114,474	114,474	-
Proceeds from disposal of assets	10,000	34,810	24,810
Transfers to other funds	(1,142,000)	(1,142,000)	-
Total other financing sources (uses)	<u>(1,017,526)</u>	<u>(992,716)</u>	<u>24,810</u>
Fund balance appropriated	<u>1,095,314</u>	-	<u>1,095,314</u>
Net change in fund balance	<u>\$ -</u>	995,384	<u>\$ 995,384</u>
Fund balance, beginning		<u>7,869,164</u>	
Fund balance, end of year		<u>\$ 8,864,548</u>	

The notes to the financial statements are an integral part of this statement.

TOWN OF DAVIDSON, NORTH CAROLINA

Statement 2

Capital Project Fund – MI Connection
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2016

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures					
Economic and physical development	6,500,000	3,000,000	1,000,000	4,000,000	2,500,000
Total expenditures	6,500,000	3,000,000	1,000,000	4,000,000	2,500,000
Revenues over (under) expenditures	(6,500,000)	(3,000,000)	(1,000,000)	(4,000,000)	2,500,000
Other financing sources and uses					
Transfers from General Fund	6,500,000	3,900,000	1,100,000	5,000,000	(1,500,000)
Total other financing sources	6,500,000	3,900,000	1,100,000	5,000,000	(1,500,000)
Net change in fund balance	\$ -	\$ 900,000	100,000	\$ 1,000,000	\$ 1,000,000
Fund balances:					
Fund balance, beginning of year			900,000		
Fund balance, end of year			\$ 1,000,000		

The notes to the financial statements are an integral part of this statement.

TOWN OF DAVIDSON, NORTH CAROLINA

Statement 3

***Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2016***

	Special Revenue Funds			Capital Project Funds				Total Non-Major Governmental Funds
	Affordable Housing Program	Davidson Design for Life Project	Public Art Project	Bradford Street Project	Fire Station Project	Potts-Sloan-Beaty Corridor Project	Parks/Greenway Project	
Assets								
Cash	\$ 235,189	\$ -	\$ 28,115	\$ 252,776	\$ 31,414	\$ 121,735	\$ 64,370	\$ 733,598
Due from General Fund	-	-	-	-	-	-	-	-
 Total assets	<u>\$ 235,189</u>	<u>\$ -</u>	<u>\$ 28,115</u>	<u>\$ 252,776</u>	<u>\$ 31,414</u>	<u>\$ 121,735</u>	<u>\$ 64,370</u>	<u>\$ 733,598</u>
 Liabilities and Fund Balances								
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to General Fund	-	-	-	-	-	-	-	-
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Fund balances:								
Committed for special projects	\$ 235,189	\$ -	\$ 28,115	\$ 252,776	\$ 31,414	\$ 121,735	\$ 64,370	\$ 733,598
Total fund balances	<u>\$ 235,189</u>	<u>\$ -</u>	<u>\$ 28,115</u>	<u>\$ 252,776</u>	<u>\$ 31,414</u>	<u>\$ 121,735</u>	<u>\$ 64,370</u>	<u>\$ 733,598</u>
 Total liabilities and fund balances	<u>\$ 235,189</u>	<u>\$ -</u>	<u>\$ 28,115</u>	<u>\$ 252,776</u>	<u>\$ 31,414</u>	<u>\$ 121,735</u>	<u>\$ 64,370</u>	<u>\$ 733,598</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF DAVIDSON, NORTH CAROLINA

Statement 4

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
June 30, 2016**

	Special Revenue Funds			Capital Project Funds				
	Affordable Housing Program	Davidson Design for Life Project	Public Art Project	Bradford Street Project	Fire Station Project	Potts-Sloan-Beaty Corridor Project	Parks/Greenway Project	Total Non-Major Governmental Funds
Revenues								
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	44,550	-	-	95,600	-	-	-	140,150
Total revenues	44,550	-	-	95,600	-	-	-	140,150
Expenditures								
Public safety	-	-	-	-	49,707	-	-	49,707
Transportation	-	-	-	7,404	-	8,953	-	16,357
Economic and physical development	56,102	-	-	-	-	-	-	56,102
Cultural and recreational	-	-	3,191	-	-	-	50,130	53,321
Total expenditures	56,102	-	3,191	7,404	49,707	8,953	50,130	175,487
Revenues over (under) expenditures	(11,552)	-	(3,191)	88,196	(49,707)	(8,953)	(50,130)	(35,337)
Other Financing Sources (Uses)								
Transfers from (to) General Fund	-	-	32,000	-	-	-	10,000	42,000
Net change in fund balance	(11,552)	-	28,810	88,196	(49,707)	(8,953)	(40,130)	6,663
Fund balances:								
Beginning of year	246,741	-	(695)	164,580	81,121	130,688	104,500	726,935
End of year	\$ 235,189	\$ -	\$ 28,115	\$ 252,776	\$ 31,414	\$ 121,735	\$ 64,370	\$ 733,598

The notes to the financial statements are an integral part of this statement.

TOWN OF DAVIDSON, NORTH CAROLINA

Statement 5

Special Revenue Fund – Affordable Housing Program
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2016

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues					
Contributions - restricted	\$ 172,000	\$ 229,460	\$ 44,550	\$ 274,010	\$ 102,010
Total revenues	172,000	229,460	44,550	274,010	102,010
Expenditures					
Economic and physical development	703,575	436,111	56,102	492,213	211,362
Total expenditures	703,575	436,111	56,102	492,213	211,362
Revenues over (under) expenditures	(531,575)	(206,651)	(11,552)	(218,203)	313,372
Other financing sources and uses					
Proceeds from sale of other asset	135,495	135,495	-	135,495	-
Transfers from (to) General Fund	301,227	298,142	(2,000)	296,142	(5,085)
Total other financing sources	436,722	433,637	(2,000)	431,637	(5,085)
Fund balance appropriated	94,853	-	-	-	(94,853)
Net change in fund balance	\$ -	\$ 226,986	(13,552)	\$ 213,434	\$ 213,434
Fund balances:					
Fund balance, beginning of year			246,741		
Fund balance, end of year			\$ 233,189		

The notes to the financial statements are an integral part of this statement.

TOWN OF DAVIDSON, NORTH CAROLINA

Statement 6

Special Revenue Fund – Davidson Design for Life Project
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2016

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues					
Restricted Intergovernmental					
Department of Health and Human Services					
Centers for Disease Control					
and Prevention	\$ 341,473	\$ 303,850	\$ -	\$ 303,850	\$ (37,623)
Miscellaneous	23,491	20,983	-	20,983	(2,508)
Total revenues	<u>364,964</u>	<u>324,833</u>	<u>-</u>	<u>324,833</u>	<u>(40,131)</u>
Expenditures					
Economic and physical development	<u>364,964</u>	<u>311,298</u>	<u>-</u>	<u>311,298</u>	<u>53,666</u>
Total expenditures	<u>364,964</u>	<u>311,298</u>	<u>-</u>	<u>311,298</u>	<u>53,666</u>
Revenues over (under) expenditures	<u>-</u>	<u>13,535</u>	<u>-</u>	<u>13,535</u>	<u>13,535</u>
Other financing sources and uses					
Transfers from General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 13,535</u>	<u>-</u>	<u>\$ 13,535</u>	<u>\$ 13,535</u>
Fund balances:					
Fund balance, beginning of year			-		
Fund balance, end of year			<u>\$ -</u>		

The notes to the financial statements are an integral part of this statement.

TOWN OF DAVIDSON, NORTH CAROLINA

Statement 7

Special Revenue Fund – Public Art Project
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2016

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues					
Contributions - restricted	\$ 169,967	\$ 155,667	\$ -	\$ 155,667	\$ (14,300)
Expenditures					
Cultural and recreational	236,630	223,025	3,191	226,216	10,415
Total expenditures	236,630	223,025	3,191	226,216	10,415
Revenues over (under) expenditures	(66,663)	(67,358)	(3,191)	(70,549)	(3,886)
Other financing sources and uses					
Transfers from General Fund	66,663	66,663	32,000	98,663	32,000
Total other financing sources	66,663	66,663	32,000	98,663	32,000
Net change in fund balance	\$ -	\$ (695)	28,810	\$ 28,115	\$ 28,115
Fund balances:					
Fund balance, beginning of year			(695)		
Fund balance, end of year			\$ 28,115		

The notes to the financial statements are an integral part of this statement.

TOWN OF DAVIDSON, NORTH CAROLINA

Statement 8

Capital Project Fund – Bradford Street
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2016

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues					
Contributions	\$ 700,000	\$ 500,000	\$ 95,600	\$ 595,600	\$ (104,400)
Expenditures					
Streets and highways	700,000	335,420	7,404	342,824	357,176
Total expenditures	700,000	335,420	7,404	342,824	357,176
Revenues over (under) expenditures	-	164,580	88,196	252,776	252,776
Other financing sources and uses					
Transfers from General Fund	-	-	-	-	-
Total other financing sources	-	-	-	-	-
Net change in fund balance	\$ -	\$ 164,580	88,196	\$ 252,776	\$ 252,776
Fund balances:					
Fund balance, beginning of year			164,580		
Fund balance, end of year			\$ 252,776		

The notes to the financial statements are an integral part of this statement.

TOWN OF DAVIDSON, NORTH CAROLINA

Statement 9

Capital Project Fund – Fire Station
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2016

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures					
Public safety	150,000	30,879	49,707	80,586	69,414
Total expenditures	150,000	30,879	49,707	80,586	69,414
Revenues over (under) expenditures	(150,000)	(30,879)	(49,707)	(80,586)	69,414
Other financing sources and uses					
Transfers from General Fund	150,000	112,000	-	112,000	(38,000)
Total other financing sources	150,000	112,000	-	112,000	(38,000)
Net change in fund balance	\$ -	\$ 81,121	(49,707)	\$ 31,414	\$ 31,414
Fund balances:					
Fund balance, beginning of year			81,121		
Fund balance, end of year			\$ 31,414		

The notes to the financial statements are an integral part of this statement.

TOWN OF DAVIDSON, NORTH CAROLINA

Statement 10

Capital Project Fund – Potts-Sloan-Beaty Corridor
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2016

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures					
Streets and highways	233,000	102,312	8,953	111,265	121,735
Total expenditures	233,000	102,312	8,953	111,265	121,735
Revenues over (under) expenditures	(233,000)	(102,312)	(8,953)	(111,265)	121,735
Other financing sources and uses					
Transfers from General Fund	233,000	233,000	-	233,000	-
Total other financing sources	233,000	233,000	-	233,000	-
Net change in fund balance	\$ -	\$ 130,688	(8,953)	\$ 121,735	\$ 121,735
Fund balances:					
Fund balance, beginning of year			130,688		
Fund balance, end of year			\$ 121,735		

The notes to the financial statements are an integral part of this statement.

Capital Project Fund – Parks/Greenway
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2016

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures					
Cultural and recreation	550,000	-	50,130	50,130	499,870
Total expenditures	550,000	-	50,130	50,130	499,870
Revenues over (under) expenditures	(550,000)	-	(50,130)	(50,130)	499,870
Other financing sources and uses					
Transfers from General Fund	550,000	104,500	10,000	114,500	(435,500)
Total other financing sources	550,000	104,500	10,000	114,500	(435,500)
Net change in fund balance	\$ -	\$ 104,500	(40,130)	\$ 64,370	\$ 64,370
Fund balances:					
Fund balance, beginning of year			104,500		
Fund balance, end of year			\$ 64,370		

The notes to the financial statements are an integral part of this statement.

TOWN OF DAVIDSON, NORTH CAROLINA

Statement 12

Solid Waste Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2016

	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Solid waste management fee	\$ -	\$ 749,603	\$ -
Total revenue	\$ 682,300	\$ 749,603	\$ 67,303
Expenditures			
Administration:			
Administrative		-	
Solid waste operations:			
Contracted services		663,001	
Total		663,001	
Total expenditures	682,300	663,001	19,299
Revenues over (under) expenditures	-	86,602	86,602
Other Financing Sources (Uses)			
Transfer to General Fund	-	-	-
Revenues over (under) expenditures and other financing sources (uses)	\$ -	86,602	\$ 86,602
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Capital outlay		-	
Depreciation		-	
Principal retirement		-	
Total reconciling items		-	
Change in net position		\$ 86,602	

The notes to the financial statements are an integral part of this statement.

TOWN OF DAVIDSON, NORTH CAROLINA

Statement 13

Storm-water Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2016

	Budget	Actual	Variance Positive (Negative)
Operating Revenues			
Stormwater management fee	\$ -	\$ 222,124	\$ -
Total revenue	\$ 229,920	\$ 222,124	\$ (7,796)
Expenditures			
Administration:			
Administrative		-	
Stormwater operations:			
Contracted services		208,610	
Total		208,610	
Total expenditures	250,698	208,610	42,088
Revenues over (under) expenditures	(20,778)	13,514	34,292
Other Financing Sources (Uses)			
Transfer from General Fund	-	-	-
Appropriated fund balance	20,778	-	(20,778)
Revenues over (under) expenditures and other financing sources (uses)	\$ -	13,514	\$ 13,514
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Capital outlay		-	
Depreciation		-	
Principal retirement		-	
Total reconciling items		-	
Change in net position		\$ 13,514	

The notes to the financial statements are an integral part of this statement.

Agency Funds
Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2016

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Davidson Police Relief Fund				
Assets				
Cash and cash equivalents	<u>\$ 11,175</u>	<u>\$ -</u>	<u>\$ 11,175</u>	<u>\$ -</u>
Liabilities				
Miscellaneous liabilities	<u>\$ 11,175</u>	<u>\$ -</u>	<u>\$ 11,175</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

OTHER SCHEDULES

This section contains additional information required on property taxes.

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy

TOWN OF DAVIDSON, NORTH CAROLINA

Schedule 1

***Schedule of Ad Valorem Taxes Receivable
June 30, 2016***

	Uncollected Balance June 30, 2015	Additions	Collections and Credits	Uncollected Balance June 30, 2016
2015 - 2016	\$ -	\$ 6,431,172	\$ 6,405,183	\$ 25,989
2014 - 2015	21,303	-	9,978	11,325
2013 - 2014	12,818	-	1,739	11,079
2012 - 2013	14,954	-	1,298	13,656
2011 - 2012	10,395	-	1,285	9,110
2010 - 2011	13,561	-	5,160	8,401
2009 - 2010	10,951	-	5,332	5,619
2008 - 2009	9,058	-	4,081	4,977
2007 - 2008	7,689	-	3,157	4,532
2006 - 2007	7,112	-	3,197	3,915
2005 - 2006	6,753	-	6,753	-
	<u>\$ 114,594</u>	<u>\$ 6,431,172</u>	<u>\$ 6,447,163</u>	<u>\$ 98,603</u>

Reconciliation with revenues:

Ad Valorem Taxes - General Fund	\$ 6,385,770
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Reconciling items:

Interest collected	(17,593)
Griffith Street assessment	(657)
Statutory write off	6,753
Property valuation appeals refunds	72,890
Total collections and credits	<u>\$ 6,447,163</u>

TOWN OF DAVIDSON, NORTH CAROLINA

Schedule 2

***Analysis of Current Tax Levy
For the Fiscal Year Ended June 30, 2016***

	Town-wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 1,837,477,714	0.350	\$ 6,431,172	\$ 5,965,820	\$ 465,352
Total property valuation	<u>\$ 1,837,477,714</u>				
Net levy			6,431,172	5,965,820	465,352
Less, uncollected tax at June 30, 2016			<u>(25,989)</u>	<u>(16,772)</u>	<u>(9,217)</u>
Current year's taxes collected			<u>\$ 6,405,183</u>	<u>\$ 5,949,048</u>	<u>\$ 456,135</u>
Current levy collection percentage			<u>99.60%</u>	<u>99.72%</u>	<u>98.02%</u>

COMPLIANCE SECTION

**Report on Internal Control Over Financial Reporting And On Compliance and Other
Matters Based On An Audit of Financial Statements Performed In Accordance With
Government Auditing Standards**

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the Board of Commissioners
Town of Davidson, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Davidson, North Carolina as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town of Davidson's basic financial statements, and have issued our report thereon dated November 28, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Davidson's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Davidson's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Davidson's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. In addition, we noted certain matters that we reported to management of the Town of Davidson in a separate letter dated November 28, 2016.

Purpose of this Report

The purpose of this report is solely to describe our testing of internal control and compliance and the result of that testing, and to provide an opinion on the effectiveness of the entity's internal control on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Rowell, Craven & Short, P.A.".

Rowell, Craven & Short, P.A.
Charlotte, North Carolina
November 28, 2016



Agenda Title: Planning Ordinance - Rural Area Plan Map Amendments - Senior Planner Trey Akers

Summary: Proposed map amendments based upon recommendations from the Rural Area Plan (RAP).

ATTACHMENTS:

Description	Upload Date	Type
❑ RAP Map Amendments Staff Analysis	1/5/2017	Cover Memo
❑ RAP Map Amendments Presentation	1/5/2017	Presentation



MEMO

Date: January 10, 2017
To: Board of Commissioners
From: Jason Burdette, Planning Director
Re: Davidson Planning Ordinance Proposed Text & Map Amendments, Staff Analysis

1. MAP AMENDMENTS

MAP CHANGES – PLANNING AREAS

The following is a list of proposed changes to the Town of Davidson Planning Areas map, located on the Davidson Planning Ordinance's second page (before the Table of Contents). The proposed changes are being undertaken based on the recommendations included in the Rural Area Plan, which was approved by the Board of Commissioners on September 13, 2016. Note: Properties for which a street name exists but not a street number are understood to be non-addressed properties.

1. **RURAL RESERVE:** *These parcels comprise Fisher Farm Park, Allison Farm Regional Park, Rocky River Bluff Nature Preserve, and West Branch Nature Preserve.*

Parcel ID	Street Number	Street Name	Exhibit Number	Current Planning Area	New Planning Area
00307115	20532	SHEARER RD	Exhibit 1	Rural	Rural Reserve
00304103		GREY RD	Exhibit 1	Rural	Rural Reserve
00305106	21705	SHEARER RD	Exhibit 1	Rural	Rural Reserve
00311104	21215	SHEARER RD	Exhibit 1	Rural	Rural Reserve
00333102	21401	SHEARER RD	Exhibit 1	Rural	Rural Reserve

00747198		DAVIDSON-CONCORD RD	Exhibit 1	Rural	Rural Reserve
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2. NEIGHBORHOOD SERVICES: *These parcels are located at two intersections: 1. Concord Rd., Davidson-Concord Rd., and East Rocky River Rd., and 2. Shearer Rd. and East Rocky River Rd.*

Parcel ID	Street Number	Street Name	Exhibit Number	Current Planning Area	New Planning Area
00742119		CONCORD RD	Exhibit 2	Rural	Neighborhood General/Neighborhood Services
00727203		DAVIDSON-CONCORD RD	Exhibit 2	Rural	Neighborhood General/Neighborhood Services
00312101	1335	CONCORD RD	Exhibit 2	Rural	Neighborhood General/Neighborhood Services
00724102	19301	SHEARER RD	Exhibit 2	Rural	Neighborhood Services
00723102	15632	E ROCKY RIVER RD	Exhibit 2	Rural	Neighborhood Services
00309209	19409	SHEARER RD	Exhibit 2	Rural	Neighborhood Services
00308166		E ROCKY RIVER RD	Exhibit 2	Rural	Neighborhood Edge/Neighborhood Services
00723103	19300	SHEARER RD	Exhibit 2	Rural	Neighborhood Edge/Neighborhood Services

3. NEIGHBORHOOD GENERAL: *These parcels are located in the vicinity of the traffic circle at Concord Rd., Davidson-Concord Rd., and East Rocky River Rd. They surround the Neighborhood Services Planning Area, a mixed-use village center envisioned by the RAP at this junction.*

Parcel ID	Street Number	Street Name	Exhibit Number	Current Planning Area	New Planning Area
00742120	1228	CONCORD RD	Exhibit 3	Rural	Neighborhood General
00312105	13409	E ROCKY RIVER RD	Exhibit 3	Rural	Neighborhood General
00727207	13316	E ROCKY RIVER RD	Exhibit 3	Rural	Neighborhood General
00312106	1305	CONCORD RD	Exhibit 3	Rural	Neighborhood General
00742119		CONCORD RD	Exhibit 3	Rural	Neighborhood General/Neighborhood Services

00727203		DAVIDSON-CONCORD RD	Exhibit 3	Rural	Neighborhood General/Neighborhood Services
00312101	1335	CONCORD RD	Exhibit 3	Rural	Neighborhood General/Neighborhood Services

4. NEIGHBORHOOD EDGE: *These parcels are located throughout the Town’s rural area. They can be grouped into four general categories based on geography:*

- a. East Rocky River Rd. to Grey Road:** *The proposed planning area begins with parcels located north of the River Run and Bradford developments, but south of East Rocky River Road; and, extends north across East Rocky River Rd., west of the West Branch of the Rocky River, ending at Grey Rd.*
- b. Shearer Rd. South of East Rocky River Road:** *The proposed planning area begins with parcels just north of the Shearer Rd./East Rocky River Rd. intersection; extends south across East Rocky River Rd. and ends about 800’ below the intersection with Dembridge Dr. on Shearer Road; and, runs east to the Cabarrus County line. Most parcels are located east of Shearer Rd., with about ten parcels lying west of Shearer Rd. and abutting the River Run development.*
- c. June Washam Road:** *Five parcels along June Washam Rd. are proposed for designation as Neighborhood Edge Planning Area. Three are clustered on the north side of the road’s bend, and two are located on either side of the road just west of the Davidson Equestrian Center.*
- d. Davidson-Concord Road:** *These parcels are located in two sets and lie east of Davidson-Concord Rd., abutting the west side of the River Run development on the north and south sides of River Crossing Boulevard.*

Parcel ID	Street Number	Street Name	Exhibit Number	Current Planning Area	New Planning Area
East Rocky River Rd. to Grey Rd.					
00312108	13815	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00313198	2045	CHARDEN RD	Exhibit 4	Rural	Neighborhood Edge
00313199	2040	CHARDEN RD	Exhibit 4	Rural	Neighborhood Edge
00336101	14109	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00725103	14412	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00725106	14408	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00725131		E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00727101	14240	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00727102	14126	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge

00727105	14016	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00727108	13820	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00727110	13626	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00727111		E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00727112	14216	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00727114	13900	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00727120		E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00312102	13725	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00312103	13601	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00312107	13801	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00313101		GREY RD	Exhibit 4	Rural	Neighborhood Edge
00313102	2800	GREY RD	Exhibit 4	Rural	Neighborhood Edge
00313103	2712	GREY RD	Exhibit 4	Rural	Neighborhood Edge
00313104	2808	GREY RD	Exhibit 4	Rural	Neighborhood Edge
00314101	2032	GREY RD	Exhibit 4	Rural	Neighborhood Edge
00725128	14432	ROCK GARDEN DR	Exhibit 4	Rural	Neighborhood Edge
00727103	14106	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00727104	14030	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00727106	14000	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00727107	13916	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00727109	13800	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00727113	14256	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00727115	20050	RALPH KNOX RD	Exhibit 4	Rural	Neighborhood Edge
00727117		E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00727118	20008	RALPH KNOX RD	Exhibit 4	Rural	Neighborhood Edge
00727119	14242	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00727201	13520	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge

00727202	13324	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00727210	13430	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00727211	20007	RALPH KNOX RD	Exhibit 4	Rural	Neighborhood Edge
00727269	13324	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00727270	13400	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
<i>Shearer Rd. South of East Rocky River Rd.</i>					
00749104	18400	SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00308103	15715	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00308104	15901	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00308167		SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00308170	15701	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00723101	15708	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00723103	19300	SHEARER RD	Exhibit 4	Rural	Neighborhood Edge/Neighborhood Services
00723117	15826	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00741507	18809	SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00741510	19011	SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00749101	18642	SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00749102		SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00749103	18600	SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00749108		SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00750101	19000	SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00750106	18750	SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00750107	18650	SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00750108	18808	SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00750109	18800	SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00750110	18760	SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00750111		SHEARER RD	Exhibit 4	Rural	Neighborhood Edge

00308105	19700	SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00308109	15615	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00308166		E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge/Neighborhood Services
00308168	19610	SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00308169		SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00723109	15818	E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00723115		SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00723116	19128	SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00723121		SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00723122		E ROCKY RIVER RD	Exhibit 4	Rural	Neighborhood Edge
00724110	19205	SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00724111	19217	SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00724112	19227	SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00724146	19121	SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00741505	18705	SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00741506	18709	SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00741508	18825	SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00749109	18630	SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00750102	18910	SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00750103	18822	SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
00750105	18700	SHEARER RD	Exhibit 4	Rural	Neighborhood Edge
June Washam Rd.					
00717103	14653	JUNE WASHAM RD	Exhibit 4	Rural	Neighborhood Edge
00718209	14652	JUNE WASHAM RD	Exhibit 4	Rural	Neighborhood Edge
00721103		JUNE WASHAM RD	Exhibit 4	Rural	Neighborhood Edge
00721105	15101	JUNE WASHAM RD	Exhibit 4	Rural	Neighborhood Edge
00721108	15049	JUNE WASHAM RD	Exhibit 4	Rural	Neighborhood Edge

Davidson-Concord Rd.					
00726102	19000	DAVIDSON-CONCORD RD	Exhibit 4	Rural	Neighborhood Edge
00726108	19016	DAVIDSON-CONCORD RD	Exhibit 4	Rural	Neighborhood Edge
00726112		DAVIDSON-CONCORD RD	Exhibit 4	Rural	Neighborhood Edge
00726110	19320	DAVIDSON-CONCORD RD	Exhibit 4	Rural	Neighborhood Edge
00726113	19344	DAVIDSON-CONCORD RD	Exhibit 4	Rural	Neighborhood Edge
00732121	18904	DAVIDSON-CONCORD RD	Exhibit 4	Rural	Neighborhood Edge
00732120	18900	DAVIDSON-CONCORD RD	Exhibit 4	Rural	Neighborhood Edge
00732119	18800	DAVIDSON-CONCORD RD	Exhibit 4	Rural	Neighborhood Edge
00726101	19200	DAVIDSON-CONCORD RD	Exhibit 4	Rural	Neighborhood Edge

2. PUBLIC PLANS AND POLICIES

The proposed map changes are consistent with the existing policy and ordinance frameworks adopted by the town. All proposed changes meet the requirements set forth in Davidson Planning Ordinance 1.5.1 Implementation of Adopted Plans & Policies: “Any amendments to, or actions pursuant to, this ordinance should be consistent with these adopted plans and policies, as amended.”

