

**MINUTES OF THE REGULAR MEETING OF THE LAKE LURE TOWN COUNCIL HELD  
TUESDAY, JUNE 13, 2023, 5:00 P.M. AT THE LAKE LURE MUNICIPAL CENTER**

**PRESENT:** Mayor Carol C. Pritchett  
Mayor Pro Tem David DiOrio  
Commissioner Scott Doster  
Commissioner Patrick Bryant

William Morgan, Jr., Town Attorney  
William Hank Perkins, Jr., Town Manager  
Stephen Ford, Finance Director  
Michael Dydula, Project Manager  
Michael Williams, Community Development Director  
Laura Krejci, Communications Director

**ABSENT:** Commissioner Jim Proctor

**I. CALL TO ORDER**

Mayor Carol C. Pritchett called the meeting to order at 5:00 p.m. Commissioner Bryant led invocation and Council members led the pledge of allegiance.

**II. APPROVE THE AGENDA**

Commissioner Doster added New Business D to Discuss Town Property.

Commissioner Bryant made a motion to approve the agenda, as amended. Commissioner Doster seconded and the motion carried 4-0.

**III. MAYOR'S COMMUNICATIONS**

Mayor Pritchett thanked all individuals in attendance.

**IV. TOWN MANAGER COMMUNICATIONS**

Town Manager Hank Perkins summarized highlights from his Manager's Report for May (available in the meeting packet).

## **V. COUNCIL LIAISON REPORTS & COMMENTS**

Commissioner Scott Doster reported the activities of the ABC Board and the Zoning and Planning Board.

Commissioner David DiOrio reported the activities of the Board of Adjustment / Lake Structure Appeals Board and the Lake Advisory Board.

Commissioner Patrick Bryant noted Commissioner Proctor was not able to attend tonight's meeting, but that the activities of the Parks and Recreation Board are listed in the Manager's report.

## **VI. PUBLIC COMMENT**

Mayor Carol C. Pritchett invited the audience to speak.

Debi Warren, 138 Yacht Island Drive, noted that that she is the board chair for the Olympiad and announced that the Lured of the Lake Swim event was hosted this week and there were 103 visitors. Ms. Warren thanked Town staff and Beach staff for their help with the event. Ms. Warren mentioned that the Olympiad is partnering with Old Rock Café this Saturday and part of Old Rock's proceeds will go towards the Olympiad. Ms. Warren stated that the Olympiad will hold a three day event in August.

There were no further comments from the public.

## **VII. CONSENT AGENDA**

Mayor Carol C. Pritchett presented the Consent Agenda items and asked if any items should be removed before calling for action.

Commissioner Bryant made a motion to approve the Consent Agenda, as presented. Commissioner DiOrio seconded. Therefore, the Consent Agenda incorporating the following items was unanimously approved and adopted:

- A. Approval of the May 9, 2023 Regular Town Council Meeting Minutes, the May 10, 2023 Special Meeting Minutes, the May 17, 2023 Special Meeting Minutes, the May 24, 2023 Regular Town Council Work Session Meeting Minutes, the May 24, 2023 Special Meeting Minutes, and the June 5, 2023 Special Meeting Minutes
- B. Resolution No. 23-06-13 Adopting New Procurement Policy
- C. Resolution No. 23-06-13A Adopting Credit Card Policy

- D. Approval of Amendments to the Rutherford County Tourism Development Authority (TDA) Lease
- E. Approval of Waivers and Suspensions Requests for the Cycle NC Event Scheduled for August 4, 2023 to August 6, 2023

**RESOLUTION NO. 23-06-13**

**RESOLUTION BY THE TOWN COUNCIL OF THE TOWN OF LAKE LURE ADOPTING NEW PROCUREMENT POLICY**

WHEREAS, the Town of Lake Lure adopted a procurement policy in 2018 which proved to be impractical; and

WHEREAS, the Town should adhere to a procurement policy that is practical, comprehensive to both purchase and contracting, and up to date with all available resource guidance; and

WHEREAS, the Town of Lake Lure has drafted a procurement policy that establishes viable bidding and purchasing guidelines, follows state law, and fits the principles of the Town.

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF LAKE LURE, NORTH CAROLINA:**

**SECTION ONE.** The Town of Lake Lure Town Council hereby voids the 2018 procurement policy and adopts a new procurement policy, as follows:

**1.0 Policy Purpose**

This policy is intended to be a guide to all Town of Lake Lure Government employees responsible for obtaining apparatus, supplies, materials, equipment, and services. The intent is to design policies and procedures that will serve the Town's needs, provide for effective, efficient and economical buying processes, and follow the legal guidelines set forth in the North Carolina General Statutes.

**2.0 Roles & Responsibilities**

The procurement roles and responsibilities of Town of Lake Lure Government can largely be assigned to the following:

**a. Town of Lake Lure Finance Department**

The Town's Finance Department is responsible for:

- Policy development, revision, implementation, and monitoring;
- Administration of centralized procurement programs and processes;
- Development and provision of any required procurement-related training to employees;
- Assisting all employees with procurement needs.

**b. All Town Departments**

Department Directors and their designees, and all staff with procurement-related roles are responsible for the following:

- Conducting all purchasing activities in accordance with the applicable North Carolina General Statutes, Town policies and procedures, ordinances, Federal rules and regulations, and in pursuit of the best interests of Town of Lake Lure;
- Developing and maintaining good public, supplier, and internal relationships;
- Ensuring fair and open competition by ethical means;
- Extending honest, courteous, and impartial treatment to all interested suppliers;
- Respecting public trust and not abusing the procurement process for personal advantage or gain.

**c. Standards of Conduct**

**i. Gifts and Favors from Suppliers**

North Carolina General Statute § 133-32 addresses the legal implications of governmental employees accepting gifts and favors from suppliers. Briefly summarized, this statute states it is unlawful for any supplier who has a current contract with a governmental agency, has performed under such a contract within the past year, or anticipates bidding on such a contract in the future to give gifts or favors to any employee of a governmental agency who is charged with preparing plans, specifications, or estimates for public contracts, awarding or administering such contracts, or inspecting or supervising construction. It is also unlawful for a governmental employee to willfully receive or accept such gifts or favors.

**ii. Supplier Relations**

Should a department have trouble with a supplier, concerns should be documented in an email to the Procurement Division. Correspondence should be as specific as possible, detailing the circumstances, dates, personnel involved (including titles), and phone numbers. This information will be helpful in determining if the supplier will be considered for future bid awards.

**3.0 Penalties for Non-Compliance**

Failure to comply with this policy may result in an audit finding and/or disciplinary action, including termination and criminal charges. Individuals and departments identified as failing to comply with Town of Lake Lure policies shall be notified and potentially identified to Town management, internal audit, and/or law enforcement, as appropriate.

**4.0 Types of Purchases**

Purchases must be made according to the dollar thresholds set forth by North Carolina law (see **Exhibit A – Dollar Thresholds in North Carolina Public Contracting Statutes**). Additional Town policies may also apply, as shown below.

**a. Goods (Apparatus, supplies, materials, or equipment)**

The following thresholds are established to govern the procurement of goods.

<b>Dollar Threshold</b>	<b>Minimum Requirements</b>	<b>Approval/Signature authority</b>
\$0 - \$4,999	Multiple quotes not required P-Card recommended Purchase Order or Contract optional	Authorized Department Staff
\$5,000 - \$29,999	Multiple quotes recommended Requisition Purchase Order or Contract	Town Manager or Designee
\$30,000 - \$89,999	Informal bid process Requisition Purchase Order or Contract	Town Manager or Designee
\$90,000 or greater	Formal bid process Purchase Order or Contract	Town Manager or Designee Town Council Notified

**i. Vehicle Purchases**

The purchase of vehicles should be coordinated in conjunction with the Finance Department. Title and/or bill of sale must be received and maintained for all vehicle purchases.

**ii. Buy and Sale of Real Property**

The buy and sale of real property at any dollar amount must be approved by the governing Council.

