



BOARD OF ALDERMEN BUDGET RETREAT

Wednesday, March 18, 2026 at 9:00 AM

Landis Board Room

MINUTES

PLEASE SILENCE ALL CELL PHONES

Present: Mayor Meredith B. Smith, Alderman Ryan Nelms, Alderman Darrell Overcash

Absent: Mayor Pro-Tem Ashley Stewart, Alderman Tony Corriher

Staff Present: Town Manager Michael Ambrose, HR Director/Town Clerk Madison Stegall, Finance Director Carly Blackmon, Police Chief Matthew Geelen

1. INTRODUCTION:

1.1 Call Meeting to Order

Mayor Meredith Smith called the meeting to order at 9:17 AM

1.2 Welcome

Mayor Smith welcomed those in attendance.

1.3 Adoption of Agenda

ACTION: A MOTION WAS MADE TO ADOPT THE AGENDA AS PRESENTED.

Moved By: Darrell Overcash, seconded by Ryan Nelms

Motion Passed: (2-0)

Voting For: Ryan Nelms, Darrell Overcash

2. CONSENT AGENDA:

All items below are considered to be routine by the Board of Aldermen and will be enacted by one motion. There will be no separate discussion on these items unless an Aldermen member so requests, in which event, the item will be removed from the Consent Agenda and placed in the appropriate corresponding Agenda Section to then be considered.

2.1 Consider Approval of Work Session Meeting Minutes from February 5, 2026, Regular Scheduled Meeting Minutes from February 9, 2026, and Regular Scheduled Budget Retreat Meeting Minutes from February 18, 2026

ACTION: A MOTION WAS MADE TO APPROVE THE CONSENT AGENDA AS PRESENTED.

Moved By: Darrell Overcash, seconded by Ryan Nelms

Motion Passed: (2-0)

Voting For: Ryan Nelms, Darrell Overcash

3. PRESENTATIONS/CONSIDERATIONS:

3.1 Consider Presentation of Electricities EC 101 Presentation by Scott Jones

Town Manager Michael Ambrose introduced Scott Jones from Electricities for a presentation on their services. Mr. Jones, serving as Chief Financial Officer at Electricities based in Raleigh, provided an overview of the organization and discussed upcoming contract renewals.

Mr. Jones explained that Electricities is a public power organization serving 51 communities in North Carolina for wholesale electricity supply, with an additional 99 members receiving broader services. He emphasized that public power utilities like Landis maintain community control through local elected officials, which he strongly supports as it prioritizes community needs over investor profits.

The presentation covered Landis's ownership share in the Catawba Nuclear Station, which Mr. Jones described as "one of the best operating nuclear plants in the country." He noted that the plant has a license to operate through 2043, with expectations for a 20-year extension that would run through 2063. Mr. Jones highlighted that nuclear power provides emission-free electricity and remarkable long-term stability.

Regarding rates, Mr. Jones provided compelling comparisons showing that Landis's wholesale power costs approximately 5.5 cents per kilowatt hour, compared to Hawaii's 45 cents, Southern California's 30-35 cents, and the Northeastern United States' 25-30 cents. He emphasized that all 19 members in the western power agency, including Landis, maintain retail rates lower than Duke Energy.

Board members engaged in discussion about billing practices, with questions about separating electric bills from other utilities to help residents better understand their competitive electric rates. Mr. Jones acknowledged this challenge, noting that comprehensive bills can create confusion when residents compare their total bills to Duke Energy customers who receive separate bills.

The conversation touched on the complexity of electricity usage, particularly during cold weather when heat pumps require auxiliary strip heat, and how this affects customer bills. Mr. Jones shared anecdotes about efficiency issues he had encountered in other communities.

Mr. Jones concluded by discussing the contract renewal process, explaining that both the primary contract (nuclear plant ownership) and supplemental contract are being extended to align with the Catawba license expiration in 2043. He mentioned that Huntersville had approved their contracts the previous evening, and Landis's approval was scheduled for the April meeting.

3.2 Consider Presentation of FY25 Financial Audit by Tonya Coffey with Martin Starnes & Associates PA

Tonya Coffey, the new audit partner from Martin Starnes & Associates, presented the FY25 financial audit results. She began by explaining the audit process and responsibilities, clarifying that their role is to issue an opinion on the financial statements' fair presentation in accordance with GAAP, while the town is responsible for the underlying content and internal controls.

Ms. Coffey praised Town Manager Michael Ambrose and his team for their cooperation during the audit process, noting improvements in routine accounting work such as timely bank reconciliations, which addressed a finding from the previous year. She acknowledged challenges due to the absence of a finance director during the audit period and the involvement of consultants.

The audit revealed a clean, unmodified opinion on both financial statements and federal/state compliance. Key financial highlights included:

General Fund Performance:

- Total revenues of \$6.5 million (increase of approximately \$1 million from prior year)
- Total expenditures of \$5.7 million (increase of approximately \$1.4 million)
- Property taxes comprised 41% of revenues (down from 47% due to growth in other revenue sources)
- Unrestricted intergovernmental revenue (primarily sales tax) increased \$136,000 or 8%
- Major expenditure increases included \$1.1 million in public safety (primarily a \$700,000 fire truck purchase) and \$334,000 in public services (Powell Bill sidewalk projects)

Fund Balance Growth: The town's available fund balance increased dramatically to \$6 million, representing 108.3% of annual net expenditures. This far exceeds the LGC minimum requirement of 34% and the average of 57% for similar-sized municipalities. Board members expressed satisfaction with this remarkable turnaround from their low fund balance situation in 2020.

Enterprise Funds Performance:

- Water and sewer fund showed positive cash flows from operations of \$350,000 and a quick ratio of 13.42
- Electric fund demonstrated strong performance with \$2 million in cash flows from operations and a quick ratio of 5.53

Performance Issues: The audit identified three FPICs (Fiscal Performance Indicators of Concern):

- Material audit adjustments due to year-end accrual challenges
- Late audit submission (turned in February 27, missing the February 12 deadline by two weeks)
- Water and sewer capital asset condition ratio below 50%, indicating potential future capital needs

Additionally, a compliance finding related to Powell Bill equipment tracking was noted, stemming from missing documentation from previous administrations dating back to 2009 and 2010.

3.3 Consider Approval of FY26 Audit Contract with Martin Starnes & Associates PA

Manager Ambrose presented the FY26 Audit Contract with Martin Starnes & Associates PA and requested approval.

ACTION: A MOTION WAS MADE TO APPROVE THE FY26 AUDIT CONTRACT WITH MARTIN STARNES & ASSOCIATES PA.

Moved By: Darrell Overcash, seconded by Ryan Nelms

Motion Passed: (2-0)

Voting For: Ryan Nelms, Darrell Overcash

Mayor Smith requested a brief recess.

ACTION: A MOTION WAS MADE TO ENTER A BRIEF RECESS AT 10:07 PM.

Moved By: Darrell Overcash, seconded by Ryan Nelms

Motion Passed: (2-0)

Voting For: Ryan Nelms, Darrell Overcash

ACTION: A MOTION WAS MADE TO RETURN FROM THE BRIEF RECESS AT 10:24 PM.

Moved By: Darrell Overcash, seconded by Ryan Nelms

Motion Passed: (2-0)

Voting For: Ryan Nelms, Darrell Overcash

3.4 Consider Discussion of the Police Department Annual Budget Retreat

Police Chief Matthew Geelen presented a comprehensive budget request for the police department, beginning with equipment needs and culminating in a significant personnel request.

Equipment and Infrastructure Requests:

Chief Geelen outlined a multi-year equipment replacement and upgrade plan including:

- Annual purchase of two patrol vehicles (\$130,000 per year) to establish a proper rotation schedule
- HVAC unit replacement for the police department (\$23,000, pushed to FY31 pending building decisions)
- Portable breath testing devices (\$1,600 per year, potentially grant-funded)
- Digital speed limit signs with data collection capability (\$7,374 for four signs over two years)
- Body camera and taser renewal continuation (\$36,000 annually)
- Ballistic vest replacements (\$3,800 per year for three vests)
- Updated drug testing kits with QR code technology to limit officer exposure to substances like fentanyl

The board discussed completing the police department flooring project, with Chief Geelen noting that while his office carpet wasn't scheduled for replacement until FY28, board members suggested completing the entire project now for consistency and safety reasons, particularly regarding potential evidence contamination.