3. STAFF RECOMMENDATION

MAP CHANGES – PLANNING AREAS

As noted above, the proposed changes reflect the recommendations included in the Rural Area Plan, which was approved by the Board of Commissioners on September 13, 2016. The reasons for each change are detailed in the approved Rural Area Plan, and a description of the parcel locations are provided above. These changes are recommended for approval in order to accurately reflect the adopted Rural Area Plan standards for each parcel.

4. EXHIBITS & RESOURCES

- Overview: [Rural Area Plan Map Amendments](#)
- Exhibit 1: [Rural Reserve Planning Area](#)
- Exhibit 2: [Neighborhood Services Planning Area](#)

- Exhibit 3: [Neighborhood General Planning Area](#)
- Exhibit 4: [Neighborhood Edge Planning Area](#)
- Resources: [Davidson Planning Ordinance](#)

RAP MAP AMENDMENTS – OVERVIEW

TOPICS COVERED

1. **Process Overview:** Small Area Plan Process
2. **RAP Takeaways**
3. **RAP Master Plan**
4. **Map Amendments:** Purpose/Highlights
5. **Map Amendments:** Planning Areas Overview
6. **Map Amendments:** Rural Reserve
7. **Map Amendments:** Neighborhood Services
8. **Map Amendments:** Neighborhood General
9. **Map Amendments:** Neighborhood Edge



RURAL AREA PLAN – PROCESS OVERVIEW

2015 Preparation/Design

- Oct. 5-29: Pre-Charrette Prep.
- Nov. 4-5: Stakeholder Interviews
- Nov. 16-19: Design Charrette
- Dec. 9: Charrette Closing Pres.

2016 Review/Refinement

- Jan.-April: Report Editing & Review
- May: Complete Draft/PB Pres.
- May-June: Public Comment Period
- June 6: BOC Work Session
- July 8, 29: Public Comment Reports
- Aug. 22: Final Draft
- Aug. 29: PB Recommendation
- Sept. 13: BOC Decision
- Oct. 25, Nov. 8, Dec. 13: Review Recommendations

2017 Implementation

- Jan. 10: Map Amendments Public Hearing
- Feb. 14: Potential BOC Decision



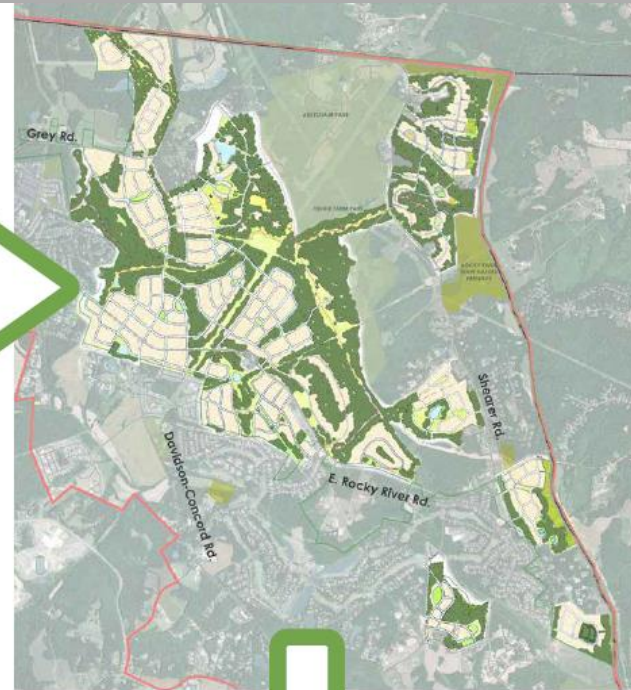
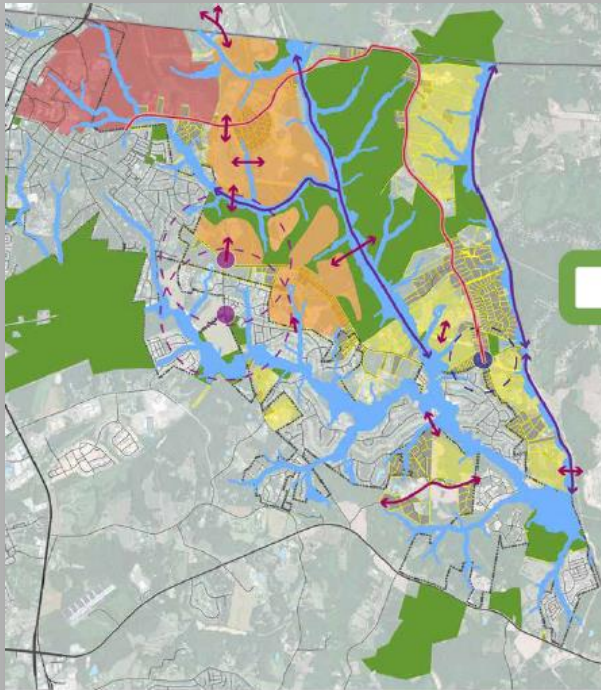
RURAL AREA PLAN – TAKEAWAYS

HIGHLIGHTS

- **Development Has Come/Will Be Coming**
- **Open Space Goal:** 50%. Remaining 50%?
- **Precedents/Models:** Few or None
 - *Using Development to Preserve Open Space*
- **Priorities:**
 1. Preserve Open Space
 2. Provide Connectivity
 3. Modify Standards/Planning Ordinance
 4. Permit Development/Growth in a Deliberative Manner



RAP CONCEPTUAL MASTER PLAN



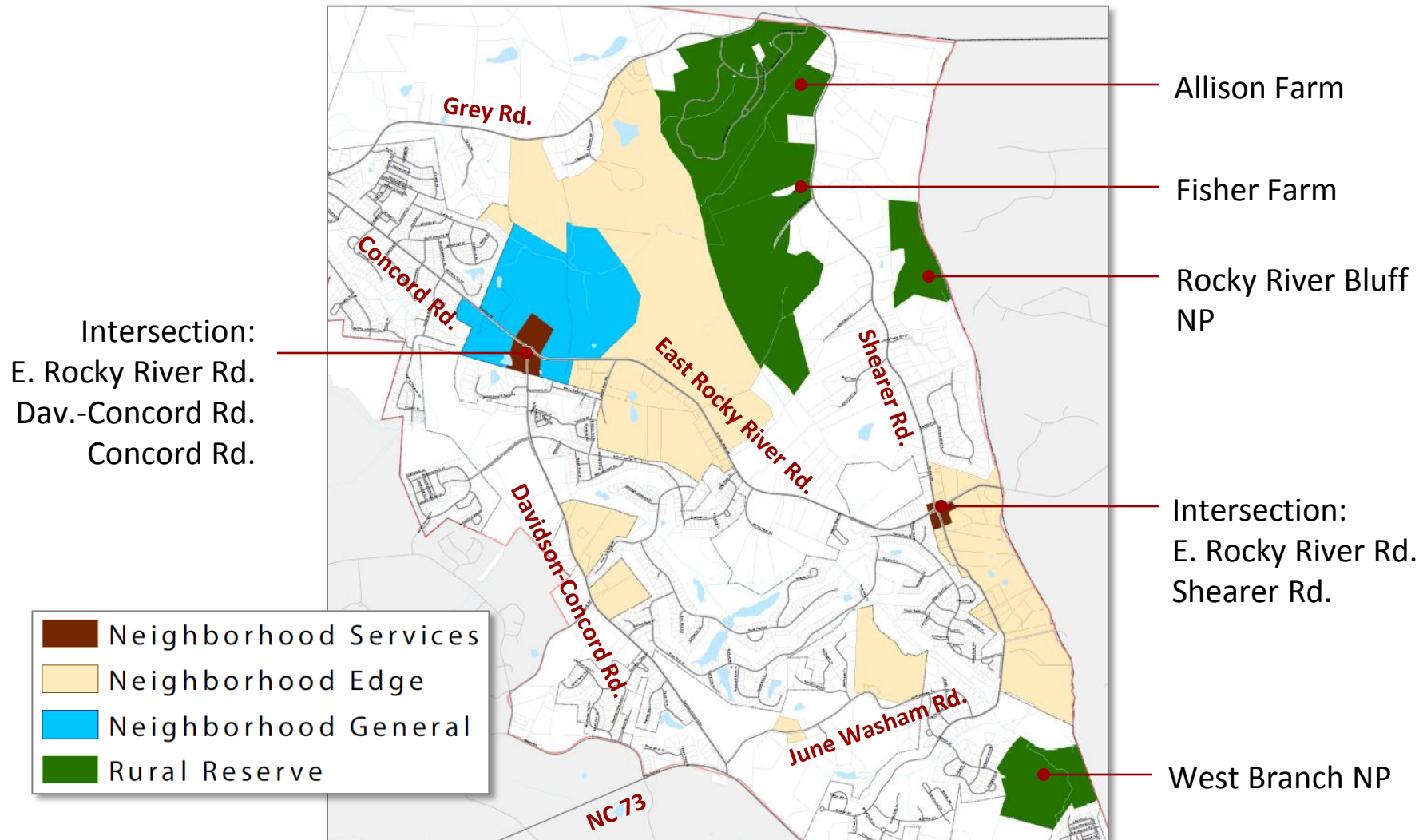
RURAL AREA PLAN: MAP AMENDMENTS

PURPOSE

- **Proactive Vision:** Promotes Davidson's Principles
- **Specific Development Proposals:** Not Reactive
- **By-Right:** Increases Predictability for Landowners & Public
- **Open Space Required:** Ranges from 40% - 70% in Edge, Rural Areas
- **Sewer Required:** In Accordance with Charlotte Water Policy
- **Extended Time Horizon:** Deliberative, Long-Term Approach



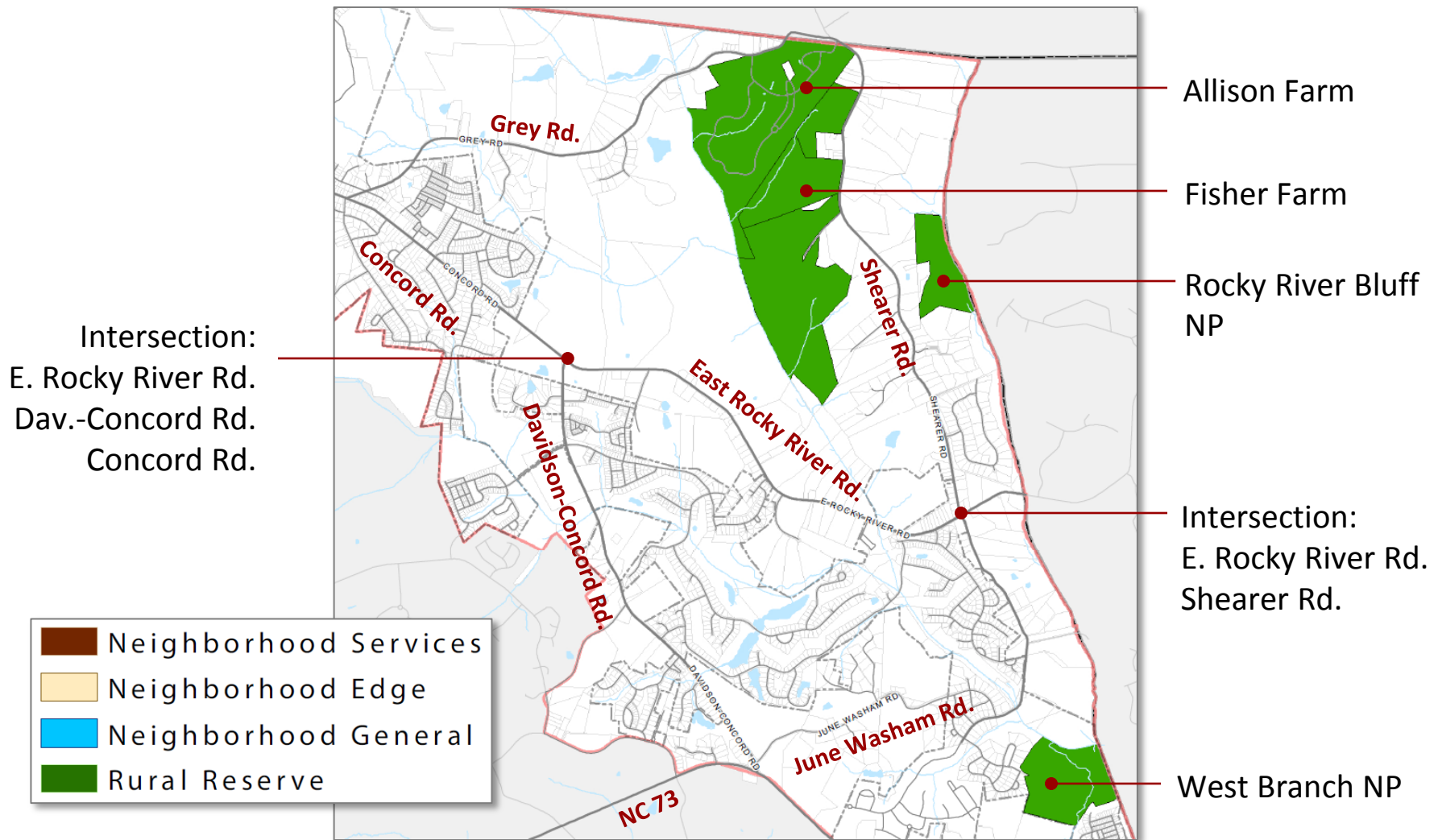
RAP MAP AMENDMENTS: OVERVIEW



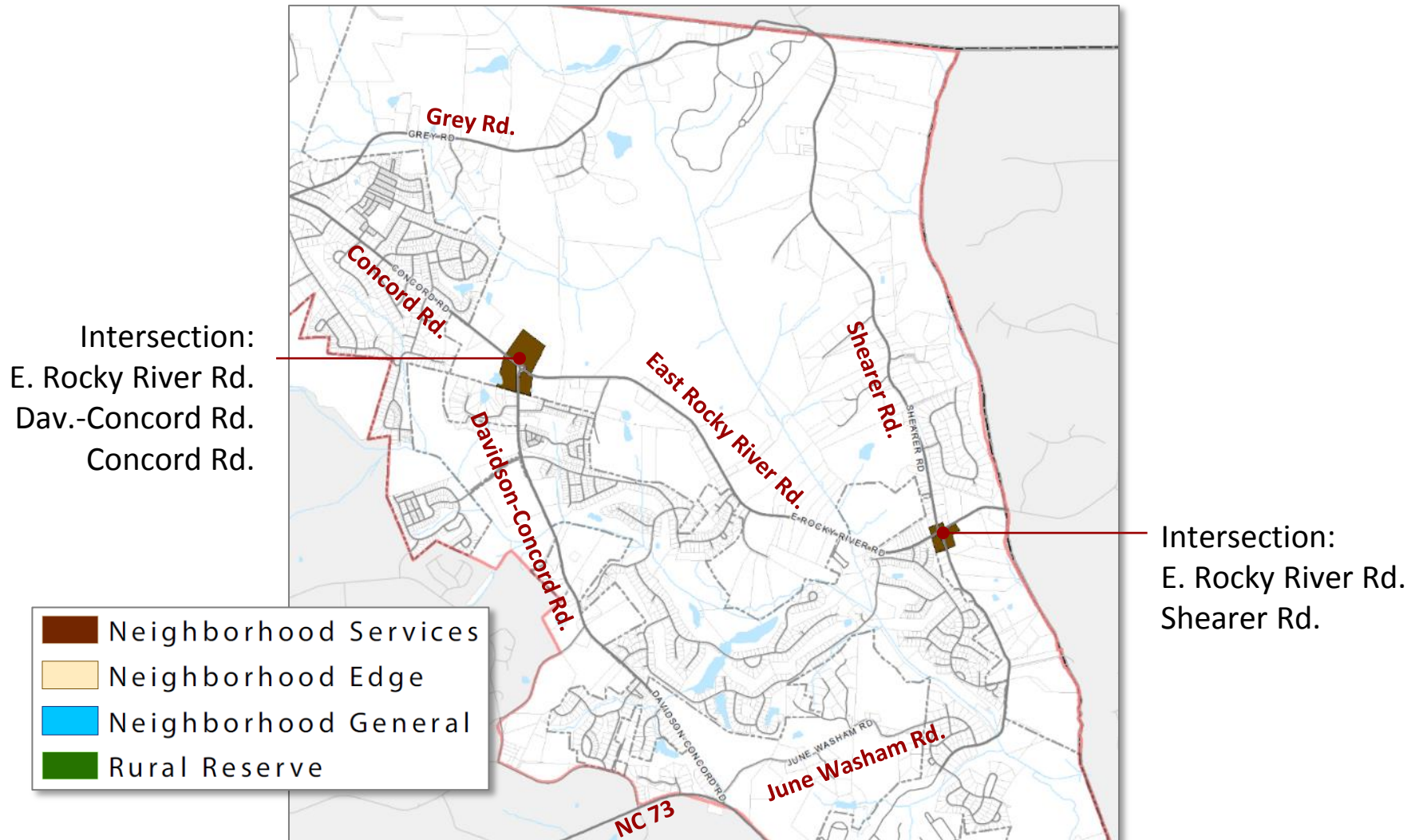
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Rural Area Plan - Map Amendments
Board of Commissioners Meeting
Trey Akers, RAP Project Manager
January 10, 2017

RAP MAP AMENDMENTS: RURAL RESERVE



RAP MAP AMENDMENTS: NEIGHBORHOOD SERVICES

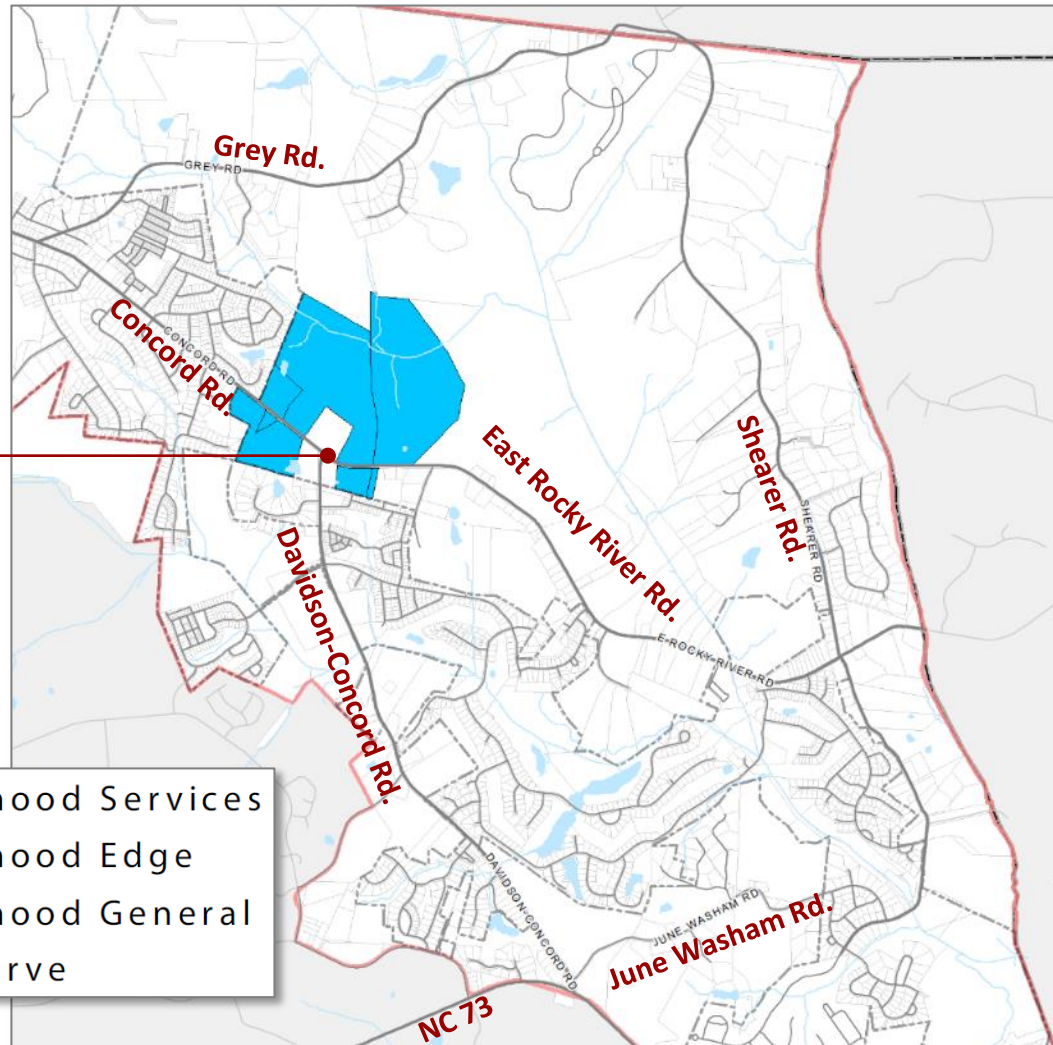
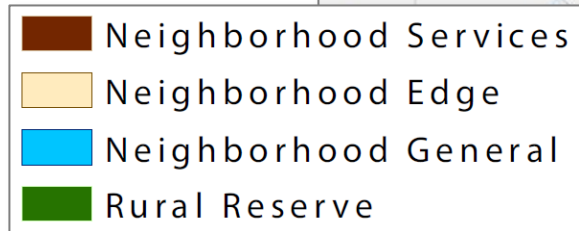


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Board of Commissioners Meeting
Trey Akers, RAP Project Manager
January 10, 2017

RAP MAP AMENDMENTS: NEIGHBORHOOD GENERAL

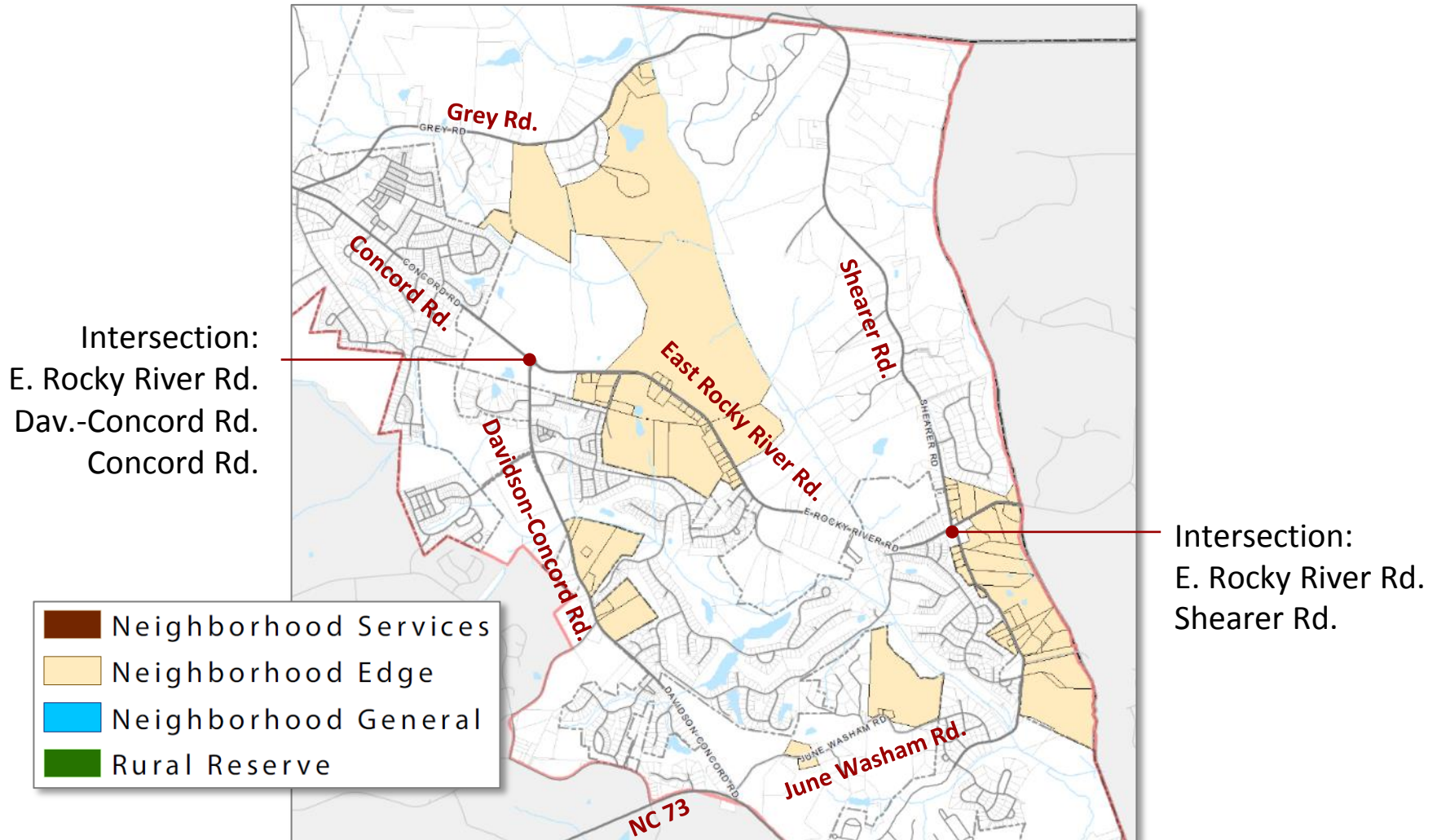
Intersection:
E. Rocky River Rd.
Dav.-Concord Rd.
Concord Rd.