**b. Services**

Competition may be formal or informal based on the dollar amount and project (RFP, simple quotes, or



Minutes of the June 13, 2023 Regular Town Council Meeting

other best practice method). Award should be based on the best overall, justifiable solution, which may include cost and other factors. Refer to **Exhibit B - Independent Contractor / Employee Checklist** for help in determining whether someone qualifies as an independent contractor.

Dollar Threshold	Minimum Requirements	Approval/Signature authority
\$0 - \$4,999	Best practice based on the needs of the department Purchase Order recommended Contract may be advisable based on risk	Authorized Department Staff
\$5,000 - \$89,999	Best practice based on needs of the department Purchase Order or Contract required Contract may be advisable based on risk	Town Manager or Designee
\$90,000 or greater	Solicitation or Request for Proposals required unless waived (reason for waiver must be provided) Purchase Order or Contract	Town Manager or Designee Town Council Notified
Contracts with schools, universities or other agencies for student interns	Contract	Town Manager or Designee
One-year leases, rentals and maintenance contracts	Contract	Town Manager or Designee
Multi year leases, rentals, and maintenance contracts	Contract	Town Manager or Designee Town Council approval required if contract does not include non- appropriations clause

For services contracts, consider the following:

- Issuance of a Request for Proposals (RFP) is the preferred method when and if a Town department chooses to use a more formal competitive solicitation process.
- The procedures for advertising and proposal opening are flexible.
- Award of service contracts may be based on factors other than cost and responsiveness with such factors as vendor experience, qualifications, and solution possible taking precedence over price.

**Waiver of competitive solicitation of services contracts**

A Department may waive the requirement for issuance of a competitive solicitation for a services contract over \$90,000 when it is in the Town's best interest to do so. Examples of such instances include the following:

- continuum of service delivery is paramount;
- competition will not yield significant benefits;
- when only a single vendor can provide a specific service.

**c. Architects, engineers, surveyors, design and build, or construction manager at risk**

Dollar Threshold	Minimum Requirements	Approval/Signature authority
\$0 - \$49,999	Qualification-Based Selection (unless exempted)	Town Manager or Designee
\$50,000 - \$89,999	Qualification-Based Selection	Town Council or Designee

\$90,000 or greater	Qualification-Based Selection	Town Council Approval
---------------------	-------------------------------	-----------------------

**1. Qualification-Based Selection (QBS)**

- A Selection Committee comprised of at least 3 members must be used.
- A scoring process and criteria based on qualifications shall be used to evaluate participating firms.
- When using construction manager at risk, prequalification of first-tier subcontractors must be determined as stated in General Statute §143-128.1.
- If the exemption of the qualification process is being used it must be noted in any advertisement or by announcement.

**2. Task Orders**

Any task order issued by an architect, engineer, or surveyor shall be approved by the Council or an employee designated by the Council.

**d. Construction or Repair**

General Statute § 143-129 requires counties to obtain formal bids for construction or repair for projects of \$500,000 and above. An advertisement must run one time at least ten calendar days before the bid opening. The advertisement must list the date and time of the bid opening, mention where the specifications may be obtained, and state that the Council reserves the right to reject any and all bids.

Three bids are required and if three are not received, the project must be re-advertised at least ten days before the next bid opening. If three are still not received, a contract can be awarded by the Town Council after evaluation, to the lowest responsive, responsible bidder, taking into consideration quality, performance, and the time specified for performance of the contract.

Dollar Threshold	Minimum Requirements	Approval/Signature authority
\$0 - \$4,999	Best practice based on the needs of the department	Authorized Department Staff
\$5,000 - \$29,999	Best practice based on the needs of the department Purchase Order or Contract	Town Manager or Designee
\$30,000 - \$89,999	Informal bid process Purchase Order or Contract	Town Manager or Designee
\$90,000 - \$499,999	Informal bid process Purchase Order or Contract	Town Manager or Designee Town Council Notified
\$500,000 or greater	Formal bid process Contract	Town Council Approval

**5.0 Bidding**

All bidding shall be compliant with North Carolina statutes.

When procurement requires both the purchase of goods and services, it is imperative to determine which element, whether goods or services, constitutes the larger component of cost. **The element constituting the larger portion of the procurement is the predominant aspect.** The predominant aspect must be identified in order to determine the procurement method required to fulfill the purchase.

The record of bids submitted shall be maintained. Departments should supply this record to the Finance Officer as directed.

**a. Formal Bids**

A **competitive bid process** in compliance with NCGS § 143-129 must be used in the following cases:

- Purchase of supplies, materials, and equipment estimated at \$90,000 and above;

- Construction or repair contracts estimated at \$500,000 and above.

**1. Notify Finance Department** that a formal bidding process is required.

**2. Prepare Specifications**

Detailed written specifications will be prepared by the requesting Department with the assistance of the Finance Officer or designee when needed. Refer to the section labeled "Bid Specifications" for additional information.

**3. Create Bid Package or Request for Bid**

A Request for Bid will be issued and will contain at a minimum the following information:

- A. The name of the requesting department.
- B. A brief description of the goods or services to be purchased.
- C. The date and time of the bid opening.
- D. The date and time of the pre-bid conference, if applicable.
- E. The name of the Finance Officer or designee.
- F. General Conditions, applicable for a Formal Bid Proposal.
- G. Specific requirements for the goods or services to be purchased.

**4. Post Advertisements**

Advertisement of Bids: North Carolina General Statute § 143-129(b) requires that at least seven (7) calendar days must lapse between the date the advertisement appears and the date of the opening of formal bids. Bidding opportunities are publicized electronically using the Town website. The Town may also choose to publicize bid opportunities in the local newspaper and by other means.

**5. Submission of Bids**

Proposals for Formal Bids must comply with the following:

- A. Oral, telephone, or faxed bids are not accepted: The Finance Officer or designated staff will not accept oral bids nor bids received by telephone, or fax, for formal bids.
- B. Bids must be sealed: Bids shall remain sealed until the date and time set for the opening.
- C. Deviations: Bids containing conditions, omissions, erasures, alterations, or items not called for in the bid may be rejected by the Town as being incomplete.
- D. Bid forms must be signed: The bid forms must be signed in order to be considered a responsive, responsible bid. If a bidder is a corporation, the bid must be submitted in the name of the corporation, not the corporation's trade name. The bidder must indicate the corporate title of the individual signing the bid.
- E. Confirmation of receipt: The bidder is responsible for confirming the receipt of a bid submission.

**6. Receipt of Bids**

The Finance Officer or designee will receive bids as follows:

- A. Bids must be received timely: If bid specifications indicate bids are to be delivered in person, through the postal mail, or by parcel service, bids must be delivered no later than the date and time set for the receipt of bids in the bid specifications.
- B. Bids must be kept in a secure location until opened: All bids received must be sealed and will be kept in a secure location until the time and date set for the opening of bids.
- C. Identity of Bidders confidential: Prior to the time and date of opening, the identity of the suppliers submitting bids and the number of bids received is confidential and may be disclosed only to Town officials and only when disclosure is considered necessary for the proper conduct of the bidding process.
- D. Inadvertent opening of bid: If a bid is inadvertently opened in advance of the prescribed bid opening, the Finance Officer or designee will write an explanation of the inadvertent opening on the envelope, with the bid number, time and date of opening. The envelope will be resealed and deposited with the other bids.
- E. Late Bids: Late bids will not be considered under any circumstances and will be returned unopened with a letter or email of explanation to the sender.

**7. The Opening of Bids**

The Finance Officer or designee will open formal bids according to the following procedure:

- A. Bids opened and read aloud: All bids received timely will be opened and publicly read aloud at the time and date established for such opening in the Bid Package.
- B. Bids submitted electronically: Bids received electronically are closed at the determined close time. A bid tally will be run indicating the suppliers responding to the bid and their bid amounts as submitted.
- C. Bids submitted for Information Technology goods and services:  
Proposals submitted for information technology goods or services, including software, telecommunications, data processing, etc., are not subject to public inspection until a contract is awarded. Therefore, there will be no public bid opening to comply with NCGS 143-129.8 for information technology related items.