Critical Personnel Needs:

Chief Geelen presented alarming statistics demonstrating the urgent need for additional officers:

- 911 calls increased from 1,482 in 2023 to 2,235 in 2024 to 2,627 in 2025
- The department has maintained 12 officers since approximately 2013-2014
- Officers frequently work alone, particularly on night shift

Chief Geelen made an impassioned plea for three additional officers, stating bluntly: "Somebody's gonna get hurt. Somebody's gonna get killed. We don't send firemen in a structure fire with one person." He shared a personal anecdote about responding alone to a disturbance call where a suspect came to the door with a sword, with no mutual aid available. That individual was later convicted of murder.

The personnel request would bring the department to 15 officers in total, allowing for:

- Two officers on day shift
- Two officers on night shift
- A sergeant on mid-shift
- A dedicated detective position

Chief Geelen emphasized the critical importance of having a dedicated detective, noting that the current detective sergeant handles multiple roles including internet crimes against children cases while also serving patrol duties.

Budget Impact:

Town Manager Ambrose indicated the three additional positions would cost approximately \$325,000 total, including all equipment, training, benefits, and vehicles. He noted that preliminary budget numbers suggest this could be accomplished without raising tax rates, though it would require drawing from fund balance. The impact could be reduced by staggering hiring from October through December rather than starting all positions on July 1.

Manager Ambrose noted that FY27 will be a revaluation year with additional revenue from developments like Landis Ridge, which should help support the increased personnel costs.

Technology and Equipment Discussion:

The board engaged in detailed discussion about a radar speed trailer versus fixed speed signs, with Chief Geelen explaining the trailer's versatility and data collection capabilities. The proposed trailer costs \$30,000 and can display messages for events and detours, but storage became a concern. Board members expressed preference for the mobile trailer to gather data before determining optimal locations for fixed signs.

3.5 Consider Presentation of Board Rules and Procedures by Geraldine Gardner with Centralina Regional Council

Item 3.5 was deferred due to all Board members not being present.

ACTION: A MOTION WAS MADE TO TABLE THE PRESENTATION OF BOARD RULES AND PROCEDURES BY GERALDINE GARDNER WITH CENTRALINA REGIONAL COUNCIL TO A FUTURE DATE OF APRIL 22ND OR APRIL 23RD AT 4:00 PM.

Moved By: Darrell Overcash, seconded by Ryan Nelms

Motion Passed: (2-0)

Voting For: Ryan Nelms, Darrell Overcash

4. CLOSING:

4.1 Motion to Adjourn

ACTION: A MOTION WAS MADE TO ADJOURN THE MEETING AT 10:52 AM.

Moved By: Ryan Nelms, seconded by Darrell Overcash

Motion Passed: (2-0)

Voting For: Ryan Nelms, Darrell Overcash

Respectfully Submitted,

Madison T. Stegall, Town Clerk



WORK SESSION

Thursday, February 05, 2026 at 5:30 PM
Landis Board Room

MINUTES

PLEASE SILENCE ALL CELL PHONES

Present: Mayor Meredith B. Smith, Mayor Pro-Tem Ashley Stewart, Alderman Tony Corriher, Alderman Ryan Nelms, Alderman Darrell Overcash

Staff Present: Town Manager Michael Ambrose, HR Director/Town Clerk Madison Stegall, Finance Director Gitza Ocasio Perez, Town Attorney Rick Locklear, Police Chief Matthew Geelen, Parks & Rec Director Jessica St. Martin

1. INTRODUCTION:

1.1 Call Meeting to Order

Mayor Meredith Smith called the meeting to order at 5:30 PM

1.2 Welcome

Mayor Smith welcomed those in attendance.

1.3 Adoption of Agenda

ACTION: A MOTION WAS MADE TO ADOPT THE AGENDA AS PRESENTED.

Moved By: Ashley Stewart, seconded by Tony Corriher

Motion Passed: (4-0)

Voting For: Ashley Stewart, Ryan Nelms, Darrell Overcash, Tony Corriher

2. CONSIDERATIONS:

2.1 Consider Discussion of the Parks and Recreation Budget Retreat

Landis Pool 2026 Operations and Fees-

Parks and Recreation Director Jessica St. Martin presented the pool budget workshop, noting this was the second such session following an earlier meeting in November 2025. The current fee structure, which went into effect in July of the previous year, was proposed to remain unchanged for 2026. These rates represented an increase from the prior year.

Town Manager Michael Ambrose explained the rationale behind the resident versus non-resident fee structure, noting that Landis residents with a \$200,000 valued home pay \$309.40 in their tax bill specifically for Parks and Recreation services. This tax contribution justified offering lower rates to residents compared to non-residents.

The proposed 2026 pool operations would transition to a members-only facility, operating Monday through Saturday from 10 AM to 6 PM, and Sunday from 12 PM to 6 PM. The fee structure included individual and family memberships for both residents and non-residents, guest daily admission fees, private party rental rates, and summer program group admissions.

Cashless Operations-

A significant portion of the discussion centered on a proposal to make the pool concessions and guest admissions cashless, accepting only card payments. Staff explained this recommendation from a risk management perspective, noting that employees currently transport cash from the pool to Parks and Recreation offices daily, creating liability concerns for the town. On busy days, particularly July 4th weekend, cash collections reached over \$10,000, requiring multiple change runs throughout the day to various locations including banks and gas stations.

Board members expressed mixed opinions on the cashless proposal. Some supported it for simplicity and risk reduction, while others raised concerns about accommodating families who prefer giving children cash rather than credit cards for spending control. Mayor Smith noted practical concerns about children having access to parents' debit cards throughout the day.

Various alternatives were discussed, including installing a safe at the pool facility, creating a bank drop system, or establishing an account-based system similar to school lunch programs. However, staff indicated the current point-of-sale system (Clover) would not support such account features.

After extensive discussion about the pros and cons of each payment method, including considerations of credit card processing fees and customer accommodation, the board ultimately decided to maintain both cash and card payment options while exploring the installation of a safe to address security concerns.

ACTION: A MOTION WAS MADE TO MOVE FORWARD WITH THE PROPOSED 2026 POOL RATES, SCHEDULE, MEMBER-ONLY OPERATIONS, AND CHANGE TO A CASHLESS FACILITY.

Moved By: Darrell Overcash, seconded by Tony Corriher

Motion Tied: (2-2)

Voting For: Darrell Overcash, Tony Corriher

Voting Against: Ashley Stewart, Ryan Nelms,

Mayor Vote: Against

Motion Failed: (3-2)

ACTION: A MOTION WAS MADE TO MOVE FORWARD WITH THE PROPOSED 2026 POOL RATES, SCHEDULE, AND MEMBER-ONLY OPERATIONS WHILE MAINTAINING BOTH CASH AND CARD PAYMENT OPTIONS, AND TO CONSIDER INSTALLING A SAFE FOR CASH SECURITY.

Moved By: Ashley Stewart, seconded by Tony Corriher

Motion Passed: (4-0)

Voting For: Ashley Stewart, Ryan Nelms, Darrell Overcash, Tony Corriher

Pool Area and Recreation Improvements-

Parks and Recreation Director Jessica St. Martin presented a comprehensive improvement plan for the pool and surrounding recreation areas, spanning a 5-7 year implementation timeline. The proposed improvements included:

- Pool Area Enhancements:
- Paving the full parking lot to eliminate ongoing gravel maintenance issues
- Redoing fences and gates throughout the facility
- Installing new building awnings on front and back of pool concession area
- Replacing two old shelters and adding three additional picnic shelters
- Adding pickleball and volleyball courts
- Installing a playground structure
- Constructing a community building
- Upgrading lighting around the field areas

The board discussed prioritization of these projects, with several members advocating for picnic shelters as a first priority since they would generate immediate rental revenue. The parking lot paving was also identified as high priority due to ongoing maintenance costs and aesthetic concerns. Board members suggested the community building, while desirable, should come later in the timeline.

There was discussion about relocating the existing baseball field to create space for the community building, with staff noting that any field relocation would require creating replacement facilities at other park locations first to maintain rental revenue from sports teams.

Cost estimates were provided for various improvements, with picnic shelters estimated at \$90,000 for replacing and adding units. The board expressed preference for focusing on revenue-generating improvements first, followed by infrastructure needs like parking lot paving.

South Beaver Street Park Improvements-

The discussion turned to improvements needed at South Beaver Street Park, where staff proposed relocating the existing playground, installing fencing, creating a multi-sport court, renovating the pavilion, redoing restrooms with ADA compliance, adding a kitchenette, creating a dog park, and paving the parking lot.

Community feedback had indicated strong interest in a dog park, as residents were currently using ball fields and other inappropriate areas for dogs. The multi-sport court concept would accommodate multiple activities rather than just pickleball and tennis.