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January 10, 2017

RAP MAP AMENDMENTS: NEIGHBORHOOD EDGE



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Board of Commissioners Meeting
Trey Akers, RAP Project Manager
January 10, 2017

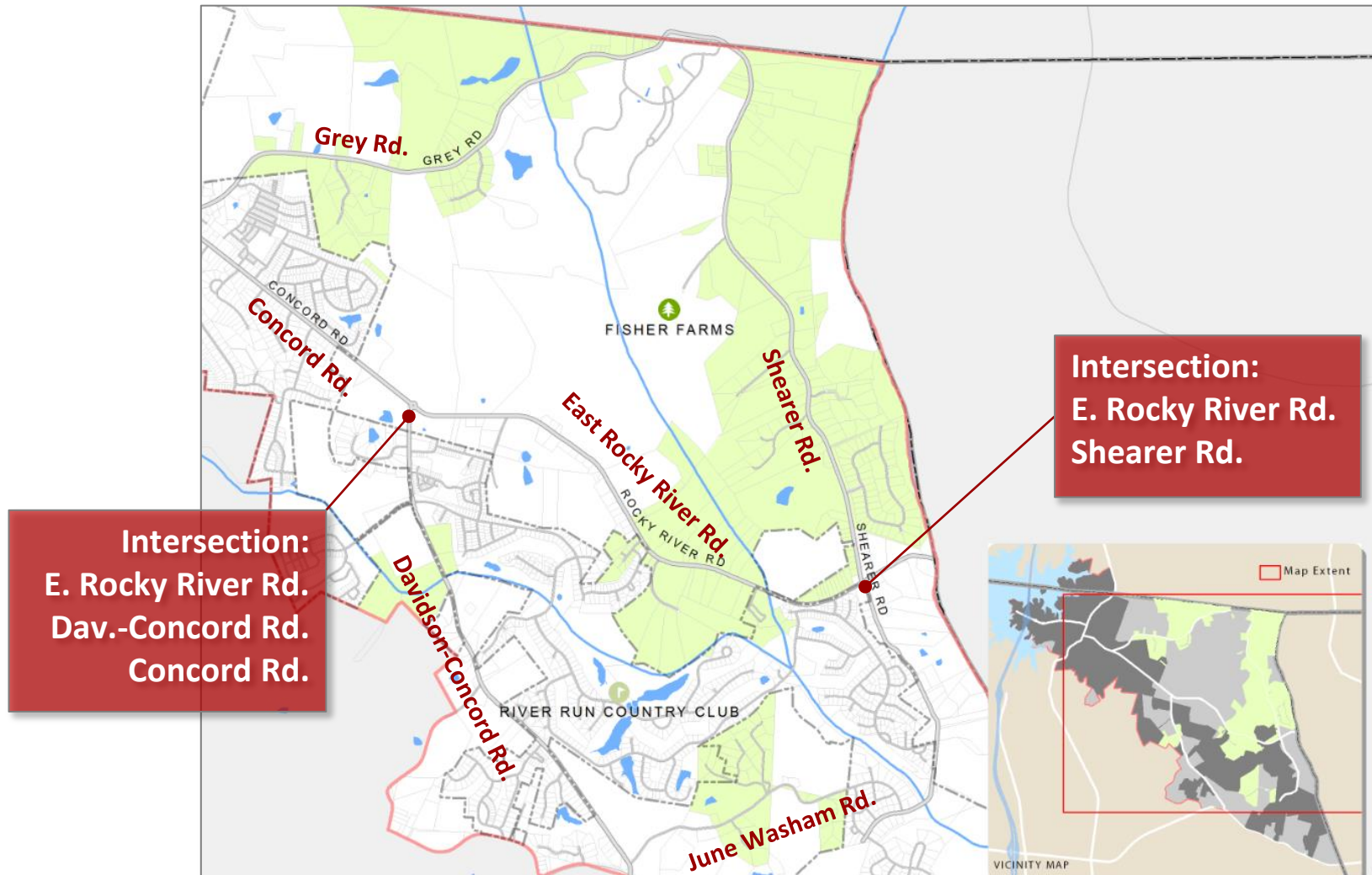
APPROVAL RECOMMENDED



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Board of Commissioners Meeting
Trey Akers, RAP Project Manager
January 10, 2017

RAP: FUTURE RURAL PLANNING AREA



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Rural Area Plan - Map Amendments
Board of Commissioners Meeting
Trey Akers, RAP Project Manager
January 10, 2017



Agenda Title: Planning Ordinance - Rural Area Plan Text Amendments - Senior Planner Trey Akers

Summary: Proposed DPO text amendments based upon recommendations from the Rural Area Plan (RAP).

ATTACHMENTS:

Description	Upload Date	Type
❑ RAP Text Amendments Staff Analysis	1/5/2017	Cover Memo
❑ RAP Text Amendments Presentation	1/5/2017	Presentation



MEMO

Date: January 10, 2017
 To: Board of Commissioners
 From: Jason Burdette, Planning Director
 Re: Davidson Planning Ordinance Rural Area Plan Proposed Text Amendments, Staff Analysis

1. TEXT AMENDMENTS

TEXT CHANGES – PROPOSED AMENDMENTS

The following is a list of proposed text changes to the Town of Davidson Planning Ordinance (DPO). The listed changes are being undertaken in response to the recommendations made by the Rural Area Plan, which was adopted on September 13, 2016. Proposals are organized by page number.

PROPOSED TEXT CHANGES				
PAGE	SECTION	TITLE	ISSUE	PROPOSED ACTION
MISCELLANEOUS				
X-X	X.X.X	VARIOUS	RAP Action Item 7.5 removes Low-Impact and Conservation Easement development options from use in the Rural Planning Area (the only place previously allowed). Therefore, all references to these development types must be removed from the ordinance.	Remove the following references: 2.2.15.F (pg. 2-71); 6.3.1.A (pg. 6-3); 14.3 A-B (pg. 14-2); 14.15-14.6 (pg. 14-4 to 14-9); 14.16, Table 14-1 Application Types (pg. 14-35); 16.3 Flag Lot (pg. 16-12); 16.3 Master Plan Item 2 (pg. 16-16).
TEXT CHANGES			Old Text: [Misc. – References to Outdated Terms “Low-Impact” and “Conservation Easement” subdivisions] New Text: N/A [Does Not Exist – “DNE”]	
SECTION 2 – PLANNING AREAS				
2-43	2.2.9.A	NEIGHBORHOOD SERVICES DESCRIPTION	RAP Action Item 7.6 recommends a commercial node at the East Rocky River Rd./Shearer Rd. intersection, with buildings that embody vernacular rural/village architecture. This means creating an	<ul style="list-style-type: none">▫ Include the Detached House in the building type table.▫ Specify that this building type is only permitted at the East Rocky River Rd./Shearer Rd. designated commercial node.

			overlay district in DPO 2.3.5, which must be cross-referenced here.	<ul style="list-style-type: none"> Clarify that the Detached House building type is required to be constructed to commercial standards because of the intended use as a commercial property, which ensures Design Review Board oversight.
TEXT CHANGES			<p>Old Text: N/A [Does Not Exist - DNE]</p> <p>New Text:</p> <p>Table 2-30:</p> <ol style="list-style-type: none"> Add * to Building Type column heading. Add Detached House², Allowance: P, Design Review: R, Height: 2 Min., 3 Max. Stories. [BELOW TABLE 2-30]: <ul style="list-style-type: none"> ² Within the Neighborhood Services Planning Area this building type is allowed only at the East Rocky River Rd. - Shearer Rd. designated commercial node. *Buildings located at the intersection of Shearer Rd. and East Rocky River Rd. shall be designed to be consistent with rural vernacular architecture precedents as described in the Rural Area Plan, RAP Action Item 7.6. The Storefront building type and the Detached House building type shall be constructed according to commercial building code standards, and are the only building types permitted on the intersection's four corners. Additional building types, as permitted by the ordinance, may be constructed within this area away but not within 100' feet of the right-of-way at the main intersection's four corners. Please see the Neighborhood Services Overlay District for more information. 	
2-56	2.2.12.C	NEIGHBORHOOD EDGE PERMITTED BUILDING TYPES	RAP Action Item 7.8 recommends the re-designation of planning areas. Both Planning Board RAP comments and the Comprehensive Plan recommend implementation measures to ensure housing choice and variety throughout all areas of Town.	Change text to introduce flexible standards resulting in a variety of lot sizes and/or building types throughout this planning area.
TEXT CHANGES			<p>Old Text: N/A [DNE]</p> <p>New Text:</p> <p>In the Neighborhood Edge Planning Area, no more than 85 percent of the units in each new development shall be single-family residential Detached House building type and no more than 30 percent of the units in each new</p>	

			development shall be duplex Detached House or Attached House building types.	
2-58	2.2.12.E	NEIGHBORHOOD EDGE DEVELOPMENT STANDARDS	RAP Action Item 7.8 recommends the re-designation of planning areas. Both Planning Board RAP comments and the Comprehensive Plan recommend implementation measures to ensure housing choice and variety throughout all areas of Town.	Change text to introduce flexible standards resulting in a variety of lot sizes and/or building types throughout this planning area.
TEXT CHANGES			<p>Old Text: N/A [DNE]</p> <p>New Text: [Below List]</p> <p>The following are additional development standards in the Neighborhood Edge Planning Area:</p> <p>Lot Size Requirements:</p> <p>A. Projects 50 Units or More:</p> <ul style="list-style-type: none"> • Minimum of three different lot sizes required; • Minimum 15 foot variation in lot sizes; • Each lot size must comprise a minimum of 20 percent of the total lots in the project; • A minimum of 35 percent of the lots must be 60 feet or less. <p>B. Projects 49 Units or Less:</p> <ul style="list-style-type: none"> • Minimum of two different lot sizes required; • Minimum 15 foot variation in lot sizes; • Each lot size must comprise a minimum of 20 percent of the total lots in the project; • A minimum of 50 percent of the lots must be 60 feet or less, and a maximum of 60 percent of the lots may be 60 feet or less. 	
2-70	2.2.15.D	RURAL PLANNING AREA SITE DESIGN STANDARDS	RAP Action Item 7.5 recommends modifying the Rural Planning Area standards to be used exclusively for very low density development.	<ul style="list-style-type: none"> ▫ Create two development, Options A & B, that afford varying densities and/or site designs strategies based on the amount of open space provided. ▫ This means shifting the current Item 1. to Item 2.
TEXT CHANGES			<p>Old Text: 1. Setback Requirements: The following...</p> <p>New Text:</p> <p>1. Development Options: Two development options are permitted in the Rural Planning Area:</p> <p>Option A: 1 unit per 2 acres + 40% open space with up to 16 permitted units.</p> <p>Option B: 1 unit per acre + 70% open space. At least 50% of the open space is required on-site with the</p>	

			balance permitted as either a payment-in-lieu or dedication of property off-site. 2. Setback Requirements: The following...	
2-70	2.2.15.D.2	TABLE 2-54 RURAL PLANNING AREA OPEN SPACE TABLE	RAP Action Item 7.5 recommends new open space standards for the Rural Planning Area.	<ul style="list-style-type: none"> ▫ Modify Table 2-54 Rural Open Space to include Options A & B. ▫ Include phrase after table referencing payment-in-lieu information in DPO Section 7.
TEXT CHANGES			Old Text: [In Table]: Minimum Open Space 40% [All Development] [After Table]: Certain open space reduction bonuses may be applicable. See Section 7. New Text: [In Table] 1. Option A Min. 40%, Max. NA 2. Option B Min. 70% (50% Min. On-Site; 20% Max. off-site dedication or payment-in-lieu permitted). [After Table] See Section 7 for information regarding open space and payment-in-lieu options.	
2-71	2.2.15.D.3	TABLE 2-55 RURAL PLANNING AREA DENSITY TABLE	RAP Action Item 7.5 makes Low-Impact, Conservation Easement Subdivisions obsolete; it also establishes new density measures for the RPA.	Modify Table 2-55 Rural Density to include development Options A & B. Additionally, delete all text below table and replace with affordable housing text.
TEXT CHANGES			Old Text: Subdivision/Tract Size/Max. Units Per Acre; Types: Low-Impact/Conservation Easement/Residential Subdivisions. Additional development standards for rural subdivisions are in Section 2.2.14 Certain density bonuses may be applicable. See Section 7. ¹ Shall be an established irrevocable conservation easement. ² May only be developed on lots of record as of July 1, 2001 New Text: 1. Remove: "Subdivision" Heading; "Tract Size" Heading; "Low-Impact, Conservation Easement Subdivisions" entries; and, revise "Residential Subdivision" to "Master Plan." 2. Add Heading: "Gross Density" 3. Option A: 1 Unit Per 2 Acres (Max. 16 Units*) 4. Option B: 1 Unit Per Acre (Max. N/A)	

			[Below Table] *If a project elects to construct affordable housing on-site, affordable units do not count towards the maximum permitted density in Option A and Option B.	
2-74	2.2.16.B	TABLE 2-56 RURAL RESERVE PLANNING AREA USE TABLE	RAP Action Item 7.3 recommends changing the Planning Area for existing parks and conservation easements to “Rural Reserve.” This means that uses that are permitted or desired for facilities such as Allison or Fisher Farms need to be allowed the by-right opportunity to construct select facilities (i.e. restrooms, trail shelters) as outlined in relevant agreements or plans.	<ul style="list-style-type: none"> ▫ Add to Use Table 2-56, under Agricultural Uses: Conservation Easement Uses¹ (P - Permitted). ▫ Add Language [Below Table]: ¹Any use allowed by the conservation easement or master plan associated with the parcel.
TEXT CHANGES			<p>Old Text: N/A [DNE]</p> <p>New Text:</p> <p>[In Table, Ag. Uses]: Conservation Easement Uses¹ (P)</p> <p>[Below Table]: ¹Any use allowed by the conservation easement or master plan associated with the parcel.</p>	
2-74	2.2.16.C	TABLE 2-57 RURAL RESERVE BUILDING TYPE TABLE	RAP Action Item 7.3 recommends changing the Planning Area for existing parks and conservation easements to “Rural Reserve.” This means adjusting the table to accommodate Institutional Building Type construction in Rural Reserve to allow structures permitted by the Conservation Easement and/or that fit with the programmatic aspects of these facilities (i.e. restrooms for Fisher Farm).	<ul style="list-style-type: none"> ▫ Add to Building Type Table 2-57: Institutional* (P - Permitted). ▫ Add Language [Below Table]: *Any institutional building type allowed by the conservation easement or master plan associated with the parcel.
TEXT CHANGES			<p>Old Text: N/A [DNE]</p> <p>New Text:</p> <p>[In Table, Ag. Uses]: Institutional* (P)</p> <p>[Below Table]: *Any institutional building type allowed by the conservation easement or master plan associated with the parcel.</p>	
2-79	2.3.1	OVERLAY DISTRICTS ESTABLISHED	Because two new overlay districts are being created they must be added to the	Add Scenic Byway Overlay District and Neighborhood Services Overlay District to the list.

			list of overlay districts at the start of the section.	
TEXT CHANGES			<p>Old Text: [Previous Items] F-O: Floodplain Overlay</p> <p>New Text: [Previous Items]</p> <ul style="list-style-type: none"> • F-O: Floodplain Overlay • SBO: Scenic Byway Overlay • NSO: Neighborhood Services Overlay 	
2-85	2.3.10 [NEW]	SCENIC BYWAY OVERLAY DISTRICT	<p>RAP Action Item 7.4 establishes a Scenic Byway Overlay district whose standards must be codified within the DPO's Planning Areas section.</p>	<ul style="list-style-type: none"> ▫ Include specific overlay standards recommended by the RAP in DPO 2, Planning Areas. ▫ Setbacks: Include encroachment language from DPO Pg. 2-22, excluding bay windows; and, make the encroachment allowed 10'.
TEXT CHANGES			<p>Old Text: N/A [DNE]</p> <p>New Text:</p> <p>2.3.10 Scenic Byway Overlay District</p> <p>A. Purpose: The Scenic Byway Overlay District is established to preserve and enhance the rural character of Grey Rd. and Shearer Rd. north of East Rocky River Rd.</p> <p>B. Applicability: The Scenic Byway Overlay District encompasses Grey Rd. north of Wolfe St. and Shearer Rd. north of the Neighborhood Services Overlay District.</p> <p>C. Standards:</p> <ol style="list-style-type: none"> 1. Setbacks: <ol style="list-style-type: none"> a. Front building setbacks for a single-family Detached House shall be 80 feet minimum; setbacks for all other development types shall be 150 feet minimum. These standards apply to new development; existing non-conforming buildings may not increase the building's non-conforming front setback. Balconies, stoops, stairs, open porches, and awnings are permitted to encroach up to ten feet into the front setback area. b. Development located on the east side of Shearer Road north of Maple Way Drive shall provide a minimum wooded buffer measuring at least 85 feet from the right-of-way. This applies to all development involving more than one single-family Detached House. 2. Landscape Elements: If fencing is proposed in the front setback of a detached house or along road frontages within the development setback it must be a wooden fence row or split rail type. 	

TEXT CHANGES			<p>3. Street Section: For required street sections see Section 6 for a list of streets included in the Rural Area's Plan Scenic Byway Overlay.</p> <p>4. Multi-Use Path: All new development, including detached houses, located on the south side of Grey Rd. or the west side of Shearer Rd. within the Scenic Byway Overlay district shall contribute to multi-use path dedication in the following ways:</p> <ul style="list-style-type: none"> a. Dedication of public access easement area and construction of a multi-use path in accordance with Mecklenburg County standards; b. Dedication of public access easement area for a multi-use path in accordance with Mecklenburg County standards, and payment-in-lieu in accordance with the Town's adopted fee schedule. <p>*All development of more than one single-family Detached House must pursue 2.3.10.C.4.A.</p>	
2-85	2.3.11 [NEW]	NEIGHBORHOOD SERVICES OVERLAY DISTRICT	<p>RAP Action Item 7.6 recommends the creation of a Neighborhood Services area at the East Rocky River Rd./Shearer Rd. intersection to provide commercial opportunities for existing and future residents nearby. The RAP specifies that buildings in this particular area embody vernacular rural/village architecture. To achieve these aims, an Overlay District should be created specifying certain architectural standards for the building types, setbacks, etc. at this node.</p>	State that the specific standards that will apply for building types and site design at this node.
TEXT CHANGES			<p>Old Text: N/A [DNE]</p> <p>New Text:</p> <p>2.3.11 Neighborhood Services Overlay District</p> <p>A. Purpose: The Neighborhood Services Overlay District is established to preserve and enhance the rural character of the Shearer Rd. - East Rocky River Rd. intersection as a rural crossroads with residential and commercial development. Like other Neighborhood Services areas, the aim is to create small nodes within or near residential development that increase walkability, create a sense of place, and provide a concentration of goods and services for the daily needs and activities of nearby residents. The buildings within the Neighborhood Services Planning Area should be at a pedestrian scale with retail frontage.</p>	

TEXT CHANGES

- B. Applicability: The Neighborhood Services Overlay District encompasses the parcels immediately adjacent to the Shearer Rd. - East Rocky River Rd. intersection, as indicated on the Planning Ordinance Map.
- C. Standards: The following standards apply to properties within the district:
1. Permitted Uses: The allowed uses are those permitted in the Neighborhood Services Planning Area.
 2. Permitted Building Types: The following table establishes the permitted building types for the Neighborhood Services Overlay District. Building types not listed in the Building Type Table are presumed to be prohibited (See Section 2.1.4). Additional requirements and exceptions are set out in Section 4, Site & Building Design Standards.
Table 2-XX Building Types:
 - Building Types: Live/Work, Storefront, Detached House, [Permitted By-Right, Design Review Required, Height: Two Story Minimum, 37 foot Maximum]; Accessory Structure [Permitted By-Right, Design Review - See Section 4.5.8, Height: One Story Minimum, Two Story Maximum]
 - *The only Detached House building type permitted in this overlay district is the single-family Detached House building type; duplexes are not permitted.
 - [Below Table]:
 - All buildings constructed within the overlay district shall be built according to commercial building code standards. Accessory Structures are exempt from this requirement.
 - Only the Detached House/Storefront Building Types are allowed at the intersection's four corners. The Live/Work Building Type is not permitted within 100' of the intersection's four corners, measured from the parcel boundary.
 - Within 100 feet of the intersection the first floor must feature only commercial uses; residential uses are permitted on the upper floors. Residential uses are permitted on all floors of the Live/Work Building Type.
 - Flat roof forms are not permitted for any building type.
 3. Site Design Standards:
 - A. Setbacks: The following table establishes the required setbacks for the Neighborhood Services Overlay District.
Table 2-XX Setbacks:
 - Building Types:
 - Live/Work: 0'-10' Front, 0'-10' Side, N/A Rear
 - Storefront: 0' Front, 0'-N/A Side, N/A Rear
 - Det. House: 0'-25' Front, 0'-10' Side, N/A Rear
 - B. Sidewalks: For properties fronting Shearer or East Rocky River Roads, the sidewalk width must be a

			minimum of eight to twelve feet, and as noted in Section 6.8.	
SECTION 4 – SITE & BUILDING DESIGN STANDARDS				
4-12	4.5.2.F.5	DETACHED HOUSE BUILDING TYPE RURAL PLANNING AREA	The RAP creates new development options in the Rural Planning Area, which means that standards and exceptions to certain facilities in this area need to be distinguished for single-family residential and master-planned development.	<ul style="list-style-type: none">▫ Revise the standards to require all master-planned lots within the Rural Planning Area to meet the 4.5.2.F standards, while continuing to permit individually-developed lots the allowances granted under 4.5.2.F.5.▫ Add new bullet point clarifying the circumstances in which exceptions to the existing standards apply (i.e. for single-family residential construction).
TEXT CHANGES			Old Text: N/A [DNE] New Text: <ul style="list-style-type: none">• [New Bullet Point #2]: The lot is not part of an approved master plan; and	
4-13	4.5.2.G [NEW]	DETACHED HOUSE BUILDING TYPE	RAP Action Item 7.6 recommends that buildings at the East Rocky River Rd./Shearer Rd. intersection embody vernacular rural/village architecture. This means specifying certain architectural standards for the Detached House building type at this node.	Specify the standards required for this building within the Neighborhood Services Planning Area at the East Rocky River Rd./Shearer Rd. designated commercial node.
TEXT CHANGES			Old Text: N/A [DNE] New Text: G. For Detached House types in the Neighborhood Services Overlay District: <ul style="list-style-type: none">1. The entire building must be built to commercial code, which requires Individual Building submittal and Design Review Board approval.2. The ground floor of the building must be used as commercial or retail use.3. Roofs: Roof forms shall not be flat.4. Transparency: A minimum of 45% of the first floor facade between 2'-0" and 10'-0" above grade facing the primary streets must be transparent. At least 30% of the upper floors facades between 3'-0" and 50'-0" above finished floor must be transparent.	