**8. Evaluation of Bids**

The bids received timely will be examined by the Finance Officer or designee for compliance with the requirements set forth in the Bid Package. The Finance Officer or designee will review each bid to determine whether it has facial deficiencies that preclude it from being examined further.

**9. Award**

Bids shall be awarded in accordance with North Carolina General Statutes § 143-129(b) to the lowest responsive, responsible bidder taking into consideration quality, performance, and the time specified in the proposal for the performance of the contract.

**b. Informal Bids**

An informal bidding process will be used for the following:

- Construction or repair contracts estimated from \$30,000 to \$499,999
- Purchases of supplies, materials, and equipment estimated from \$30,000 to \$89,999

While informal bids are acceptable at these thresholds, departments may also choose to use a formal process if desired. If the estimated total dollar amount of an informal purchase is over \$80,000 for purchases of goods or over \$450,000 for construction or repair contracts, then it is recommended to use a formal bid process to prevent rebidding if all quotes received are over the formal threshold.

NCGS § 143-131 does not specify any methods for securing informal bids, however it does require awards be made to the lowest responsible bidder taking into consideration quality, performance, and the time specified in the bids for the performance of the contract. Methods of receiving quotes are at the discretion of the Finance Officer or the requesting department designee.

State and Town policy require the following for all informal bids:

- Written documentation of contacting more than one vendor to support the competitive process.
- All verbal pricing or quotes must be documented in writing.
- The record of bids shall not be subject to public inspection until the contract is awarded.

**c. Bid Specifications**

When using a formal or informal bidding process, specifications must be prepared. All specifications should do at least the following:

1. Identify minimum requirements;
2. Encourage competitive bids;
3. Be capable of objective review;
4. Provide for an equitable award at the lowest possible cost;
5. Identify factors to be used in evaluating bids.
6. Specifications will be as simple as possible while maintaining the degree of exactness required to prevent bidders from supplying substandard goods or services and otherwise taking advantage of their competitors.
7. All specifications utilizing a name brand must include the term “or substantially equivalent” to avoid being restrictive and eliminating fair competition from the bidding process.

Different methods of structuring specifications include:

- Qualified products on acceptable supplier list
- Specification by architectural or engineer drawings
- Specification by chemical analysis or physical properties
- Specification by performance, purpose or use
- Specification by identification with industry standards
- Specification by samples

**d. Request for Proposals (RFP)**

NCGS § 143-129.8 authorizes the use of a Request for Proposals (RFP) process rather than an Invitation to Bid (ITB) in certain instances. RFP's may be used for the following:

- Purchases of services;
- Any combination of goods or services, particularly when the services component of the purchase is greater than the goods component;
- Technology and services contracts;
- Other combinations of goods and services not best handled by NCGS 143-129 and where departments have a need for a more flexible approach.

**e. Request for Qualifications (RFQ)**

In instances where a Qualifications-Based Selection (QBS) is required, a Request for Qualifications (RFQ) will be used to solicit responses from interested firms and individuals. The Finance Officer or designee should be notified to begin this process, to guide the QBS through selection, and to assist with creation of a proper RFQ.

**f. Exemptions**

G.S. 143-129 defines several exemptions to the competitive bidding requirements. The following categories of purchases are exempt from both the formal and informal bidding requirements established in NCGS. 143-129. However, the following list is just a shorthand statement of these categories; before attempting to make purchases using these exceptions read the relevant sections of the statute contained in NCGS. 143-129 very carefully as this statute provides additional guidance. Items 1) through 11) are found in NCGS 143-129 (e). Statutory guidance as to the other items is found in the statutes listed beside the item.

1. Purchases from other units of government;
2. Emergencies;
3. Group or Cooperative Purchasing Programs;
4. Change Order Work;
5. Gas, Fuel, and Oil;
6. Sole Source Purchases;
7. Information Technology Goods and Services awarded by the North Carolina Office of Information Technology Services;
8. Guaranteed Energy Savings Contracts; (See also G.S. 143-129.4)
9. State Contract Purchases;
10. Federal Contract Purchases
11. Purchase of Used Goods; (See G.S. 143-129 (e)(10))
12. Construction Management at Risk;
13. Previously Bid or "Piggybacking" Contracts; (See G.S. 143-129 (g))
14. Solid Waste Management Facilities; (See G.S. 143-129.2)
15. Use of Unit's Own Forces (force account work); (See G.S. 143-135 & SL 2009-250)
16. Purchases of Goods and Services from Nonprofit Work Centers for the Blind and Severely Disabled. (G.S. 143-129.5)

**Most Common Exemptions**

**1. Emergency Purchases**

NCGS § 143-129(e) (2) defines emergency purchase as "Cases of special emergency involving the health and safety of the people or their property." This exception is used in rare circumstances, such as natural disaster or sudden and unforeseeable damage to property. In cases of emergencies,

the Department Head or designee may purchase directly from any supplier, supplies or services whose immediate procurement is essential to prevent delays in work, which may affect the life, health, or safety of Town of Lake Lure employees or citizens. The user department will exercise good judgment and use established suppliers when making emergency purchases. Always obtain the best possible price and limit purchases to those items emergency related. Not anticipating needs does not constitute an emergency.

- During working hours, the following procedure should be used for emergency purchases: An electronic requisition entered and approved by the requesting department will grant permission to the Purchasing Division to issue the purchase order. The requesting department will include in the requisition supporting documentation for the emergency purchase order: item(s) to be purchased with estimated quantities and the reason for the emergency purchase. After verifying available funds, a purchase order number will be issued for the expenditure. Should the purchase exceed the available account budget, a Request for Transfer of Funds will need to be completed immediately.
- After working hours, the following procedure should be used for emergency purchases: An electronic requisition will be entered and approved the next working day from the requesting department. The requesting department will also include any pertinent information associated with the emergency purchase, to serve as supporting documentation and will be attached to the purchase order, including but not limited to: item(s) to be purchased with estimated quantities, and the reason for the emergency purchase. Emergency purchases, although sometimes necessary, are costly both in time and money. The use of emergency procedures will be limited and monitored for abuse.

**2. State Contract Purchases**

Departments may use State of North Carolina contracts to procure available items without bidding if the contractor is willing to extend to the Town the same or more favorable prices, terms, and conditions. Following is a link to the state purchasing and contracting site where items can be searched for by keyword. These procurements do not require Council approval.

<http://www.doa.state.nc.us/PandC/keyword.asp>

**3. Cooperative and Group Purchasing Programs**

Similar to State Contract Purchases, the Town may make purchases of supplies and equipment through group purchasing programs, which another entity has already carried out a competitive process to establish contracts on behalf of multiple entities at discount prices. These procurements do not require Town Council approval.

**4. Sole Source**

In the rare event there is only one supplier capable of providing a particular good or service, the competitive pricing procedures outlined in this manual may be waived by the Finance Officer. Whenever Department Heads or designees determine a need to purchase goods from a "sole source", they will document the reason. The provisions of N.C.G.S. 143-129 will require the Town Commissioners approve this sole source exception. A sole source purchase exemption applies when at least one of these conditions exist:

- a. Performance or price competition for a product is not available.
- b. A needed product is available from only once source of supply.
- c. Standardization of compatibility is the overriding consideration.

If one of these conditions applies to the good to be purchased, then the item will be exempt from bidding and the purchase must have Council approval. Contact the Finance Officer for guidance before proceeding.

**5. Piggybacking**

The Town can purchase, without bidding, from a supplier that has, within the past 12 months, successfully gone through the competitive bidding process for that item or service and contracted to furnish an item or service to another public agency. The supplier must be willing to supply the same item at the same or more favorable prices and other terms. The contract intended to be copied must be one that was entered into following the award of a public bidding process similar to ours.