Board members supported prioritizing the pavilion renovation as it could quickly generate rental revenue while serving the community need for event space. The dog park was also seen as addressing a real community need based on daily requests from residents.

Linn Field Park Needs-

Staff presented needs for Linn Field Park including lighting upgrades, roof replacement and painting of the concession building, and restroom restoration with new steel doors. Additional space exists for more batting cages or practice fields, but the board indicated these improvements should follow completion of other priority projects.

Wilderness Park Maintenance-

The Wilderness Park discussion focused primarily on ongoing maintenance needs including exterior staining of the office building, patio covering, vehicle and equipment storage solutions, landscaping around the office, and replacement of damaged kayak equipment. Staff noted that Wilderness Park generates more revenue than the pool operations.

A significant discussion occurred regarding a proposed \$95,000 shower house, with board members questioning the high-cost estimate. Staff explained this was for a prefab concrete structure designed specifically for recreational areas, noting that stick-built construction quotes had been even higher at \$125,000.

Equipment and Departmental Needs-

The Parks and Recreation department requested a new ATV to replace aging equipment over 10 years old that lacks weather protection for staff. They also requested their first department-owned commercial grade lawn mower, having previously inherited equipment from Public Works. As the department gains responsibility for additional recreational green spaces, dedicated equipment becomes necessary.

Board members suggested exploring lease options for equipment, though staff cautioned about accounting complexities with lease arrangements affecting fund balance reporting requirements.

2.2 Consider Discussion of the Agenda Packet for the February 9, 2026, Regular Scheduled Meeting in Order to Provide Opportunities for Board Members to Study Issues, Gather and Analyze Information, and Clarify Direction for Staff

02//09/25 Agenda Items Discussed: (The Agenda for 02/09/25 was discussed sequentially, only the items that were deliberated will be mentioned below)

Town Manager Michael Ambrose provided highlights from the upcoming regular meeting agenda, noting it was particularly lengthy. Key items included:

2.1 Consider Approval of Hosting OneBlood Blood Drive March 3rd, 2026, June 11, 2026, and September 11, 2026, for the Community and Employees and Additionally Consider Employee Incentive of 4-Vacation Hours for Donating

Town Clerk/HR Director Madison Stegall explained that OneBlood had requested approval for three additional blood drives on March 3rd, June 11th, and September 11th, with the continued policy of providing four vacation hours to employees who participate.

4.1 Consider Approval to Adopt a Code of Ethics for the Board of Aldermen and Corresponding Ordinance #2026-02-09-01

Director Stegall reminded the board needed to review the code of ethics for the board that had been distributed by email.

4.2 Consider Approval of Resolution #2026-02-09-03 to Accept and Terminate the Declaration of State of a Emergency

Director Stegall explained this consideration was for a resolution to approve and terminate the mayor's recent state of emergency declaration as of Monday.

4.3 Consider the Approval of Setting a Public Hearing for the Board of Aldermen Meeting on March 9, 2026, for Ordinance #2026-03-09-01 Ordering the Closing and Vacating of a Non-Residential Structure Located at 2570 South US 29 Highway

A significant discussion arose regarding agenda item 4.3 concerning 2570 South US 29 Highway (the Chicken Shack/World Market location). Code Enforcement Officer Matthew Geelen explained this property has been under enforcement action since before the current contracted code enforcement company, with previous efforts to bring the building into compliance unsuccessful.

The building has significant structural issues including roofing problems, missing metal sections, and fascia needing replacement. The property owner has retained an attorney and does not believe the town has authority over the property. Code Enforcement has worked extensively with the owner, even having contractors meet on-site to explain needed repairs.

Board members had mixed reactions to the proposed closure proceedings. Some expressed reluctance to force a taxpaying business to close, while others emphasized the importance of following established code enforcement procedures consistently. The discussion highlighted the difference between health department ratings (county jurisdiction) and building code compliance (town jurisdiction).

One board member noted that the town had previously taken action on substandard residential properties and questioned why different standards should apply to commercial properties. Code Enforcement emphasized this was simply setting a public hearing date, not making a final closure determination, and that the owner could still bring the property into compliance before the hearing.

5.1 Consider Approval of Restroom Types for the Facility in the DCFL Park as Recommended by the DCFL Committee

DCFL Committee Chair Michelle Gray expressed that the DCFL Committee revisited the restroom types and unanimously recommended the restroom construction at DCFL Park be with ADA-compliant individual units rather than group facilities.

5.2 Consider Approval of Awarding DCFL Survey to UTLEY Land Surveying, PLLC in the Amount of \$4,100.00 as Recommended by the DCFL Committee

Parks & Recreation Director Jessica St. Martin discussed survey work to consolidate park parcels at the DCFL park site.

6.1 Consider Approval of Change Order #25-02-06 to Complete the S. Upright Street Basin Sanitary Sewer Rehabilitation (Project 25-02)

Manager Ambrose stated that The Town's Upright Sewer Rehabilitation Project has been successfully completed, and the final amount of underruns have been received by Staff. Budget Amendment #15 will lower the project cost by \$122,042.18, which will make the project overall net increase of \$70,107.82.

6.5 Consider Approval of the Purchase and Installation of Two MATADOR 92 Wastewater Matting Eliminators in the Amount of \$17,995.50, from CITCO Water

Interim Public Works Director Matthew Geelen requested two MATADOR 92 Wastewater Matting Eliminators, designed to agitate wastewater with high grease content, improving flow and minimizing the solidification of grease within our wastewater lift stations. These units are a sole source product, from Citco Water, with a total cost of \$19,255.19. The Matador units are proposed for the North US 29 Lift Station and the Town Street Lift Station, both of which consistently receive wastewater with elevated grease levels. Each station has tested a Matador unit for approximately six months, and the trial resulted in significant improvements in performance and a substantial reduction in grease accumulation.

6.6 Consider Approval of the Purchase of 100 Upgraded Water Meters in the Amount of \$20,383.50 from Ferguson Waterworks

Interim Director Geelen explained that The Town’s current water meters are at the end of their service life and require replacement. The proposed meters are an upgrade from the existing technology and will allow for remote activation and deactivation of water service. This upgrade will improve operational efficiency, reduce staff time spent on manual meter operations, and enhance overall water system management.

6.7 Consider Approval of the Installation of a New Sewer Line and Corresponding Asphalt/Concrete Repair at Town Hall in the Amount of \$9,466.00 by William Mack Harrington

Interim Director Geelen stated that the sewer line serving Town Hall has a failed section that requires replacement to restore proper operation and prevent future issues. This line runs from the drop box area to the main underneath South Main Street. The scope of work includes NC811 utility locates and coordination with Town officials for logistics and scheduling. Work will involve saw cutting and removal of approximately 3’ x 60’ of asphalt driveway and 3’ x 14’ of concrete sidewalk, with all debris loaded onto Town-supplied trucks for disposal. The project also includes trench excavation with spoils loaded onto Town-supplied trucks, removal and replacement of approximately 75’–125’ of sewer line, installation of new 4” PVC DWV Schedule 40 pipe with required fittings and tracer wire, and backfilling with Town-supplied ABC aggregate compacted to grade and ready for asphalt patching. Additional work includes replacing concrete removed for trenching, constructing a 3’ x 4’ x 6” concrete pad around the sewer cleanout near the payment drop box using approximately one cubic yard of Town-supplied concrete, installation of required safety measures, and general cleanup upon completion. Quotes received for this project are \$12,166.00 from Service HQ Inc., and \$9,466.00 from William Harrington.

6.10 Consider Approval to Adopt Armstrong Street, Richwater Street, Ridgeview Street, and Corresponding Public Water, Sewer, and Stormwater Utility Lines and Easements at Landis Ridge

Manager Ambrose stated that Landis Ridge Development Phase One build out has been completed. Landis Ridge is requesting to dedicate Armstrong Street, Richwater Street, Ridgeview Street, and Corresponding Public Water, Sewer, and Stormwater Utility Lines and Easements. This dedication has been accepted by staff, and a road maintenance bond will be accepted by the town prior to dedication. This road maintenance bond will allow assure the town coverage of the roadways for one calendar year. This project has been certified by the applicant's engineer, and has been inspected multiple times, during various phases of the project, by our staff. If accepted, Armstrong Street, Richwater Street, and

Ridgeview Street will be added to the Town's Powell Bill for more maintenance funding going forward in FY27.