TEXT CHANGES			<p>5. Porches: Wrap-around porches shall be installed on at least two building sides, including all facades with primary street frontage. A minimum porch depth of ten feet is required.</p> <p>6. Materials: Building design shall use materials consistent with rural vernacular architecture, as illustrated in the Rural Area Plan precedent images.</p>	
4-13	4.5.3.A/E [NEW]	LIVE/WORK BUILDING TYPE	RAP Action Item 7.6 recommends that buildings at the East Rocky River Rd./Shearer Rd. intersection embody vernacular rural/village architecture. This means specifying certain architectural standards for the Live/Work building type at this node.	Specify the standards required for this building within the Neighborhood Services Planning Area at the East Rocky River Rd./Shearer Rd. designated commercial node.
TEXT CHANGES			<p>Old Text: Live/work units combine commercial and residential uses within a single dwelling unit of two or more stories. At least 50 percent of the heated floor area must contain the residential dwelling unit(s).</p> <p>A. Each unit shall...[Ensuing List B-D]</p> <p>New Text:</p> <p>Live/work units combine commercial and residential uses within a single dwelling unit of two or more stories. All units must be constructed to meet the commercial building code standards. At least 50 percent of the heated floor area must contain the residential dwelling unit(s).</p> <p>A. Each unit shall...[Ensuing List B-D]</p> <p>E. For Live/Work buildings located in the Neighborhood Services Overlay District:</p> <ol style="list-style-type: none"> 1. Roofs: Roof forms shall not be flat. 2. Materials: Building design shall use materials consistent with rural vernacular architecture, as illustrated in the Rural Area Plan precedent images. 	
4-14	4.5.6.J [NEW]	STOREFRONT BUILDING TYPE	RAP Action Item 7.6 that buildings at the East Rocky River Rd./Shearer Rd. intersection embody vernacular rural/village architecture. This means specifying certain architectural standards for the Storefront building type at this node.	Specify the standards required for this building within the Neighborhood Services Planning Area at the East Rocky River Rd./Shearer Rd. designated commercial node.
TEXT CHANGES			<p>Old Text: Old Text: N/A [DNE]</p> <p>New Text:</p>	

TEXT CHANGES			<p>J. For Storefront buildings located in the Neighborhood Services Overlay District:</p> <ol style="list-style-type: none">1. The ground floor of the building must be used as commercial or retail use within 100 feet of the Shearer Rd. – East Rocky River Rd. intersection.2. Roofs: Roof forms shall not be flat.3. Transparency: At least 50% of the first floor facade between 2'-0" and 10'-0" above grade facing the primary streets must be transparent. At least 30% of the upper floors facades between 3'-0" and 37'-0" above finished floor must be transparent.4. Materials: Building design shall use materials consistent with rural vernacular architecture, as illustrated in the Rural Area Plan precedent images.	
4-15	4.5.8	ACCESSORY STRUCTURES	The RAP creates new development options in the Rural Planning Area, which means that standards and exceptions to certain facilities in this area need to be distinguished for single-family residential and master-planned development.	Revise the text to clarify that all master-planned lots within the Rural Planning Area must meet the 4.5.8 standards, while continuing to permit individually-developed lots the existing allowances granted under 4.5.8.
TEXT CHANGES			<p>Old Text: N/A [DNE]</p> <p>New Text:</p> <p>[First Paragraph, Last Sentence] Note: Lots within the Rural Planning Area that are part of an approved master plan are subject to all applicable ordinance requirements and are not eligible for the exceptions granted to individually-developed lots located within the Rural Planning Area.</p>	
SECTION 5 – AFFORDABLE HOUSING				
5-3	5.2.C.2	AFFORDABLE HOUSING PERCENTAGE & DISTRIBUTION OF AFFORDABLE UNITS	In order to ensure that the appropriate incentives are in place throughout the Town's entire jurisdiction, the RAP implementation process developed incentives to encourage the construction of on-site affordable housing units.	Include language describing the incentive to encourage on-site construction of affordable housing units.
TEXT CHANGES			<p>Old Text: N/A [DNE]</p> <p>New Text: [Below Table 5-1 Distribution Table]</p> <p>Waiver Option: Projects that elect to construct on-site affordable housing units may receive a reduction in the required amount of affordable housing as follows: For every unit constructed on-site, the payment-in-lieu for one unit will be waived. All units constructed on-site using the</p>	

			waiver option shall be priced as affordable to households that earn between 80%-100% AML.	
SECTION 6 – SUBDIVISION & INFRASTRUCTURE STANDARDS				
6-3	6.3.1	REQUIRED IMPROVEMENTS FOR ALL DEVELOPMENT	All references to CMUD are outdated. Additionally, the RAP recommends the extension of sewer to select corridors. The DPO should be revised to clarify that sewer extension should proceed in accordance with CLT Water policy.	<ul style="list-style-type: none">▫ Revise all CMUD references in ordinance to read Charlotte Water.▫ Include language clarifying that sewer extension must be implemented in accordance with CLT Water policy.
TEXT CHANGES			Old Text: Public sewer per CMUD requirements. New Text: [Fourth Bullet Point] Public sewer in accordance with Charlotte Water policy and requirements.	
6-3	6.3.1.A	REQUIRED IMPROVEMENTS FOR ALL DEVELOPMENT	The RAP recommends the DPO no longer use the Low-Impact Subdivision development; so, this should be removed and the list updated to clarify what improvements are required for master-planned developments in the Rural Planning Area.	<ul style="list-style-type: none">▫ Remove the Low-Impact Subdivision exemption list.▫ List and clarify the required improvements, including cross-references, for master-planned developments in the Rural Planning Area.
TEXT CHANGES			Old Text: A. Low-Impact Subdivisions [Remove All] New Text: A. Master Plans in the Rural Planning Area are subject to the following standards: <ul style="list-style-type: none">• Street Lights: See Section 10.• Public Sewer: If the project is within 1,000 feet of an existing sewer line or planned sewer line funded within a Charlotte Water Capital Improvement Plan.• Public Water: If the project is within 1,000 feet of an existing water line or planned water line funded within a Charlotte Water Capital Improvement Plan.• Sidewalks: See Section 6.• Curb & Gutter: If the development features a sewer connection then curb and gutter shall be required.• Landscaping: See Section 9.• Neighborhood Park: See Section 7.	
6-4	6.5.1.A	MINIMUM ACCESS	RAP Action Item 5.1 states that the Town should continue to require a network of streets for development, in order to move vehicles as well as other users more efficiently through a variety of modes.	Clarify that the connectivity requirements apply to all master plan developments.

TEXT CHANGES			<p>Old Text: N/A [DNE]</p> <p>New Text: [...established in Section 6.7.] Additionally, all master-planned development fronting on a state- or town-maintained right-of-way must provide an internal street within the development.</p>	
6-5	6.5.1.E.2	STREET NETWORK EXTERNAL CONNECTIONS	RAP Action Item 5.1 states that the Town should continue to require a network of streets for development, in order to move vehicles as well as other users more efficiently through a variety of modes.	Include language clarifying that connections across water features, in so far as they lie within the boundary of a developing parcel, are included in the connectivity requirements.
TEXT CHANGES			<p>Old Text: 2. Any connection/street stub represented on a town-accepted transportation or land use plan;</p> <p>New Text: 2. Any connection/street stub, including water crossings, represented on a town-accepted transportation or land use plan;</p>	
6-5	6.5.1.F.1	ALTERNATE COMPLIANCE	RAP Action Item 5.1 states that the Town should continue to require a network of streets for development, in order to move vehicles as well as other users more efficiently through a variety of modes.	Clarify that the connectivity requirements apply to all master plan developments, and provide the Planning Director flexibility in allowing easement area to be dedicated in-lieu of construction when topographic or other constraints exist.
TEXT CHANGES			<p>Old Text: When the Planning Director deems a required external street connection is impractical due to severe topography, existing development, or other natural features, the town may require a non-vehicular connection in lieu of the required street connection(s).</p> <p>New Text: When the Planning Director deems a required internal or external street connection is impractical due to severe topography, existing development, or other natural features, the town may require an easement or a non-vehicular connection in lieu of the required street connection(s).</p>	
6-10	6.7.2.B	PUBLIC ACCESS	The RAP removes all development types that allowed private streets; therefore, the DPO should be updated to eliminate mention of private streets.	Remove the second sentence of this item, which references private streets.
TEXT CHANGES			<p>Old Text: All streets shall be maintained for public access whether by easement or by public dedication. Private streets are only allowed when one entity will retain ownership of all properties that abut the street.</p>	

			New Text: All streets shall be maintained for public access whether by easement or by public dedication.	
6-13	6.7.3 [NEW]	TOWN STREET CLASSIFICATIONS	RAP Action Items 5.5-5.9: New street sections are proposed for Grey Rd., Shearer Rd., East Rocky River Rd., with features such as fence-breaks/multi-use paths that are not currently in the DPO.	Include a reference to the RAP for specific street sections that should be included as part of proposed development projects on/adjacent to these roads.
TEXT CHANGES			<p>Old Text: N/A [DNE]</p> <p>New Text: Certain corridors feature special characteristics and warrant the application of specific infrastructure standards. Many of these corridors lie within the Town's rural areas. All new development fronting Grey Rd., Davidson-Concord Rd., East Rocky River Rd., and Shearer Rd., shall conform to the street cross-sections as specified in the Rural Area Plan.</p>	
6-18	6.8.1.B	SIDEWALK STANDARDS MINIMUM WIDTH	For Detached House and Live/Work commercial buildings in the designated node at East Rocky River Rd./Shearer Rd., a sidewalk section wider than 5' is necessary to safely accommodate pedestrians in front of businesses along these higher-speed roads.	Change the text to require a sidewalk width of 8' in front of commercial buildings at the designated node.
TEXT CHANGES			<p>Old Text: N/A [DNE]</p> <p>New Text: [Last Sentence] For sidewalks in front of Detached House and Live/Work commercial buildings in the Neighborhood Services node at the East Rocky River Rd. and Shearer Rd. intersection, sidewalks along primary street frontages shall be a minimum of eight feet.</p>	
6-19	6.8.1.H [NEW]	SIDEWALK STANDARDS RURAL PLANNING AREA EXCEPTIONS	The RAP recommends various greenway/trail facilities to which access must be provided via installed sidewalk infrastructure appropriate to the Rural Planning Area context.	Add specific allowances for alternative sidewalk facilities in the Rural Planning Area.
TEXT CHANGES			<p>Old Text: N/A [DNE]</p> <p>New Text:</p> <p>H. Rural Planning Area Exceptions: All development shall provide sidewalk facilities on both sides of the street unless otherwise determined by the Planning Director. In select cases sidewalks may be provided on only one side of each minor street and ADA-compliant paths meeting the</p>	

			minimum DPO standards for sidewalk width may be provided on one side of each street. All walkways shall be publicly-accessible.	
6-20	6.8.3.A	GREENWAY STANDARDS	RAP Action Item 5.4: The RAP emphasizes greenway and trail connectivity between properties based on existing plans and new linkages identified in the RAP. The DPO should be modified to clarify the connectivity requirements in light of plan goals.	Include language describing connectivity requirements for greenways and trails.
TEXT CHANGES			Old Text: All new developments on an identified greenway corridor must provide and construct greenway access within a designated public easement. New Text: All new developments on or adjacent to an identified greenway corridor must provide and construct greenway access within a designated public easement. Where adjacent properties prohibit construction of off-street connector trails, on-street connector facilities shall be required to connect to the nearest connector facility.	
6-21	6.8.3.H	GREENWAY STANDARDS	RAP Action Item 5.11 calls for the development of way station facilities at various locations on select greenway corridors.	Include reference to way station facilities as an amenity to be considered in when planning for greenways.
TEXT CHANGES			Old Text: Amenities: Greenways shall provide amenities, such as drinking fountain(s), trash receptacles, bike rack(s), and pet station(s), as defined in the Davidson Walks & Rolls Active Transportation Master Plan and the Parks and Recreation Master Plan. New Text: ...Master Plan. Way station facilities should be considered for select greenway corridors, intersections, and amenities/attractions. These facilities may range from sheltered kiosks and/or benches to small buildings containing exhibits, restrooms, or minor food provisions.	
SECTION 7 – PARKS & OPEN SPACE				
7-2	7.2.3.C [NEW]	CREDIT TOWARD OPEN SPACE CONSERVATION	RAP Action Item 4.6: The RAP recommends incentives to promote or encourage the retention of agricultural land within proposed developments.	<ul style="list-style-type: none">▫ Include language outlining open space contribution mechanism as new item C.▫ Utilize DPO 15, Violations & Penalties, to establish clear enforcement criteria.
TEXT CHANGES			Old Text: N/A [DNE] New Text: C. Agricultural Land: The open space requirements, but not the neighborhood park requirements, may be reduced by 1.5 acres for every acre of active farmland included in a new development. Active	

TEXT CHANGES			farmland is not considered to be passive open space; it must be secured through a conservation easement that is professionally-managed on an on-going basis. The permanent conservation easement must be approved by the Planning Director and Town Attorney, and the Town reserves the right to conduct periodic reviews of farm activity on-site to determine compliance with the conservation easement. Additionally, the following criteria also apply: <div><div>1. The agricultural land must meet the definition of a farm as defined by this ordinance, and it may not include tree-farming, timber production, or contained animal feeding operations;</div><div>2. The agricultural land must comprise at least 10 contiguous acres;</div><div>3. The credit cannot be used to reduce the open space requirements by more than 50%.</div></div>	
7-11	7.5.1.A.2.B	ADDITIONAL OPEN SPACE	RAP Action Item 4.3 recommends prioritizing the preservation of upland areas through the site planning process.	Include reference to upland areas when considering land suitable for open space in development projects.
TEXT CHANGES			Old Text: The presence of significant natural features (rock outcroppings, forests, ponds, streams, etc.), viewsheds, wildlife habitats, trails, and/or community farms and gardens. New Text: ...rock outcroppings, forests, ponds, streams, upland areas, etc....	
7-11	7.5.1.A.2.C [NEW]	ADDITIONAL OPEN SPACE	RAP Action Item 4.2 recommends the application of the Wildlife Resource Commission’s recommended buffer, where feasible.	Include recommended buffer as an area to be considered for open space.
TEXT CHANGES			Old Text: N/A [DNE] New Text: C. Land within 600 feet of either side of the following water courses: The Rocky River; West Branch of the Rocky River; and, the West Branch's main tributary (from north of Grey Rd. to its intersection with the West Branch).	
SECTION 9 – TREE PRESERVATION, LANDSCAPING, & SCREENING				
9-7	9.4.1.A	STREET TREE LOCATION REQUIREMENTS	As a result of the RAP, DPO 6.3.A allows specific exemptions or alternative criteria for certain development standards, including landscaping within the right-of-way.	Include language that requires the same amount of landscaping but permits a more informal or rural aesthetic in landscape design.

TEXT CHANGES			<p>Old Text:</p> <p>[First Sentence] A. Location: Except along a rural road, alley, or the park side of a parkway, trees shall be planted wherever a new street right-of-way is constructed...</p> <p>[Last Sentence]: N/A [DNE]</p> <p>New Text:</p> <p>[First Sentence] A. Location: Except along an alley or the park side of a parkway, trees shall be planted wherever a new street right-of-way is constructed...</p> <p>[Last Sentence]: In the Rural Planning Area, all development shall provide the quantity of landscaping required in the ordinance. Trees may be spaced in a less formalized pattern than required in the ordinance, so long as the same quantity of trees is provided.</p>	
SECTION 10 – LIGHTING				
10-6	10.5.2.B	STREET LIGHTING DESIGN & MAINTENANCE	As a result of the RAP, DPO 6.3.A allows specific exemptions or alternative criteria for certain development standards, including street lighting within the right-of-way.	Include language that requires adequate lighting but permits a more informal or rural aesthetic in location/placement.
TEXT CHANGES			<p>Old Text: The placement of street lighting fixtures in residential areas shall be at 160 to 200 foot intervals and at each intersection unless...</p> <p>New Text: The placement of street lighting fixtures in residential areas shall be at 160 to 200 foot intervals (300-500 foot intervals in the Rural Planning Area), and at each intersection unless...</p>	
SECTION 14 – ADMINISTRATION & PROCEDURES				
14-25	14.15.1.B	ENVIRON. INVENTORY NATURAL FEATURES	<ul style="list-style-type: none">▫ RAP Action Item 4.3 recommends prioritizing the preservation of upland areas through the site planning process.▫ RAP Action Item 4.1: Connections to adjacent natural areas and watershed analysis must be added to the Environmental Inventory documentation.	<ul style="list-style-type: none">▫ Include reference to upland areas when considering land suitable for open space in development projects.▫ Add additional sentence to 14.15.1.B to include watershed analysis reference.
TEXT CHANGES			<p>Old Text:</p> <p>[First Sentence] Show all important natural features influencing site design such as the location of wetlands, rock outcroppings, site topography...</p> <p>[Last Sentence] ...conservation easements on adjoining properties.</p>	

TEXT CHANGES			New Text: [First Sentence] ...the location of wetlands, upland areas, rock outcroppings... [Last Sentence] ...conservation easements on adjoining properties. Identify connections to existing or future contiguous open space utilizing Map 4.1 Future Green Network Diagram from the Rural Area Plan. Additionally, provide a study of viewsheds related to the site.	
14-25	14.15.1.C	ENVIRON. INVENTORY SURVEY	RAP Action Item 4.7: Incorporate identification of historic resources into the site planning process.	Include language requiring historic or cultural resources to be identified as part of the initial plan documents.
TEXT CHANGES			Old Text: DNE New Text: ...or any environmentally-significant areas. Additionally, surveys must show the location of any historic or cultural resources.	
SECTION 15 – VIOLATIONS & PENALTIES				
15-6	15.3.4 [NEW]	OPEN SPACE VIOLATIONS	The DPO permits a reduction in open space area if active farmland is placed under conservation easement as part of a proposed development. To ensure active, on-going use of the dedicated land as active farmland; to provide restitution to the Town in the event it is not used as such; and, to account for the loss of open space, civil penalty language should be developed for active farmland that received an open space reduction credit but is no longer actively farmed.	<ul style="list-style-type: none">▫ Include language that disincentivizes the conversion of land set aside as agricultural land within a proposed development from being discontinued in its use.▫ Ensure the penalty creates a strong disincentive and, if the land is withdrawn, that the Town recoups a financial reimbursement for permanently lost open space.
TEXT CHANGES			Old Text: N/A [DNE] New Text: Violation of the provisions reducing open space wherein active farmland, as defined by this ordinance, is provided through a conservation easement as part of development shall require payment to the Town of Davidson of 1.5 times the current tax value of the development's original land area to be deposited in the Town's open space fund. This applies to all years in which a violation occurred. To be considered active farmland, the property must be in a permanent conservation easement that preserves the land for agricultural purposes. The permanent conservation easement must be approved by the Planning Director and Town Attorney, and the Town reserves the right to conduct periodic reviews of farm	

			activity on-site to determine compliance with the conservation easement.	
SECTION 16 – DEFINITIONS				
16-11	16.3	DEFINITIONS, F	The DPO currently features only one definition of farmland. In light of RAP Action Item 4.6, which recommends incentives to promote or encourage the retention of agricultural land within proposed developments, it would be helpful to distinguish between farms and bona fide farms as defined by state statute.	Revise the definition of Farm, Bona Fide to include reference to the NC general statute, and utilize the existing definition to create a new entry/definition for Farm.
TEXT CHANGES			<p>Old Text:</p> <p>- Farm, Bona Fide: Any tract of land containing at least 3 acres which is used for dairying or for the raising of agricultural products, forest products, livestock or poultry, and which may include facilities for the sale of such products from the premises where produced. The definition of “farm” and “bona fide farm” shall not include agricultural industries.</p> <p>New Text:</p> <p>- Farm: Any tract of land containing at least 3 acres which is used for dairying or for the raising of agricultural products, forest products, livestock or poultry, and which may include facilities for the sale of such products from the premises where produced. The definition of “farm” and “bona fide farm” shall not include agricultural industries.</p> <p>- Farm, Bona Fide: A tract of land meeting the definition of farm as included in this ordinance and certified under the provision of N.C.G.S. 153A-340.</p>	
16-27	16.3	DEFINITIONS, R	RAP Action Item 4.7: Incorporate identification of historic resources into the site planning process. Therefore, the DPO must define Resources, Historic or Cultural since these are required in the Environmental Inventory.	Include a definition for Resources, Historic or Cultural to clearly identify what should be included as part of the Environmental Inventory.
TEXT CHANGES			<p>Old Text: DNE</p> <p>New Text: Resource, Historic or Cultural: A site, object, or landscape with architectural, engineering, archaeological, or cultural remains present in districts, sites, buildings, or structures that possess integrity of location, design, setting, materials, workmanship, feeling and association. Each resource should be associated with one or more of the following historical or cultural themes:</p>	

TEXT CHANGES			<ul style="list-style-type: none"> - Those that are associated with the events that have made a significant contribution to the broad patterns of history; - Those that are associated with the lives of persons significant in a community's past; - Those that embody the distinctive characteristics of a type, period, or method of construction, or that represent the work of a master, or that possess high artistic values; or that represent a significant and distinguishable entity whose components may lack individual distinction; - Those that have yielded, or may be likely to yield, information important to prehistory or history. 	
16-27	16.3	DEFINITIONS, V	Because 14.15.B.1 now requires viewshed analysis, the term "viewshed" must be defined.	Define viewshed and describe general analysis parameters.
TEXT CHANGES			<p>Old Text: DNE</p> <p>New Text: Viewshed: The sphere of locations and/or objects visible from one or more specified points or lines. Viewshed analysis involves identification of important landscape and site features, including spaces of cultural or historic value, both within and external to the site. Analysis entails study of specific points within a defined topographical context, and how key features of the existing landscape are impacted by proposed development. It reflects both digital and site-collected data, as available.</p>	

2. PUBLIC PLANS AND POLICIES

The proposed text changes are consistent with the existing policy and ordinance frameworks adopted by the town. All changes relate to the implementation of the adopted Rural Area Plan. All proposed changes meet the requirements set forth in Davidson Planning Ordinance 1.5.1 Implementation of Adopted Plans & Policies: "Any amendments to, or actions pursuant to, this ordinance should be consistent with these adopted plans and policies, as amended."

3. STAFF RECOMMENDATION

The proposed changes aim to implement the policies described in the Rural Area Plan approved by the Board of Commissioners in September 2016. Specific explanations are provided in the table above. These changes are recommended for approval in order to accurately reflect the adopted Planning Area standards for each parcel.

RAP TEXT AMENDMENTS – OVERVIEW

TOPICS COVERED

1. **Process Overview:** Small Area Plan Process
2. **RAP Takeaways**
3. **RAP Master Plan**
4. **Text Amendments:** Purpose
5. **Text Amendments:** Planning Areas
6. **Text Amendments:** Required Improvements
7. **Text Amendments:** Conservation Practices
8. **Text Amendments:** Summary



RURAL AREA PLAN – PROCESS OVERVIEW

2015 Preparation/Design

- Oct. 5-29: Pre-Charrette Prep.
- Nov. 4-5: Stakeholder Interviews
- Nov. 16-19: Design Charrette
- Dec. 9: Charrette Closing Pres.

2016 Review/Refinement

- Jan.-April: Report Editing & Review
- May: Complete Draft/PB Pres.
- May-June: Public Comment Period
- June 6: BOC Work Session
- July 8, 29: Public Comment Reports
- Aug. 22: Final Draft
- Aug. 29: PB Recommendation
- Sept. 13: BOC Decision
- Oct. 25, Nov. 8, Dec. 13: Review Recommendations

2017 Implementation

- Jan. 10: Text Amendments Public Hearing
- Feb. 14: Potential BOC Decision



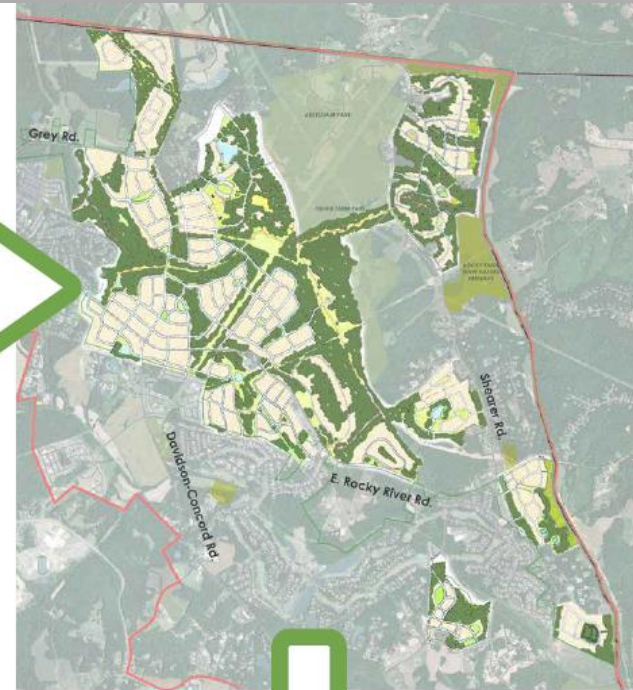
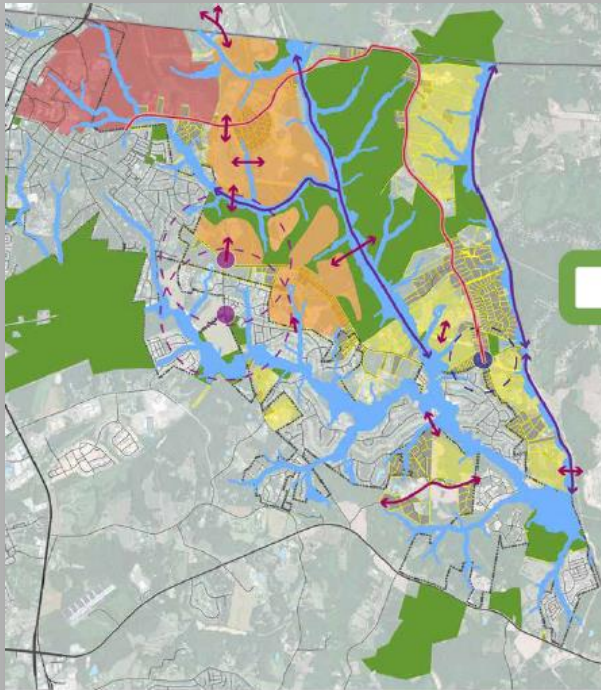
RURAL AREA PLAN – TAKEAWAYS

HIGHLIGHTS

- **Development Has Come/Will Be Coming**
- **Open Space Goal:** 50%. Remaining 50%?
- **Precedents/Models:** Few or None
 - *Using Development to Preserve Open Space*
- **Priorities:**
 1. Preserve Open Space
 2. Provide Connectivity
 3. Modify Standards/Planning Ordinance
 4. Permit Development/Growth in a Deliberative Manner



RAP CONCEPTUAL MASTER PLAN



RURAL AREA PLAN: TEXT AMENDMENTS

PURPOSE

1. **Translate Policy Into Practice**
2. **Promote Davidson's Principles**
3. **Craft Supporting Measures to Achieve RAP Vision**
4. **Clarify Specific Development Standards**
5. **Provide Predictability to Landowners & Public**

- **Summary of Recommendations:**

- Planning Areas
- Required Improvements
- Conservation Practices



RURAL AREA PLAN: TEXT AMENDMENTS

HIGHLIGHTS – PLANNING AREAS

- **OVERLAY DISTRICTS: REINFORCE RURAL/VILLAGE CHARACTER**
 - Scenic Byway Overlay
 - Neighborhood Services Overlay
- **NEIGHBORHOOD EDGE: PROVIDE TRANSITION**
 - Building Type Variety: Detached House Emphasis
 - Lot Size Variety: Meets Varying Market Needs via Davidson's Principles
 - Open Space Emphasis: 40% Min.
- **RURAL PLANNING AREA: CONTEXT & CONSERVATION**
 - Flexible Options: 1 unit/2 Acre or 1 unit/Acre
 - Increased Open Space: 40% - 70% Min.



