



**VILLAGE COUNCIL
AGENDA FOR REGULAR MEETING OF MARCH 26, 2024
ASSEMBLY HALL**

**PINEHURST, NORTH CAROLINA
4:30 PM**

1. Call to Order.
2. Invocation and Pledge of Allegiance
3. Reports:
 Manager
 Council
4. Motion to Approve Consent Agenda.

All items listed below are considered routine or have been discussed at length in previous meetings and will be enacted by one motion. No separate discussion will be held unless requested by a member of the Village Council.

- A. Approval of Village Council Meeting Minutes
 - March 12, 2024, Regular Meeting Minutes
 - March 12, 2024, Work Session Minutes

End of Consent Agenda.

5. Audit Contract for Fiscal Year 2024 Audit
6. Discuss Village Manager Recruitment Timeline and Process
7. Other Business.
8. Comments from Attendees.
9. Motion to Adjourn.

*Vision: The Village of Pinehurst is a charming, vibrant community which reflects our rich history and traditions.
Mission: Promote, enhance, and sustain the quality of life for residents, businesses, and visitors.
Values: Service, Initiative, Teamwork, and Improvement.*



APPROVAL OF VILLAGE COUNCIL MEETING MINUTES

ADDITIONAL AGENDA DETAILS:

- March 12, 2024, Regular Meeting Minutes
- March 12, 2024, Work Session Minutes

ATTACHMENTS:

Description

- ▣ 03.12.2024 Regular Meeting Minutes
- ▣ 03.12.2024 Work Session Minutes



**Village Council
Minutes for the Regular Meeting of March 12, 2024
Assembly Hall
395 Magnolia Road
Pinehurst, North Carolina
4:30 p.m.**

The Pinehurst Village Council held a Regular Meeting at 04:30 p.m., Tuesday, March 12, 2024, in the Assembly Hall of Village Hall, 395 Magnolia Road, Pinehurst, North Carolina.

The following were in attendance in Assembly Hall:

Mr. Patrick Pizzella, Mayor
Mr. Jeff Morgan, Councilmember
Ms. Barb Ficklin, Councilmember
Mr. John Taylor, Mayor Pro Tem
Mr. Jack Farrell, Councilmember
Mr. Jeff Sanborn, Village Manager
Ms. Shannon Konstantinou, Village Clerk
Mr. Jason Whitaker, Chief Information Officer
Mr. Josh Dockery, IT Specialist

And approximately 40 attendees, including 9 staff and 1 press.

1. Call to Order.

Mayor Pizzella called the Village Council meeting to order at 04:29 p.m.

2. Invocation by Reverend Roderick Stone and Pledge of Allegiance by Porter Hoag.

3. Reports:

Village Manager

- Mr. Jeff Sanborn, Village Manager, reported on the March 16, 2024, Saint Patrick's Day parade and the annual development of the Village's Budget and Standard Operating Plan (SOP) with first drafts of the documents being presented to Council at the April 09, 2024, meeting.

Village Council

- Mayor Pizzella reported on the issuance of three additional Non-Conforming Use Certificates last week; that 36 applications for the Assistant Village Manager of Operations position have been received with a few weeks remaining to submit applications; on the March 05 – 06, 2024, North Carolina Economic Development Association conference at the Carolina Hotel; on the March 11, 2024, Property Owners' Association for Pinehurst #6 meeting; on the February 28, 2024 ribbon cutting and opening ceremony for the Carolina Vista Lounge; and on the Village of Pinehurst

currently having six employment opportunities posted.

- Councilmember Morgan reported on the Central Pines Regional Council holding an Executive meeting in March 2024 with the next Delegates meeting being in April 2024, on the April 06, 2024, Mattinee Races at the Harness Track, and provided a brief background of the Harness Track's history and operations.
- Councilmember Ficklin reported meeting with Linda Parsons, President and CEO of the Moore County Chamber of Commerce; on the March 04, 2024, Beautification Committee meeting; and on the June 10, 2024, deadline to submit applications for the Warren H. Manning Award.
- Mayor Pro Tem Taylor reported on the March 06, 2024, meeting of the Technical Coordinating Committee (subcommittee of the Sandhills Metropolitan Planning Organization).
- Councilmember Farrell reported on the March 07, 2024, Planning & Zoning Board meeting; on the Village's need for additional Advisory Board Volunteers; on the recent meeting Councilmembers Morgan and Farrell had with Village Staff regarding the 2019 Comprehensive Plan update; and on the March 16, 2024, Saint Patrick's Day parade.

4. Motion to Approve Consent Agenda.

All items listed below are considered routine or have been discussed at length in previous meetings and will be enacted by one motion. No separate discussion will be held unless requested by a member of the Village Council.

A. Approval of Village Council Meeting Minutes

- February 13, 2024, Regular Meeting
- February 13, 2024, Work Session
- February 27, 2024, Regular Meeting
- February 27, 2024, Work Session

B. Budget Amendments Report

End of Consent Agenda.

Upon a motion by Councilmember Farrell, seconded by Councilmember Morgan, Council unanimously approved the Consent Agenda including Mayor Pro Tem Taylor's recommended revision to the Council Report section of the February 13, 2024, Regular Meeting minutes (Pinecrest High School changed to Union Pines High School) by a vote of 5-0.

5. Proclamation of Arbor Day 2024.

Mayor Pizzella proclaimed April 26, 2024, as Arbor Day for the Village of Pinehurst.

**Mayoral Proclamation
Village of Pinehurst**

WHEREAS, in 1872 J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees; and

WHEREAS, this holiday called Arbor Day, was first observed with the planting of more than a million trees in Nebraska; and

WHEREAS, Arbor Day is now observed throughout the nation and the world; and

WHEREAS, trees can reduce the erosion of our precious topsoil by wind and water, cut heating

and cooling costs, moderate the temperature, clean the air, produce oxygen and provide habitat for wildlife; and

WHEREAS, trees are a renewable resource; and

WHEREAS, trees in our village increase property values, enhance the economic vitality of business areas, and beautify our community; and

WHEREAS, trees are a source of joy and spiritual renewal; and

WHEREAS, Pinehurst strives to be recognized as a Tree City USA by the National Arbor Day Foundation.

NOW THEREFORE, I, Patrick Pizzella, Mayor of the Village of Pinehurst, do hereby proclaim April 26, 2024, as “ARBOR DAY” in the Village of Pinehurst, and urge all citizens to support efforts to care for our trees and woodlands and to support our Village’s community forestry program; and

FURTHER, I urge all citizens to plant trees to promote the well-being of present and future generations.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the official seal of the Village of Pinehurst, this the 12th day of March 2024.

Upon a motion by Mayor Pro Tem Taylor, seconded by Councilmember Ficklin, Council unanimously approved the Proclamation of Arbor Day 2024 by a vote of 5-0.

6. Consider Resolution 24-02 Honoring the Service of Ms. Lydia Boesch as Treasurer and Councilmember of Pinehurst, North Carolina.

Councilmember Morgan echoed the spirit of Reverend Roderick Stone’s invocation calling for integrity and service to the community, and commended Ms. Boesch for her service to the Village.

Ms. Lydia Boesch thanked Council, Mr. Hoffman for his dutiful attendance of Council meetings, her friends for their attendance tonight and continued support, and Staff for their assistance during her time on Council; expressed gratitude for being honored; and stated she will continue to serve the community.

RESOLUTION #24-02:

RESOLUTION HONORING THE SERVICE OF MS. LYDIA BOESCH AS TREASURER AND COUNCILMEMBER OF PINEHURST, NORTH CAROLINA

WHEREAS, the Village Council of Pinehurst, North Carolina wishes to acknowledge and express its appreciation to Ms. Lydia Boesch for her dedicated service to the citizens of Pinehurst as Treasurer and Councilmember; and

WHEREAS, Ms. Boesch served the Village of Pinehurst as Treasurer and Councilmember from December 2019 to December 2023; and

WHEREAS, Ms. Boesch dedicated her time, knowledge, and abilities to the Village and provided

thoughtful consideration to all matters; and

WHEREAS, Ms. Boesch was instrumental in Council's efforts to improve the Village's relationship with the National Park Service and in solidifying the status of the Village of Pinehurst's National Historic Landmark designation; and

WHEREAS, Ms. Boesch was a key partner in negotiating the development of the USGA Golf House Pinehurst facilities and the establishment of the Village of Pinehurst as the first US Open anchor site; and

WHEREAS, Ms. Boesch played an integral role in notable projects such as the acquisition of the Given Memorial Library and Tufts Archives; and

WHEREAS, Ms. Boesch actively participated in the formalization of the Neighborhood Advisory Committee and served as the Council representative on the Bicycle and Pedestrian Committee; and

WHEREAS, Ms. Boesch contributed to the development and adoption of the Downtown Amenity Plan, 2023 Parks & Recreation Master Plan, 2023 Stormwater Management and Master Plan, and Village Place and Pinehurst South Small Area Plans and Form Based Guidance Plans; and

WHEREAS, Ms. Boesch was, and continues to be, a strong advocate for the community of the Village of Pinehurst.