2.3 Consider Motion to Enter Closed Session Pursuant to N.C.G.S.143-318.11(a)(3)(4)(6) to Consult with the Town Attorney, to Discuss Matters Related to Economic Development, and to Discuss Personnel Matters

ACTION: A MOTION WAS MADE TO ENTER CLOSED SESSION PURSUANT TO N.C.G.S.143-318.11(A)(3)(4)(6) TO CONSULT WITH THE TOWN ATTORNEY, TO DISCUSS MATTERS RELATED TO ECONOMIC DEVELOPMENT, AND TO DISCUSS PERSONNEL MATTERS AT 7:00 PM.

Moved By: Ryan Nelms, seconded by Ashley Stewart

Motion Passed: (4-0)

Voting For: Ashley Stewart, Ryan Nelms, Darrell Overcash, Tony Corriher

Closed Session was held.

ACTION: A MOTION WAS MADE TO EXIT CLOSED SESSION AT 8:23 PM.

Moved By: Ashley Stewart, seconded by Tony Corriher

Motion Passed: (4-0)

Voting For: Ashley Stewart, Ryan Nelms, Darrell Overcash, Tony Corriher

3. CLOSING:

3.1 Motion to Adjourn

ACTION: A MOTION WAS MADE TO ADJOURN THE MEETING AT 8:24 PM.

Moved By: Ashley Stewart, seconded by Tony Corriher

Motion Passed: (4-0)

Voting For: Ashley Stewart, Ryan Nelms, Darrell Overcash, Tony Corriher

Respectfully Submitted,

Madison T. Stegall, Town Clerk



BOARD OF ALDERMEN

Monday, February 09, 2026 at 6:00 PM
Landis Board Room

MINUTES

PLEASE SILENCE ALL CELL PHONES

Present: Mayor Meredith B. Smith, Mayor Pro-Tem Ashley Stewart, Alderman Tony Corriher, Alderman Ryan Nelms, Alderman Darrell Overcash

Staff Present: Town Manager Michael Ambrose, HR Director/Town Clerk Madison Stegall, Finance Director Gitza Ocasio Perez, Town Attorney Rick Locklear, Police Chief Matthew Geelen, Parks & Rec Director Jessica St. Martin, Planning Director Phil Collins, Code Enforcement Officer Jeff Poindexter, Fire Chief Jason Smith

1. INTRODUCTION:

1.1 Call Meeting to Order

Mayor Meredith Smith called the meeting to order at 6:00 PM

1.2 Welcome

Mayor Smith welcomed those in attendance.

1.3 Moment of Silence and Pledge of Allegiance

Mayor Smith welcomed those in attendance in a moment of silence and the Pledge of Allegiance.

1.4 Adoption of Agenda

ACTION: A MOTION WAS MADE TO ADOPT THE AGENDA AS PRESENTED.

Moved By: Ashley Stewart, seconded by Tony Corriher

Motion Passed: (4-0)

Voting For: Ashley Stewart, Ryan Nelms, Darrell Overcash, Tony Corriher

2. CONSENT AGENDA:

All items below are considered to be routine by the Board of Aldermen and will be enacted by one motion. There will be no separate discussion on these items unless an Aldermen member so requests, in which event, the item will be removed from the Consent Agenda and placed in the appropriate corresponding Agenda Section to then be considered.

2.1 Consider Approval of Hosting OneBlood Blood Drive March 3rd, 2026, June 11, 2026, and September 11, 2026, for the Community and Employees and Additionally Consider Employee Incentive of 4-Vacation Hours for Donating

ACTION: A MOTION WAS MADE TO ADOPT THE CONSENT AGENDA AS PRESENTED.

Moved By: Ashley Stewart, seconded by Ryan Nelms

Motion Passed: (4-0)

Voting For: Ashley Stewart, Ryan Nelms, Darrell Overcash, Tony Corriher

3. CITIZEN COMMENTS:

All citizen comments are limited to 3 minutes.

3.1 Citizens' Comments

- **Nick Isaac & Aaron Neely** – 2570 US Hwy 29 - Nick Isaac addressed the board regarding the Corner Mart property. Isaac explained that they have their proposal ready, funding secured, and are prepared to move forward with their project timeline. He mentioned that their lawyer had previously reached out to staff to communicate their readiness to proceed. Isaac provided a copy of their proposal to the board for review.
- **Jerrell Greene** – W. Ridge Ave. – Jerrell Greene raised three separate issues during his comments. First, he expressed frustration with citizens having to wait outside in inclement weather while board members could enter the building early, suggesting the building should be opened earlier than ten minutes before the meeting. Second, regarding the "chicken shack" (later identified as the Corner Mart property), Greene acknowledged it was unsightly but urged the board to work collaboratively with the owners to give them every opportunity to bring the property up to standard, emphasizing the establishment serves good food. Third, Greene raised significant concerns about stormwater fee increases, citing an example of a business owner whose bill increased from \$10 to \$510 in one month - a several thousand percent increase. He worried this approach would drive commercial businesses away from Landis, noting he had owned three businesses previously and understood the impact such increases could have on operations. Greene suggested alternatives like retention ponds for businesses that could manage their own stormwater runoff. Mayor Smith responded that the stormwater fees had been applied to both residential and commercial properties, with fees distributed based on usage. Town Attorney Locklear provided extensive explanation about the legal requirements for equal treatment across property classifications, noting that stormwater management is governed by state regulations that apply regardless of jurisdiction. He explained that properties with impervious surfaces (concrete, rooftops) that divert water create runoff issues that must be addressed. Town Manager Ambrose detailed the town's history with stormwater fees, explaining that Landis had gone approximately 20 years without collecting these fees while other municipalities like Kannapolis had been charging substantial amounts (citing examples of \$30,000-40,000 monthly bills for large commercial properties). Greene maintained his

position that the dramatic increase could harm local businesses, while staff emphasized that similar fees would apply in any North Carolina municipality due to state requirements.

- **Shane Safrit** – 502 Patterson St. China Grove - Shane Safrit provided an extensive statement regarding code enforcement actions taken on his deceased mother's property at 619 North Main Street. Speaking nine days before the one-year anniversary of his mother's death, Safrit expressed deep frustration with what he characterized as insensitive code enforcement practices. Safrit detailed his concerns about the timeline of enforcement actions, stating he received a phone call from Chief Geelen on May 1st (approximately 2.5 months after his mother's death on February 18th) regarding code enforcement complaints, followed by a formal letter dated June 27th. He questioned the town's assertion of a standard 90-day policy, arguing that examination of other properties showed no consistent pattern of enforcement.

The discussion revealed several key points:

- Safrit had been told by staff that complaints were filed anonymously, preventing identification of who initiated the enforcement action.
- Mayor Smith clarified that the board was unaware of the situation until Safrit's initial email, as they don't handle day-to-day operations
- Safrit sought transparency regarding complaint records and consistency in enforcement policies

Mayor Smith acknowledged the raw emotions involved in dealing with death and estate matters, sharing her own recent experience with her father's passing. She explained that if the board had been aware of the situation, she would have preferred to make the initial contact herself, though she acknowledged it likely wouldn't have been received any better during such a difficult time. Town Attorney Locklear provided context about estate administration procedures, noting that creditors (including municipalities) are legally required to file claims during estate proceedings within specified timeframes to preserve their rights.

The lengthy discussion highlighted tensions between following established procedures and exercising discretion during sensitive circumstances. Safrit emphasized his desire for answers to two key questions: why enforcement was initiated so quickly after his mother's death, and who filed the original complaint. He stated his intention to continue pursuing these answers and advocating for more compassionate enforcement policies. Town Manager Ambrose explained the town's standard 90-day policy for code enforcement, noting that this timeframe allows for reasonable progress on addressing violations. However, Safrit disputed the consistency of this standard based on his research of other cases. The conversation concluded with acknowledgment from multiple board members about the difficulty of balancing policy enforcement with individual circumstances, though no specific policy changes were proposed during this discussion.

4. ORDINANCES/RESOLUTIONS:

4.1 Consider Approval to Adopt a Code of Ethics for the Board of Aldermen and Corresponding Ordinance #2026-02-09-01

Town Clerk Madison Stegall presented the proposed code of ethics, explaining it was required by General Statute 160A-86. She noted that while the town likely had such an ordinance in the past, she could not locate it in current records, making this adoption necessary for compliance.

The discussion revealed significant concerns from some board members about the content and implications of the proposed ethics code. Alderman Corriher expressed strong opposition, feeling the

ordinance questioned his integrity and contained language he didn't understand. He refused to sign the document, expressing concern about potential penalties including jail time.