RURAL AREA PLAN: TEXT AMENDMENTS

HIGHLIGHTS – REQUIRED IMPROVEMENTS

- **INFRASTRUCTURE: ALLOW FOR CREATIVITY**
 - Trees: Non-linear Plantings, Clusters
 - Lights: Increased Distance Between
 - Sewer: Emphasize Connection [Improves Site Design Possibilities]
- **AFFORDABLE HOUSING: INCREASE FLEXIBILITY**
 - Incentivize On-Site Construction
 - Detached House: Paradigm
- **CONNECTIVITY: ENSURE CONSTRUCTION**
 - Greenways
 - Access
 - Street Sections



RURAL AREA PLAN: TEXT AMENDMENTS

HIGHLIGHTS – CONSERVATION PRACTICES

- **OPEN SPACE: ENSURE CONNECTIONS, ACCESS**
 - Emphasize Off-Site Contiguity
 - Broaden Considerations
- **ENVIRONMENTAL INVENTORY: EXPAND CONSIDERATIONS**
 - Buffers: NC WRC Best Practice
 - Habitat Diversity: Upland Areas
 - Historic + Cultural Resources, Viewsheds
- **AGRICULTURAL LAND: INCENTIVIZE PRESERVATION/ADAPTATION**
 - Ratio: 1 Acre Ag. Land Reduces Open Space Requirement by 1.5 Acres
 - Conservation Easement Required
 - Violation Penalty



RURAL AREA PLAN: TEXT AMENDMENTS

SUMMARY

- **Achieve RAP Vision**
- **Promote Davidson's Principles**
- **Increase Predictability, Afford Flexibility**
- **Expand Conservation Parameters**



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Rural Area Plan - Text Amendments
Board of Commissioners Meeting
Trey Akers, RAP Project Manager
January 10, 2017

APPROVAL RECOMMENDED



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Rural Area Plan - Text Amendments
Board of Commissioners Meeting
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January 10, 2017

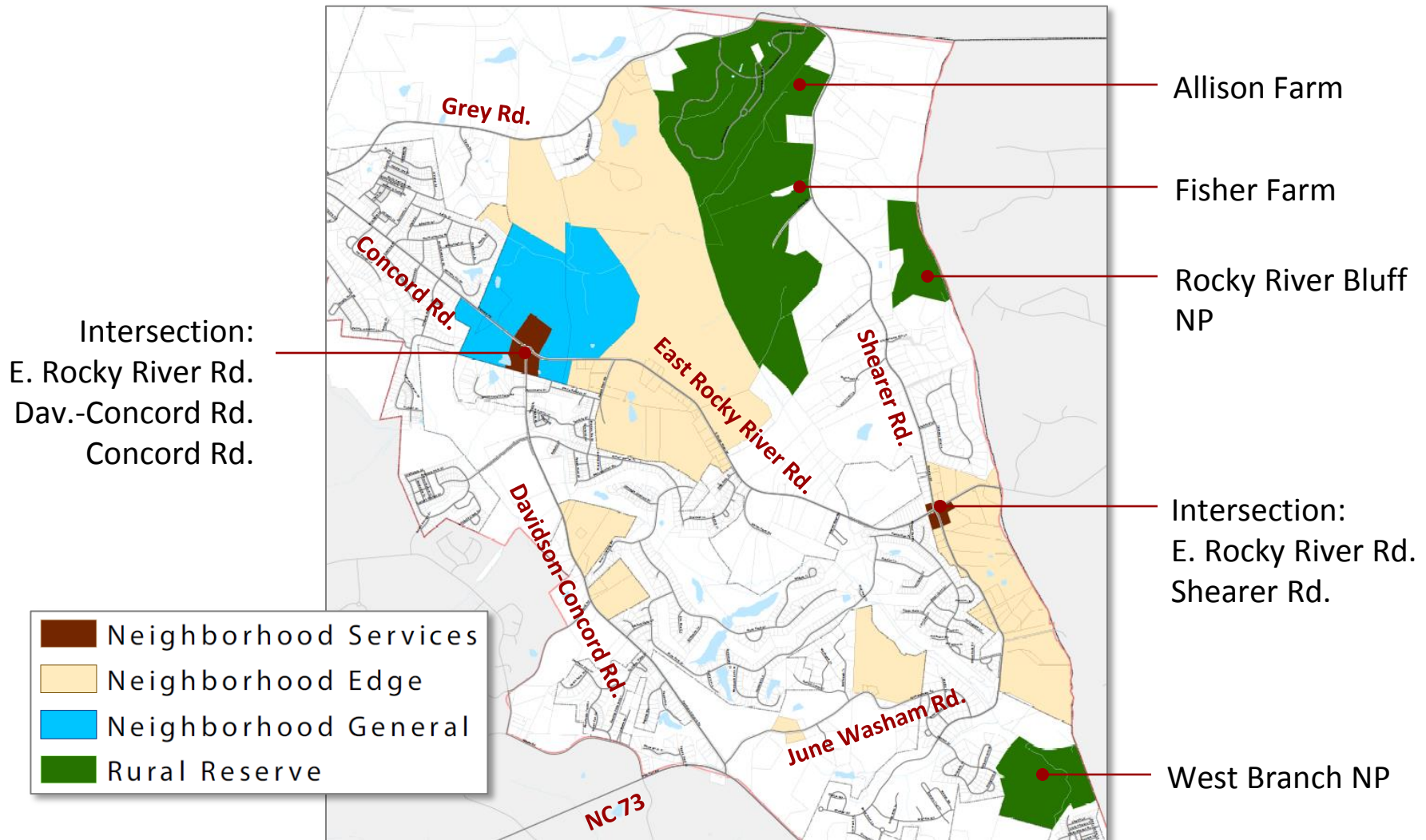
SUPPORTING EXHIBITS



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Board of Commissioners Meeting
Trey Akers, RAP Project Manager
January 10, 2017

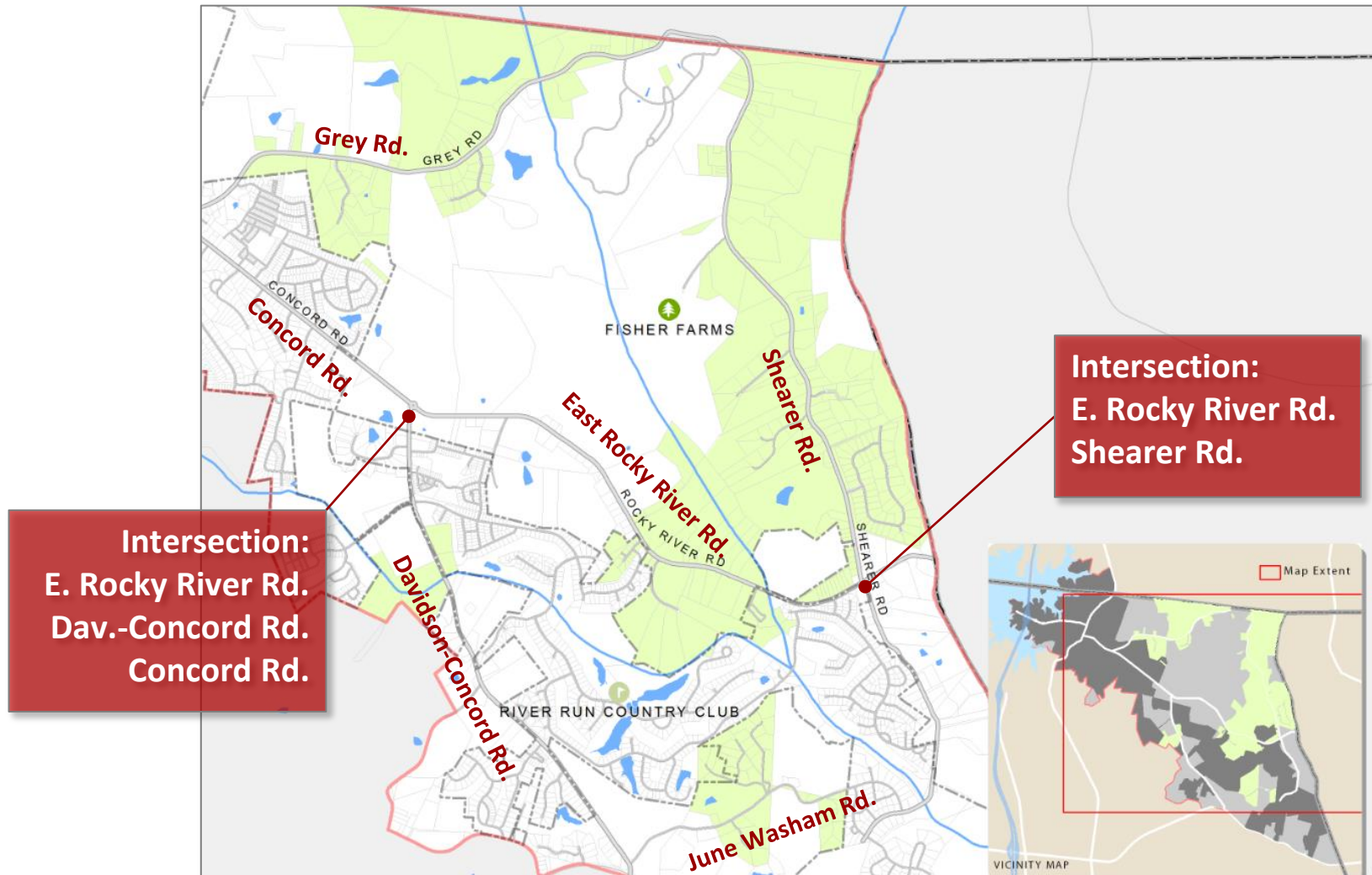
RAP MAP AMENDMENTS: OVERVIEW



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Rural Area Plan - Text Amendments
Board of Commissioners Meeting
Trey Akers, RAP Project Manager
January 10, 2017

RAP: FUTURE RURAL PLANNING AREA



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Rural Area Plan - Text Amendments
Board of Commissioners Meeting
Trey Akers, RAP Project Manager
January 10, 2017



Agenda Title: Planning Ordinance - Miscellaneous Text Amendments - Senior Planner Trey Akers

Summary: Proposed DPO text amendments. The listed changes are proposed to provide necessary clarifications, correct inadvertent omissions, and to address inconsistencies with statewide legislation passed since the DPO was approved by the Board of Commissioners and came into effect on May 1, 2015. Proposals are organized by DPO page number.

ATTACHMENTS:

Description	Upload Date	Type
☐ Misc. Text Amendment Staff Analysis	1/5/2017	Cover Memo
☐ Misc. Text Amendment Presentation	1/5/2017	Cover Memo



MEMO

Date: January 10, 2016
 To: Board of Commissioners
 From: Jason Burdette, Planning Director
 Re: Davidson Planning Ordinance Miscellaneous Proposed Text Amendments, Staff Analysis

1. TEXT AMENDMENTS

TEXT CHANGES – PROPOSED AMENDMENTS

The following is a list of proposed text changes to the Town of Davidson Planning Ordinance (DPO). The listed changes are being undertaken to provide necessary clarifications, correct inadvertent omissions, and to address inconsistencies with statewide legislation passed since the DPO was approved by the Board of Commissioners and came into effect on May 1, 2015. Proposals are organized by page number.

PROPOSED TEXT CHANGES				
PAGE	SECTION	TITLE	ISSUE	PROPOSED ACTION
SECTION 2 – PLANNING AREAS				
2-X	2.X.X	VARIOUS OPEN SPACE TABLES	Below many open space tables in Section 2 the following phrase is listed: "Certain open space reduction bonuses may be applicable. See Section 7." This phrase refers to a policy contained within the pre-2015 ordinance that is no longer applicable for open space criteria.	Remove all instances of "Certain open space reduction bonuses may be applicable. See Section 7."
TEXT CHANGES			Old Text: Certain open space reduction bonuses may be applicable. See Section 7. New Text: N/A [Removed]	
2-1	2.1.1	PLANNING AREAS	The order in which the DPO lists the Planning Areas is confusing and not based on geographic proximity and/or intensity of development.	Revise the list to organize Planning Areas based on geography and intensity. Note: This will also result in the order of Planning Areas changing within Section 2.
TEXT CHANGES			Old Text:	

TEXT CHANGES			<ul style="list-style-type: none"> • Village Center (Section 2.2.1) • Village Commerce (Section 2.2.2) • Village Edge (Section 2.2.3) • Village Infill (Section 2.2.4) • Central Business District (Section 2.2.5) • Neighborhood Center I (Section 2.2.6) • Neighborhood Center II (Section 2.2.7) • Lakeshore (Section 2.2.8) • Neighborhood Services (Section 2.2.9) • Employment Campus I (Section 2.2.10) • Employment Campus II (Section 2.2.11) • Neighborhood Edge (Section 2.2.12) • Neighborhood General (Section 2.2.13) • College Campus (Section 2.2.14) • Rural (Section 2.2.15) • Rural Reserve (Section 2.2.16) • Conditional (Section 2.2.17) • Special Use (Section 2.2.18) <p>New Text:</p> <ul style="list-style-type: none"> • Village Center (Section 2.2.1) • Village Commerce (Section 2.2.2) • Village Edge (Section 2.2.3) • Village Infill (Section 2.2.4) • Central Business District (Section 2.2.5) • Lakeshore (Section 2.2.6) • Neighborhood Center I (Section 2.2.7) • Neighborhood Center II (Section 2.2.8) • Neighborhood Services (Section 2.2.9) • Neighborhood General (Section 2.2.10) • Neighborhood Edge (Section 2.2.11) • Rural (Section 2.2.12) • Rural Reserve (Section 2.2.13) • College Campus (Section 2.2.14) • Employment Campus I (Section 2.2.15) • Employment Campus II (Section 2.2.16) • Conditional (Section 2.2.17) • Special Use (Section 2.2.18) 	
2-4	2.1.3	PERMITTED USES	Updated state law [Ref. #] does not permit the listing of prohibited uses. The list's preface must be revised to indicate uses will be identified with the next closest use or, if that cannot be determined, on a conditional basis.	Revise the preface to be consistent with new state legislation regarding permitted uses. Additionally, all references in each Section 2 subsection, B. Permitted Uses, will need to be revised.
TEXT CHANGES			<p>Old Text:</p> <ul style="list-style-type: none"> □ [2.1.3 Preface] Uses not listed in the Use Table are presumed to be prohibited. The following is a list of uses specifically not permitted in any planning area... □ [2.X.X B. Permitted Uses] Uses not listed in the Use Table are presumed to be prohibited. 	

TEXT CHANGES			<p>New Text:</p> <ul style="list-style-type: none">▫ [2.1.3 Preface] Uses not listed in the Use Table may, upon determination of the Planning Director, be identified with the next-closest use or identified as a conditional use. The following is a list of uses specifically not permitted by-right in any planning area...▫ [2.X.X B. Permitted Uses] For Uses not listed in the Use Table, please see 2.1.3.	
2-22	2.2.4.D	VILLAGE INFILL SITE DESIGN STANDARDS	The current setback standards do not accommodate situations found within the older town neighborhoods where street and lot patterns are irregular.	Revise the language to allow flexibility for front setback standards in situations where streets and lots create irregular setbacks.
TEXT CHANGES			<p>Old Text: N/A [DNE]</p> <p>New Text: ...same side of the street. For dual-frontage lots, the Planning Director may waive the adjacent setback rule requiring the subject house to be within ten feet of the closest adjacent house based on the context of the block. Balconies, stoops...</p>	
2-30	2.2.6.C	PERMITTED BUILDING TYPES	The second paragraph listing a specific percentage of building types within NC1PA was intended for master plan projects and not as a requirement pertaining to the entire planning area.	Remove the language prescribing a certain percentage of building types within the planning area.
TEXT CHANGES			<p>Old Text: Within the Neighborhood Center I planning area a maximum of 25 percent of the land area may be townhouse, live/work, or multi-family building types and a maximum of 85 percent of the land area may be institutional, work places, or storefront building types.</p> <p>New Text: N/A [Removed]</p>	
SECTION 3 – USES WITH ADDITIONAL REQUIREMENTS				
3-5	3.2.11	COMMERCIAL SERVICES	This description references commercial services in the Neighborhood General and Village Infill Planning Areas, whereas these areas do not contain Commercial Services (a specific use-type not permitted in these planning areas). The language should be clarified to address Commercial/Office/Retail Uses.	Revise the text to reference the specific use-types contained in these planning areas.

TEXT CHANGES			Old Text: 1. In Neighborhood General and Village Infill Planning Areas commercial services shall be permitted in a storefront building type only. New Text: 1. In Neighborhood General and Village Infill Planning Areas Commercial/Office/Retail Uses other than Home Occupations shall be permitted in a storefront building type only.	
SECTION 4 – SITE & BUILDING DESIGN STANDARDS				
4-12	4.5.2.F.4	DETACHED HOUSE BUILDING TYPE	The definition of façade is revised to include conditioned spaces. Therefore, language must be added clarifying instances in which garages may be flush with the front porch’s front plane, as currently allowed.	Include language clarifying instances in which the garage may be flush with the front plane of a front porch.
TEXT CHANGES			Old Text:of the house. New Text: [Last Sentence] ...of the house. If the front property line is at least 75 feet wide and the front façade has a covered porch that covers at least 60 percent of the front façade, then a side loaded garage, i.e. oriented at least 90 degrees to the front façade, may be flush with the front plane of the covered porch but shall not project in front of this plane.	
SECTION 6 – SUBDIVISION & INFRASTRUCTURE STANDARDS				
6-13	6.7.3	TOWN STREET CLASSIFICATIONS	The last sentence of the first paragraph references a table that no longer exists.	Remove the last sentence from the DPO.
TEXT CHANGES			Old Text: Only those street types permitted in the applicable district, as established in the table below, shall be permitted. New Text: N/A [Removed]	
SECTION 7 – PARKS & OPEN SPACE				
7-6	7.4.5.A.D	NEIGHBORHOOD PARK	The current DPO does not specify a minimum neighborhood park size, which is an inadvertent omission.	Include language from the previous ordinance specifying a minimum neighborhood park size.
TEXT CHANGES			Old Text: N/A [DNE] New Text: Neighborhood parks shall be a minimum of half of a contiguous acre in size.	
7-9	7.4.2.F.A	COMMUNITY GARDEN	The current description of community garden does not afford sufficient flexibility for staff to determine whether storage and/or	Revise the description to afford staff discretion in allowing the facility requirements to be met as needed for each project.

			other facilities should be required for each garden.	
TEXT CHANGES			Old Text: Community gardens must include garden sheds for the storage of gardening equipment and access to a water source. New Text: Community gardens must include garden sheds for the storage of gardening equipment and access to a water source unless the Planning Director determines that site constraints prohibit such facilities.	
SECTION 8 – PARKING				
8-4	8.4.2.A	STRUCTURED PARKING	The current language does not contain flexibility for situations in which a building may front multiple rights-of-way.	Revise the language to acknowledge instances in which multiple rights-of-way exist and allow flexibility to meet the screening standard in these situations.
TEXT CHANGES			Old Text: When above-ground structured parking is located on a road right-of-way, the first two floors adjacent to the right-of-way shall be lined with a permitted building type for the planning area in which it is located. New Text: When above-ground structured parking is located on a road right-of-way, the first two floors adjacent to the right-of-way shall be lined with a permitted building type for the planning area in which it is located. If the structured parking fronts multiple rights-of-ways or pedestrian ways, the Planning Director may determine a hierarchy and the extent to which buildings shall line each.	
SECTION 14 – ADMINISTRATION & PROCEDURES				
14-2	14.3.E	TYPES OF DEVELOPMENT PROPOSALS – MASTER PLAN	The description of the Master Plan should be revised to include language consistent with the definition included in Section 16, which clarifies that this means a plan for more than two buildings.	Revise the description of Master Plan to be consistent with Section 16 and more clearly identify what qualifies as a Master Plan.
TEXT CHANGES			Old Text: Any development subject to this Ordinance not clearly falling under one of the categories listed in this section. New Text: E. Master Plan: A plan depicting more than two principal buildings on a single lot, buildings planned concurrently as part of the same development process, or any development subject to this ordinance not clearly falling under one of the categories listed in this section.	
14-2	14.3	TYPES OF DEVELOPMENT PROPOSALS	The DPO should be updated to reference and describe the required Meck. County Site Plan Improvement Process, which requires pre-	<ul style="list-style-type: none">▫ Revise the DPO to reference and describe Meck. County’s Site Plan Improvement Process.▫ Revise the DPO to reference informal, in-

14-2	14.3	TYPES OF DEVELOPMENT PROPOSALS	<p>submittal meetings and checklists to be completed by all stakeholders prior to document submission. Additionally, it should include reference to an in-house charrette, which affords project teams the opportunity to informally work through pre-concept site designs prior to submission of formal documentation – a practice that can lead to consensus plans and lessen the number of reviews required in EPM.</p>	house charrettes as a means to flesh out initial plans and build consensus amongst staff, the project team, and additional stakeholders, as needed.
TEXT CHANGES			<p>Old Text: N/A [DNE]</p> <p>New Text: [Below 14.3.F Individual Building] Development proposals are required to follow the processes outlined in this ordinance, as applicable, as well as Mecklenburg County processes, as applicable. This includes the Town & County Site Plan Review Process and all required meetings and documentation associated with this process. Additionally, the Planning Director may deem it necessary for an informal charrette with Planning Dept. staff and additional parties to be conducted during the conceptual design phase of a development proposal prior to application submission or participation in a Public Input Session or Work Session, depending on the process.</p>	
14-2	14.4	PUBLIC INPUT SESSION	The text should be modified to include scope for the Planning Director to require a Public Input Session for select project proposals, including Map Amendments.	Revise the text to provide scope for the Planning Director to require a Public Input Session for Map Amendments.
TEXT CHANGES			<p>Old Text: [First Sentence] The Planning Director may deem it necessary for a public input session to be conducted before a development proposal can be approved.</p> <p>New Text: [First Sentence] The Planning Director may deem it necessary for a public input session to be conducted before a development proposal or map amendment can be approved.</p>	
14-25	14.15	REQUIRED DOCUMENTS FOR DEVELOPMENT PROPOSALS	Documentation submitted for review as part of development proposals is often incomplete, illegible, and poorly organized, leading to confusing plan sets and longer project	Revise DPO to include reference to documentation standards, including US National CAD Standard and Master Format.

			review times. The DPO should be revised to clarify industry-standard documentation practices are required for all submitted documents.	
TEXT CHANGES			<p>Old Text: N/A [DNE]</p> <p>New Text: [Last Sentence] All project documentation must meet the latest versions of the US National CAD Standard and Master Format standards. Project documentation deemed non-compliant with these standards shall be subject to revisions prior to document approval.</p>	
14-27	14.15.2.L	MASTER PLAN: LANDSCAPE SCHEMATIC DESIGN	The list following Landscape Schematic Design has incorrect formatting in which the introductory statement and ensuing list are not appropriately distinguished but run together.	Revise DPO to create separation between 14.15.2.L and the following text, with Items M-P being clearly distinguished as a separate list per 8.3.N-O in 2009 DPO.
TEXT CHANGES			<p>Old Text:</p> <p>L. Landscape Schematic Design: Per Section 14.15.5 In addition to the required information listed on the previous page, the following information may be required by the Planning Director on discretionary, site-specific bases if necessary:</p> <p>M. Environmental Impact Statement: If required...</p> <p>New Text:</p> <p>L. Landscape Schematic Design: Per Section 14.15.5.</p> <p>In addition to the required information listed on the previous page, the following information may be required by the Planning Director on discretionary, site-specific bases if necessary:</p> <p>M. Environmental Impact Statement: If required...</p>	
14-29	14.15.7.J	SITE SCHEMATIC DESIGN: LANDSCAPE SCHEMATIC DESIGN	The list following Landscape Schematic Design has incorrect formatting in which the introductory statement and ensuing list are not appropriately distinguished but run together.	Revise DPO to create separation between 14.15.7.J and the following text, with Items K-N being clearly distinguished as a separate list per 8.3.N-O in 2009 DPO.
TEXT CHANGES			<p>Old Text:</p> <p>J. Landscape Schematic Design: Per Section 14.15.5 In addition to the required information listed on the previous page, the following information may be required by the Planning Director on discretionary, site-specific bases if necessary:</p>	