NOW, THEREFORE, BE IT RESOLVED by the Village Council of Pinehurst, North Carolina in a Regular Meeting assembled this 12th day of March 2024 as follows:

Section 1. That, on behalf of the citizens of Pinehurst, the Village Council expresses deep appreciation and gratitude to Ms. Boesch for the gifts of time, ability, and commitment in carrying out her duties as Treasurer and Councilmember for the Village of Pinehurst.

Section 2. That a copy of this resolution be spread upon the permanent minutes of the Village of Pinehurst and a copy thereof, duly executed by the Mayor and Village Clerk, be presented to Ms. Lydia Boesch as a token of our gratitude.

This Resolution passed and adopted on this 12th day of March 2024.

7. **Presentation by Moore County Public Works Director, Randy Gould, to Update Council on Future Needs and Plans for Water and Sewer.**

Mr. Randy Gould, Moore County Public Works Director, reviewed a PowerPoint presentation on Moore County's current water supply, future water supply needs, and Moore County Public Works' plans for the water and sewer supply; provided Council with a handout of his presentation; and discussed details of his presentation such as projected water use, community growth, basin locations, the Interbasin Transfer (IBT) Rule, additional well locations, and water supply alternatives.

Mr. Gould noted that water supply rates are proposed to increase by 11% in Fiscal Year 2025 with additional rate increases in following years as needed.

Point of Order Called

A Point of Order was called by Councilmember Farrell for a motion to be made on the approval

of Resolution 24-02 honoring Ms. Lydia Boesch. Mayor Pizzella ruled Councilmember Farrell's Point of Order was well taken.

Upon a motion by Councilmember Morgan, seconded by Councilmember Farrell, Council unanimously approved Resolution 24-02 Honoring the Service of Ms. Lydia Boesch as Treasurer and Councilmember of Pinehurst, North Carolina by a vote of 5-0.

8. Consider Resolution 24-12 Leasing Village Property to Pinehurst Brewery.

Mr. Jeff Batton, Assistant Village Manager, provided background information on the request to lease the property and reviewed a map highlighting the area proposed for lease.

Upon a motion by Councilmember Ficklin, seconded by Councilmember Morgan, Council unanimously approved Resolution 24-12 authorizing the lease of a portion of the Village of Pinehurst property located at 111 Power Plant Road to Pinehurst, LLC, and its subsidiary Pinehurst Brewing Company by a vote of 5-0.

RESOLUTION #24-12:

A RESOLUTION AUTHORIZING LEASE OF PROPERTY FOR THE VILLAGE OF PINEHURST

WHEREAS, the Village of Pinehurst owns property at 111 Power Plant Road Pinehurst, NC 28374; and

WHEREAS, the Pinehurst, LLC, and its subsidiary Pinehurst Brewing Company (Tenant), have requested to lease a portion of 111 Power Plant Road for overflow parking; and

WHEREAS, the Village and the Tenant have agreed to lease said property in accordance with the Letter of Agreement attached hereto; and

WHEREAS, North Carolina General Statute § 160A-272 authorizes the Village to enter into leases of up to 10 years upon resolution of the Village Council.

NOW, THEREFORE, BE IT RESOLVED, that the Village Council of the Village of Pinehurst, North Carolina in a regular meeting on the 12th day of March, 2024, as follows:

SECTION 1. That the Village Council hereby approves lease of the Village property described above to Pinehurst, LLC – Pinehurst Brewing Company and directs the Mayor and required Village official(s) to execute any instruments necessary for the lease.

9. Consider Ordinance 24-06 Amending Village Municipal Code Section 94.14 Temporary Events.

Mr. Doug Willardson, Assistant Village Manager, reviewed a redline version of Section 94.14 Temporary Events and discussed the proposed changes.

Upon a motion by Councilmember Morgan, seconded by Councilmember Ficklin, Council unanimously approved Ordinance 24-06 amending Section 94.14 Temporary Events of the Pinehurst Municipal Code by a vote of 5-0.

ORDINANCE #24-06:

AN ORDINANCE AMENDING SECTION 94.14 OF THE PINEHURST MUNICIPAL CODE

WHEREAS, the Village Council of the Village of Pinehurst adopted an ordinance dated October 20, 1980, establishing and implementing certain authorized police powers for the purpose of prescribing regulations governing conditions detrimental to the health, safety, and welfare of its citizens; and

WHEREAS, on September 13, 2011 the Village Council of the Village of Pinehurst adopted Ordinance 11- 25 which established the general ordinances of the Village of Pinehurst as revised, amended, restated, codified, and compiled in book form and declared that these shall constitute the "Village of Pinehurst, North Carolina Municipal Code"; and

WHEREAS, the Municipal Code will be subsequently amended from time to time as conditions warrant; and

WHEREAS, the Village Council has determined that it is in the best interest of the citizens of Pinehurst to amend Section 94.14 of the Pinehurst Municipal Code in order to better regulate and manage temporary events held within the Village.

NOW, THEREFORE, BE IT ORDAINED AND ESTABLISHED by the Village Council of the Village of Pinehurst, North Carolina in the regular meeting assembled this 12th day of March 2024 as follows:

SECTION 1. That the following amendments be made to Section 94.14:

REGULATED OR PROHIBITED ACTIVITY

§ 94.14 TEMPORARY EVENTS.

- (A) Temporary event permits are hereby required for any temporary events that are deemed beneficial to the community as a whole. These events must be held in conjunction with one of the following criteria. Events not meeting the following criteria are not eligible for a temporary event permit.
 - (1) Major civic and cultural events, grand openings, and groundbreaking ceremonies that impact Village resources (i.e. police, fire, parks and recreation and public services);
 - (2) Athletic events, including those which utilize Village property, public streets or rights-of-way;
 - (3) Parades, fairs, festivals, or other ancillary entertainment or hospitality activities associated with major golf tournaments or other large-scale temporary events hosted in the Village;
 - (4) Other temporary events, deemed by Village staff, as having a community-wide significance and benefit.
- (B) The Parks and Recreation Department, upon a recommendation from appropriate Village Departments, may issue a temporary event permit only upon finding that the temporary event satisfies the following requirements:
 - (1) If the property is undeveloped, it contains sufficient open space to support the temporary use;
 - (2) If the property is developed, it contains an area that is not actively used but which would support the proposed temporary use without encroaching into or creating a negative impact on existing buffers, open space, landscaping, traffic movements, or parking space availability;
 - (3) Tents and other temporary structures will be located so as to not interfere with the normal operations of any permanent use located on the property;
 - (4) Off-street parking is adequate to accommodate the proposed temporary event. Available public parking and other off-site parking accommodations may be considered to count toward the proposed temporary event. Other factors may include, but are not limited to, proximity to the

- event, shared parking agreements, or shuttle services;
 - (6) Restroom facilities are provided and adequate to accommodate the proposed temporary event;
 - (7) A plan for the disposal of solid waste generated as a result of the temporary event will be implemented and all trash and recycling receptacles will be promptly serviced and removed if temporary;
 - (8) A plan for security and safety will be implemented on and around the site of the event, including sufficient staffing, provision for pedestrian safety and traffic routing;
 - (9) A plan for public health and safety on, around, and outside the site of the event will be implemented, including a showing that the event will not likely cause interference with the movement of emergency vehicles to such an extent that adequate police, fire, or other emergency services cannot be provided throughout the Village and will not likely cause unreasonable or unwarranted disruption to vehicular or pedestrian traffic;
 - (10) All inspections and permits required by applicable construction codes have been met and approved by the Planning and Inspections Department and the Fire Department;
 - (11) The temporary event meets all other applicable requirements of the Village of Pinehurst Codes and Ordinances.
 - (C) The Parks and Recreation Department, upon a recommendation from appropriate Village Departments, may deny a temporary event permit for any of the following reasons:
 - (1) When there are numerous and competing requests for temporary event permits, the Parks and Recreation Department may select one application over another based on the following criteria:
 - (i) previous performance of similar activities within the Village;
 - (ii) other and/or prior demonstration of ability to produce a high-quality event;
 - (iii) superior ability to mitigate potential disruption to neighboring uses; and
 - (iv) deference to application first received.
 - (2) Previous poor performance when issued a temporary event permit;
 - (3) Proposed temporary event is not compatible with community standards and norms;
 - (4) Proposed temporary event strains Village resources, including staffing or use of facilities, roads or equipment;
 - (5) Proposed temporary event is disruptive to neighboring uses and such disruptions cannot be effectively mitigated;
 - (6) Failure on behalf of the applicant to satisfy the requirements of 94.14 (B).
- (Ord. 13-16, passed 4-23-13) Penalty, see § [94.99](#)

SECTION 2. That these Ordinance amendments shall be and remain in full force and effect from March 12, 2024.