North Carolina General Statutes § 143-129(g) allows municipalities, counties, or other

subdivisions to piggyback for supplies, materials, or equipment from another governmental entity that has within the previous 12 months, completed a formal bid process, to purchase similar supplies, materials, or equipment if agreed upon by the supplier. The Statute requires approval by the Council of Commissioners and advertisement of intent to award. Federal guidelines may prohibit the option of piggybacking.

**6. Grants**

When the Town is awarded a grant that has procurement requirements specified by the grantor, the Town will follow those requirements as long as they do not violate North Carolina General Statutes or Federal Uniform Guidance.

**7. Use of Federal Funds**

When using federal funds, the Town must follow NC Statutes as well as OMB Guidance provided in the Code of Federal Regulations, Subpart D - Post Federal Award Requirements. The thresholds for micro- purchases, small purchases, and when sealed bids are required are set by OMB Guidance provided in the Code of Federal Regulations Title 2 Vol. 1 § 200.67 and §200.88. This guidance includes but is not limited to the following requirements:

1. **Micro-purchases (\$0 - \$9,999)**  
When practical, distribute micro-purchases among qualified suppliers.
2. **Small Purchases (\$10,000 – \$249,999)**
  - a. Price rate quotations must be obtained from an adequate number of qualified sources.
  - b. Written procurement procedures to define number and methods for obtaining quotes.
3. **Sealed Bid Procedures Required (\$250,000 and higher)**
  - a. Price rate quotations must be obtained from an adequate number of qualified sources;
  - b. Publicly advertised;
  - c. Competitive proposals;
  - d. Non-competitive proposals require written approval and justification (e.g. only one source/vendor available, inadequate competition, emergency).
4. **Documentation required (All amounts)**
  - a. Evidence the awarded supplier is not excluded from doing business with the Federal Government.
  - b. When quotes are required, documentation that an attempt was made to contact at least three suppliers to obtain quotes.

View Exhibit C - Procurement Guidance When Using Federal Funds for further guidance.

**6.0 Procurement Methods**

**a. Requisitions**

An electronic requisition initiates the procurement cycle for purchase orders. The receipt of the request with the required information, appropriate approvals, and sufficient budget gives the Procurement Division the authority to issue a purchase order. The Department Head or designee must approve all requisitions within the requesting department.

**b. Purchase Orders**

**Purchase orders are required for all purchases of \$5,000 and above.**

A purchase order is a contract between the Town and a supplier and is not binding until accepted by the supplier. Obtaining supplies, materials, equipment or services \$5,000 and over without a purchase order is an unauthorized purchase and a violation of resolution 03-04-04, adopted April 2003 by the Council of Commissioners. **Unauthorized purchases or split purchases to avoid the \$5,000 threshold are against Town policy and may result in disciplinary action.**

**i. Purchase Order Requirements**

1. **Submission of a requisition** through the town's Finance Department. Purchase orders will not be created without a properly submitted requisition.
2. **Terms and conditions** must clearly define the delivery and performance requirements of the services, supplies, or equipment.
3. **Completion of the purchase order** by the Finance Officer or designee. The purchase order must

be pre-audited, and the signatures of the Finance Officer and Finance Director must be on the completed document to be valid.

4. **Processing invoice(s) for payment** against a purchase order requires the applicable purchase order number be indicated for the invoice and that the purchase order have sufficient balance to cover the invoice amount. Receipt of goods and/or services must be verified prior to final payment of an invoice.

**ii. Blanket Purchase Orders**

Blanket Purchase orders can be used when there is a recurring need for expendable goods that are generally purchased, but the exact items, quantities, and delivery requirements are not known in advance and may vary considerably. Use of this process helps to avoid the creation of numerous purchase orders and contracts for routine purchases. Blanket purchase orders can also be a useful budgetary tool, as they obligate funds and allow easy tracking of recurring purchases throughout the year. A blanket purchase order should be used if the following criteria are applicable:

1. The annual cost can be reasonably estimated;
2. The purchases are paid through invoices (though it can be done if P-Cards are used);
3. There is a single account to which the expenses should be charged.

Examples would include maintenance agreements, purchase of building/cleaning supplies, etc. Requests for blanket purchase orders must, in addition to the required information, indicate the following:

5. Items covered by the blanket purchase order and the amount should be listed in the purchase order comments;
6. If blanket purchase order should be limited to certain department employees, please include their names in the purchase order.

The issued purchase order will instruct the supplier that unauthorized purchases will not be allowed. It is the responsibility of the individual authorized to purchase under a blanket purchase order to ensure that an unspent balance remains to cover the purchases to be made for the remainder of the purchase order period.

**iii. Purchase Order Cut-Off Date**

Requisitions for materials, supplies, services and equipment (not included in blanket purchase orders or service contracts) for the ending current fiscal year must be submitted on or before a predetermined date provided to departments by the Finance Director. Requisitions of a routine nature that could have been scheduled prior to the cut-off date, and deemed not critical, will be processed in the new fiscal year. This procedure affords the Finance Department the opportunity to complete fiscal year end activities in a timely and proper manner and prepare for the annual audit.

**c. Change Orders**

- Changing, modifying, or canceling an existing purchase order can be initiated by the issuing department using the procurement system.
- Approval of change orders is based on the new cumulative amount of the purchase order. Refer to the Types of Purchases section to view approval authorities.
- Changes to a purchase order will not be processed if the scope of services has been rendered or materials have already been received.

**d. Procurement Cards**

Purchases less than \$5,000 should be obtained by procurement card when possible. Please refer to the Credit Card Policy.

**e. Electronic Payments**

Electronic payments may be authorized as defined by G.S. 159-28. All pre-audit and disbursement rules must be followed per North Carolina Administrative Code (20 NCAC 03.0409 and 20 NCAC 03.0410. Please refer to the Credit Card Policy for additional guidance.

**f. Contracts**

All contracts are required to follow the Town of Lake Lure Contracts Policy and Contracts Control Process contained within.

**i. Contracts for Services**



Contracts are advised for use when the terms and conditions of the Town's purchase order is not sufficient to adequately protect against possible risk, or the scope of work is too complex to be adequately detailed in a purchase order.

**ii. Contracts for Goods**

In most cases a purchase order is sufficient as a contract for goods. Contracts for goods should be used if the nature of purchase is high risk and is not sufficiently controlled by the terms and conditions in the purchase order.

**iii. Contracts for Grants**

Any grant the Town awards should be entered into the Town's financial software to obligate funds, and stored in the Town's contract repository.

**iv. Multi-year Contracts**

Contracts that are not associated with a project ordinance, more than 12 months in length, cross Town fiscal years, and require funding from subsequent Town budgets require a non-appropriation clause or Council of Commissioners approval.

For example:

1. A contract runs from June – May (12 months) and the total for the entire contract is \$60,000 (\$5,000 per month). The current fiscal year funds \$5,000 and the subsequent fiscal year funds \$55,000. This contract does not require BOC approval because the term is not more than 12 months.
2. A contract runs from June – September (16 months) and the total for the entire contract is \$80,000 (\$5,000 per month). The current fiscal year funds \$5,000 and the subsequent fiscal year funds \$75,000. This contract requires BOC approval because the contract requires funding from more than one fiscal year and the term is more than 12 months.
3. A contract runs from April – June (15 months) and the total for the entire contract is \$75,000 (\$5,000 per month). The current fiscal year funds all the \$75,000. This contract does not require BOC approval because all the funding comes from the current fiscal year, not requiring funding in subsequent fiscal years.

**7.0 Delivery and Performance**

**i. Delivery schedule**

The importance of the delivery schedule may be emphasized to the supplier within the bid documents. Delivery requirements will be clearly written and fully understood by all suppliers. If several items are required by the purchase order, there may be a different delivery schedule for each item. It is necessary to clearly indicate the delivery location on the requisition.