TEXT CHANGES			<p>K. Environmental Impact Statement: If required...</p> <p>New Text:</p> <p>J. Landscape Schematic Design: Per Section 14.15.5.</p> <p>In addition to the required information listed on the previous page, the following information may be required by the Planning Director on discretionary, site-specific bases if necessary:</p> <p>K. Environmental Impact Statement: If required...</p>	
14-32	14.15.8.N	SITE SCHEMATIC DESIGN: LANDSCAPE SCHEMATIC DESIGN	The list following Landscape Schematic Design has incorrect formatting in which the introductory statement and ensuing list are not appropriately distinguished but run together.	Revise DPO to create separation between 14.15.8.N and the following text, with Items O-S being clearly distinguished as a separate list per 8.4.U-Z in 2009 DPO.
TEXT CHANGES			<p>Old Text:</p> <p>N. Building Elevations: ...visible from public streets.</p> <p>In addition to the required information listed on the previous page, the following information may be required by the Planning Director on discretionary, site-specific bases if necessary:</p> <p>O. Non-Public Water and Sewer Systems: Where a proposed water...</p> <p>New Text:</p> <p>N. Building Elevations: ...visible from public streets.</p> <p>In addition to the required information listed on the previous page, the following information may be required by the Planning Director on discretionary, site-specific bases if necessary:</p> <p>O. Non-Public Water and Sewer Systems: Where a proposed water...</p>	
14-41	14.21.3	REQUIRED PLANS & PUBLIC NOTIFICATION	The current DPO text does not distinguish between different types of Map Amendments (i.e. rezonings), which can lead to disparity in mailing requirements for different proposals and is inconsistent with the DPO mailing requirements for Public Input Sessions.	Revise the DPO text to distinguish noticing requirements between singular/minor rezonings that require the mailing of properties within 1,320 feet and rezonings of more than five properties or ten acres, which would require noticing of adjacent properties and those within 100' of adjacent properties, per the DPO's current Public Input Session notice requirements. Both standards exceed state

				statutory noticing requirements.
TEXT CHANGES			<p>Old Text: The petitioner shall also prepare a list of the owners of all properties within 1320 feet of the property for which the planning area change is requested and provide said list to the Planning Director. The petitioner shall obtain from the Planning Director a copy of the legal notice for public hearing at which the request is to be considered; and shall return copies to the Planning Director in stamped envelopes properly addressed to all property owners on the list described above no later than twenty five working days prior to the date of the public hearing. The Planning Director shall mail these copies of the legal notice to the property owners no later than ten days prior to the date of the public hearing. The Planning Director shall also place a sign or other legible notice on the property on which the planning area change is requested at least ten days before the public hearing.</p> <p>New Text: The petitioner shall also prepare and distribute public notices of the Map Amendment according to the following:</p> <ul style="list-style-type: none"> A. If the proposal involves less than five properties or ten acres, the petitioner shall mail all properties within 1,320 feet of the subject properties. If the proposal involves five or more properties or ten or more acres, the petitioner shall mail adjacent properties and those properties within 100' of adjacent properties, as defined by this ordinance. B. The petitioner shall provide a list to the Planning Director of the owners of all properties required to be mailed under 14.21.3.A. C. The petitioner shall obtain from the Planning Director a copy of the legal notice for public hearing at which the request is to be considered; and, shall return copies to the Planning Director in stamped envelopes properly addressed to all property owners on the list described above no later than twenty five working days prior to the date of the public hearing. D. The Planning Director shall mail these copies of the legal notice to the property owners no later than ten days prior to the date of the public hearing. E. The Planning Director shall also place a sign or other legible notice on the property on which the planning area change is requested at least ten days before the public hearing. 	
14-42	14.21.3	REQUIRED PLANS & PUBLIC NOTIFICATION	The text should be modified to include scope for the Planning Director to require a Public Input Session for select project	Revise the text to provide scope for the Planning Director to require a Public Input Session for Map Amendments.

			proposals, including Map Amendments.	
TEXT CHANGES			Old Text: N/A [DNE] New Text: [Last Sentence] Additionally, at the Planning Director’s discretion, a Public Input Session in accordance with ordinance provisions may be required as part of the Map Amendment approval process.	
SECTION 16 – DEFINITIONS				
16-11	16.3	DEFINITIONS, F	The ordinance language must be updated to be consistent with statewide legislation regarding building massing.	Include language that identifies the façade based on building massing elements.
TEXT CHANGES			Old Text: The exterior wall of the building that contains the main building entrance and faces the primary publically-accessible right-of-way, pedestrian way, or open space. New Text: Façade, Front: The widest portion of the building elevation on the first floor encompassing habitable, conditioned space and facing the primary publicly-accessible right-of-way, pedestrian way, or open space. For the definition of Habitable Space, see the NC Building Code.	
16-15	16.3	DEFINITIONS, L	The DPO now includes a reference to dual-frontage lots, which must be defined.	Provide a definition for dual-frontage lots.
TEXT CHANGES			Old Text: N/A [DNE] New Text: Lot Types, 2. Dual-Frontage: An interior lot with parcel frontage on two separate streets or rights-of-way.	
16-16	16.3	DEFINITIONS, M	The description of the Master Plan should be revised to include language consistent with the definition included in Section 14, which clarifies that this means a plan for more than two buildings.	Revise the description of Master Plan to be consistent with Section 14 and more clearly identify what qualifies as a Master Plan.
TEXT CHANGES			Old Text: Master Plan: A plan depicting 1) more than two buildings on a single lot, or 2) subdivision of land that is not a low impact, conservation, or exempt subdivision. New Text: Master Plan: A plan depicting more than two principal buildings on a single lot, buildings planned concurrently as part of the same development process, or any development subject to this ordinance not clearly falling under one of the categories listed in Section 14.	

2. PUBLIC PLANS AND POLICIES

The proposed text changes are consistent with the existing policy and ordinance frameworks adopted by the town. Most changes involve the improvement or clarification of text, or the inclusion of items inadvertently missed in the drafting of the original ordinance. All proposed changes meet the requirements set forth in Davidson Planning Ordinance 1.5.1 Implementation of Adopted Plans & Policies: “Any amendments to, or actions pursuant to, this ordinance should be consistent with these adopted plans and policies, as amended.”

3. STAFF RECOMMENDATION

The proposed changes aim to: 1. Provide additional clarification pertaining to words or phrases utilized in the ordinance text; 2. Align the ordinance text with statewide legislation passed since the DPO was approved by the Board of Commissioners and came into effect on May 1, 2015; and, 3. Include in the ordinance items inadvertently missed in the drafting of the original ordinance or subsequent amendments. Specific explanations are provided in the table above. These changes are recommended for approval in order to accurately reflect the adopted Planning Area standards for each parcel.

TEXT AMENDMENTS – OVERVIEW

TOPICS COVERED

1. **Purpose Overview**
2. **Summary of Proposed Changes**



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Rural Area Plan - Text Amendments
Board of Commissioners Meeting
Trey Akers, RAP Project Manager
January 10, 2017

TEXT AMENDMENTS

PURPOSE

- 1. Clarify Standards**
 - 2. Correct Inadvertent Omissions**
 - 3. Address Inconsistencies**
- **Summary of Recommendations:**
 - Section 2: Planning Areas
 - Section 7: Parks & Open Space
 - Section 14: Administration & Procedures
 - Section 16: Definitions



TEXT AMENDMENTS

HIGHLIGHTS

- **SECTION 2: PLANNING AREAS**
 - Reorganize Order by Geography/Intensity
 - Village Infill: Afford Front Setback Flexibility for Dual-Frontage Lots
- **SECTION 7: PARKS & OPEN SPACE**
 - Neighborhood Park: Correct Omission by Defining Minimum Size
 - Community Garden: Provide Flexibility on Programmatic Requirements
- **SECTION 14: ADMINISTRATION & PROCEDURES**
 - List Meck. County Site Plan Submittal Process Requirements
 - Clarify Documentation Standards/Correct Document Requirements List
 - Improve Public Input & Notification Criteria
- **SECTION 16: DEFINITIONS**
 - Define Dual-Frontage Lots
 - Revise Master Plan Definition [RAP Update]



APPROVAL RECOMMENDED



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Rural Area Plan - Text Amendments
Board of Commissioners Meeting
Trey Akers, RAP Project Manager
January 10, 2017



Agenda Title: Planning Ordinance - Markham Property Map Amendment - Senior Planner Chad Hall

Summary: The proposed Map Amendment reflects a change to rectify a mapping error from late 2007 and rezone the above referenced property from Conditional Planning Area to Neighborhood General Planning Area. The Description & Statement of Compliance document below contains a fuller description of the proposed change, and the Sketch Map illustrates the extent of the proposed change.

ATTACHMENTS:

Description		Upload Date	Type
❏	Markham Staff Analysis	1/5/2017	Cover Memo
	Markham Presentation	1/5/2017	Presentation



MEMO

Date: January 10, 2017
To: Board of Commissioners
From: Jason Burdette, Planning Director
Re: Davidson Planning Ordinance Proposed Text & Map Amendments, Staff Analysis

1. MAP AMENDMENTS

MAP CHANGES – PLANNING AREAS

The following table describes the proposed change to the Town of Davidson Planning Areas map, located on the Davidson Planning Ordinance's second page (before the Table of Contents). The reason for the listed change is due to an illustration error discovered since the map was approved by the Board of Commissioners and came into effect on May 1, 2015.

1. 19905 Davidson-Concord Road: Markham Property

Parcel ID	Exhibit Number	Current Planning Area	New Planning Area
00728105	N/A	Conditional Planning Area	Neighborhood General
<i>Reason: The land was incorrectly illustrated as Conditional Planning Area due to a mapping error that occurred in late 2007. This error inadvertently mapped the Markham Property as Conditional, just like Westmoreland Farm to the north and northwest, when it should have been Rural. The amendment to the Davidson Planning Ordinance effective May 1, 2015, rezoned all Rural Planning Area properties adjacent to the Markham property to Neighborhood General. Therefore, the Map Amendment proposes to rectify this error and make the property consistent with the neighboring properties to the southwest, as intended in 2015.</i>			

2. PUBLIC PLANS AND POLICIES

The proposed map change is consistent with the existing policy and ordinance frameworks adopted by the town. All proposed changes meet the requirements set forth in Davidson Planning Ordinance 1.5.1 Implementation of Adopted Plans & Policies: "Any amendments to, or actions pursuant to, this ordinance should be consistent with these adopted plans and policies, as amended."

3. STAFF RECOMMENDATION

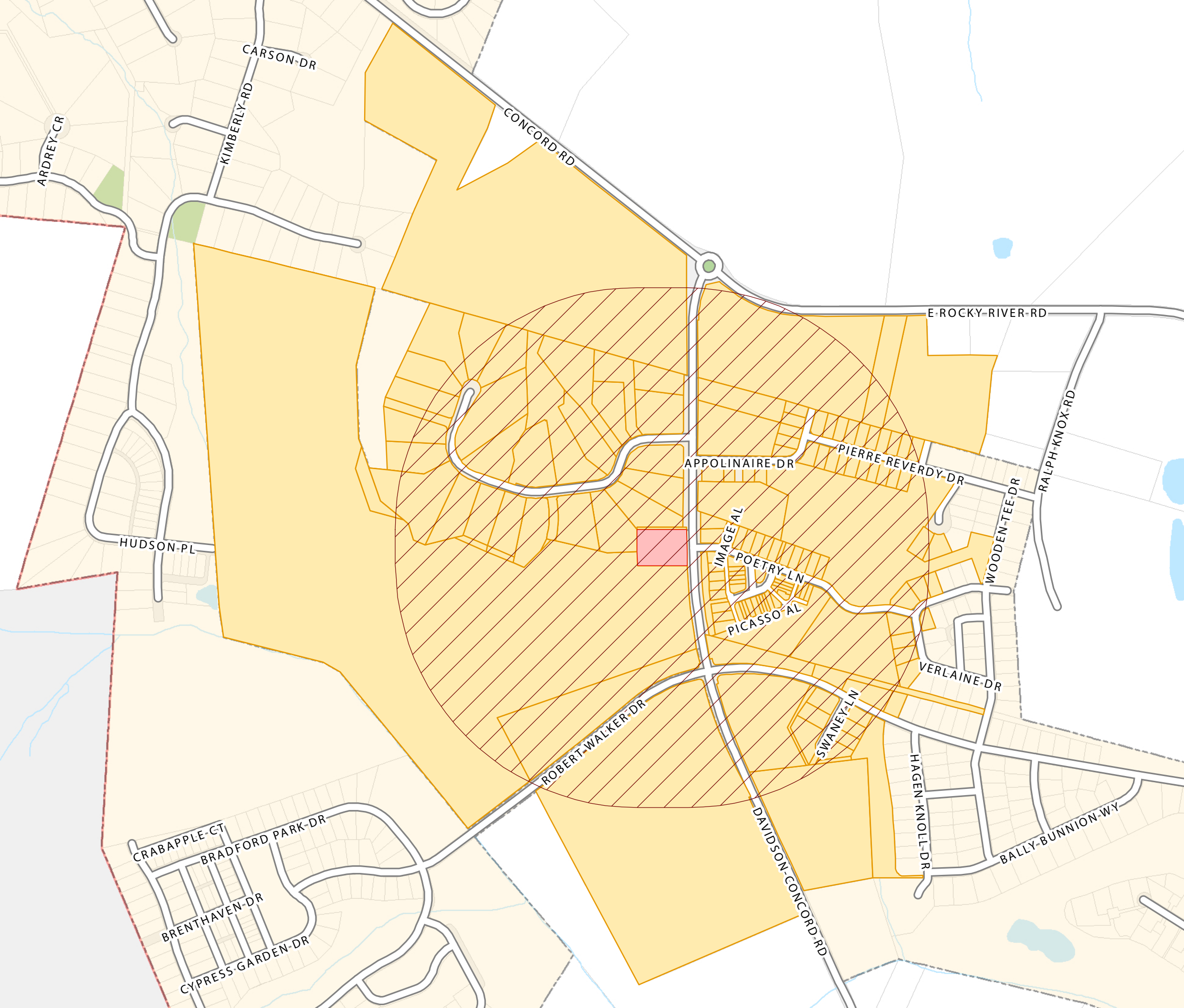
MAP CHANGES – PLANNING AREAS

As noted above, the proposed change is due to an illustration error discovered since the map was approved by the Board of Commissioners and came into effect on May 1, 2015. The reason for the

change is listed in the table above. This change is recommended for approval in order to accurately reflect the intended Planning Area standards for the parcel.

4. EXHIBITS & RESOURCES

- Map: “Map Amendment – 00728105”
- Resources: Davidson Planning Ordinance, <http://www.townofdavidson.org/1006/Planning-Ordinance>.



MAP AMENDMENT - 00728105

A Map of parcels within 1,320 sq ft from the Proposed Map Amendment property.

The property is changing from Conditional Planning Area to Neighborhood Edge Planning Area.

MAP AMENDMENT

- 1,320 SQ FT Buffer
- Parcel: 00728105
- Parcels Within 1,320 SQ FT

STREETS / RAIL

- Rail
- Interstates
- Streets

WATER FEATURES

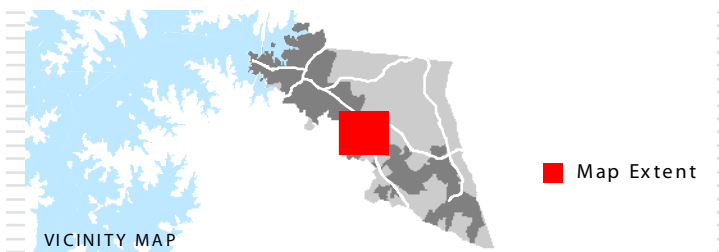
- Lakes and Ponds
- Creeks and Streams

LAND USE

- Parks
- Parcels

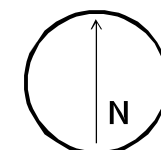
BOUNDARIES

- Town of Davidson
- Sphere of Influence / ETJ
- County Boundary



TOWN OF DAVIDSON

MECKLENBURG COUNTY, NORTH CAROLINA



0 500 Feet

1 inch = 500 Feet

Date: 12/13/2016
DATA SOURCES:
NC One Map
Mecklenburg County
Town of Davidson

This product is for informational purposes and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

MARKHAM – OVERVIEW

Topics Covered

1. Process Overview
2. Vicinity & Planning Areas Map
3. Mapping Error Maps
4. Analysis



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Markham Property - Map Amendment
Board of Commissioners Meeting
Chad Hall, Senior Planner
January 10, 2017

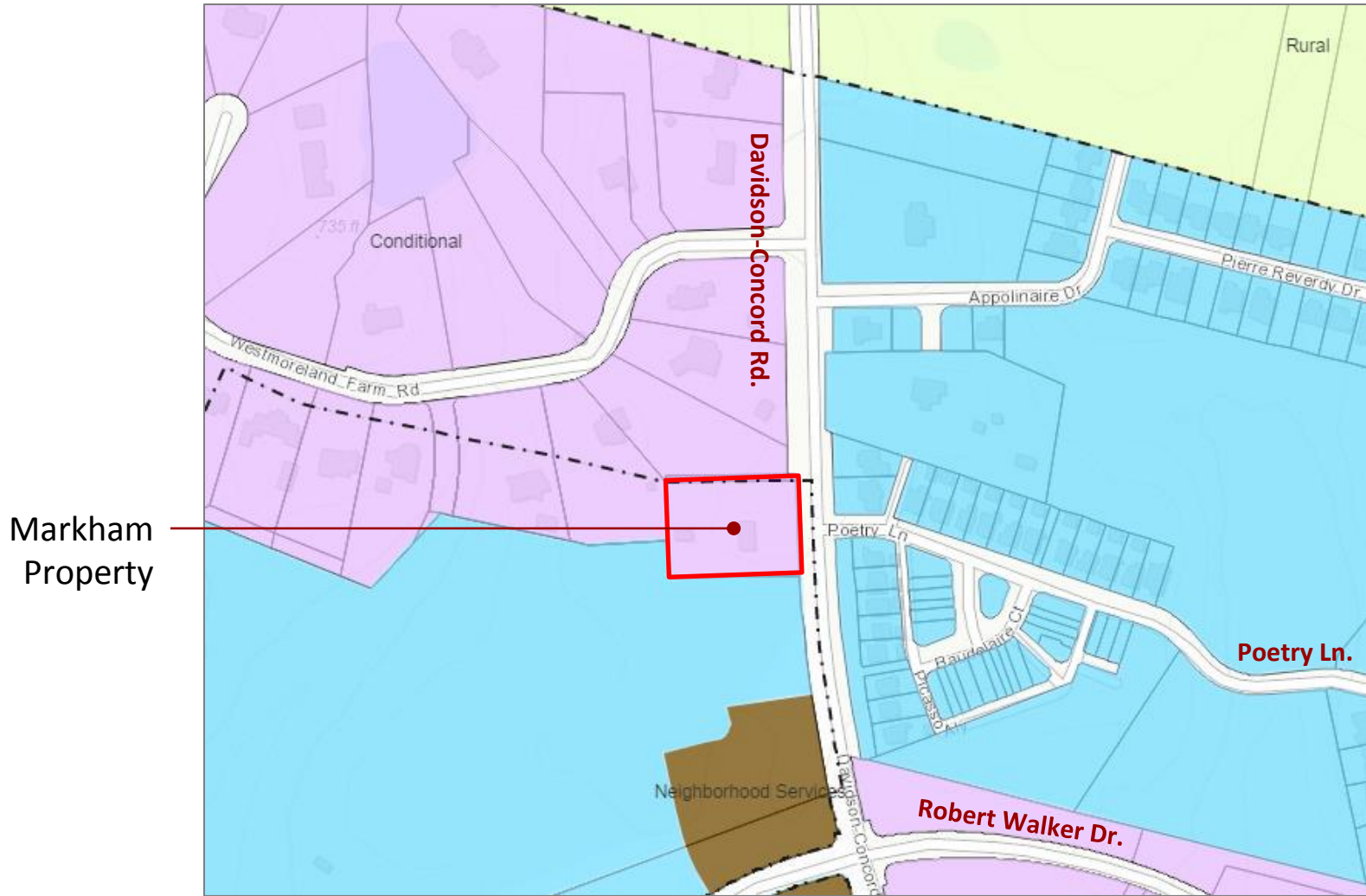
MARKHAM – PROCESS OVERVIEW

Map Amendment Process (DPO 14.21)

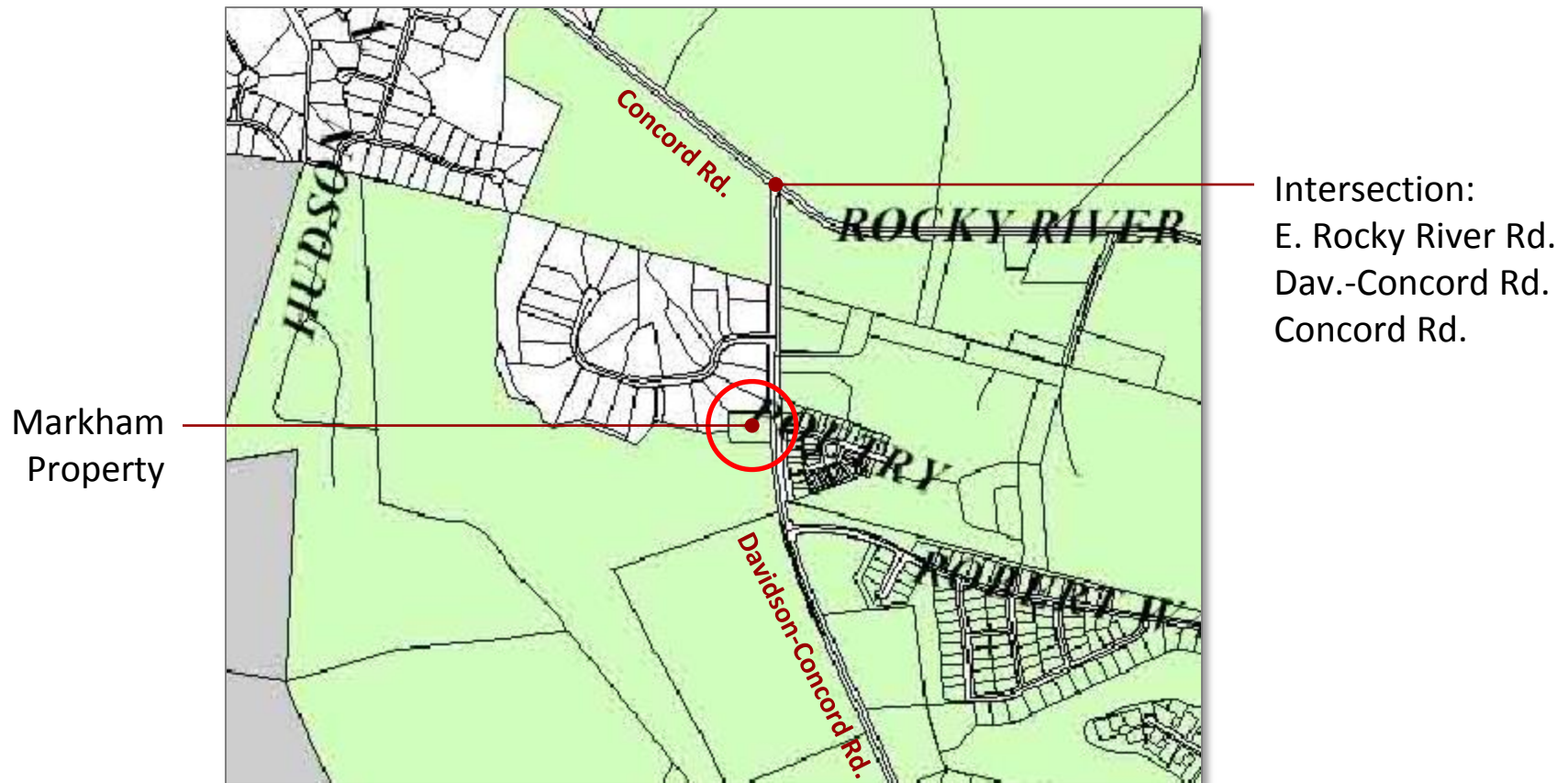
1. Application/Components
 - Proposal Description
 - Planning Areas Map
 - Contact List
2. Application Deemed Complete (Town is Applicant)
3. Staff Analysis
4. Public Notice - Board of Commissioners Meeting
5. Planning Board Hearing
6. Board of Commissioners Public Hearing (30 Days PB Decision)
7. Planning Board Recommendation
8. Board of Commissioners Decision