THIS ORDINANCE is passed and adopted this 12th day of March 2024.

10. Consider Ordinance 24-07 Temporary Parking Restrictions for the 2024 US Open.

Mr. Doug Willardson, Assistant Village Manager, reviewed a map highlighting the streets / areas of the Village that will either be prohibited parking or limited to 3-hour parking; and discussed potentially adding alleyways to the temporary restricted parking map, how the temporary parking restrictions will be noticed in each area, and the maximum fine allowed for parking violations.

Upon a motion by Councilmember Morgan, seconded by Councilmember Ficklin, Council unanimously approved Ordinance 24-07 amending Chapter 72 of the Pinehurst Municipal Code as it pertains to Temporary Parking in the Village of Pinehurst during the 2024 U.S. Open by a vote of 5-0.

ORDINANCE #24-07:

AN ORDINANCE AMENDING CHAPTER 72 OF THE PINEHURST MUNICIPAL CODE AS IT PERTAINS TO TEMPORARY PARKING IN THE VILLAGE OF PINEHURST DURING THE 2024 US OPEN.

THAT, WHEREAS, the Village Council of the Village of Pinehurst adopted an ordinance dated October 20, 1980, establishing and implementing certain authorized police powers for the purpose of prescribing regulations governing conditions detrimental to the health, safety, and welfare of its citizens; and

WHEREAS, on September 13, 2011 the Village Council of the Village of Pinehurst adopted Ordinance 11-25 which adopted the general ordinances of the Village of Pinehurst as revised, amended, restated, codified, and compiled in book form and declared that these shall constitute the “Village of Pinehurst, North Carolina Municipal Code;” and

WHEREAS, the Municipal Code will be subsequently amended from time to time as conditions warrant; and

WHEREAS, the Village Council has determined that it is in the interests of health, safety, and welfare of both the guests and the citizens of Pinehurst to further regulate parking during the 2024 US Open Men’s Golf Championship by prohibiting parking at the designated locations listed below in Section 1; closing a certain section of road as described in Section 2; and limiting parking time on certain streets at the designated locations listed below in Section 3;

NOW, THEREFORE, BE IT ORDAINED AND ESTABLISHED by the Village Council of the Village of Pinehurst, North Carolina, in a regular meeting assembled this 12th day of March, 2024, as follows:

SECTION 1. That Schedule I – Parking Prohibited at All Times of Chapter 72, Section 72.01 of the Pinehurst Municipal Code is hereby amended by adding the following streets and roads to the schedule of those designated as “No Parking”, except for those specific areas where signs and pavement markings clearly designate the existence of public parking, to be effective from June 10th through June 16th, 2024:

| <i>Street</i> | <i>Side</i> | <i>Location</i> |
|-------------------------|-------------|--|
| Ritter Road | Both | Highway 5 to Chinquapin Road |
| Carolina Vista Drive | Both | Ritter to Old NC 2 |
| Magnolia Road | West | Market Square to 265 Magnolia Road |
| Magnolia Road | East | Community Road to rear driveway of the Manor Hotel |
| Community Road | South | Magnolia Road to Maple Road |
| Cherokee Road West | South | Village Green West to Azalea Road |
| Shaw Road SE | Both | Azalea to Carolina Vista |
| Azalea Road | Both | Old NC 2 to Carolina Vista |
| Dundee Road | Both | Community Road to Craig Road |
| Craig Road | Both | Dundee Road to McIntyre Road |
| Woods Road | Both | Dundee Road to McIntyre Road |
| Maple Road | Both | Community Road to Orange Road |
| Cherokee Road East | Both | Village Green Road to Laurel Road |
| Palmetto Road | Both | Cherokee Road East to Maple Road |
| Village Green Road East | Both | 100 Village Green Road East to Old NC 2 |
| Village Green Road West | Both | Old NC 2 to Theatre Building driveway |

SECTION 2. That the following streets will be closed by the Village to be effective from June 10th through June 16th, 2024:

Pine Tree Road, from St Andrews to Hwy #5, except for residents of Condominium complexes with driveway access on Pine Tree Road.

SECTION 3. That Schedule II – Parking Time Limited on Certain Streets, Chapter 72, Section 72.03 of the Pinehurst Municipal Code is hereby amended by adding the following streets and roads to the schedule of those designated as “Parking time limited on certain streets” as follows, to be effective from June 10th through June 16th, 2024:

| <i>Street</i> | <i>Side</i> | <i>Time Limit</i> | <i>Hours</i> | <i>Location</i> |
|---------------------------|----------------------------|-------------------|--|--|
| Cherokee Road | South | <u>3 hours</u> | Between 9:00 a.m. and <u>6:00 p.m.</u> | In front of Given Memorial Library |
| <u>Cherokee Road</u> | <u>North and South</u> | <u>3 hours</u> | <u>Between 9:00 a.m. and 6:00 p.m.</u> | <u>All public parking locations</u> |
| <u>Chinquapin Road</u> | <u>North and South</u> | <u>3 hours</u> | <u>Between 9:00 a.m. and 6:00 p.m.</u> | <u>All public parking locations from Cherokee Road to Magnolia Road.</u> |
| <u>Magnolia Road</u> | <u>North and South</u> | <u>3 hours</u> | <u>Between 9:00 a.m. and 6:00 p.m.</u> | <u>All public parking locations from Chinquapin to 45 Magnolia Road.</u> |
| <u>Market Square</u> | <u>North and South</u> | <u>3 hours</u> | <u>Between 9:00 a.m. and 6:00 p.m.</u> | <u>All public parking locations.</u> |
| <u>Village Green East</u> | <u>West</u> | <u>3 hours</u> | <u>Between 9:00 a.m. and 6:00 p.m.</u> | <u>Adjacent to the Given Memorial Library</u> |

SECTION 4. That Chapter 72, Section 72.99 of the Pinehurst Municipal Code is hereby amended by adding the following:

§ 72.99 PENALTY.

(E) Violations of the terms of § 72.01 or 72.03 shall subject the violator to an infraction and a civil fine of up to \$50, inclusive of all penalty assessments and court costs as set forth in G.S. § 14-4(b).

SECTION 5. That all ordinances in conflict herewith are hereby declared null and void while this ordinance remains in full force and effect.

SECTION 6. That this ordinance shall be and remain in full force and effect on June 10th and after the erection of the appropriate and necessary traffic signs, until June 16th, 2024.

SECTION 7. That the Chief of Police and Director of Public Services are hereby authorized and directed to establish appropriate signage at the places designated in Sections 1, 2 and 3 of this ordinance, as they deem necessary, for the purpose of enforcement.

THIS ORDINANCE passed and adopted this 12th day of March 2024.

11. **Consider Ordinance 24-08 Creation of Temporary Social District for the 2024 US Open**
Mr. Doug Willardson, Assistant Village Manager, reviewed and discussed a PowerPoint presentation on the proposed Temporary Social District regulations and a map of the area to be included in the Temporary Social District.

Upon a motion by Councilmember Morgan, seconded by Councilmember Farrell, Council unanimously approved Ordinance 24-08 creating a Temporary Social District to regulate open containers of alcoholic beverages during the 2024 U.S. Open by amending Section 130.05 of the Pinehurst Municipal Code by a vote of 5-0.