**ii. Non-performance**

If a supplier fails to meet any requirements of the specifications or terms and conditions of the contract or purchase order, the supplier can be cited for non-performance. The seriousness of non-performance will be evaluated by the department and Finance Officer based upon the circumstances of each violation.

**iii. Inspection and testing**

Goods and materials should be checked at the time of receipt for damage or defects. The inspection will include assuring goods comply with the specifications. If damage is found or the goods fail to comply with the specifications, the item(s) will be rejected. To protect the Town's rights in the event of a rejection for any reason, the supplier will be informed immediately. Reasons for the rejection must be documented in an email to the Procurement Division in a timely manner.

**iv. Supplier relations**

Should a department have trouble with a supplier, concerns should be documented in an email to the Procurement Division. Correspondence should be as specific as possible, detailing the circumstances, dates, personnel involved (including titles) and phone numbers. This information will be helpful in determining if the supplier will be considered for future bid awards.

**v. Program Compliance Requirements**

All written statements, certifications or intentions made by the Bidder will become a part of the agreement between the Contractor and Town of Lake Lure for performance of this contract. Failure to

comply with any of these statements, certifications, or intentions or with the Minority Business Plan will constitute a breach of the contract. A finding by Town of Lake Lure that any information submitted either prior to award of the contract or during performance of the contract is inaccurate, false or incomplete, will also constitute a breach of the contract. Any such breach may result in termination of the contract in accordance with the termination provisions contained in the contract. It will be solely at the discretion of Town of Lake Lure whether to terminate the contract for breach. In determining whether a contractor has made best faith efforts, Town of Lake Lure will evaluate all efforts made by the Contractor and will determine compliance.

#### **8.0 Minority, Women, and Small Business Suppliers**

According to NCGS 143-129(b) the Town has no authority to establish preferences of any kind and are bound by law to award to the “lowest responsible, responsive bidder, taking into consideration quality, performance and the time specified in the proposals for the performance of the contract.” However, it is the desire of the Town to purchase from Minority Businesses and suppliers located within Town of Lake Lure whenever possible. Local suppliers and Minority Business suppliers should be encouraged to compete for Town business.

##### **i. Participation Goals**

Annual verifiable goals for minority business participation in construction projects (other provisions apply depending on project type & funding), procurement projects, professional, and other service projects are as follows:

- Construction – 12% overall for all minorities
- Procurement – 10% overall for all minorities
- Professional – 10% overall for all minorities
- Other Services – 10% overall for all minorities

##### **ii. Construction projects over \$300,000**

Per NCGS 143-128, for projects with an estimated cost of \$300,000 or greater that involve construction or repair to buildings, the bidder must provide, with the bid, documented proof in one of the following forms:

- **The State of North Carolina AFFIDAVIT A – Listing of Good Faith Efforts** along with the **Identification of HUB Certified / Minority Business Participation**
- **The State of North Carolina AFFIDAVIT B – Intent to Perform Contract with Own Workforce.** Other forms **must** be submitted with AFFIDAVIT A either at the time the bid is due or 72 business hours after the bid opening by the lowest responsible bidder or bidders who wish to be considered.

Failure to provide the documentation as listed in these provisions may result in rejection of the bid and will award to the next lowest responsible bidder. Town of Lake Lure reserves the right to waive any informality, if it can be resolved prior to award of the contract, and it is in the best interest of the Town to do so. For a full description of the Minority Business Forms and what must be completed to submit a responsible bid, contact the Finance Officer for guidance.

## Exhibit A – Dollar Thresholds in North Carolina Public Contracting Statutes

Requirement	Threshold	Statute
Formal Bids		
Construction or repair contracts	\$500,000 and above (estimated cost of contract)	N.C.G.S §143-129
Purchase of apparatus, supplies, materials and equipment	\$90,000 and above (estimated cost of contract)	N.C.G.S §143-129
Informal Bids		
Construction or repair contracts	\$30,000 to formal limit	N.C.G.S §143-131
Purchase of apparatus, supplies, materials and equipment	\$30,000 to formal limit	N.C.G.S §143-131
Construction methods authorized for building projects		
Separate Prime	Over \$300,000 (estimated cost of project)	N.C.G.S §143-128
Single Prime		
Dual Bidding		
Construction Management at Risk		
Minority-business enterprise requirements – Building Projects		
Projects with state funding	\$100,000 or more	N.C.G.S §143-128.2(a)
Locally funded projects	\$300,000 or more	N.C.G.S §143-128.2(a)
Projects in the informal range	\$30,000 to \$500,000	N.C.G.S §143-131(b)
Limit on use of own forces		
Construction or repair projects	Not to exceed \$125,000 (total project) or \$50,000 (labor only)	N.C.G.S §143-135
Bid bond or deposit		
Construction or repair projects	Formal bids (see above)	N.C.G.S §143-129(c)
Purchase contracts	Not Required	
Performance/payment bonds		
Construction or repair projects	Projects over \$300,000 for each contract over \$50,000	N.C.G.S §143-129(c); N.C.G.S §44A-26
Purchase contracts	Not Required	
General Contractor’s License	\$30,000 and above	N.C.G.S. §87-1
Use of registered architect or engineer required		
Nonstructural work	\$300,000 and above	N.C.G.S. §133-1.1(a)
Structural repair or new	\$135,000 and above construction	
Repair work affecting life safety	\$100,000 and above systems	
Selection of architect, engineer, surveyor, or construction manager at risk		
“Best qualified” selection procedure	All contracts unless exempted	N.C.G.S. §143-64.31
Exemption authorized	Projects where estimated fee is less than \$50,000 or other projects in sole discretion of BOC	N.C.G.S. §143-64.32

## Exhibit B - Independent Contractor / Employee Checklist

To assist you in deciding whether a worker is an employee or an independent contractor, complete the following questions. A worker is generally considered to have an employee relationship with the Town if the questions below are answered "YES".

**Complete this checklist only for individuals-sole proprietors, and partnerships. Do not complete for employees of a corporation.**

NAME: \_\_\_\_\_

Circle Answer

1. Is the worker currently employed by the Town or has the worker previously been an employee of the Town? Position: _____	Yes No
2. Are the hours of work established or regulated by the Town?	Yes No
3. Are tools and equipment supplied by the Town? Independent contractors use their own equipment.	Yes No
4. Does the worker provide their service only to the Town? Independent contractors may have several contracts with other companies and advertise their services in the phone book or other source. List source: _____	Yes No
5. Is the method of payment by unit of time, (i.e. hourly, weekly or monthly wage)? (Independent contractors are usually paid by job in a lump sum)	Yes No
6. Is training received from or at the direction of the Town - either formally or informally?	Yes No
7. Are repairs to equipment paid by the Town? Independent contractors pay for their own repairs.	Yes No
8. Is the worker required to work at a specific place or to work on the Town's premises if the work could be done elsewhere? Independent contractors usually have a main office or other facility. Office Location: _____	Yes No
9. Does the worker submit regular oral or written reports to the Town to account for their actions?	Yes No
10. Are business and/or travel expenses directly paid by the Town? Independent contractors pay their own expenses.	Yes No
11. Does the Town restrict the worker from accepting any other work? Independent contractors may have several jobs at one time.	Yes No
12. Does the worker act in the capacity of a foreman for/or a representative of the Town by hiring others, supervising them and paying them at the direction of the Town?	Yes No
13. Does the worker wear a uniform with the Town logo or other means of identification, except for security tags?	Yes No
14. Is insurance coverage (liability, health, etc.) supplied by the Town?	Yes No
15. Does the Town use the worker for any odd jobs that differ from their normal activities?	Yes No
16. Is the relationship between the Town and the worker a continuing one?	Yes No
17. Is the worker free from any liability for quitting a job before the job is completed?	Yes No
18. Does the worker have to perform services in the order or sequence set by the Town?	Yes No

**Note:** Independent contractors are required to have all necessary licenses to perform the work that they are contracted to perform.

If all questions above are answered **NO**, the worker is an Independent Contractor.