MARKHAM – PLANNING AREAS MAP (CURRENT)



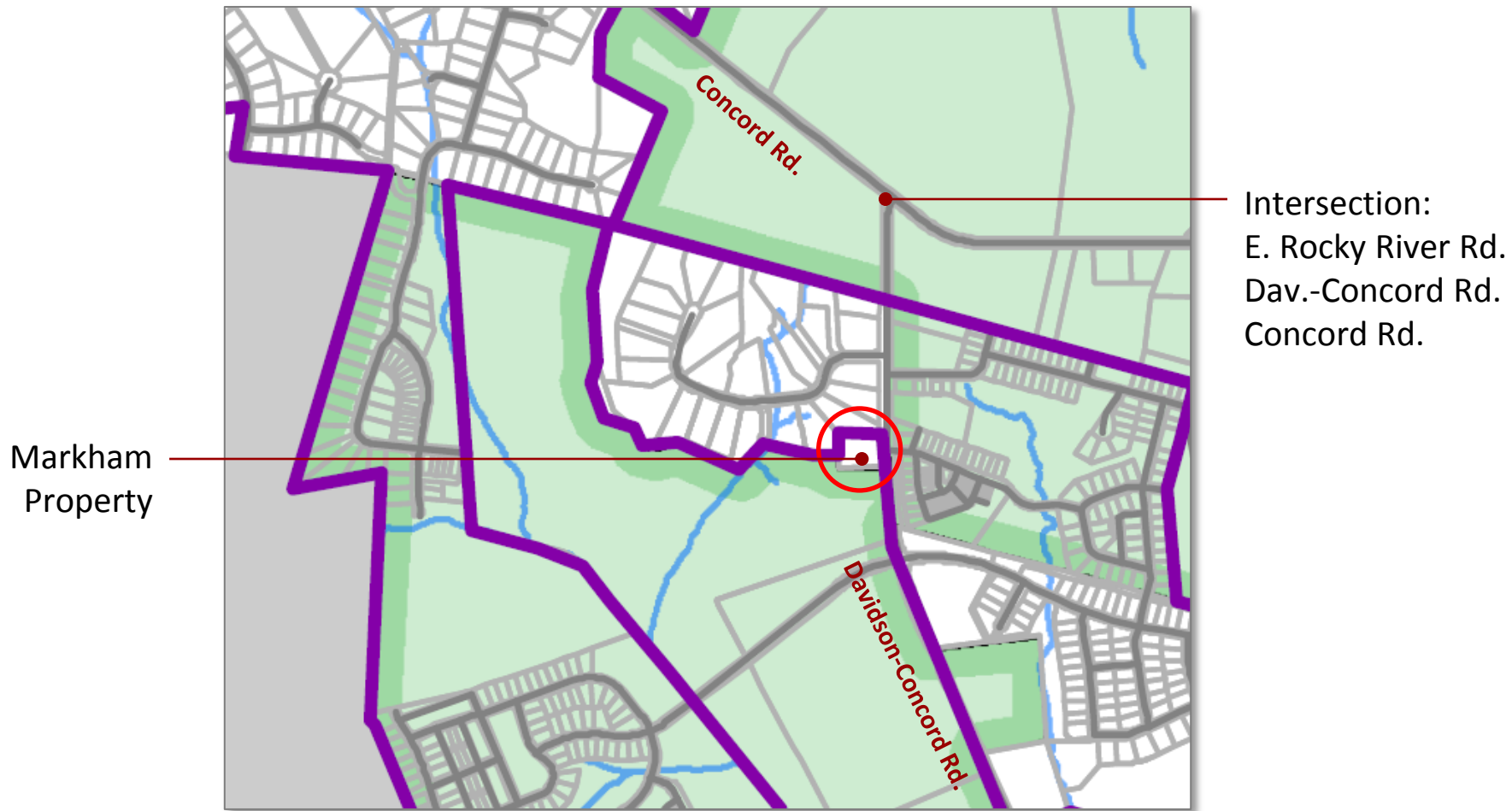
MARKHAM – 2006 PLANNING AREA MAP



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Markham Property - Map Amendment
Board of Commissioners Meeting
Chad Hall, Senior Planner
January 10, 2017

MARKHAM – 2008 PLANNING AREA MAP



MARKHAM – ANALYSIS

Staff Analysis Summary

1. **Amendment:** Staff mapping error that occurred in 2007 needs to be rectified since there was not a planning area map amendment application to change this property to Conditional. The current map amendment should also be brought into alignment with current policies in this general area since 2015 adoption of new Davidson Planning Ordinance.
2. **Changed Conditions:** Rural properties in this area were changed to Neighborhood General in 2015; this map amendment would make property consistent with others in the area by allowing it to change to Neighborhood General.



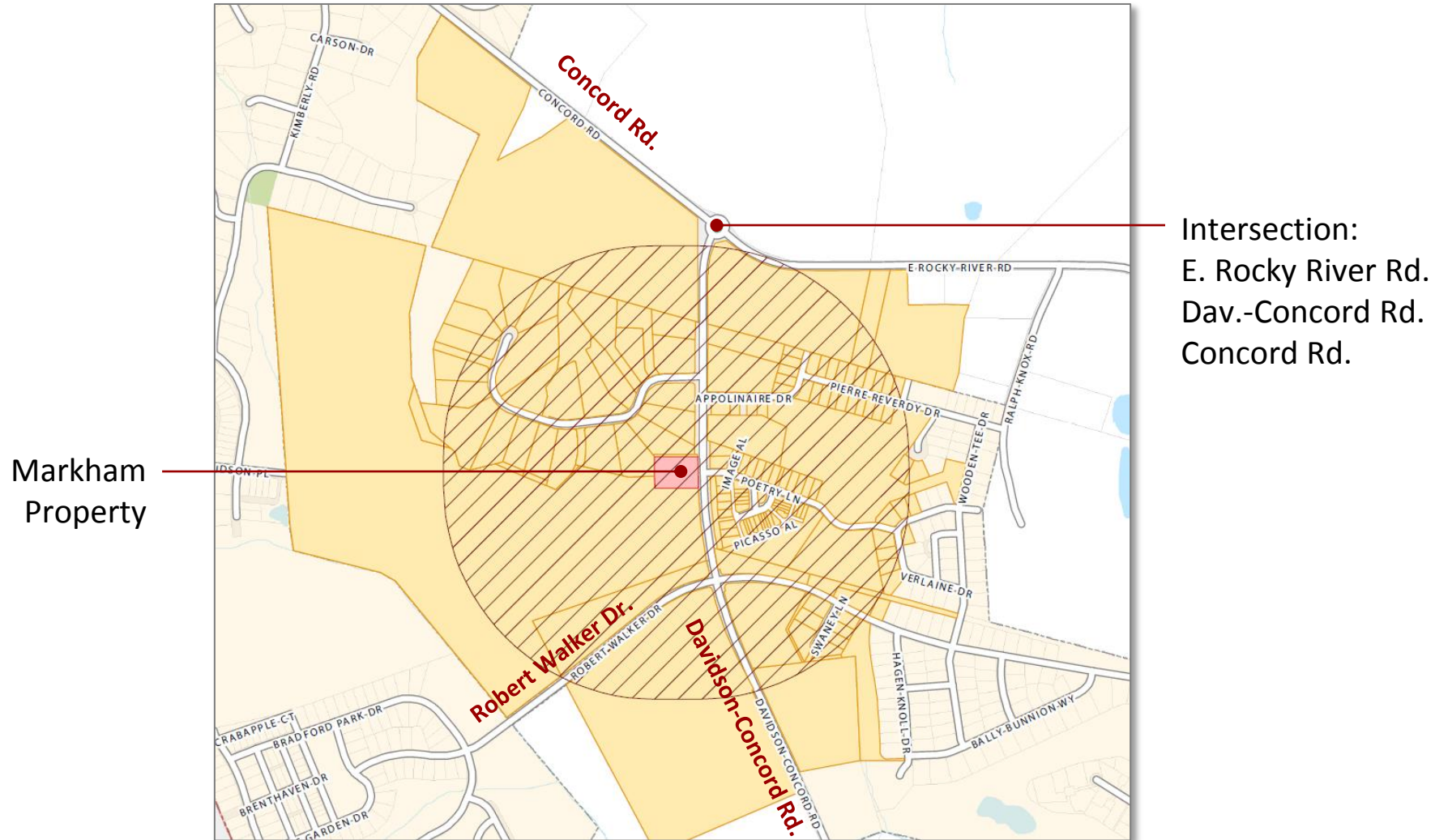
APPROVAL RECOMMENDED



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Markham Property - Map Amendment
Board of Commissioners Meeting
Chad Hall, Senior Planner
January 10, 2017

MARKHAM – PROPERTY OWNERS MAILED MAP



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Markham Property - Map Amendment
Board of Commissioners Meeting
Chad Hall, Senior Planner
January 10, 2017



Agenda Title: Approve Agenda Minutes - December 6 & 13, 2016

Summary: Approve Agenda Minutes

ATTACHMENTS:

Description		Upload Date	Type
❏	Agenda Minutes from Decemeber 6, 2016	1/3/2017	Cover Memo
	Agenda Minutes from Decemeber 13, 2016	1/3/2017	Cover Memo



College Town. Lake Town. *Your Town.*

December 6, 2016

**REGULAR MEETING
TOWN OF DAVIDSON BOARD OF COMMISSIONERS**

The Town of Davidson Board of Commissioners held regularly scheduled meeting on Tuesday, November 1, 2016 at the Davidson Library – 119 South Main Street, Davidson, NC 28036. Mayor Woods called the meeting to order at 4:00 p.m. Present were Mayor John Woods and Commissioners Anderson, Cashion, Fuller, Jenest and Graham. Staff included Town Manager Jamie Justice, Assistant Town Manager Dawn Blobaum, Planning Director Jason Burdette and Public Information Officer Cristina Shaul.

Assistant Town Manager Dawn Blobaum gave an update on Beaty Street Request For Proposals (RFP) and the process for reviewing proposals moving forward. It was recommended that a committee be created to review proposals and a map amendment be considered for Beaty Street area. The Mayor and Board of Commissioner would like to start the process proposed by Ms. Blobaum. Ms. Blobaum also reviewed the parking decks ordinance and suggested updated language. Public Information Officer Cristina Shaul discussed possible communication improvements to public meetings based on School of Government recommendations. Town Manager Jaime Justice reviewed the regular meeting schedule for 2017. The third Monday of the month meeting known as the “Coffee Chat” will alternate times each month between 9:00 a.m. and 6:30 p.m. These changes will be reflected on the regular meeting schedule for consideration on the December 13, 2016 meeting. The Mayor and Board of Commissioners will hold a retreat which will be held on Friday, January 27, 2017 and staff is working on a location. The Exit 30 project was reviewed and there will be a presentation at the December 13, 2016 Board of Commissioners meeting. Town Manager Jamie Justice provided an update about the recent Environmental Protection Agency meeting held at Ada Jenkins.

The meeting adjourned at 5:30 p.m.

John M. Woods
Mayor

Attest:

Carmen Clemsic
Town Clerk



December 13, 2016

**WORK SESSION
TOWN OF DAVIDSON BOARD OF COMMISSIONERS**

The Town of Davidson Board of Commissioners held its regularly scheduled pre-meeting on Tuesday, December 13, 2016 in the Town Hall Board Room. Mayor Woods called the meeting to order at 4:00 p.m. Present were Mayor John Woods and Commissioners Fuller, Jenest and Graham. Commissioners Anderson and Cashion were absent. Town Manager Jamie Justice, Town Attorney Cindy Reid, Assistant Town Manager Dawn Blobaum, Finance Director Pieter Swart, Planning Director Jason Burdette, Public Information Officer Cristina Shaul, Economic Development Manager Kim Fleming, Human Resources Manager Heather James and Town Clerk Carmen Clemsic were also present.

The following items were included under other discussion:

- **Draft Text Amendments for Rural Area Plan**

Planning Director Jason Burdette highlighted proposed text changes to the Davidson Planning Ordinance based upon recommendations from the Rural Area Plan. The changes discussed included: Neighborhood Services Overlay at East Rocky River/Shearer, Neighborhood Edge Building Types and Lot Sizes, Required Improvements/Sewer, Agricultural Land Preservation – Open Space Credit and Scenic Byway Overlay Requirements. Mr. Burdette and the board discussed each topic and feedback was given by the board. Further detail about each topic is attached. It was also noted there will be a series of open-house meetings with the first being held in town hall on January 5, 2017 at 4:30 p.m.

- **North Mecklenburg Alliance Memorandum of Understanding**

Town Manager Jamie Justice recommended adding the North Mecklenburg Alliance Memorandum of Understanding to the regular meeting to approve; all three towns are in concurrence with the final draft. The North Mecklenburg Alliance Memorandum of Understanding is an interlocal agreement between the towns of Davidson, Cornelius, and Huntersville that creates an Alliance to study, investigate, and advocate transportation improvement in the Lake Norman area.

- **National Citizens Survey**

Assistant Town Manager Dawn Blobaum discussed the geographic comparison add-on to the contract with the National Research Center and the timing of the survey for Spring 2017. Commissioners would like to see questions on surveys before making a decision on whether to separate by geographic locations.

**REGULAR MEETING
TOWN OF DAVIDSON BOARD OF COMMISSIONERS**

The Town of Davidson Board of Commissioners held its regularly scheduled meeting on Tuesday, December 13, 2016. Present were Mayor John Woods and Commissioners Fuller, Graham and Jenest. Commissioner Anderson and Commissioner Cashion were absent. Town Manager Jamie Justice, Town Attorney Cindy Reid, Assistant Town Manager Dawn Blobaum, Finance Director Pieter Swart, Planning Director Jason Burdette, Public Information Officer Cristina Shaul, Economic Development Manager Kim Fleming, Public Works Director Doug Wright, Police Chief Jeanne Miller, Fire Chief Bo Fitzgerald, Human Resources Manager Heather James and Town Clerk Carmen Clemsic were also present.

Mayor Woods called the meeting to order at 6:08 p.m.

- **Announcements**

Town Manager Justice introduced the new Town Clerk, Carmen Clemsic and acknowledged Heather James on the completion of her Master's Degree in Public Administration. He also gave a brief update on the recent Environmental Protection Agency (EPA) meeting. Noting that the EPA is currently sampling soil and offering to sample soil at no cost to property owners as well as mitigate issues if those properties have asbestos. There will be an informational meeting on December 15, 2016 at Ada Jenkins center.

Public Information Officer Cristina Shaul announced that there were spaces still open for Civics 101 class starting in February 2017. There is also a reunion session for Civics 101 on March 7. The Saturday Shuttle is on hiatus until April when attendance in the Farmer's Market will have increased attendance. The North Carolina Department of Transportation is conducting a transportation survey, all are encouraged to participate. There are three new questions on Open Town Hall portal regarding: (1) Parks and Recreation programs, (2) Affordable Housing, and (3) ReadDavidson. All angel tree gifts need to be returned on December 15, 2016. Angel tree gift wrapping will be at The McIntosh Law Firm, 209 Delberg St. starting at 3 p.m.

Mayor Woods introduced and gave an oath of office to police officers Meghan O'Brien and Anthony Better. Additionally, Chief of Police Jeanne Miller introduced Police Chaplain Jeffries. Chief Miller announced her retirement effective June 30, 2017.

- **Changes to the Agenda**

There was one change to the agenda. Town Manager Jamie Just suggested adding the North Mecklenburg Alliance Memorandum of Understanding under Old Business.

- **Public Comments**

The public comment period was opened and no comments were made.

The following item was included under Presentation:

Exit 30 Bridge Construction

Exit 30 Bridge Construction update was given by I-77 Mobility Partners. First stage will begin in the spring of 2017 and the entire project will continue through the rest of the year.

The following items were on the Consent agenda:

- **Approve Regular Meeting Minutes from November 8, 2016**

- **Approve Regular Meeting Minutes from November 21, 2016**
- **Approve Regular Meeting Schedule for 2017**
- **Approve Resolution 2016-22: Street Maintenance – Peninsula Drive**
- **Approve Resolution 2016-23: Street maintenance – Bradford neighborhood**
- **Approve Tax Levy Adjustments**

Commissioner Jenest made the motion to approve the consent agenda. The motion passed (3-0). The following items were considered under New Business:

- **Resolution 2016-21: Directing the Clerk to investigate a petition received under G.S. 160A-31.**

Mr. Justice explained the resolution is a voluntary contiguous annexation of 321 Catawba Ave requested by the property owner. Commissioner Fuller made the motion to approve resolution 2016-21. The motion passed (3-0).

- **Resolution 2016-24: Supporting Town of Davidson Rural Area Plan Recommendation – Charlotte Water**

The Town recently approved the Rural Area Plan on Sep 13, 2016. The plan recommended the extension water and sewer service to the Rocky River Phase 1 and 2, as well as the West Branch Rocky River. Charlotte Water has requested the Board to taken formal action by resolution. Commissioner Jenest made the motion to approve Resolution 2016-21. The motion passed (2-1). Commissioner Graham voted negative.

The following items were considered under Old Business:

- **Circles @ 30 Small Area Plan**

Mr. Burdette gave a brief explanation of Circles @ 30 Small Area Plan. He discussed the history of the Circles @ 30 Small Area Plan. The current plan was not formally adopted by the Board of Commissioners. Mr. Burdette further explained how an unapproved small area plan effects the development process.

- **North Mecklenburg Alliance Memorandum of Understanding**

Commissioner Fuller made the motion to approve the North Mecklenburg Alliance Memorandum of Understanding. The motion passed (3-0).

- **Adjourn**

The meeting adjourned at 7:25 p.m.

John M. Woods,
Mayor

Attest:

Carmen Clemsic
Town Clerk



Agenda Title: Approve Revised Regular Meeting Schedule

Summary: Revised Regular Meeting Schedule - changed items have been highlighted.

ATTACHMENTS:

Description	Upload Date	Type
Regular Meeting Schedule 2017	1/6/2017	Cover Memo

Board of Commissioners Meeting Schedule 2017

Month	Informal Meeting 4:00 P.M. (1st Tuesday of the month)	Work Session - 4:00 P.M. Regular Meeting - 6:00 P.M. (2nd Tuesday of the month)	Work Session- 4:00 P.M. Regular - 6:00 P.M. (4th Tuesday of the month)	Informal Meeting 9:00 A.M. / 6:30 P.M. (3rd Monday of the month)
January	3	10	24	23
February	7	14	28	20****
March	7	14	28	20
April	4	11	25	17****
May	2	9	23	15
June	6	13	No Meeting	No Meeting
July	No Meeting	11	No Meeting	No Meeting
August	1	8	22	No Meeting
September	5	12	26	18****
October	3	10	24	16
November	7	14	No Meeting	20****
December	5	12	No Meeting	No Meeting
Additional Meetings	Retreat Date: Jan 27, 2017 Time: 9:30 a.m. - 3:30 p.m. Location: The Duke Endowment	Civics 101 9:30 a.m. - 11:30 a.m. or 6:30 p.m. - 8:30 p.m. Town Hall - 216 South Main St. February 9, 2017		
*All Pre-Meetings, Regular and Work Session Meetings are held at Town Hall, Meeting Room - 216 South Main St.				
**1st Tuesday of the month meetings will be held at Davidson Library Community Room - 119 South Main Street				
***3rd Monday of the month meetings are held at The Egg - 231 Griffith Street				
****These meetings will begin at 6:30 P.M. at The Egg - 231 Griffith Street				



Agenda Title: Approve Resolution 2017-02 - Town of Davidson Bee City Designation

Summary: Resolution 2017-02 - Town of Davidson Bee City Designation

ATTACHMENTS:

Description	Upload Date	Type
□ Resolution 2017-02	1/5/2017	Cover Memo



RESOLUTION 2017-02

Designating the Town of Davidson, North Carolina A *BEE CITY USA*®

WHEREAS, the goal of *BEE CITY USA* is to promote healthy, sustainable habitats and communities for bees and other pollinators; and

WHEREAS, thanks to the tremendous diversity of wild native bees, along with the honey bees that were brought here from Europe in the 1700s, we have very diverse dietary choices rich in fruits, nuts and vegetables: *"One in every three bites of food we eat is courtesy of insect pollination. Even our meat and milk trace back to insects that pollinate the alfalfa and other feed for beef cattle and cows"* (Mace Vaughan, Pollinator Program Director for the Xerces Society for Invertebrate Conservation); and

WHEREAS, bees and other pollinators around the globe have experienced dramatic declines due to a combination of habitat loss, use of pesticides, and the spread of pests and diseases, with grave implications for the future health of flora and fauna; and

WHEREAS, communities have the opportunity to support bees and other pollinators on both public and private land; and

WHEREAS, supporting pollinators fosters environmental awareness and sustainability, and increases interactions among community stewards such as commercial and backyard beekeepers, farmers, children, educators, Master Naturalists, Master Gardeners, plant nurseries, municipalities, neighborhoods, and garden suppliers and clubs; and

WHEREAS, the economic benefits of (native and honey) bee-friendliness are:

- Healthy ecosystems--insect pollinators are required for pollination and reproduction of about 85% of flowering plants globally, plants that: 1) are vital for clean air and water; 2) provide food, fiber and shelter for people and wildlife; and 3) support the very insects that pollinate our crops and form the basis of food webs.
- Increased vegetable and fruit crop yields due to bee pollination.
- Increased habitat for natural enemies of crop pests and therefore reduced need for and costs associated with pesticides.
- Increased demand for pollinator-friendly plant materials from local nurseries and growers.
- Income earned by beekeepers and others through the sale of bee products, beekeeping equipment and supplies, and hive rentals for pollination; and, heightened prestige and premium asking prices for place-based honey, which enhances the visibility and reputation of its community of origin; and



WHEREAS, The Town of Davidson should be certified a *BEE CITY USA* community because:

- Davidson has a long and rich history of bee-keeping and bee-related educational activities upon which we want to expand.
- The Davidson Lands Conservancy's Pollinator Project initiative was created, in part, to increase community awareness about the importance of pollinators, what is causing their decline, and what members of the community can do to help. We believe the designation of Bee City USA is another excellent platform from which we can continue to further these goals.
- We have a great desire to work with Davidson municipal and public works leaders to create pollinator-friendly landscaping practices and mowing schedules at area parks.
- We recognize the paramount importance of and benefit from pollinators in our food chain and ecological web.
- The plight of the Monarch butterfly has become mainstream news. Ultimately, increased habitat (milkweed) is what's needed to save the migration. Preservation and planting of milkweed in area parks and private lands, as part of a Bee City event, will not only help Monarch butterflies but all pollinators.

WHEREAS, ideal pollinator-friendly habitat:

- Provides diverse and abundant nectar and pollen from plants blooming in succession.
- Provides clean water for drinking, nest-building, cooling, diluting stored honey, and butterfly puddling.
- Is pesticide-free or has pesticide use carried out with least ill effects on pollinators.
- Is comprised of mostly, if not all, native species of annual and perennial wildflowers, shrubs, trees, and grasses because many native pollinators prefer or depend on the native plants with which they co-evolved.
- Includes, where possible, designated pollinator zones in public spaces with signage to educate the public and build awareness.
- Provides for safe and humane removal of bees when required.
- Provides undisturbed spaces (leaf and brush piles, un-mowed fields or field margins, fallen trees and other dead wood) for nesting and overwintering for native pollinators; and

WHEREAS, in order to enhance understanding among local government staff and the public about the vital role that pollinators play and what each of us can do to sustain them, The Town of Davidson agrees to meet the following commitments required of all *BEE CITY USA* communities:

- 1) Pass this *BEE CITY USA* **resolution** (which articulates these commitments).



2) Designate a local government department as the Bee City USA sponsor and an employee from that department as the Bee City USA “**liaison**,” and **assign facilitation of the local Bee City USA program** either to a) a new or existing commission or b) a non-profit organization, to encourage and coordinate local pollinator habitat and awareness activities. This body will serve as the intermediary between the citizenry and local government on matters of enhancing pollinator awareness, health and habitat, fulfilling the following commitments:

- **Annually celebrate** National Pollinator Week (third full week of June) or some other appropriate occasion with educational events, pollinator habitat plantings or restoration, proclamations or promotions that showcase the municipality’s commitment to enhancing pollinator health and habitat.
- Annually **apply for renewal** of the community’s designation and submit a report of the previous year’s *BEE CITY USA* activities following the format provided.

3) **Publicly acknowledge** the community’s commitment by agreeing to a) install/maintain at least one authorized *BEE CITY USA* street sign in a prominent location, and b) create/maintain links on appropriate pages of the local government’s website which includes, at minimum, links to a PDF of this signed Resolution and the national *BEE CITY USA* website, contact information for the local government’s *BEE CITY USA* liaison and designated “facilitator commission or non-profit organization committee,” and reports of the pollinator-friendly activities the community has accomplished the previous year(s).

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN OF DAVIDSON THAT:

The TOWN OF DAVIDSON accepts the designation and commits to the standards of *BEE CITY USA*.

Read, approved, and adopted this 10th day of January, 2017.

John M. Woods, Mayor

Carmen Clemsic, Town Clerk



Agenda Title: Approve Budget Ordinance Amendment - BA 2017-11 - Finance Director - Piet Swart

Summary: Amends the General Fund and Parks and Greenway Fund to allow for the purchase of easements.