ORDINANCE #24-08:

AN ORDINANCE CREATING A SOCIAL DISTRICT TO REGULATE OPEN CONTAINERS OF ALCOHOLIC BEVERAGES BY AMENDING SECTION 130.05 OF THE PINEHURST MUNICIPAL CODE

THAT, WHEREAS, pursuant to N.C.G.S. § 160A-205.4 the Village may adopt an ordinance designating one or more social districts for use in accordance with N.C.G.S. § 18B-300.1; and

WHEREAS, the North Carolina General Assembly enacted the above legislation allowing municipalities to designate social districts within their jurisdiction to allow alcoholic beverages sold by licensed premises to be consumed within the district, outside of the establishment where the beverage was purchased; and

WHEREAS, the Village Council finds that the allowance of open containers during the 2024 US Open Golf Championships can be adequately managed by the Village's law enforcement and can be beneficial to the economic vitality of the Village Center.

NOW THEREFORE, BE IT ORDAINED AND ESTABLISHED by the Village Council of Pinehurst, North Carolina, in a regular meeting assembled this 12th day of March, 2024 as follows:

SECTION 1. That Section 130.05 of the Village of Pinehurst, North Carolina Municipal Code is hereby amended, which shall read as follows:

§ 130.05 ALCOHOLIC BEVERAGES

(E) Creation of a social district to be in effect during the 2024 US Open Golf Championships.

(1) Notwithstanding the provisions of sections 130.05 (A), (B), (C) and (D) of this Code, the possession of alcoholic beverages and open containers and their consumption shall be lawful within the Village Center Social District created pursuant to the provisions of G.S. § 160A-205.4 for the dates of June 10th, 2024 through June 16th, 2024.

(2) The Social District shall be created, designated, and managed in accordance with the requirements contained in G.S. § 160A-205.4 and Chapter 18B.

(3) The Social District shall be established in accordance with the map attached hereto as Exhibit A.

(4) The hours of operation for this social district shall be from 12:00 p.m. to 11:00 p.m.

(5) Any alcoholic beverage purchased for consumption in the Social District shall (i) only be consumed in the Social District and (ii) be disposed of before the person in possession of the alcoholic beverage exits the Social District unless the person is reentering the licensed premises where the alcoholic beverage was purchased.

(6) Each permittee and non-permittee located within an established and designated social district and voluntarily wishes to participate shall display a uniform sign, provided by the City or its designee, indicating its inclusion in the social district, and allows alcoholic beverages on its premises when the social district is active. No business shall be required to participate or be included in the social district or to allow customers to bring alcohol onto its premises.

(7) Any person who violates this section and any person who aids, abets, encourages, assists in, or contributes to a violation of this section shall be punishable as an infraction pursuant to N.C.G.S. §14-3.1 the procedure for disposition of infractions is as provided in Chapter 15A Article 66 of the North Carolina General Statutes.

SECTION 2. The Village Manager or their designee is hereby directed to create a management and maintenance plan for the Village Center Social District and post the plans and a rendering of the Social District boundaries on the Village's website.

SECTION 3. The Village Manager or their designee is directed to submit a detailed map of the Village Center Social district and the days and hours during which the Social District shall be in operation to the North Carolina Alcoholic Beverage Control Commission

SECTION 4. That all ordinances in conflict herewith are hereby declared null and void while this ordinance remains in full force and effect.

SECTION 5. That this ordinance shall be and remain in full force and effect on June 10th and after the erection of the appropriate and necessary signs, until June 16th, 2024.

THIS ORDINANCE passed and adopted this 12th day of March 2024.

12. Q2 Update on the Status of the FY 2024 Strategic Operating Plan

Mr. Matthew McKirahan, Organizational Performance Director, reviewed and discussed a PowerPoint presentation outlining the FY 2024 Strategic Operating Plan Initiative Action Plan (IAP) and Opportunity for Improvement (OFI) updates.

Council and Staff discussed the process for updating the Pinehurst Development Ordinance and how to structure the Request for Quotes (RFQ) when seeking a consultant for the update.

Mr. Jeff Batton, Assistant Village Manager, provided information on the process to be followed for completing the OFI Address Residential Street Lighting Dissatisfaction and discussed options for applying policy with Council.

13. Consider the Resignation of Mr. Jeff Sanborn, Village Manager, Effective October 25, 2024

Upon a motion by Councilmember Morgan, seconded by Mayor Pizzella, Council unanimously accepted the resignation of Mr. Jeff Sanborn, Village Manager, effective October 25, 2024, by a vote of 5-0.

14. Other Business.

None.

15. Comments from Attendees.

Mr. Michael Schriber, 2 Troy Court, spoke in favor of the proposed new Library and asked that Council not delay a decision on the new Library any longer.

Mr. Bruce Geddes, 232 Bowman Road, asked Council to keep the preservation and conservation of land language in the FY 2025 SOP OFIs section.

Ms. Debbie Lalor spoke in favor of the Harness Track operations; and expressed concerns regarding parking enforcement, special event management, social district regulations, and insufficient communication with the Downtown businesses.

Mr. John Webster, 140 McKenzie Road W., asked Council to be advocates for the Village of Pinehurst in discussions with Moore County regarding the water and sewer supply.

16. Motion to Adjourn.

Upon a motion by Councilmember Taylor, seconded by Councilmember Ficklin, Council unanimously approved to adjourn the Regular Meeting by a vote of 5-0 at 06:46 p.m.

Respectfully Submitted,

Shannon Konstantinou
Village Clerk

A videotape of this meeting is located on the Village website: www.vopnc.org

Vision: The Village of Pinehurst is a charming, vibrant community, which reflects our rich history and traditions.

Mission: Promote, enhance, and sustain the quality of life for residents, businesses, and visitors.

Values: Service, Initiative, Teamwork, and Improvement



**Village Council
Minutes for the Work Session of March 12, 2024
Assembly Hall
395 Magnolia Road
Pinehurst, North Carolina
4:30 p.m.**

The Pinehurst Village Council held a Work Session Meeting at 06:57 p.m., Tuesday, March 12, 2024, in the Assembly Hall of Village Hall, 395 Magnolia Road, Pinehurst, North Carolina.

The following were in attendance in Assembly Hall:

Mr. Patrick Pizzella, Mayor
Mr. Jeff Morgan, Councilmember
Ms. Barb Ficklin, Councilmember
Mr. John Taylor, Mayor Pro Tem
Mr. Jack Farrell, Councilmember
Mr. Jeff Sanborn, Village Manager
Ms. Shannon Konstantinou, Village Clerk
Mr. Josh Dockery, IT Specialist

And approximately 1 attendee, including 5 staff and 1 press.

1. Call to Order.

Mayor Pizzella called the Village Council meeting to order at 06:57 p.m.

2. Discuss Possibility of Accepting Midland Country Club Roads.

Mr. Jeff Batton, Assistant Village Manager, and Mr. Mike Apke, Public Services Director, reviewed and discussed a Staff memo containing information on the Midland Country Club Roads and a map of the roads / area to be dedicated to the Village.

Council agreed to have Staff continue discussing the possibility of Midland Country Club dedicating the neighborhood's roads to the Village.

3. Review and Discuss Draft Regulatory and Advisory Roadway Signage Policy.

Mr. Mike Apke, Public Services Director, reviewed and discussed a Staff memo containing background information on the request for Council to consider a Regulatory and Advisory Roadway Signage Policy and a draft version of the Regulatory and Advisory Roadway Signage Policy.

Council agreed to have Staff present a Regulatory and Advisory Roadway Signage Policy for Council consideration and adoption at a future Council Regular Meeting.

4. Fund Balance Policy Discussion.

Ms. Dana Van Nostrand, Financial Services Director, reviewed and discussed a presentation on the Fund Balance Policy focusing on the Purposes of Fund Balance, Fund Balance Policy Factors to Consider, Village's Fund Balance Policy History, the three parts of the Village's Fund Balance Policy, Fund Balance

Definitions, Fund Balance Policy Minimums and Comparison, Risk-Based Reserves Approach, Fund Balance Reserves Components, and Observations.

Mr. Jeff Batton, Assistant Village Manager, provided background on how the 2007 – 2010 crisis in the real estate markets impacted the Village of Pinehurst's operations and financial health.

5. Discussion of the Village Manager Recruitment Process.

Ms. Angela Kantor, Human Resources Director, reviewed and discussed the process previously followed for the recruitment campaign of the Village Manager and the current recruitment options available to Council.

Council agreed to post the vacancy for the Village Manager position for 60 days beginning in April 2024.

Ms. Kantor further reviewed the application evaluation and candidate interview process to be followed emphasizing the confidentiality that must be maintained throughout the process.

Council agreed to make additional information on the Village Manager recruitment process available to the Public via the vopnc.org website as the process is finalized.