If any question above is answered **YES**, explain the question and send the checklist with the contract to the Finance Department for a determination as to whether the worker is an employee or an Independent Contractor.



## Exhibit C - Procurement Guidance When Using Federal Funds

OMB Guidance provided in the Code of Federal Regulations Subpart D - Post Federal Award Requirements, sections 200.318 through 200.326.

	Goods & Supplies	Construction/Repair	Services	
<b>FORMAL</b>	<ul style="list-style-type: none"> <li>Formal bidding process required</li> <li>Publicly advertise</li> <li>Sealed Bids required</li> <li>Attempt to get bids from at least three bidders</li> <li>Award to lowest bidder</li> <li>Public bid opening</li> </ul>	<ul style="list-style-type: none"> <li>Formal bidding process required</li> <li>Publicly advertise</li> <li>Sealed Bids required</li> <li>Attempt to get bids from at least three bidders</li> <li>Award to lowest bidder</li> <li>Public bid opening</li> </ul>	<ul style="list-style-type: none"> <li>Request for proposals required</li> <li>Publicly advertise</li> <li>Attempt to get quotes from at least two sources</li> <li>Award to proposal most advantageous to the program, price and other factors considered</li> </ul>	<b>\$250,000 or greater</b>
		<ul style="list-style-type: none"> <li>Informal quotes required</li> </ul>	<ul style="list-style-type: none"> <li>Informal quotes required</li> </ul>	<b>\$90,000</b>
<b>INFORMAL</b>	<ul style="list-style-type: none"> <li>Informal quotes required</li> <li>Attempt to get quotes from at least two sources</li> <li>Award to lowest bidder</li> </ul>	<ul style="list-style-type: none"> <li>Attempt to get quotes from at least two sources</li> <li>Award to lowest bidder</li> </ul>	<ul style="list-style-type: none"> <li>Attempt to get quotes from at least two sources</li> <li>Award to proposal most advantageous to the program with price and other factors considered</li> </ul>	<b>\$10,000</b>
<b>NO QUOTES</b>	<ul style="list-style-type: none"> <li>No competitive quotes required if price appears to be reasonable</li> </ul>	<ul style="list-style-type: none"> <li>No competitive quotes required if price appears to be reasonable</li> </ul>	<ul style="list-style-type: none"> <li>No competitive quotes required if price appears to be reasonable</li> </ul>	<b>\$0</b>

ALWAYS	ALLOWED EXCEPTIONS
<ul style="list-style-type: none"> <li>Document procedures</li> <li>Award on fixed price or not to exceed</li> <li>Document the awarded supplier is not excluded</li> <li>Contract or PO contain UG provisions</li> <li>Solicit M/WBE businesses when possible</li> </ul>	<ol style="list-style-type: none"> <li>1) The item is available only from one single source.</li> <li>2) An urgent need or emergency will not permit a delay for competitive solicitation.</li> <li>3) The Federal awarding agency or pass-through allows noncompetitive proposals. from doing business with the Federal Gov.</li> </ol>

\* If seeking a contract with an architect, engineer, survivor, or CMAR the procurement method must follow the Mini-Brooks Act.

**SECTION TWO.** Town staff and elected officials shall abide by all terms and conditions within the adopted procurement policy.

**SECTION THREE.** This policy shall become effective upon adoption.

**READ APPROVED AND ADOPTED** this 13<sup>th</sup> day of June, 2023.

**RESOLUTION NO. 23-06-13A**

**RESOLUTION BY THE TOWN COUNCIL OF THE TOWN OF LAKE LURE ADOPTING  
CREDIT CARD POLICY**

**WHEREAS**, the Town of Lake Lure wishes to adopt a credit card policy that establishes appropriate guidelines to utilizing Town cards to make purchases; and

**WHEREAS**, the Town has drafted a credit card policy that is practical, comprehensive, and up to date with all available resource guidance.

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN  
OF LAKE LURE, NORTH CAROLINA:**

**SECTION ONE.** The Town of Lake Lure Town Council hereby adopts a credit card policy, as follows:

**TOWN OF LAKE LURE  
TOWN ISSUED CREDIT CARD POLICY**

**PURPOSE**

To establish procedures and guidelines for using a Town issued credit card to purchase materials, supplies, and/or services by electronic means on behalf of the Town of Lake Lure.

**OVERVIEW**

Issuance of a Town credit card has been proven to be an effective tool and timely method for obtaining materials, supplies, and/or services to help departments maintain the consistent flow of day-to-day operations.

**SCOPE**

Town issued credit cards should only be used when:

- a. Making purchases for materials, supplies, and/or services that are for the official use of the Town of Lake Lure only.
- b. Making purchases for materials, supplies, and/or services that cannot be paid by means of an official check.
- c. Making purchases for materials, supplies, and/or services online or directly (in person).

- d. Paying travel expenses whenever the cardholder is on official Town business.
- e. Town issued credit cards will be assigned to employees who have direct authorization to make purchases using this method as approved by the Town Manager and Finance Director.

## PROCEDURE

To ensure the process operates efficiently and within an acceptable internal control structure, a timely response to each of the following elements is required.

### 1. Issue/Return of Credit Card

- a. The employee must sign documentation verifying agreement to the conditions of card use on the "Credit Card Authorization Form" (See Exhibit A).
- b. Total purchase authority is limited by the total purchase limit assigned to the card. The Town Manager will indicate his/her approval by signing the Credit Card Authorization Form.
- c. The Finance Director will review the enrollment form and obtain the credit card for the approved employee.
- d. Changes in spending/authority levels must be authorized by the Town Manager in writing and then submitted to the Finance Director for processing.
- e. Any employee who received a Town issued credit card must turn the card into the Finance Director immediately upon resignation notice or termination.

### 2. Use of Town Issued Credit Cards

- a. Employees who have been issued credit cards should notify the Finance Director immediately if the Town issued credit card has been **lost, stolen, or compromised**. The Finance Director is responsible for canceling and obtaining all Town issued credit cards. All expired or worn cards should be turned into the Finance Director for proper documentation and disposal.
- b. Town issued credit cards are to be used for Town business only. The use of the credit card to acquire or purchase materials, supplies, and/or services other than for official business is strictly **prohibited**.

- c. The cardholder is responsible for maintaining all vendor receipts and/or records until such time as the receipts/records are due the Finance Department.
- d. The cardholder is **responsible** for all purchases made on the assigned card regardless of who used the card, unless the card was used in a fraudulent manner after loss or theft.
- e. Town credit cards should not be shared and cardholders should not delegate use of the card to another employee without proper approval of the Town Manager or Finance Director.

### 3. Pre-Auditing and Disbursement Procedures

The 2015 State Legislature modified GS 159-28(d2) to allow the Local Government Commission (LGC) to adopt rules to address the execution of the pre-audit and disbursement process related to electronic transactions for local governments. The new pre-audit and disbursement rules were effective as of November 1, 2017, and exist as part of the North Carolina Administrative Code (20 NCAC 03.0409 and 20 NCAC 03.0410).

Units of government can now be exempt from the pre-audit certificate and disbursement certificate requirements on electronic transactions if they follow the requirements as detailed in the new administrative code rules. The new rules apply to electronic transactions utilizing the following:

- 1) Credit cards
- 2) Charge cards
- 3) Debit cards
- 4) Gas cards
- 5) Procurement cards
- 6) Electronic funds transfers

The following policies are designed to comply with the new pre-audit and disbursement rules in the NC Administrative Code 20 NCAC 03.0409 and 20 NCAC 03.0410.

- a. The Town issued credit cards may be used to purchase materials, supplies, and/or purchases when the cardholder has established that credit cards may be used as payment and when it is established that payment with a Town check is not acceptable.
- b. Permission must be obtained from the Finance Director before any purchases may be initiated with the Town issued credit cards.
- c. The Finance Director must ensure that there is an appropriate budget ordinance or project/grant ordinance appropriation authorizing the obligation.