Alderman Overcash shared similar concerns about the code being used to censor board members' opinions and limit their ability to speak freely on issues affecting the town. Both members worried about the potential for other board members to use the ethics code to silence dissenting voices.

Alderman Nelms provided clarification after reviewing Section 10 of the proposed code, explaining that any censure action would require a formal hearing process and majority vote, not immediate action during meetings.

Mayor Pro-Tem Stewart supported the code as providing important guardrails for professional conduct, particularly referencing recent issues at the Iredell County School Board as an example of why such standards are valuable.

Town Attorney Locklear suggested the board might benefit from completing their required ethics training before voting on the code, allowing members to ask questions of instructors and gain better understanding of the requirements.

After extensive discussion about the relationship between the required ethics training (a separate state-mandated requirement) and the local code of ethics, the board ultimately decided to table the matter.

ACTION: A MOTION WAS MADE TO TABLE ITEM 4.1 UNTIL THE FEBRUARY 18TH, 2026, BOARD MEETING PENDING COMPLETION OF REQUIRED ETHICS TRAINING BY ALL BOARD MEMBERS.

Moved By: Ashley Stewart, seconded by Ryan Nelms
Motion Passed: (4-0)
Voting For: Ashley Stewart, Ryan Nelms, Darrell Overcash, Tony Corriher

4.2 Consider Approval of Resolution #2026-02-09-03 to Accept and Terminate the Declaration of State of a Emergency

Town Manager Michael Ambrose explained this resolution would formally terminate the state of emergency that had been declared due to recent winter storms. The emergency declaration had been put in place to allow the town to mobilize additional resources if needed due to salt shortages during the winter weather events.

ACTION: A MOTION WAS MADE TO APPROVE RESOLUTION #2026-02-09-03 TO ACCEPT AND TERMINATE THE DECLARATION OF STATE OF A EMERGENCY.

Moved By: Ashley Stewart, seconded by Tony Corriher
Motion Passed: (4-0)
Voting For: Ashley Stewart, Ryan Nelms, Darrell Overcash, Tony Corriher

4.3 Consider the Approval of Setting a Public Hearing for the Board of Aldermen Meeting on March 9, 2026, for Ordinance #2026-03-09-01 Ordering the Closing and Vacating of a Non-Residential Structure Located at 2570 South US 29 Highway

Code Enforcement Officer Jeff Poindexter presented this item concerning the Corner Mart property at 2570 South US 29 Highway. He reported that no visible work had been observed on the property since October 27th of the previous year, placing the situation at the 90-day mark for potential board action. The discussion involved both the property owner's representatives who had spoken during citizen comments and provided important context about their readiness to proceed with remediation work.

Nick Isaac and his contractor team explained they had secured funding and developed a proposal to address the code violations but needed clarity from the town about acceptable solutions.

Contractor representatives indicated they had been retained to develop solutions and were prepared to begin work, pending approval of their remediation plan. However, they noted some ambiguity in the specific requirements from code enforcement, with directives including both removing certain boards and reinstalling boards.

Mayor Smith provided detailed explanation of the public hearing process, emphasizing that setting a hearing doesn't automatically result in closure and vacation of the property. She outlined how the 30-day period before the hearing would allow for progress assessment, with the possibility of extensions if substantial progress was being made.

The discussion revealed the complexity of balancing accountability with supporting business owners who demonstrate good faith efforts to address violations. Town Manager Ambrose stressed the importance of working through proper permitting processes with the planning department to ensure any remediation work meets Land Development Ordinance requirements.

Mayor Pro-Tem Stewart supported setting the hearing as an accountability measure while expressing willingness to withdraw it if substantial progress was demonstrated. He emphasized the town's history of code enforcement challenges and the need to maintain standards while working cooperatively with property owners showing genuine effort to comply.

Alderman Overcash opposed setting the hearing, arguing that the contractors' presence and planning demonstrated sufficient good faith effort to warrant additional time without the formal hearing process.

The board ultimately voted to set the public hearing, but during the discussion about upcoming events, they realized the March 9th date conflicted with spring break schedules.

ACTION: A MOTION WAS MADE TO APPROVE SETTING A PUBLIC HEARING FOR THE BOARD OF ALDERMEN MEETING ON MARCH 9, 2026, FOR ORDINANCE #2026-03-09-01 ORDERING THE CLOSING AND VACATING OF A NON-RESIDENTIAL STRUCTURE LOCATED AT 2570 SOUTH US 29 HIGHWAY.

Moved By: Ashley Stewart, seconded by Ryan Nelms

Motion Tied: (2-2)

Voting For: Ashley Stewart, Ryan Nelms

Voting Against: Darrell Overcash, Tony Corriher

Mayor Smith cast the deciding vote in the affirmative.

Motion Passed: (2-3)

ACTION: A MOTION WAS MADE TO AMEND THE PREVIOUS MOTION TO CHANGE THE PUBLIC HEARING FOR THE BOARD OF ALDERMEN MEETING ON MARCH 9, 2026, FOR ORDINANCE #2026-03-09-01 ORDERING THE CLOSING AND VACATING OF A NON-RESIDENTIAL STRUCTURE LOCATED AT 2570 SOUTH US 29 HIGHWAY TO MARCH 16, 2026.

Moved By: Ashley Stewart, seconded by Ryan Nelms

Motion Passed: (4-0)

Voting For: Ashley Stewart, Ryan Nelms, Darrell Overcash, Tony Corriher

ACTION: A MOTION WAS MADE TO RECESS THE MEETING FOR 5 MINUTES AT 7:37 PM.

Moved By: Ashley Stewart, seconded by Ryan Nelms
Motion Passed: (4-0)
Voting For: Ashley Stewart, Ryan Nelms, Darrell Overcash, Tony Corriher

ACTION: A MOTION WAS MADE TO RECONVENE THE MEETING AT 7:42 PM.

Moved By: Darrell Overcash, seconded by Ashley Stewart
Motion Passed: (4-0)
Voting For: Ashley Stewart, Ryan Nelms, Darrell Overcash, Tony Corriher

5. Old Business:

5.1 Consider Approval of Restroom Types for the Facility in the DCFL Park as Recommended by the DCFL Committee

Parks and Recreation Director Jessica St. Martin presented two restroom design options that had been developed following the board's previous request for alternatives to the original design. The DCFL committee had requested an open-plan design with individual stalls as an alternative to the family-style restroom configuration.

Director St. Martin explained that both designs accommodated the same number of fixtures (6 toilets total), but the architect's recommendation favored the closed restroom design due to security concerns and current industry trends. The family-style design was also more cost-effective, saving approximately \$80,000 while providing 200 additional square feet of space.

Committee Chair Michelle Gray provided detailed explanation of the committee's reasoning, emphasizing considerations of safety, privacy, and efficiency during events. She noted that family-style restrooms would eliminate issues with gender-specific lines and provide more flexibility for parents with children of different genders.

The discussion included comparison to existing facilities like the train depot, though committee members noted the space constraints at the park site wouldn't allow for the same type of streamlined design used at larger facilities.

Alderman Overcash expressed preference for the recommended design, citing maintenance advantages and his experience with traditional stall-style restrooms in institutional settings.

ACTION: A MOTION WAS MADE TO APPROVE THE FAMILY-STYLE RESTROOM DESIGN FOR THE DCFL PARK FACILITY.

Moved By: Ryan Nelms, seconded by Tony Corriher
Motion Passed: (4-0)
Voting For: Ashley Stewart, Ryan Nelms, Darrell Overcash, Tony Corriher

5.2 Consider Approval of Awarding DCFL Survey to UTLEY Land Surveying, PLLC in the Amount of \$4,100.00 as Recommended by the DCFL Committee

Director St. Martin explained this survey would combine all ten town-owned parcels in the DCFL park area into a single parcel. The town had received quotes from two surveying companies: UTLEY Land Surveying at \$4,100 and White House Survey at \$4,271. The committee recommended awarding the contract to UTLEY Land Surveying.

Mayor Smith initially questioned whether the police department property should be included in the survey, expressing concern about maintaining separate ownership since it's town property rather than DCFL property. Town Manager Ambrose clarified that combining all parcels would actually resolve setback requirement issues that would otherwise create problems for future development, regardless of the funding source for various improvements.

ACTION: A MOTION WAS MADE TO APPROVE THE DCFL SURVEY TO COMBINE ALL TEN PARCELS AND AWARD THE SURVEY TO UTLEY LAND SURVEYING, PLLC IN THE AMOUNT OF \$4,100.00 AS RECOMMENDED BY THE DCFL COMMITTEE.