6. Other Business

Mayor Pro Tem Taylor asked that Council consider alternatives to the proposed new Library such as expanding the Library and Archives in the existing location by 4,000 square feet (total square footage to be approximately 12,000) or constructing a two-story building in the footprint of the existing Library and Archives (total square footage to be approximately 16,000). Council deliberated on Mayor Pro Tem Taylor's suggestions and agreed to have Councilmember Farrell contact the National Park Service regarding the feasibility of expansion in the current location and to have Mr. Willardson contact Oakley Collier regarding the additional cost of designs and renderings for expansion in the current location.

7. Adjournment.

Upon a motion by Councilmember Morgan, seconded by Councilmember Ficklin, Council unanimously approved to adjourn the Work Session at 09:36 p.m., by a vote of 5-0.

Respectfully Submitted,

Shannon Konstantinou
Village Clerk

A videotape of this meeting is located on the Village website: www.vopnc.org

Vision: The Village of Pinehurst is a charming, vibrant community, which reflects our rich history and traditions.

Mission: Promote, enhance, and sustain the quality of life for residents, businesses, and visitors.

Values: Service, Initiative, Teamwork, and Improvement



AUDIT CONTRACT FOR FISCAL YEAR 2024 AUDIT ADDITIONAL AGENDA DETAILS:

FROM:

Dana Van Nostrand

DATE OF MEMO:

3/14/2024

MEMO DETAILS:

Each year at this time we award the Village's audit contract to an independent auditor in accordance with North Carolina General Statutes. Based upon the professional service we have received from our current auditors, I recommend the Village continue its relationship with the firm FORVIS, LLP.

The proposed fee for this year's audit, inclusive of the State Single Audit of the Powell Bill funding, is \$47,250, an increase of \$6,250, or 15%, over the prior year fee. This includes additional hours for the new SMPO Special Revenue Fund. If the actual hours spent are less than the estimated fee, the Village will be billed for the actual hours.

In addition to the audit fee, the contract includes a 5% technology and administrative fee of \$2,363 and estimated out-of-pocket expenses of \$2,885. These fees are comparable to last year's audit, with the goal of reducing the time the audit team spends on site so minimize the out-of-pocket travel expenses.

The total estimated fee is \$52,500 and the contract specifies it will not exceed this amount.

If there is an additional major federal or state program that is subject to the Single Audit, the Village will pay an additional fee of \$4,200 per major program in excess of the one (Powell Bill) which we know must be audited.

There are no new GASB standards being adopted in FY 2024 that would require additional fees for implementation.

Funding for this audit contract will be appropriated in the FY 2025 Budget.

As the Village's financial staff is able to complete financial statement preparation, new GASB standard adoption, and all required audit schedules in-house, we are able to maintain the audit fee at what I consider to be a reasonable amount. The Local Government Commission requires the Council to approve the LGC audit contract form, regardless of the amount of the contract. Therefore, I recommend the Village Council approve the attached audit contract with FORVIS, LLP not to exceed \$52,500 for the financial statement audit, State Single Audit (one program), and applicable fees and out-of-pocket expenses.

Please let me know if you have any questions.

ATTACHMENTS:

Description

- ☐ FY 2024 Audit Contract (LGC Form)
- ☐ FY 2024 Audit Engagement Letter

| | |
|-----|--|
| The | Governing Board Village Council |
| of | Primary Government Unit Village of Pinehurst |
| and | Discretely Presented Component Unit (DPCU) (if applicable) |

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

| | |
|-----|---|
| and | Auditor Name FORVIS, LLP |
| | Auditor Address 1829 Eastchester Drive, High Point, North Carolina |

Hereinafter referred to as Auditor

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

Must be within four months of FYE

hereby agree as follows:

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

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

Effective for audits of fiscal years beginning on or after June 30, 2023, the LGC will allow auditors to consider whether a unit qualifies as a State low-risk auditee based upon federal criteria in the Uniform Guidance §200.520(a), and (b) through (e) as it applies to State awards. In addition to the federal criteria in the Uniform Guidance, audits must have been submitted timely to the LGC. If in the reporting year, or in either of the two previous years, the unit reported a Financial Performance Indicator of Concern that the audit was late, then

the report was not submitted timely for State low-risk auditee status. Please refer to "Discussion of Single Audits in North Carolina" on the LGC's website for more information.

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

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

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

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

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

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

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

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

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.
9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings [G.S. 159-34 and 115C-447]. All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.
10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).
11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.
12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.
13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FEES FOR AUDIT SERVICES

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

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

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

Name:

Title and Unit / Company:

Email Address:

Dana Van Nostrand

Financial Services Director / Village of Pinchurst

dvannostrand@vopnc.org

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

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

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


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

| | |
|--|----------------------|
| Primary Government Unit | Village of Pinchurst |
| Audit Fee (financial and compliance if applicable) | \$ 52,500 |
| Fee per Major Program (if not included above) | \$ |
| Additional Fees Not Included Above (if applicable): | |
| Financial Statement Preparation (incl. notes and RSI) | \$ |
| All Other Non-Attest Services | \$ |
| TOTAL AMOUNT NOT TO EXCEED | \$ 52,500 |

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

SIGNATURE PAGE

AUDIT FIRM

| | |
|--|---|
| Audit Firm* FORVIS, LLP | |
| Authorized Firm Representative (typed or printed)* Brandon Flinchum | Signature*  |
| Date* 03/14/24 | Email Address* brandon.flinchum@forvis.com |

GOVERNMENTAL UNIT

| | |
|---|---------------------------------------|
| Governmental Unit* Village of Pinehurst | |
| Date Governing Board Approved Audit Contract* (Enter date in box to right) | |
| Mayor/Chairperson (typed or printed)* Patrick Pizzella | Signature* |
| Date | Email Address* ppizzella@vopnc.org |

| | |
|--|---------------|
| Chair of Audit Committee (typed or printed, or "NA") NA | Signature |
| Date | Email Address |

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

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

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

| | |
|--|--|
| Sum Obligated by This Transaction: | \$ 52,500 |
| Primary Governmental Unit Finance Officer* (typed or printed) Dana Van Nostrand | Signature* |
| Date of Pre-Audit Certificate* | Email Address* dvannostrand@vopnc.org |

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

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

| | |
|--|---------------|
| Chair of Audit Committee (typed or printed, or "NA") | Signature |
| Date | Email Address |

DPCU – PRE-AUDIT CERTIFICATE

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

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

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

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

PRINT



1829 Eastchester Drive / High Point, NC 27265

D 336.889.5156 / F 336.889.6168

forvis.com

March 14, 2024

Village Council
Village of Pinehurst
395 Magnolia Road
Pinehurst, North Carolina 28374

We appreciate your selection of **FORVIS, LLP** as your service provider and are pleased to confirm the arrangements of our engagement in this contract. Within the requirements of our professional standards and any duties owed to the public, regulatory, or other authorities, our goal is to provide you an **Unmatched Client Experience**.

In addition to the terms set forth in this contract, including the detailed **Scope of Services**, our engagement is governed by the following, incorporated fully by this reference:

- Terms and Conditions Addendum

Summary Scope of Services

As described in the attached **Scope of Services**, our services will include the following:

Village of Pinehurst

- Audit Services for the year ended June 30, 2024

You agree to assume full responsibility for the substantive outcomes of the contracted services and for any other services we may provide, including any findings that may result.

You also acknowledge these services are adequate for your purposes, and you will establish and monitor the performance of these services to ensure they meet management's objectives. All decisions involving management responsibilities related to these services will be made by you, and you accept full responsibility for such decisions.

We understand you have designated a management-level individual(s) to be responsible and accountable for overseeing the performance of nonattest services, and you have determined this individual is qualified to conduct such oversight.

Engagement Fees

Our fees will be based on time, skill, and resources, including our proprietary information required to complete the services. The fee for our services is estimated as follows:

- \$43,050 for the audit of the financial statements
- \$4,200 for the audit of 1 state major program
- \$2,365 for certain technology and administrative costs associated with our services
- \$2,885 for travel and other out-of-pocket costs

We have agreed that should time expended exceed our estimates, the maximum fee will not exceed \$52,500.

Our pricing for this engagement and our fee structure are based upon the expectation that our invoices will be paid promptly. Payment of our invoices is due upon receipt. We will issue progress billings during the course of our engagement.

Our timely completion of services and the fees thereon depends on the assistance you provide us in accumulating information and responding to our inquiries. Inaccuracies or delays in providing this information or the responses may result in additional billings, untimely filings, or inability to meet other deadlines.