- d. The Finance Director must ensure that sufficient monies remain within the appropriation to cover the amount that is expected to be paid out during the current fiscal year if accounted for in the budget ordinance, or cover the entire amount if accounted for in a project or grant ordinance.
  - e. The cardholder must submit itemized receipts immediately following each purchase transaction to the Finance Director. Each itemized receipt must contain the following:
    - 1) Card type and last 4 digits of card number
    - 2) Date of transaction/purchase
    - 3) Brief description of transaction
    - 4) Total amount of transaction
    - 5) Sales tax amount, if applicable
    - 6) Employee signature
  - f. The cardholder must submit itemized receipts to match the monthly credit card statements. If a receipt has been lost, the cardholder must make a diligent attempt to obtain a duplicate receipt from the vendor. In the event this is not available, a “Lost Credit Card Receipt Form” (Exhibit B) must be completed, which includes a detailed description and must be approved by the Town Manager. The Finance Director has the right to seek reimbursement from an employee for undocumented and/or unauthorized purchases.
  - g. The Finance Department will then record the amount of the transaction in the Town’s encumbrance system.
  - h. The Finance Director will review all receipts to ensure compliance with all purchasing and pre-audit requirements. Once confirmed, the Finance Department will apply charges to appropriate line items and process the payment to the credit card vendor.
4. Action Due to Inappropriate or Accidental Use
- The use of a Town issued credit card to acquire or purchase goods and services other than for the official use of the Town of Lake Lure is considered **fraudulent use**. However, the Town recognizes that accidental use can occur. The Town reserves the right to cancel an individual employee card at any time due to any type of abuse.
- a. If a cardholder accidentally uses a Town issued credit card for a personal purchase, the Finance Director should be contacted immediately upon discovery. If the Finance Director discovers an error, the employee will be contacted immediately. The employee must submit a “Credit Card Reimbursement Form” (Schedule C), along with the full reimbursement.
  - b. Records of accidental personal use will be maintained by the Finance Director.

In the event accidental use by a cardholder is detected on a repetitive basis, the Town Manager will be notified and the employee may be subject to disciplinary action.

5. Inappropriate or Fraudulent Use

If a cardholder makes an inappropriate or fraudulent purchase, the Town Manager shall be notified immediately regarding the transaction.

- a. A cardholder guilty of fraudulent use or repetitive inappropriate charges will be subject to disciplinary action, up to and including dismissal. The Town has the right to file a police report and press charges for fraudulent use of Town issued credit cards.
- b. Records of inappropriate use will be maintained by the Finance Department.  
The Town Manager will be notified about any notable amount of abuse.

6. Policy Forms

- a. Credit Card Authorization Form b.  
Lost Credit Card Receipt Form
- c. Reimbursement Form for Accidental or Inappropriate Use of a Town Issued  
Credit Card

**EXHIBIT A**

**TOWN OF LAKE LURE  
CREDIT CARD AUTHORIZATION FORM**

**I. Employee/Cardholder Information**

Name: \_\_\_\_\_ Department: \_\_\_\_\_

**II. Cardholder's Agreement**

I understand that the use of the Town issued credit card is for purchases made on behalf of the Town.

I will be expected to use the credit card issued to me as directed and in accordance with this policy.

I will not permit another person to use the credit card issued to me (unless approved). Any such purchases made with my card will be considered to be made by me and my responsibility.

I will be responsible for the safe keeping of the credit card issued to me and, if lost, I will report its loss immediately to the Finance Director.

I understand that my personal credit will not be affected by any use of the Town issued credit card.

The use of a Town issued credit card to purchase goods and services for other than the official use of the Town of Lake Lure is fraudulent use. An employee guilty of fraudulent use will be subject to disciplinary action, up to and including dismissal. In addition, I agree that any reimbursement owed the Town, as a result of this type of use, may be deducted from my wages or other monies owed to me by the Town.

I have read, understand, and agree to the conditions above. Employee

Signature \_\_\_\_\_

Date \_\_\_\_\_

**III. Approval: Town Manager Signature: \_\_\_\_\_**

**Date: \_\_\_\_\_**

*Continued*

**EXHIBIT A**

**TOWN OF LAKE LURE  
CREDIT CARD AUTHORIZATION FORM**

**IV. Card Receipt**

Card Issuer \_\_\_\_\_ Card Number \_\_\_\_\_

Date Issued to Cardholder \_\_\_\_\_

Finance Director Signature \_\_\_\_\_

Card Issuer \_\_\_\_\_ Card Number \_\_\_\_\_

Date Issued to Cardholder \_\_\_\_\_

Finance Director Signature \_\_\_\_\_

Card Issuer \_\_\_\_\_ Card Number \_\_\_\_\_

Date Issued to Cardholder \_\_\_\_\_

Finance Director Signature \_\_\_\_\_

Card Issuer \_\_\_\_\_ Card Number \_\_\_\_\_

Date Issued to Cardholder \_\_\_\_\_

Finance Director Signature \_\_\_\_\_

Card Issuer \_\_\_\_\_ Card Number \_\_\_\_\_

Date Issued to Cardholder \_\_\_\_\_

Finance Director Signature \_\_\_\_\_

**TOWN OF LAKE LURE  
LOST CREDIT CARD RECEIPT FORM**

**Date of Purchase:** \_\_\_\_\_

**Merchant Name:** \_\_\_\_\_

**Amount of Purchase:** \_\_\_\_\_

**Description and purpose of the purchase?**

**Why is the original receipt or appropriate documentation missing?**

*I certify that I have contacted the merchant and was unable to obtain a copy of the purchase documentation. I also certify that this purchase was made for an official Town business purpose.*

**Cardholder Signature:** \_\_\_\_\_

**Cardholder Printed Name:** \_\_\_\_\_

*Form must also be reviewed and approved by the Town Manager before submitting to the Finance Director.*

**Town Manager Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

*This form is to be used as documentation only if the actual receipt, invoice, internet order screen, or appropriate substitute is unavailable for a purchase made on a Town issued credit card. It must be filled out completely and signed by both the cardholder and the Town Manager.*

**Date received by the Finance Director:** \_\_\_\_\_

**Finance Director Signature:** \_\_\_\_\_

**TOWN OF LAKE LURE  
REIMBURSEMENT FORM  
FOR ACCIDENTAL OR INAPPROPRIATE USE  
OF A TOWN ISSUED CREDIT CARD**

Complete this form if you accidentally used your credit card for non-Town of Lake Lure use (including personal use) or you used a credit card inappropriately and have been contacted by the Finance Director for reimbursement. This form, original receipts, and a copy of the reimbursement check, should be attached to this form and submitted to the Finance Director after it is signed by the Town Manager.

**\*\*\*\*REMINDER\*\*\*\***

Appropriate action will be taken against personnel for inappropriate use that is repetitive and/or intentional according to the Town Issued Credit Card Policy. Infrequent, inadvertent personal use that is quickly acknowledged and reimbursed should not result in action against the cardholder.

Date of Purchase	
Merchant Name	
Amount of Purchase	

*Describe the nature of the accidental or inappropriate use and how it occurred.*

--

*Describe how you plan to prevent future misuse.*

--

Continued

Exhibit C

**TOWN OF LAKE LURE  
REIMBURSEMENT FORM  
FOR ACCIDENTAL OR INAPPROPRIATE USE  
OF A TOWN ISSUED CREDIT CARD**

Cardholder Name	
Cardholder Signature	
Town Manager Signature	

Date Received by Finance Director \_\_\_\_\_

Finance Director Signature \_\_\_\_\_

**SECTION TWO.** Town staff and elected officials shall abide by all terms and conditions within the adopted credit card policy.

**SECTION THREE.** This policy shall become effective upon adoption.

**READ APPROVED AND ADOPTED** this 13<sup>th</sup> day of June, 2023

<b>VIII. UNFINISHED BUSINESS</b>
----------------------------------

There was no unfinished business to discuss.