Moved By: Ashley Stewart, seconded by Tony Corriher

Motion Passed: (4-0)

Voting For: Ashley Stewart, Ryan Nelms, Darrell Overcash, Tony Corriher

5.3 Consider Discussion of Setting a Date and Time for Elected Officials Ethics Training

Item 5.3 was discussed alongside Item 4.1 with emphasis on completing the State required ethics training utilizing the on-demand option offered by NCLM.

ACTION: A MOTION WAS MADE TO APPROVE THE PURCHASE OF THE ON-DEMAND ETHICS TRAINING FROM NCLM AND THAT ALL BOARD MEMBERS COMPLETE THEIR ETHICS TRAINING BY FEBRUARY 18TH, 2026.

Moved By: Ashley Stewart, seconded by Darrell Overcash

Motion Passed: (4-0)

Voting For: Ashley Stewart, Ryan Nelms, Darrell Overcash, Tony Corriher

6. CONSIDERATIONS:

6.1 Consider Approval of Change Order #25-02-06 to Complete the S. Upright Street Basin Sanitary Sewer Rehabilitation (Project 25-02)

Town Manager Ambrose explained this change order would reduce project costs by \$122,000, bringing the total project overage to approximately \$70,000. All funding for this project comes from state ARPA dollars, with most funds already returned to the town. This item is part of a series of related actions (items 6.1 through 6.4) necessary to formally close out the completed project.

ACTION: A MOTION WAS MADE TO APPROVE CHANGE ORDER 20-02-06 TO COMPLETE THE SOUTH UPRIGHT STREET BASIN SANITARY SEWER REHABILITATION (PROJECT 25-02).

Moved By: Ashley Stewart, seconded by Darrell Overcash

Motion Passed: (4-0)

Voting For: Ashley Stewart, Ryan Nelms, Darrell Overcash, Tony Corriher

6.2 Consider Approval of Amended Resolution #2022-12-12-1 to Complete the S. Upright Street Basin Sanitary Sewer Rehabilitation (Project 25-02)

Manager Ambrose explained this amended resolution updated the original resolution to reflect the final project costs following completion of the sewer rehabilitation work.

ACTION: A MOTION WAS MADE TO APPROVE AMENDED RESOLUTION #2022-12-12-1 TO COMPLETE THE SOUTH UPRIGHT STREET BASIN SANITARY SEWER REHABILITATION (PROJECT 25-02).

Moved By: Ashley Stewart, seconded by Tony Corriher

Motion Passed: (4-0)

Voting For: Ashley Stewart, Ryan Nelms, Darrell Overcash, Tony Corriher

6.3 Consider Approval of Amended Capital Project Ordinance #2024-09-09 to Complete the S. Upright Street Basin Sanitary Sewer Rehabilitation (Project 25-02)

Manager Ambrose stated that this amended capital project ordinance was necessary to formally account for the final project costs and close out the sewer rehabilitation project.

ACTION: A MOTION WAS MADE TO APPROVE AMENDED CAPITAL PROJECT ORDINANCE #2024-09-09 TO COMPLETE THE SOUTH UPRIGHT STREET BASIN SANITARY SEWER REHABILITATION (PROJECT 25-02).

Moved By: Ashley Stewart, seconded by Darrell Overcash

Motion Passed: (4-0)

Voting For: Ashley Stewart, Ryan Nelms, Darrell Overcash, Tony Corriher

6.4 Consider Approval of Budget Amendment #15 to Allocate Funds for the S. Upright Street Basin Sanitary Sewer Rehabilitation Project Closeout (Project #25-02)

Finance Director Gitza Ocasio Perez explained this budget amendment would allow the town to close out project 25-02 and properly reallocate the remaining funds. The amendment also included backup funding for the DCFL survey approved earlier in the meeting.

ACTION: A MOTION WAS MADE TO APPROVE BUDGET AMENDMENT #15 TO ALLOCATE FUNDS FOR THE S. UPRIGHT STREET BASIN SANITARY SEWER REHABILITATION PROJECT CLOSEOUT (PROJECT #25-02).

Moved By: Ashley Stewart, seconded by Darrell Overcash

Motion Passed: (4-0)

Voting For: Ashley Stewart, Ryan Nelms, Darrell Overcash, Tony Corriher

6.5 Consider Approval of the Purchase and Installation of Two MATADOR 92 Wastewater Matting Eliminators in the Amount of \$17,995.50, from CITCO Water

Interim Public Works Director Matthew Geelen presented this item for equipment needed at the US 29 and Town Street lift stations. He explained that both stations have high grease content causing operational problems, with grease buildup affecting pumps and equipment. The matting eliminators would pump air into the stations to keep them aerated and prevent grease from accumulating before wastewater flows to the outfall.

The discussion revealed ongoing issues with illicit discharge from businesses, with the town working through NCDEQ to address violations. While residential grease discharge can't be easily controlled, businesses are required to maintain grease traps and properly manage their waste.

Mayor Pro-Tem Stewart inquired whether these were permanent fixtures or portable devices, learning they would be permanently installed within the lift stations. Testing had shown significant improvement at both problem locations.

There was brief confusion about the total cost, with the agenda showing different amounts before and after tax, but staff clarified the budget impact would be \$17,995.50.

ACTION: A MOTION WAS MADE TO APPROVE THE PURCHASE AND INSTALLATION OF TWO MATADOR 92 WASTEWATER MATTING ELIMINATORS IN THE AMOUNT OF \$17,995.50, FROM CITCO WATER.

Moved By: Darrell Overcash, seconded by Ashley Stewart

Motion Passed: (4-0)

Voting For: Ashley Stewart, Ryan Nelms, Darrell Overcash, Tony Corriher

6.6 Consider Approval of the Purchase of 100 Upgraded Water Meters in the Amount of \$20,383.50 from Ferguson Waterworks

Town Manager Ambrose explained these upgraded meters would allow remote disconnection of water service through computer systems, eliminating the need to dispatch personnel for routine service disconnections. This represents part of the town's annual water meter replacement program.

Interim Public Works Director Geelen confirmed the meters could be controlled through customer service operations rather than requiring field visits.

ACTION: A MOTION WAS MADE TO APPROVE THE PURCHASE OF 100 UPGRADED WATER METERS IN THE AMOUNT OF \$20,383.50 FROM FERGUSON WATERWORKS.

Moved By: Ashley Stewart, seconded by Darrell Overcash

Motion Passed: (4-0)

Voting For: Ashley Stewart, Ryan Nelms, Darrell Overcash, Tony Corriher

6.7 Consider Approval of the Installation of a New Sewer Line and Corresponding Asphalt/Concrete Repair at Town Hall in the Amount of \$9,466.00 by William Mack Harrington

Town Manager Ambrose explained this work was necessary due to problems with the existing sewer line at town hall, including sections that were traveling uphill rather than using gravity flow. The project would replace problematic piping and restore proper gravity-fed operation. William Mack Harrington submitted the lowest bid at \$9,466.

ACTION: A MOTION WAS MADE TO APPROVE THE INSTALLATION OF A NEW SEWER LINE AND CORRESPONDING ASPHALT/CONCRETE REPAIR AT TOWN HALL IN THE AMOUNT OF \$9,466.00 BY WILLIAM MACK HARRINGTON.

Moved By: Ashley Stewart, seconded by Ryan Nelms

Motion Passed: (4-0)

Voting For: Ashley Stewart, Ryan Nelms, Darrell Overcash, Tony Corriher

6.8 Consider Approval of Budget Amendment #16 to Allocate Funds for the New Sewer Line at Town Hall and the DCFL Park Survey

Finance Director Perez stated that this budget amendment would allocate funds from the fund balance for the town hall sewer work and from the DCFL fund (Fund 62) for the park survey approved earlier in the meeting.

Alderman Nelms sought clarification about the funding source for the survey, confirming it would come from the DCFL park fund rather than general town funds.

ACTION: A MOTION WAS MADE TO APPROVE BUDGET AMENDMENT #16 TO ALLOCATE FUNDS FOR THE NEW SEWER LINE AT TOWN HALL AND THE DCFL PARK SURVEY.

Moved By: Darrell Overcash, seconded by Ashley Stewart

Motion Passed: (4-0)

Voting For: Ashley Stewart, Ryan Nelms, Darrell Overcash, Tony Corriher

6.9 Consider Approval of the 125 Mural Shirt Design

Town Clerk Stegall presented a t-shirt design featuring the town's 125th anniversary mural but noted the designer had not yet provided the requested gray color option from the previous meeting. She explained that changing to gray would require modifications to other colors in the design to maintain visibility and contrast.