Our fees do not contemplate the following transactions or activities during the period of this engagement:

- Change in accounting principles
- Substantial doubt about the entity's ability to continue as a going concern
- Violation of covenants in debt arrangements
- Indications of fraudulent financial reporting or misappropriation of assets
- Derivatives accounted for under hedge accounting
- Quantitative impairment analysis of long-lived assets
- More than 1 major state awards program

If there are changes in circumstances where these or other conditions become known and significant additional time is necessary or additional services are requested, we reserve the right to revise our fees.

Contract Agreement

Please sign and return this contract to indicate your acknowledgment of, and agreement with, the arrangements for our services including our respective responsibilities.

FORVIS, LLP

FORVIS, LLP

Acknowledged and agreed to as it relates to the entire contract, including the **Scope of Services** and **Terms and Conditions Addendum**, on behalf of Village of Pinehurst.

BY: _____
Patrick Pizzella, Mayor

DATE: _____

BY: _____
Dana Van Nostrand, Financial Services Director

DATE: _____

Scope of Services – Audit Services

We will audit the governmental activities, each major fund, and the aggregate remaining fund information and related disclosures, which collectively comprise the basic financial statements for the following entity:

Village of Pinehurst as of and for the year ended June 30, 2024

- Statement of net position and related statements of revenues, expenses and changes in net position

The audit has the following broad objectives:

- Obtaining reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- Expressing an opinion on the financial statements
- Issuing a report on your internal control over financial reporting and compliance and other matters based on the audit of your financial statements in accordance with Government Auditing Standards
- Expressing an opinion on your compliance with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina and the State Single Audit Implementation Act that could have a direct and material effect to each of your major state award program(s)
- Issuing a report on your internal control over compliance in accordance with the Audit Manual for Governmental Auditors in North Carolina and the State Single Audit Implementation Act
- Issuing a report on your schedule of expenditures of federal and state awards

You have informed us that the audited financial statements are expected to be presented along with management's annual report. Management is responsible for the other information included in the annual report. The other information comprises the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements will not cover the other information, and we will not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

We will also express an opinion on whether the required supplementary information ("supplementary information") is fairly stated, in all material respects, in relation to the financial statements as a whole.

We will also provide you with the following nonattest services:

- Assisting with advising management on appropriate accounting principles and their application as well as limited assistance with the preparation of the financial statements and SEFSA
- Uploading data input worksheet and financial statements to the North Carolina state website

You agree to assume all management responsibilities and to oversee the nonattest services we will provide by designating an individual possessing suitable skill, knowledge and/or experience. You acknowledge that nonattest services are not covered under *Government Auditing Standards*. You are responsible for:

- Making all management decisions and performing all management functions
- Evaluating the adequacy and results of the services performed
- Accepting responsibility for the results of such services
- Designing, implementing, and maintaining internal controls, including monitoring ongoing activities

Brandon Flinchum is responsible for supervising the engagement and authorizing the signing of the report or reports. We plan to begin our audit work in May 2024.

We will issue a written report upon completion of our audit, addressed to the following parties:

Entity Name

Party Name

Village of Pinehurst

Village Council

You are responsible to distribute our reports to other officials who have legal oversight authority or those responsible for acting on audit findings and recommendations, and to others authorized to receive such reports.

The following apply for the audit services described above:

Our Responsibilities

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the Uniform Guidance. Those standards require that we plan and perform:

- The audit of the financial statements to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether caused by fraud or error
- The audit of compliance to obtain reasonable rather than absolute assurance about whether the entity complied with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina and the State Single Audit Implementation Act that could have a direct and material effect on a major state award program

We will exercise professional judgment and maintain professional skepticism throughout the audit.

We will identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We will obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We will also conclude, based on audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

We will identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the entity's compliance with compliance requirements subject to audit and performing such other procedures as the auditor considers necessary in the circumstances

We will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that the auditor identified during the audit.

Limitations & Fraud

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit that is planned and conducted in accordance with GAAS will always detect a material misstatement when it exists or material noncompliance with state award programs when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based the financial statements. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the state programs as a whole.

Our understanding of internal control is not for the purpose of expressing an opinion on the effectiveness of your internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit.

We are available to perform additional procedures with regard to fraud detection and prevention at your request, subject to completion of our normal engagement acceptance procedures. The actual terms and fees of such an engagement would be documented in a separate contract to be signed by you and FORVIS.

Opinion

Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add an emphasis-of-matter paragraph or other-matter paragraph(s) to our auditor's report, or if necessary, decline to express an opinion or withdraw from the engagement.

If we discover conditions that may prohibit us from issuing a standard report, we will notify you. In such circumstances, further arrangements may be necessary to continue our engagement.

Your Responsibilities

Management and, if applicable, those charged with governance acknowledge and understand their responsibility for the accuracy and completeness of all

information provided and for the following:

- **Audit Support** – to provide us with:
 - Unrestricted access to persons within the entity or within components of the entity (including management, those charged with governance and component auditors) from whom we determine it necessary to obtain audit evidence
 - Information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including access to information relevant to disclosures
 - Information about events occurring or facts discovered subsequent to the date of the financial statements, of which management may become aware, that may affect the financial statements
 - Information about any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials
 - Identification and provision of report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented
 - Additional information that we may request for the purpose of the audit
- **Internal Control and Compliance** – for the:
 - Design, implementation, and maintenance of internal control relevant to compliance with laws and regulations and the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - Alignment of internal control to ensure that appropriate goals and objectives are met; that management and financial information is reliable and properly reported; and that compliance with and identification of the laws, regulations, contracts, grants, or agreements (including any state award programs) applicable to the entity's activities is achieved
 - Remedy, through timely and appropriate steps, of fraud and noncompliance with provisions of laws, regulations, contracts or other agreements reported by the auditor
 - Establishment and maintenance of processes to track the status and address findings and recommendations of auditors
- **Accounting and Reporting** – for the:
 - Maintenance of adequate records, selection and application of accounting principles, and the safeguard of assets
 - Adjustment of the financial statements to correct material misstatements and confirmation to us in the representation letter that the effects of any uncorrected misstatements aggregated by us are immaterial, both individually and in the aggregate, to the financial statements taken as a whole
 - Preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America
 - Inclusion of the auditor's report in any document containing financial statements that indicates that such financial statements have been audited by us
 - Distribution of audit reports to any necessary parties

The results of our tests of compliance and internal control over financial reporting performed in connection with our audit of the financial statements may not fully meet the reasonable needs of report users. Management is responsible for obtaining audits, examinations, agreed-upon procedures, or other engagements that satisfy relevant legal, regulatory, or contractual requirements or fully meet other reasonable user needs.

**Required
Supplementary
Information**

Accounting principles generally accepted in the United States of America provide for certain required supplementary information ("RSI") to accompany the basic financial statements. We understand the following RSI will accompany the basic financial statements:

1. Management's Discussion and Analysis ("MD&A")
2. Budgetary comparison
3. Pension information

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Management is responsible for the fair presentation of the RSI. As part of our engagement, we will apply certain limited procedures to the RSI in GAAS. These limited procedures will consist of inquiries of management regarding 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 will 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
Information**

With regard to any supplementary information that we are engaged to report on:

- Management is responsible for its preparation in accordance with applicable criteria
- Management will provide certain written representations regarding the supplementary information at the conclusion of our engagement
- Management will include our report on this supplementary information in any document that contains this supplementary information and indicates we have reported on the supplementary information
- Management will make the supplementary information readily available to intended users if it is not presented with the audited financial statements

Such information is:

- Presented for the purpose of additional analysis of the financial statements
- Not a required part of the financial statements
- The responsibility of management
- Subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS

**Written Confirmations
Required**

As part of our audit process, we will request from management, and if applicable, those charged with governance written confirmation acknowledging certain responsibilities outlined in this contract and confirming:

- The availability of this information
- Certain representations made during the audit for all periods presented
- The effects of any uncorrected misstatements, if any, resulting from errors or fraud aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole

Peer Review Report

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract, upon request. If you would like a copy, please request from your engagement executive.

FORVIS, LLP Standard Terms & Conditions Addendum

GENERAL

1. **Overview.** This addendum describes **FORVIS, LLP's** standard terms and conditions ("Terms and Conditions") applicable to Our provision of services to the Client ("You"). The Terms and Conditions are a part of the contract between You and FORVIS, LLP. For the purposes of the Terms and Conditions, any reference to "Firm," "We," "Us," or "Our" is a reference to FORVIS, LLP ("FORVIS"), and any reference to "You" or "Your" is a reference to the party or parties that have engaged Us to provide services and the party or parties ultimately responsible for payment of Our fees and costs.