ATTACHMENTS:

Description	Upload Date	Type
□ BA2017-11	1/5/2017	Cover Memo

AMENDMENT TO THE BUDGET ORDINANCE

BE IT ORDAINED by the Governing Board of the Town of Davidson, North Carolina, that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2017:

Section 1: To amend the General Fund, the appropriations are to be changed as follows:

<u>Acct. No.</u>	<u>Account</u>	<u>Decrease</u>	<u>Increase</u>
10-80-6140-550	Capital Outlay - Greenway		\$ 120,000.00

Budgeted expenditures will be transferred to the Parks and Greenways Fund to fund the purchase of easements for Kincaid Trail

Section 2: To amend the General Fund, the estimated revenues are to be changed as follows:

<u>Acct. No.</u>	<u>Account</u>	<u>Decrease</u>	<u>Increase</u>
10-00-3990-980	Fund Balance Appropriated		\$ 120,000.00

Section 3: To amend the Parks and Greenways Fund, the appropriations are to be changed as follows:

<u>Acct. No.</u>	<u>Account</u>	<u>Decrease</u>	<u>Increase</u>
30-00-6130-550	Capital Outlay - Greenway		\$ 120,000.00

Budgeted expenditures will fund the purchase of easements for Kincaid Trail

Section 4: To amend the Parks and Greenways Fund, the estimated revenues are to be changed as follows:

<u>Acct. No.</u>	<u>Account</u>	<u>Decrease</u>	<u>Increase</u>
30-00-3920-000	Contribution From General Fund		\$ 120,000.00

Section 5: Copies of this budget amendment shall be furnished to the Clerk of the Governing Board, and to the Budget Officer and the Finance Officer for their direction.

Adopted this 10th day of January, 2017



Agenda Title: Consider Approval of North Carolina State Legislative Agenda - Town Manager Jamie Justice

Summary: Consider Approval of North Carolina State Legislative Agenda

ATTACHMENTS:

Description	Upload Date	Type
□ Resolution 2017-01	1/6/2017	Cover Memo



Resolution 2017-01

ADOPTING THE TOWN OF DAVIDSON 2017 STATE LEGISLATIVE AGENDA

1. Support revenue options and flexibility for cities in order that the Town of Davidson may continue to work to grow our economy and create jobs.
 - a) Support reforms at the state level that do not harm municipal revenues and should be at least revenue neutral
 - b) Support HB903 County Tax Flexibility/Municipal Revenue Options which provides authority to levy a 1/4-cent sales tax to apply within Davidson's jurisdiction and will return directly to Davidson.
 - c) Oppose sales tax formulas that redirect revenues from urban counties
 - d) Oppose legislation that creates unfunded mandates for municipalities.
2. Support legislation that will protect existing municipal authority and allow for greater flexibility to municipalities
 - a) Oppose laws that centralize authority at the state and federal level that undermines the ability of local elected officials, those closest and most accessible to the people, to govern.
 - b) Oppose any legislation that further limits a municipality's control over aesthetics and seek legislation supporting appropriate design controls for single family attached units within development adjoining state-maintained strategic commercial corridors.
 - c) Seek legislation that allows for municipal traffic code enforcement in public vehicle areas (PVAs)
 - d) Seek local legislation that allows MI-Connection to protect certain proprietary information and the MI-Connection Board to discuss the proprietary information in closed session.
 - e) Seek legislation that protects Extraterritorial Jurisdiction (ETJ) authority
3. Support legislation that provides a high level of services and quality of life our citizens' desire

- a) Seek legislation to include Section 14D (residential sprinklers) of the International Building Code in the N.C. Building Code.
 - b) Seek legislation authorizing the use of electronic media to meet public notice requirements.
- 4. Support ensuring the North Carolina State Bureau of Investigation has the capacity and resources to appropriately assist local governments with criminal investigations as needed.
 - 5. Oppose legislation that forces local government infrastructure to be removed from its authority
 - 6. Support the NCLM Municipal Advocacy Goals.
 - 7. Repeal House Bill 2 and replace with legislation that assures all citizens in North Carolina have equal protection under the law

Adopted on the 10th of January 2017.

Attest:

John M. Woods, Mayor

Carmen Clemsic, Town Clerk



Agenda Title: Consider Approval of Changes to Finance Policy - Finance Director Piet Swart

Summary: This item proposes changes to the Finance Policy approved in FY2016. Both changes are to the Cash Management and Investment section. The first, identifies the “Official Depositories” that are approved by the Board. The second, allows the Town to invest in both the North Carolina Capital Management Trust Money Market and Term portfolios. The Town currently only utilizes the Money Market portfolio. The Term portfolio, in November, returned 76 basis points. This doubled the Money Market return of 38 basis points. NCCMT expects the spread to stay at about 35 basis points. A \$5 million investment in the Term portfolio, over a 12-month period, is expected to return \$17,500 more than the Money Market portfolio.

ATTACHMENTS:

Description	Upload Date	Type
❑ Finance Policy - Revised Jan 2017	1/5/2017	Cover Memo
❑ Term Profile	1/5/2017	Cover Memo
❑ NC Capitol Mgmt Trust Portfolio	1/9/2017	Cover Memo

Town of Davidson

Finance Policy

Fiscal Policy Guidelines – Objectives

This fiscal policy is a statement of the guidelines and goals that influence and guide the financial management practice of the Town of Davidson, North Carolina. A fiscal policy that is adopted, adhered to, and regularly reviewed is recognized as the cornerstone of sound financial management. Effective fiscal policy:

- Promotes long-term financial stability by establishing clear and consistent guidelines,
- Preserves the town's ability to meet future needs while giving Town leaders a framework for balancing increased service demands and financial position,
- Promotes linking long-range financial planning with day to day operations,
- Provides the Board of Commissioners, citizens and management a framework for measuring the fiscal impact of government services against established fiscal parameters and guidelines.
- The Town Manager will report to the Board as to the compliance/performance of the Town with regard to this policy, at least annually, concurrent with the presentation of the budget, CIP, or audit report, as is appropriate.

To meet these objectives, the following fiscal policy statements are presented.

BUDGET DEVELOPMENT POLICIES

1. Each year the Town will develop the operating budget in conjunction with strategic goals established at annual Board retreats as well as stated programs of performance objectives and measures to gauge progress toward meeting those objectives.
2. The Town Manager serves as the budget officer.
3. One-time or special revenues will not be used to finance personnel and operating costs. Use of one-time revenues is appropriate for capital outlay, debt retirement, contribution to capital reserve or capital projects and other non-recurring expenses.
4. The Town should ensure adequate funding of critical services before funding new or enhanced services.
5. Needed improvements in public safety and Town employee working conditions will be assessed during the budget process and reported to the Board.
6. In order to tie costs to specific services, departments shall submit budgets for each of their program areas. The Town shall adopt budgets at the department level.

7. Departments shall not include contingency funds in their respective budgets. The Town shall include a general contingency in its annual budget not to exceed five percent of the annual budget.
8. Solid waste and storm water rates will be established at the appropriate level to enable these related funds to be self-supporting.
9. The Board of Commissioners will receive a financial summary each month showing original budget, year-to-date revenues and expenditures and comparisons to the budget as amended.

CAPITAL IMPROVEMENT PLAN POLICIES

1. The Town will prioritize all capital improvements in accordance with an adopted capital improvement plan.
2. The Town will develop a five-year plan for capital improvements and review and update annually.
3. The capital improvement plan should be tied to the Town's Comprehensive Plan and Board approved planning documents to ensure that capital items requested meet the future growth needs for the Town.
4. The Town will coordinate development of the capital improvement program prior to the development of the operating budget.
5. The operating impact of each project shall be identified and incorporated into the annual operating budget.
6. A separate capital project ordinance shall be submitted to the Board of Commissioners for approval for all capital improvements which span more than one fiscal year or cost \$100,000 or more.
7. The Town will maintain all its assets at a level adequate to protect the Town's capital investment and to minimize future maintenance and replacement costs.
8. The Town will attempt to determine the least costly and most flexible financing method for all new projects.

FUND BALANCE POLICY

1. Recurring operational expenses of the town will be funded through recurring revenue sources.
2. Available Fund Balance in the General Fund will mean funds that remain available for appropriation by the Board of Commissioners after all commitments for future expenditures, required reserves defined by State Statutes, and previous designations of restricted or assigned have been calculated.
3. The Available Fund Balance target percentage should never fall lower than 50% of LGC population group average available fund balance percentage.
4. Stabilization Threshold will mean unassigned fund balance which is available at year end to meet emergency obligations, avoid interruptions in cash flow in the following fiscal year, eliminate need for short-term borrowing, increase potential

- for investment income and enhance the Town's credit rating to be able to borrow at the lowest possible interest rate.
5. The Stabilization Threshold at the close of each fiscal year should be no less than 35% of general fund expenditures in the next fiscal year. This represents three months of projected expenditures (25%) plus 10% in emergency expenditures.
 6. At the same time as the approval of the annual audit report, the Town Manager will provide the Board a summary of the Available Fund Balance and the Stabilization Threshold status.
 7. Fund balance may be used as appropriate under sound management practices.
 8. In the event that funds are available over and beyond the targeted amount, those funds may be transferred to capital reserve funds or capital project funds at the Board of Commissioners discretion.

CASH MANAGEMENT AND INVESTMENT POLICIES

1. The Town shall effectively manage its cash resources in order to maximize interest earnings and maximize loss of revenue.
2. It is the intent of the Town that public funds will be invested to the extent possible to reduce the need for property tax revenues. Funds will be invested with the chief objectives of safety of principal, liquidity and yield, in that order. The Town will conform to all state and local statutes governing the investment of public funds.
3. The Town will use a central depository to maximize the availability and mobility of cash for all funds that can be legally and practically combined.
4. Departments shall deposit receipts daily as required by law. Departments are responsible for ensuring the security of cash receipts.
5. The Town's objective is to retain funds for investments for the longest period possible. Disbursements will be made on the contractually agreed date unless earlier payments provide a greater economic benefit to the Town. For Town checks, two signatures will be required.
6. The Town Board will approve all Official Depositories, per NCGS 150. Currently, Wells Fargo Bank, Branch Bank and Trust Company, and North Carolina Capital Management Trust (NCCMT) are approved as depositories.
7. The NCCMT Money Market Fund and Term Fund are specifically approved for municipal investment under NCGS 159-30(c), the Town Board approves the use of both these investment vehicles.

DEBT POLICIES

1. The Town will confine long-term borrowing to capital improvement or projects that cannot be financed from current revenues except where approved justification is provided.
2. The Town will utilize a balanced approach to capital funding utilizing debt financing, draws on capital reserves and/or fund balances in excess of policy targets, and current year (pay-as-you-go) appropriations.

3. The term of the debt service payments shall not exceed the expected useful life of the asset purchased through debt.
4. The Town is subject to the North Carolina General Statutes which limits the amount of net bonded debt (exclusive of revenue and special assessment bonds) the Town may have outstanding to 8 percent of the assessed value of property subject to taxation. It is the policy of the Town that this net bonded debt will not exceed 4 percent of the assessed valuation of taxable property of the Town.
5. Total debt service on tax-supported debt of the Town will not exceed 15% of total general fund operating revenues.
6. Where feasible, the Town will explore use of special assessment, revenue, or other self-supporting bonds instead of general obligation bonds.
7. Where feasible, the Town will limit amount of debt issued within respective calendar year to remain bank-qualified per IRS guidelines.

Adopted this the day of

Attest:

MAYOR

TOWN CLERK



The North Carolina Capital Management Trust Term Portfolio

Overview and Benefits

Purpose

- The North Carolina Capital Management Trust Term Portfolio ("Term Portfolio") seeks to obtain as high a level of current income as is generally consistent with the preservation of capital.
- Provides an economic and convenient means to invest available short-term cash and bond proceeds.

Authority

- Invests in obligations issued or guaranteed by the U.S. government and certain of its agencies or instrumentalities; obligations of the State of North Carolina; and bonds and notes of any North Carolina local government or public authority. Buys high-grade money market instruments that are authorized for investment by entities of local governments pursuant to North Carolina General Statute 159-30 and 20 North Carolina Administrative Code 3.0703.

Suitability

- Potential solution for cash investments with an investment horizon of three months or longer and the ability to invest in a variable net asset value product.
- Provides a preferred combination of reduced net asset value (NAV) volatility with the potential for higher returns than money market funds. Being a bond fund, its NAV will fluctuate over time in response to prevailing market conditions.
- Offers participants the benefits of convenient next-day liquidity.
- Withdrawals may be processed on the next business day. There are no penalties or additional charges associated with withdrawals made in this fund.

Professional Management

- Term Portfolio is a diversified bond fund of the North Carolina Capital Management Trust, an open-end management investment company.
- Term Portfolio is managed by Fidelity Management and Research Company.
- Capital Management of the Carolinas, LLC, is Term Portfolio's distributor and servicing agent.

Offered exclusively to the following entities of the State of North Carolina that are current participants in the Government Portfolio:

- Local governments
- Local ABC boards
- Public authorities
- Community colleges
- School administrative units
- Public hospitals

Please note that the prospectus and statement of additional information are the only authorized sources of definitive information regarding investment in the Term Portfolio. Investors should read and retain them for further reference.

Investment Strategy

- Managing the fund to have similar overall interest rate risk to the Barclays 3–6 month U.S. Treasury Bill Index.
- Allocating assets across different market sectors and maturities.
- Investing in high-grade securities, including obligations of the U.S. government and the State of North Carolina.
- The fund may also invest in bonds and notes of any North Carolina local government or public authority.
- Permitted investments include bankers' acceptances, commercial paper, repurchase agreements, and instruments issued or guaranteed by the U.S. Government and certain of its instrumentalities or agencies.

For more information on **The North Carolina Capital Management Trust Term Portfolio**, please call **800-222-3232**.

Trading

- Participants may purchase or redeem shares by bank wire or exchange from a Government Portfolio account with the same registration, including name and address.
- All next-day wire investments may be placed by calling 800-222-3232 between 8:30 a.m. and 4:00 p.m. ET.

Dividends

- Term Portfolio's net income is declared as a daily dividend.
- Declared dividends are accrued throughout the month, normally distributed to shareholders on the first business day of the month, and automatically reinvested unless otherwise specified.

Confirmations and Statements

- A confirmation of each transaction will be sent by mail, indicating the date, amount, type of transaction processed, and the resulting account balance.
- Monthly account statements listing all transactions, dividends paid, and the Term Portfolio's fiscal year-to-date dividends will be sent after the close of each month.

Not FDIC Insured • May Lose Value • No Bank Guarantee

Not NCUA or NCUSIF insured. May lose value. No credit union guarantee. Not a deposit of a bank.

Not guaranteed by the state of North Carolina or the U.S. government or any of its agencies.

In general the bond market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation, credit, and default risks for both issuers and counterparties.

The municipal market is volatile and can be significantly affected by adverse tax, legislative, or political changes and the financial condition of the issuers of municipal securities.

Mutual fund shares are not deposits or obligations of, or guaranteed by, any depository institution. Shares are not insured by the FDIC, Federal Reserve Board, or any other agency, and are subject to investment risks, including possible loss of principal amount invested.

An investment in the Term Portfolio is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Before investing, consider the funds' investment objectives, risks, charges, and expenses. Contact Capital Management of the Carolinas, LLC, for a prospectus or, if available, a summary prospectus containing this information. Read it carefully.



The performance data stated represents past performance, which does not guarantee future results. Investment return and yield of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance stated. To learn more or to obtain the most recent month-end performance, call 800-222-3232 or visit us online at <https://www.institutional.fidelity.com/nccmtnet>

December 2016

Government Portfolio as of 12/31/2016

30-Day Yield	0.37%
7-Day Yield	0.40%
Month-to-date Mil Rate	0.0003127390
Net Asset Value per Share	\$1.00
Dollar-Weighted Average Portfolio Maturity	51 days

Term Portfolio as of 12/31/2016

30-Day Yield*	0.79%
Net Asset Value Per Share	\$9.68
Month-to-date Mil Rate	0.0060721740
Distribution Rate	0.74%
1-Year Average Annual Total Return	0.55%
5-Year Average Annual Total Return	0.23%
10-Year Average Annual Total Return	1.34%
Duration	0.11 Years

Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of Fund figures are reported as of the inception date to the period indicated. These figures do not include the effect of sales charges, if any, as these charges are waived for contributions made through your company's employee benefit plans. If sales charges were included, returns would have been lower.

The current yield reflects the current earnings of the fund, while the total return refers to a specific past holding period.

*The fund's 30-day yield is based on yield to maturity of a fund's investments over a 30-day period and not on the dividends paid by the fund, which may differ.

You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Fidelity Investments and its affiliates, the fund's sponsor, have no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

The North Carolina Capital Management Trust Government Portfolio will not impose a fee upon the sale of your shares, nor temporarily suspend your ability to sell shares if the fund's weekly liquid assets fall below 30% of its total assets because of market conditions or other factors.

Distribution rate is calculated by dividing the daily dividend per share by its share price for each day in the 30-day period, averaging the resulting 30-day percentages, and then expressing the average rate in annualized terms.

In general, bond prices rise when interest rates fall, and vice versa. This effect is usually more pronounced for longer-term securities.

If the advisor and distributor had not voluntarily waived certain portfolio expenses during the five year, ten year, and life periods, total returns would have been lower. The portfolio's 30-day and 7-day annualized yields are as of month end. Annualized yields are historical, will fluctuate, and are based on each portfolio's total net investment income for the stated period.

This portfolio summary is not authorized for distribution to prospective investors in the Trust.

Fidelity Investments Institutional Services Company, Inc., 500 Salem Street, Smithfield, RI 02917

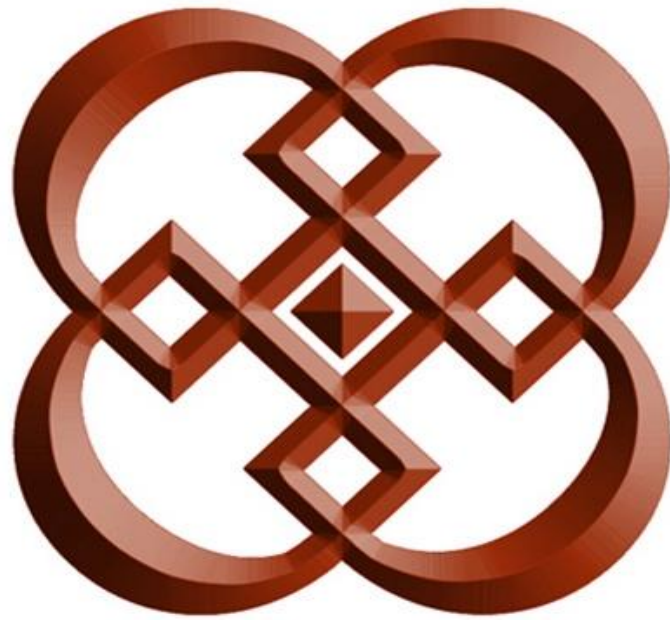


Agenda Title: Town Facilities Update - Assistant Town Manager Dawn Blobaum

Summary: Town Facilities Update

ATTACHMENTS:

Description	Upload Date	Type
❏ Town Facilities Update	1/6/2017	Cover Memo



The Town *of* Davidson

College Town. Lake Town. *Your Town.*

Steering Committee Mission

To work collaboratively with the design team, town staff, the Davidson Board of Commissioners, and each other, to guide the planning and design of public facilities in downtown Davidson.

Guiding Principles

1. Maintain the town's sense of community and complement the historic nature of downtown.
2. Retain a civic presence in downtown Davidson that is easily accessible to citizens.
3. Provide a sustainable parking solution for the long-term.
4. Provide space for community functions and governmental needs in a cost-effective manner.
5. Enhance connectivity to and through the site
6. Improve public amenities, open space, and event areas.
7. Expand the retail experience on Main Street.

Charge

August vote by board of commissioners to proceed with:

Town Hall (new construction)

Police and Fire Departments (renovated space and addition, if needed)

Assess town hall for viability

Parking Deck, if needed.

3.5 acres town-owned land + permission from landowner to plan their property

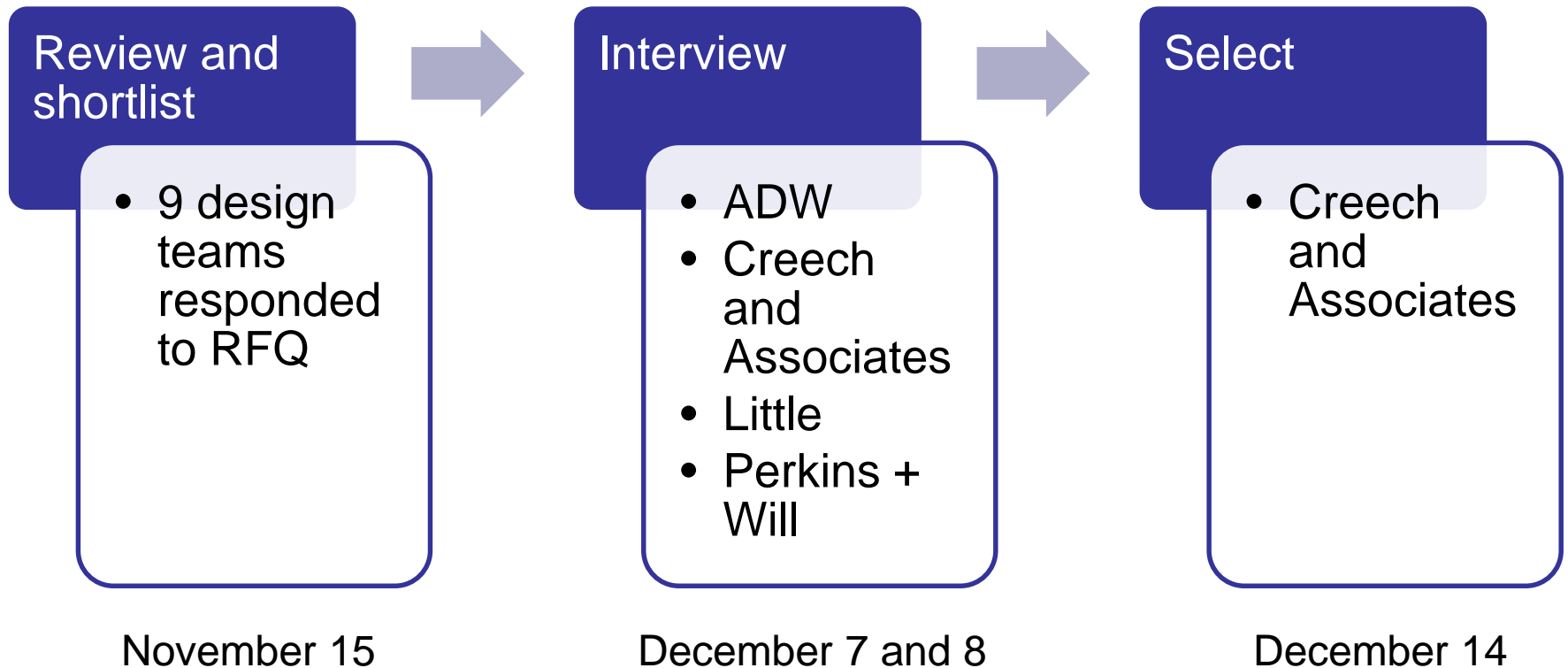
Selection Sub-committee

Alternative construction delivery methods governed by G.S. 143-64.31:

- Selection must be based on the firm's qualifications, not the cost of service ("without regard" to fee).
- Cannot request estimated total fee.
- Following selection, can negotiate a "fair and reasonable" price for the contract with best-qualified firm.

RFQ sent Sept 23, responses received Oct 27.

Sub-committee process



Sub-committee process

Criteria for shortlist/interview/selection:

- Previous experience on PD/FD/municipal/parking projects and CM@R delivery method
- Strength of consultants
- How they would approach:
 - Aesthetics: building and public spaces
 - Mobility issues
 - Public engagement
- Understanding of town needs
- Listening skills

Creech and Associates

Architecture team:

David Creech AIA, Brent Green LEED AP, Michael Supino AIA, Natalie Stenger

Consultants:

- Stantec – Craig Lewis – Community Planning, Landscape Architecture, Civil Engineering
- Optima Engineering – MEP Engineering
- Design Resource Group – Randy Goddard, Traffic Engineer
- Bulla-Smith - Structural

Creech and Associates

Municipal Experience:

Five town halls

Six stand-alone police stations

Four joint town hall and PD

Other civic uses

Nine municipal space needs studies

Creech and Associates



Creech and Associates



Kannapolis City Hall

Indian Land City Hall



Creech and Associates



Sullivan's Island Town Hall

Creech and Associates



Study for Waxhaw Town Hall

Creech and Associates



CMPD Station



Cornelius PD

Creech and Associates



Design for CPCC Parking Deck

Next Steps

1. Negotiate fees with Creech and Associates
2. Choose CM@R – January/February
3. Creech and Associates Phase I:
 - Study mobility, parking, pedestrian circulation
 - Design workshop for citizens on public areas
 - Define scope and building program
 - Cost estimate
3. Present site options to Steering Committee
4. Steering Committee recommendation to Board of Commissioners at April meeting
5. Creech and Associates Phase II: Building design