The discussion revealed concerns about the simplified version of the town logo on the front of the shirt, which didn't include all the details from the original design (such as "Home of Billy Ray Barnes" and other historical elements). Mayor Smith noted that similar detailed designs had been successfully printed on shirts by local businesses.

Board members requested multiple color options for review, including white, gray, black, and potentially teal shirts. There was enthusiasm for the postcard-style design on the back of the shirt, with Mayor Smith expressing particular appreciation for that element.

The board decided to table the item to allow for additional color options and clarification about whether the full detailed logo could be incorporated into the design.

ACTION: A MOTION WAS MADE TO TABLE ITEM 6.9 UNTIL THE FEBRUARY 18TH, 2026, BOARD MEETING TO OBTAIN MORE SHIRT DESIGN OPTIONS.

Moved By: Ashley Stewart, seconded by Ryan Nelms

Motion Passed: (4-0)

Voting For: Ashley Stewart, Ryan Nelms, Darrell Overcash, Tony Corriher

6.10 Consider Approval to Adopt Armstrong Street, Richwater Street, Ridgeview Street, and Corresponding Public Water, Sewer, and Stormwater Utility Lines and Easements at Landis Ridge

Town Manager Ambrose explained that all infrastructure at the Landis Ridge development had been inspected and certified by both the applicant's engineers and town staff, making it ready for adoption by the town.

Alderman Overcash commented positively on the appearance of the new development.

ACTION: A MOTION WAS MADE TO APPROVE ADOPTING ARMSTRONG STREET, RICHWATER STREET, RIDGEVIEW STREET, AND CORRESPONDING PUBLIC WATER, SEWER, AND STORMWATER UTILITY LINES AND EASEMENTS AT LANDIS RIDGE.

Moved By: Darrell Overcash seconded by Ashley Stewart

Motion Passed: (4-0)

Voting For: Ashley Stewart, Ryan Nelms, Darrell Overcash, Tony Corriher

7. REPORTS:

7.1 Departmental Reports (Included in the Board packet)

7.2 Financial Report (Included in the Board packet)

7.3 Town Manager Report (Included in the Board packet)

8. UPCOMING EVENTS:

8.1 Upcoming Events (Included in the Board packet)

Mayor Smith reviewed upcoming events including the rescheduled senior luncheon on February 11th at Trinity Lutheran Church, Valentine's Day on February 14th, and the planning board meeting on February 18th at 6 PM. She noted the budget retreat scheduled for February 18th from 9 AM to 12 PM, followed by various committee meetings and events throughout February and March.

The Easter egg hunt is scheduled for March 28th on North Central Avenue, with various other community events planned throughout the period.

Town Manager Ambrose announced that town staff would be operating under a new "Team Landis" branding approach, emphasizing unity across all departments with support from Wingspan leadership development.

9. CLOSING:

9.1 Board Comments

No comments were made.

9.2 Motion to Adjourn

ACTION: A MOTION WAS MADE TO ADJOURN THE MEETING AT 8:19 PM.

Moved By: Darrell Overcash seconded by Tony Corriher

Motion Passed: (4-0)

Voting For: Ashley Stewart, Ryan Nelms, Darrell Overcash, Tony Corriher

Respectfully Submitted,

Madison T. Stegall, Town Clerk



BOARD OF ALDERMEN BUDGET RETREAT

Wednesday, February 18, 2026 at 9:00 AM

Landis Board Room

MINUTES

PLEASE SILENCE ALL CELL PHONES

Present: Mayor Meredith B. Smith, Mayor Pro-Tem Ashley Stewart, Alderman Tony Corriher, Alderman Ryan Nelms, Alderman Darrell Overcash

Staff Present: Town Manager Michael Ambrose, HR Director/Town Clerk Madison Stegall, Finance Director Gitza Ocasio Perez, Town Attorney Rick Locklear, Police Chief Matthew Geelen, Fire Chief Jason Smith, Public Work Director Sean Taggart

1. INTRODUCTION:

1.1 Call Meeting to Order

Mayor Meredith Smith called the meeting to order at 9:00 AM.

1.2 Welcome

Mayor Smith welcomed those in attendance.

1.3 Adoption of Agenda

ACTION: A MOTION WAS MADE TO ADOPT THE AGENDA AS PRESENTED.

Moved By: Ashley Stewart, seconded by Ryan Nelms

Motion Passed: (4-0)

Voting For: Ashley Stewart, Darrell Overcash, Tony Corriher, Ryan Nelms

2. CONSENT AGENDA:

All items below are considered to be routine by the Board of Aldermen and will be enacted by one motion. There will be no separate discussion on these items unless an Aldermen member so requests, in which event, the item will be removed from the Consent Agenda and placed in the appropriate corresponding Agenda Section to then be considered.

- 2.1 **Consider Approval of Work Session Meeting Minutes from January 8, 2026, Regular Scheduled Meeting Minutes from January 12, 2026, Special Called Meeting Minutes from January 15, 2026, and Regular Scheduled Meeting Minutes from January 27, 2026**

ACTION: A MOTION WAS MADE TO APPROVE THE CONSENT AGENDA AS PRESENTED.

Moved By: Ashley Stewart, seconded by Ryan Nelms

Motion Passed: (4-0)

Voting For: Ashley Stewart, Darrell Overcash, Tony Corriher, Ryan Nelms

3. CONSIDERATIONS:

3.1 Consider Approval of Amendment to the FY25 Audit Contract to Extend the Audit Completion Date to February 28, 2026

Finance Director Gitza Ocasio Perez explained that the fiscal year 2025 audit needed to be extended due to the government shutdown, which caused delays as auditors had to wait to determine what items to test for federal grant funding. She assured the board that this extension would not cost the town any additional auditing fees, and the auditors confirmed they could meet the February 28th deadline.

ACTION: A MOTION WAS MADE TO APPROVE THE AMENDMENT TO THE FY25 AUDIT CONTRACT TO EXTEND THE AUDIT COMPLETION DATE TO FEBRUARY 28, 2026.

Moved By: Ashley Stewart, seconded by Tony Corriher

Motion Passed: (4-0)

Voting For: Ashley Stewart, Darrell Overcash, Tony Corriher, Ryan Nelms

3.2 Consider Approval of Awarding \$7,500.00 for the Settlement of Case # 24CVS000283 & 286-790

The board discussed a \$7,500 settlement for the referenced legal case. Mayor Smith noted this was something they had previously discussed with Mr. Locklear.

ACTION: A MOTION WAS MADE TO APPROVE AWARDING \$7,500.00 FOR THE SETTLEMENT OF CASE # 24CVS000283 & 286-790.

Moved By: Ashley Stewart, seconded by Tony Corriher

Motion Passed: (4-0)

Voting For: Ashley Stewart, Darrell Overcash, Tony Corriher, Ryan Nelms

3.3 Consider Approval of Amending the Purchase of 100 Upgraded Water Meters from Ferguson Waterworks in the Amount of \$60,468.98

Town Manager Ambrose explained this was an amended motion correcting a previous error in the quoted amount. The original motion by Mr. Stewart in February had contained incorrect pricing information. The actual cost for 100 upgraded water meters was \$60,468.98, and these funds were already allocated in the budget. Interim Public Works Director Matthew Geelen explained these were advanced meters that could be turned off remotely from the computer, reducing the need for staff to physically visit meters after hours.

ACTION: A MOTION WAS MADE TO AMEND THE PREVIOUS MOTION MADE DURING THE FEBRUARY 9TH, 2026, MEETING FOR APPROVAL OF THE PURCHASE OF 100 UPGRADED WATER METERS TO THE NEW AMOUNT OF \$60,468.98 FROM FERGUSON WATERWORKS.

Moved By: Ashley Stewart, seconded by Darrell Overcash

Motion Passed: (4-0)

Voting For: Ashley Stewart, Darrell Overcash, Tony Corriher, Ryan Nelms

3.4 Consider Approval of Budget Amendment #18 to Allocate Funding from Sewer Equipment to Water Equipment

Town Manager Ambrose explained this budget amendment would move funding from the sewer equipment line to the water equipment line to purchase the water meters. He noted that water meters actually govern how much sewer service is charged, making this transfer logical.

ACTION: A MOTION WAS MADE TO APPROVE BUDGET AMENDMENT #18 TO ALLOCATE FUNDING FROM SEWER EQUIPMENT TO WATER EQUIPMENT.