BILLING, PAYMENT, & TERMINATION

2. **Billing and Payment Terms.** We will bill You for Our professional fees and costs as outlined in Our contract. Unless otherwise provided in Our contract, payment is due upon receipt of Our billing statement. Interest will be charged on any unpaid balance after 30 days at the rate of 10 percent per annum, or as allowed by law at the earliest date thereafter, and highest applicable rate if less than 10 percent. All fees, charges and other amounts payable to FORVIS hereunder do not include any sales, use, excise, value added or other applicable taxes, tariffs or duties, payment of which shall be Your sole responsibility, and do not include any applicable taxes based on FORVIS' net income or taxes arising from the employment or independent contractor relationship between FORVIS and FORVIS' personnel.

We reserve the right to suspend or terminate Our work for this engagement or any other engagement for nonpayment of fees. If Our work is suspended or terminated, You agree that We will not be responsible for Your failure to meet governmental and other deadlines, for any penalties or interest that may be assessed against You resulting from Your failure to meet such deadlines, and for any other damages (including but not limited to consequential, indirect, lost profits, or punitive damages) incurred as a result of the suspension or termination of Our services.

Our fees may increase if Our duties or responsibilities are increased by rulemaking of any regulatory body or any additional new accounting or auditing standards. Our engagement fees do not include any time for post-engagement consultation with Your personnel or third parties, consent letters and related procedures for the use of Our reports in offering documents, inquiries from regulators, or testimony or deposition regarding any subpoena. Charges for such services will be billed separately.

3. **Billing Records.** If these services are determined to be within the scope and authority of Section 1861(v)(1)(I) of the Social Security Act, We agree to make available to the Secretary of Health and Human Services, or to the U.S. Comptroller General, or any of their duly authorized representatives, such of Our books, documents, and records that are necessary to certify the nature and extent of Our services, until the expiration of four (4) years after the furnishing of these services. This contract allows access to contracts of a similar nature between subcontractors and related organizations of the subcontractor, and to their books, documents, and records.

4. **Termination.** Either party may terminate these services in good faith at any time for any reason, including Your failure to comply with the terms of Our contract or as We determine professional standards require. Both parties must agree, in writing, to any future modifications or extensions. If services are terminated, You agree to pay FORVIS for time expended to date. In addition, You will be billed costs and fees for services from other professionals, if any, as well as an administrative fee of five (5) percent to cover certain technology and administrative costs associated with our services. Unless terminated sooner in accordance with its terms, this engagement shall terminate upon the completion of FORVIS' services hereunder.

DISPUTES & DISCLAIMERS

5. **Mediation.** Any dispute arising out of or related to this engagement will, prior to resorting to litigation, be submitted for nonbinding mediation upon written request by either party. Both parties agree to try in good faith to settle the dispute in mediation. The mediator will be selected by agreement of the parties. The mediation proceeding shall be confidential. Each party will bear its own costs in the mediation, but the fees and expenses of the mediator will be shared equally.
6. **Indemnification.** Unless disallowed by law or applicable professional standards, You agree to hold FORVIS harmless from any and all claims which arise from knowing misrepresentations to FORVIS, or the intentional withholding or concealment of information from FORVIS by Your management or any partner, principal, shareholder, officer, director, member, employee, agent, or assign of Yours. You also agree to indemnify FORVIS for any claims made against FORVIS by third parties, which arise from any wrongful actions of Your management or any partner, principal, shareholder, officer, director, member, employee, agent, or assign of Yours. The provisions of this paragraph shall apply regardless of the nature of the claim.
7. **Statute of Limitations.** You agree that any claim or legal action arising out of or related to this contract and the services provided hereunder shall be commenced no more than one (1) year from the date of delivery of the work product to You or the termination of the services described herein (whichever is earlier), regardless of any statute of limitations prescribing a longer period of time for commencing such a claim under law. This time limitation shall apply regardless of whether FORVIS performs other or subsequent services for You. A claim is understood to be a demand for money or services, demand for mediation, or the service of suit based on a breach of this contract or the acts or omissions of FORVIS in performing the services provided herein. This provision shall not apply if enforcement is disallowed by applicable law or professional standards.
8. **Limitation of Liability.** You agree that FORVIS' liability, if any, arising out of or related to this contract and the services provided hereunder, shall be limited to the amount of the fees paid by You for services rendered under this contract. This limitation shall not apply to the extent it is finally, judicially determined that the liability resulted from the intentional or

willful misconduct of FORVIS or if enforcement of this provision is disallowed by applicable law or professional standards.

9. **Waiver of Certain Damages.** In no event shall FORVIS be liable to You or a third party for any indirect, special, consequential, punitive, or exemplary damages, including but not limited to lost profits, loss of revenue, interruption, loss of use, damage to goodwill or reputation, regardless of whether You were advised of the possibility of such damages, regardless of whether such damages were reasonably foreseeable, and regardless of whether such damages arise under a theory of contract, tort, strict liability, or otherwise.
10. **Choice of Law.** You acknowledge and agree that any dispute arising out of or related to this contract shall be governed by the laws of the State of Texas, without regard to its conflict-of-laws principles.
11. **WAIVER OF JURY TRIAL. THE PARTIES HEREBY AGREE NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVE ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS AGREEMENT, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY THE PARTIES, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE.**
12. **Severability.** In the event that any term or provision of this agreement shall be held to be invalid, void or unenforceable, then the remainder of this agreement shall not be affected, and each such term and provision of this agreement shall be valid and enforceable to the fullest extent permitted by law.
13. **Assignment.** You acknowledge and agree that the terms and conditions of this contract shall be binding upon and inure to the parties' successors and assigns, subject to applicable laws and regulations.
14. **Disclaimer of Legal or Investment Advice.** Our services do not constitute legal or investment advice. You should seek the advice of legal counsel in such matters. Regulatory authorities may interpret circumstances differently than We do. In addition, the applicable laws, regulations, and regulators' enforcement activities may change over time.

RECORDS, WORKPAPERS, DELIVERABLES, & PROPRIETARY INFORMATION

15. **Maintenance of Records.** You agree to assume full responsibility for maintaining Your original data and records and that FORVIS has no responsibility to maintain this information. You agree You will not rely on FORVIS to provide hosting, electronic security, or backup services, e.g., business continuity or disaster recovery services, to You unless separately engaged to do so. You understand that Your access to data, records, and information from FORVIS' servers, i.e., FORVIS portals used to exchange information, can be terminated at any time and You will not rely on using this to host Your data and records.
16. **FORVIS Workpapers.** Our workpapers and documentation

retained in any form of media for this engagement are the property of FORVIS. We can be compelled to provide information under legal process. In addition, We may be requested by regulatory or enforcement bodies (including any State Board) to make certain workpapers available to them pursuant to authority granted by law or regulation. Unless We are prohibited from doing so by law or regulation, FORVIS will inform You of any such legal process or request. You agree We have no legal responsibility to You in the event We determine We are obligated to provide such documents or information.

17. **Subpoenas or Other Legal Process.** In the event FORVIS is required to respond to any such subpoena, court order or any government regulatory inquiry or other legal process relating to You or Your management for the production of documents and/or testimony relative to information We obtained or prepared incident to this or any other engagement in a matter in which FORVIS is not a party, You shall compensate FORVIS for all time We expend in connection with such response at normal and customary hourly rates, and to reimburse Us for all out of pocket expenses incurred in regard to such response.
18. **Use of Deliverables and Drafts.** You agree You will not modify any deliverables or drafts prepared by Us for internal use or for distribution to third parties. You also understand that We may on occasion send You documents marked as draft and understand that those are for Your review purpose only, should not be distributed in any way, and should be destroyed as soon as possible.

Our report on any financial statements must be associated only with the financial statements that were the subject of Our engagement. You may make copies of Our report, but only if the entire financial statements (exactly as attached to Our report, including related footnotes) and any supplementary information, as appropriate, are reproduced and distributed with Our report. You agree not to reproduce or associate Our report with any other financial statements, or portions thereof, that are not the subject of Our engagement.