<b>IX. NEW BUSINESS</b>
-------------------------

<b>A. BUDGET UPDATE</b>
-------------------------

Finance Director Stephen Ford presented the budget update (Attachment A). Director Ford thanked staff for their help in the budgeting process. Director Ford Reviewed objectives that had been discussed during past meeting and reviewed proposed decreases that were discussed during the May 24<sup>th</sup> Council meeting. Director Ford provided Council with the following budget options in relation to objectives discussed:

- Option one (the fund balance option) takes into account the cuts and reduces the amount of funds to balance the budget. Director Ford noted that option one would require a tax adjustment to fund the fire engine debt service.
- Option two (partial full time equivalent option) would use cuts and increase personnel expenditures equal to those cuts, and would allow one Full Time Employee (FTE) in public

works. Director Ford noted that option two would also require a minor tax adjustment in order to fund the fire engine debt service.

- Option three (fully funded FTE option) would increase the tax rate to fund one full time fire personnel and fire engine debt service, and use cuts to fund two FTEs for Public Works.
- Option four (revenue neutral rate) would provide revenue neutral tax rate with consideration for growth and would include one full time fire personnel and fire engine debt service funded by fund balance, but would include no additional personnel.
- Option five (other).

Manager Perkins noted that there was about \$35,000 in option one for fund balance and that the math was wrong in option 3. Manager Perkins provided a bottom-line table (Attachment B) and reviewed with Council. Manager Perkins recommended that his choice would be option number four. Manager Perkins expressed that the need for public works personnel should be examined before using any tax dollars to fund additional FTEs.

Commissioner Doster asked Fire Chief Dustin Waycaster how long it would take to receive the fire engine once it is ordered. Chief Waycaster estimated 14 to 18 months and expressed that the one concern is if there is an increase in interest rate. Commissioner Doster asked if the Town had to put money down on the fire engine. Chief Waycaster answered that the Town could start the loan and debt service process while the truck is being built or could wait until the truck is delivered, but waiting until it is delivered can be a gamble with the interest rates.

Commissioner DiOrio expressed that he believes that the state shared sales tax revenue will be greater than 1.76, which will likely work in the Town's favor. Commissioner DiOrio noted that the Town's allocation in Rutherford County is based on ad valorem which has increased and will result in an increased distribution to municipalities.

Manager Perkins explained that the proposed budget is conservative and detailed fund balance. Manager Perkins also detailed that the proposed budget is close to revenue neutral. Commissioner DiOrio expressed support for a revenue neutral rate, since County property tax rates are increasing. Commissioner DiOrio recommended mitigating tax increase in Lake Lure when possible. Manager Perkins noted that out of the options discussed previously, option four does not include raising taxes. Commissioner DiOrio recommended capping taxes at the revenue neutral rate. Other Council members agreed and expressed support for option four.

Manager Perkins mentioned the possibility of piggy-backing for the fire engine.

Mayor Pritchett noted that the budget will be voted on during the June 28<sup>th</sup> special meeting at 5:00 p.m. There was consensus to pursue option four.



**IX. NEW BUSINESS**

**B. RESOLUTION NO. 23-06-13B ADOPTING THE 2023-2024 LAKE DRAWDOWN SCHEDULE**

Project Manager Michael Dydula explained that the proposed lake drawdown schedule is five months long and takes into consideration all stakeholders in Lake Lure. Project Manager Dydula expanded that the drawdown would begin November 1, 2023 and the Town would begin refilling the lake on March 31, 2024 at the latest. Mayor Pritchett reminded attendees that lake refill is dependent on rain and noted that the lake will be down 12 ft. this year. Mayor Pritchett also noted that the Town will only draw down the lake when necessary.

Commissioner Bryant made a motion to adopt Resolution No. 23-06-13B Adopting the 2023-2024 Lake Drawdown Schedule. Commissioner Doster seconded and all voted in favor. Resolution No. 23-06-13D was adopted as follows:

**RESOLUTION NO. 23-06-13D**

**RESOLUTION BY THE TOWN COUNCIL OF THE TOWN OF LAKE LURE  
ADOPTING THE 2023-2024 LAKE DRAWDOWN SCHEDULE**

**WHEREAS**, the Town Council of the Town of Lake Lure adopts a lake drawdown schedule annually; and

**WHEREAS**, Town Council understands the importance of the lake and shall only drawdown the lake as necessary; and

**WHEREAS**, there are priority projects to complete during the 2023-2024 drawdown season; and

**WHEREAS**, necessary projects include the GLS project in the North End of Sunset Cove, dredging, seawall and boathouse construction/maintenance, dam and hydroelectric plant maintenance, and sewer cleaning and maintenance; and

**WHEREAS**, the time to complete necessary projects within the 2023-2024 drawdown schedule is five months.

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF LAKE LURE, NORTH CAROLINA:**

**SECTION ONE.** Town Council hereby adopts a 2023-2024 Lake Drawdown Schedule beginning with the drawdown of the lake on November 1, 2023 and refill beginning on March 31, 2024.

**READ APPROVED AND ADOPTED** this 13<sup>th</sup> day of June, 2023

Mayor Pritchett noted that Communications Director Laura Krejci will post the Lake Drawdown Schedule on the Town's website.

**IX. NEW BUSINESS**

**C. EASEMENT AND RIGHT-OF-WAY FOR ACCESS AND UTILITIES IN  
RELATION TO PARCEL #0642171441**

Community Development Director Michael Williams explained that the requested easement is for the Red Bird property located on Seton Road. Director Williams detailed that there a portion of the property's driveway is accessed through a small corner of the Town's property and that it has been this way for over 20 years. It was noted that the property is being sold and the new buyers are concerned about maintaining access and are requesting an official easement. Director Williams expressed that he believes that it is reasonable request and recommended establishing the easement to solidify the use of the path that has been utilized for many years. Director Williams added that the property also cuts through a neighboring property and there is an easement between them, as well.

Commissioner Doster made a motion to approve the easement and right-of-way for access and utilities in relation to parcel #0642171441. Commissioner DiOrio seconded and all voted in favor.

**IX. NEW BUSINESS**

**C. TOWN PROPERTY DISCUSSION**

Manager Perkins noted that that the Town had an appraisal report completed for the public works property located behind the arcade building. Manager Perkins explained that there is .55 acres listed for the property on the Rutherford County GIS which is not accurate and the property actually includes about an acre. Manager Perkins explained that the Town could add .45 acres that is attributable square footage to land that surrounds the well located on the property. It was noted that Director Williams helped with find an old survey map. Manager Perkins detailed the appraisal process with deed restriction versus no restrictions. Manager Perkins explained that the property is currently operating as a non-conforming use and anyone who would purchase the property as conforming will have to spend money on the site to achieve conforming use, so that is factored into the appraisal. Manager Perkins noted that the excess property is being looked at from the appraisal value of the .45 acres and expressed that he believes that would add an additional \$108,000. It was noted that this will be discussed in greater detail at the next work session meeting. Manager Perkins mentioned that he spoke with Public Services Director Dean Lindsey, who noted that it would be the town's cost to close the well located on the property and that the well's water supply is the town's biggest supplier and replacing the well may cost a half million dollars.


Manager Perkins noted that a market rent rate study was completed for the ABC Store property and he is going to present Council with a plan to market the ABC Store at the work session meeting. Manager Perkins summarized that the plan is to advertise, entertain proposals, receive

proposals and evaluate intended use, review business plans, and proceed as necessary. It was noted that an idea is to create a small ad hoc committee that would evaluate proposals to determine a recommendation for Council to move forward with selecting a proposal. It was noted that after review of the marking plan at the work session, the Town will establish due date and required details to include in a submittal package.

<b>XI. ADJOURNMENT</b>
------------------------

With no further business, Commissioner Bryant made a motion to adjourn the meeting at 6:39 p.m. Commissioner DiOrio seconded and the motion carried 4-0.

ATTEST:

  
Olivia Stewman, Town Clerk

  
Mayor Carol C. Pritchett