19. **Proprietary Information.** You acknowledge that proprietary information, documents, materials, management techniques, and other intellectual property are a material source of the services We perform and were developed prior to Our association with You. Any new forms, software, documents, or intellectual property We develop during this engagement for Your use shall belong to Us, and You shall have the limited right to use them solely within Your business. All reports, templates, manuals, forms, checklists, questionnaires, letters, agreements, and other documents which We make available to You are confidential and proprietary to Us. Neither You, nor any of Your agents, will copy, electronically store, reproduce, or make any such documents available to anyone other than Your personnel. This provision will apply to all materials whether in digital, "hard copy" format, or other medium.

REGULATORY

20. **U.S. Securities and Exchange Commission ("SEC") and other Regulatory Bodies.** Where We are providing services either for (a) an entity that is registered with the SEC, (b) an affiliate of such registrant, or (c) an entity or affiliate that is subject to rules, regulations, or standards beyond those of the American Institute of Certified Public Accountants ("AICPA"), any term of this contract that would be prohibited by or impair

Our independence under applicable law or regulation shall not apply to the extent necessary only to avoid such prohibition or impairment.

21. **Offering Document.** You may wish to include Our report(s) on financial statements in an exempt offering document. You agree that any report, including any auditor's report, or reference to Our firm, will not be included in any such offering document without notifying Us. Any agreement to perform work in connection with an exempt offering document, including providing agreement for the use of the auditor's report in the exempt offering document, will be a separate engagement.

Any exempt offering document issued by You with which We are not involved will clearly indicate that We are not involved by including a disclosure such as, "FORVIS, LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. FORVIS, LLP also has not performed any procedures relating to this offering document."

22. **FORVIS Not a Municipal Advisor.** FORVIS is not acting as Your municipal advisor under Section 15B of the *Securities Exchange Act of 1934*, as amended. As such, FORVIS is not recommending any action to You and does not owe You a fiduciary duty with respect to any information or communications regarding municipal financial products or the issuance of municipal securities. You should discuss such matters with internal or external advisors and experts You deem appropriate before acting on any such information or material provided by FORVIS.
23. **FORVIS NOT A Fiduciary.** In providing Our attest services, We are required by law and our professional standards to maintain our independence from You. We take this mandate very seriously and thus guard against impermissible relationships which may impair the very independence which You and the users of our report require. As such, You should not place upon us special confidence that in the performance of Our attest services We will act solely in Your interest. Therefore, You acknowledge and agree we are not in a fiduciary relationship with You and We have no fiduciary responsibilities to You in the performance of Our services described herein.

TECHNOLOGY

24. **Electronic Sites.** You agree to notify Us if You desire to place Our report(s), including any reports on Your financial statements, along with other information, such as a report by management or those charged with governance on operations, financial summaries or highlights, financial ratios, etc., on an electronic site. You recognize that We have no responsibility to review information contained in electronic sites.
25. **Electronic Signatures and Counterparts.** This contract and other documents to be delivered pursuant to this contract may be executed in one or more counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same agreement or document, and will be effective when counterparts have been signed by each of the parties and delivered to the other parties. Each party agrees that the electronic signatures, whether digital or encrypted, of the

parties included in this contract are intended to authenticate this writing and to have the same force and effect as manual signatures. Delivery of a copy of this contract or any other document contemplated hereby, bearing an original manual or electronic signature by facsimile transmission (including a facsimile delivered via the internet), by electronic mail in "portable document format" (".pdf") or similar format intended to preserve the original graphic and pictorial appearance of a document, or through the use of electronic signature software, will have the same effect as physical delivery of the paper document bearing an original signature.

26. **Electronic Data Communication and Storage.** In the interest of facilitating Our services to You, We may send data over the internet, temporarily store electronic data via computer software applications hosted remotely on the internet, or utilize cloud-based storage. Your confidential electronic data may be transmitted or stored using these methods. In using these data communication and storage methods, We employ measures designed to maintain data security. We use reasonable efforts to keep such communications and electronic data secure in accordance with Our obligations under applicable laws, regulations, and professional standards.

You recognize and accept that We have no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by Us. You consent to Our use of these electronic devices and applications during this engagement.

OTHER MATTERS

27. **Cooperation.** You agree to cooperate with FORVIS in the performance of FORVIS' services to the You, including the provision to FORVIS of reasonable facilities and timely access to Yours data, information and personnel. You shall be responsible for the performance of Your employees and agents.
28. **Third-Party Service Providers.** FORVIS may from time to time utilize third-party service providers, including but not limited to domestic software processors or legal counsel, or disclose confidential information about You to third-party service providers in serving Your account. FORVIS maintains, however, internal policies, procedures, and safeguards to protect the confidentiality and security of Your information. In addition, FORVIS will secure confidentiality agreements with all service providers to maintain the confidentiality of Your information. If We are unable to secure an appropriate confidentiality agreement, You will be asked to consent prior to FORVIS sharing Your confidential information with the third-party service provider.
29. **Independent Contractor.** When providing services to You, We will be functioning as an independent contractor; and in no event will We or any of Our employees be an officer of You, nor will Our relationship be that of joint venturers, partners, employer and employee, principal and agent, or any similar relationship giving rise to a fiduciary duty to You. Decisions regarding management of Your business remain the responsibility of Your personnel at all times. Neither You nor FORVIS shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other.

30. **Hiring of FORVIS Personnel.** We ask that You respect the employment relationship that Our personnel have with Our firm and to refrain from any employment offers to FORVIS personnel. However, if You find it necessary to make an offer of employment and if it is accepted, during the term of this engagement and for a period of 18 months after FORVIS stops providing services, You agree that We will be paid a one-time employment fee equal to 100 percent of the employee's highest annual salary. This fee will be payable prior to Our personnel commencing employment with You. Provided, however, You shall not be in violation of the nonsolicitation covenant set forth herein with respect to any position You advertise in the form of a general solicitation not delivered to or focused upon any single individual.
31. **Use of FORVIS Name.** Any time You intend to reference FORVIS' firm name in any manner in any published materials, including on an electronic site, You agree to provide Us with draft materials for review and approval before publishing or posting such information.
32. **Praxity.** FORVIS is an independent accounting firm allowed to use the name "Praxity" in relation to its practice. FORVIS is not connected, however, by ownership with any other firm using the name "Praxity." FORVIS will be solely responsible for all work carried out on Your behalf. In deciding to engage FORVIS, You acknowledge that We have not represented to You that any other firm using the name "Praxity" will in any way be responsible for Our work.
33. **Entire Agreement.** The contract, including this Terms and Conditions Addendum and any other attachments or addenda, encompasses the entire agreement between You and FORVIS and supersedes all previous understandings and agreements between the parties, whether oral or written. Any modification to the terms of this contract must be made in writing and signed by both You and FORVIS.
34. **Force Majeure.** We shall not be held responsible for any failure to fulfill Our obligations if such failure was caused by circumstances beyond Our control, including, without limitation, fire or other casualty, act of God, act of terrorism, strike or labor dispute, war or other violence, explosion, flood or other natural catastrophe, epidemic or pandemic, or any law, order or requirement of any governmental agency or authority affecting either party, including without limitation orders incident to any such epidemic or pandemic, lockdown orders, stay at home orders and curfews.



DISCUSS VILLAGE MANAGER RECRUITMENT TIMELINE AND PROCESS

ADDITIONAL AGENDA DETAILS:

FROM:

Angela Kantor

CC:

Jeff Sanborn

DATE OF MEMO:

3/20/2024

MEMO DETAILS:

As discussed in the previous meeting, the Village Manager will be leaving on October 25, 2024. The recruitment process for this position can take 6 months or longer. Since the decision is to handle the process in-house, there is a recommended timeline attached for review and discussion.

ATTACHMENTS:

Description

▣ Village Manager Recruitment Timeline



Village Manager Recruitment 2024

Timeline

| Tentative Timelines and Deadlines | Activity |
|-----------------------------------|--|
| April 2024 – May 31, 2024 | Post the position. |
| June 1, 2024 – June 14, 2024 | Review applications & select the most qualified candidates to participate in the next step (Supplemental Questions). This discussion would occur in closed session. |
| June 30, 2024 | Candidates submit responses to supplemental questions. |
| July 1, 2024 – July 8, 2024 | Review responses to supplemental questions & select the most qualified candidates to participate in an interview. This discussion would occur in closed session. |
| July 22, 2024 – August 2024 | Interview candidates. |
| Week of September 2, 2024 | In closed session , discuss candidates & select the final candidate. |
| September 2024 – October 2024 | Extend the offer and complete the background check. Vote on candidate in open session . |
| November 2024 – December 2024 | New Village Manager starts. |



Suggest calling Special Meetings for the closed sessions, if needed, to avoid delays.