Moved By: Ashley Stewart, seconded by Tony Corriher

Motion Passed: (4-0)

Voting For: Ashley Stewart, Darrell Overcash, Tony Corriher, Ryan Nelms

3.5 Consider Approval of Replacing the Transmission on the Town's 2013 John Deere Backhoe in the Amount of \$29,436.51 by James River Equipment

Interim Public Works Director Geelen requested the approval of replacing the transmission on the town's 2013 John Deere Backhoe in the amount of \$29,436.51. Mayor Smith questioned why the town would spend \$29,000 on a transmission replacement rather than purchasing a new backhoe. Interim Public Works Director Geelen explained that a new backhoe would cost well over \$100,000 and would require computer programming and diagnostics for maintenance, whereas the current backhoe could be maintained by their in-house mechanic for routine items.

ACTION: A MOTION WAS MADE TO APPROVE THE REPLACEMENT OF THE TRANSMISSION ON THE TOWN'S 2013 JOHN DEERE BACKHOE IN THE AMOUNT OF \$29,436.51 BY JAMES RIVER EQUIPMENT.

Moved By: Ashley Stewart, seconded by Darrell Overcash

Motion Passed: (4-0)

Voting For: Ashley Stewart, Darrell Overcash, Tony Corriher, Ryan Nelms

3.6 Consider Approval of Adding a Human Resources Generalist Position Classified at Pay Grade 20

HR Director Madison Stegall explained that as the Town continues to grow in personnel, compliance requirements, benefits administration, recruitment efforts, employee relations matters, and training initiatives, the current staffing structure no longer adequately supports the operational and regulatory demands placed on the organization. The addition of a Human Resources Generalist will provide daily operational HR support to all departments, ensure compliance with federal and state employment laws, assist with recruitment, onboarding, and retention efforts, support benefits administration and payroll coordination, assist with policy development and employee training initiatives, reduce risk exposure related to employment practices, and assist with risk management throughout all town departments. The HR Generalist position will be classified at Pay Grade 20 (\$56,406.48 - \$84,611.28) in accordance with the Town's adopted pay plan. This position will report to the HR Director and serve as a key support role in maintaining efficient and compliant personnel operations and strengthen succession planning. Mayor Smith asked about office space, and Director Stegall confirmed the person would work in her office area, potentially with a partition, and could use conference rooms for interviews as needed.

ACTION: A MOTION WAS MADE TO APPROVE ADDING A HUMAN RESOURCES GENERALIST POSITION CLASSIFIED AT PAY GRADE 20.

Moved By: Ashley Stewart, seconded by Tony Corriher

Motion Passed: (4-0)

Voting For: Ashley Stewart, Darrell Overcash, Tony Corriher, Ryan Nelms

3.7 Consider Approval of Budget Amendment #17 for the Addition of a Human Resources Generalist Position

This corresponding budget amendment was needed to fund the newly approved HR generalist position.

ACTION: A MOTION WAS MADE TO APPROVE BUDGET AMENDMENT #17 FOR THE ADDITION OF A HUMAN RESOURCES GENERALIST POSITION.

Moved By: Ashley Stewart, seconded by Darrell Overcash

Motion Passed: (4-0)

Voting For: Ashley Stewart, Darrell Overcash, Tony Corriher, Ryan Nelms

3.8 Consider Approval of Reclassifying One (1) of the Current Staff Accountant Positions to Deputy Finance Officer

Finance Director Ocasio Perez explained that as the town grows and financial operations increase in complexity, additional leadership capacity within the finance department is necessary. The position would be filled by a current employee, who presently performs these duties with additional responsibilities. Mayor Smith asked about succession planning, and Manager Ambrose confirmed that by general statute, having a deputy finance officer provides backup to the finance director and maintains proper separation of duties in-house. The deputy would be sworn in and covered under general bonding, though not the \$1 million bonding required for the finance director.

ACTION: A MOTION WAS MADE TO APPROVE RECLASSIFYING ONE (1) OF THE CURRENT STAFF ACCOUNTANT POSITIONS TO DEPUTY FINANCE OFFICER.

Moved By: Ashley Stewart, seconded by Ryan Nelms

Motion Passed: (4-0)

Voting For: Ashley Stewart, Darrell Overcash, Tony Corriher, Ryan Nelms

4. OLD BUSINESS:

4.1 Consider Approval to Adopt a Code of Ethics for the Board of Aldermen and Corresponding Ordinance #2026-02-09-01

This item generated significant discussion and some controversy. Town Clerk Madison Stegall first confirmed that most board members had completed their required ethics training, with one member still needing to complete it. She asked that the Board submit their certificates to her once completed.

The discussion revealed sharp disagreement about adopting the code of ethics. Alderman Corriher expressed strong opposition, stating he had contacted two people in the legislature who told him the ethics code was only a recommendation, not a state law requirement. He declared he would not sign the ethics document, arguing that he represents the citizen taxpayers and his integrity should not be questioned.

Town Clerk Stegall maintained that General Statute 160A-86 requires the board to be compliant, and it was her duty to ensure compliance with state requirements. Mayor Smith supported the ethics code, explaining that the two-hour training video from the League of Municipalities detailed important guidelines about recusal from votes involving conflicts of interest, receiving gifts, and other ethical considerations. She emphasized how the training clarified when board members should recuse themselves and when to contact the town attorney.

Mayor Pro-Tem Stewart agreed with the ethics code, stating it protects individual board rights and shows proper behavior in both open and closed meetings. He noted it is a general statute, which is law

for North Carolina. Alderman Nelms supported the code as setting expectations and protecting board members individually.

Town Manager Ambrose recommended that all five board members adopt and sign the ethics code. When asked about enforcement, he confirmed the policy could be modified if there were specific concerns about language, particularly regarding censorship provisions that would require a majority vote of the board.

Mayor Smith explained the practical importance of having an ethics policy, noting that citizens already scrutinize the board's actions and question their ethics. She mentioned that a citizen had already asked twice for a copy of their ethics policy. She argued that having a formal ethics code would demonstrate to citizens that the board wants to be ethical and follow proper procedures.

After extensive discussion, Alderman Corriher indicated he would vote to adopt the policy but would not sign it personally. Other board members confirmed they would both adopt and sign the policy. Town Manager Ambrose clarified that the policy would be effective once adopted by board vote, regardless of individual signatures.

ACTION: A MOTION WAS MADE TO ADOPT A CODE OF ETHICS FOR THE BOARD OF ALDERMEN AND CORRESPONDING ORDINANCE #2026-02-09-01.

Moved By: Ashley Stewart, seconded by Tony Corriher

Motion Passed: (4-0)

Voting For: Ashley Stewart, Darrell Overcash, Tony Corriher, Ryan Nelms

4.2 Consider Approval of the 125 Mural Shirt Design

The board reviewed a new shirt design for the town's 125th anniversary celebration. The design featured a gray shirt with the town mural and included a tribute to Billy Ray Barnes, an All-American professional who had recently passed away. The shirts would be purchased for approximately \$12-13 each and could be sold for \$25. The board decided to order 50 shirts initially, and Director Stegall confirmed they could be ready within a few days.

ACTION: A MOTION WAS MADE TO APPROVE THE 125 MURAL SHIRT DESIGN IN GREY AND SELL IT FOR \$25.00.

Moved By: Ryan Nelms, seconded by Darrell Overcash

Motion Passed: (4-0)

Voting For: Ashley Stewart, Darrell Overcash, Tony Corriher, Ryan Nelms

ACTION: A MOTION WAS MADE TO RECESS THE MEETING FOR 10 MINUTES AT 9:50 AM.

Moved By: Ashley Stewart, seconded by Darrell Overcash

Motion Passed: (4-0)

Voting For: Ashley Stewart, Ryan Nelms, Darrell Overcash, Tony Corriher

ACTION: A MOTION WAS MADE TO RECONVENE THE MEETING AT 10:00 AM.

Moved By: Ryan Nelms, seconded by Ashley Stewart

Motion Passed: (4-0)

Voting For: Ashley Stewart, Ryan Nelms, Darrell Overcash, Tony Corriher

5. PRESENTATIONS:

5.1 Consider Discussion of the Public Works Department Annual Budget Retreat

Interim Public Works Director Matthew Geelen, accompanied by new Public Works Director Sean Taggart, presented the department's five-year capital improvement plan and accomplishments for the current year.

Current Year Accomplishments: The department had made significant improvements to the public works facility, including remodeling to create a training classroom with new flooring, TVs, and boardroom-style chairs. This allowed them to host training sessions for the first time, including sessions with Kannapolis and rural water organizations at no cost to the town.

Other accomplishments included landscape improvements, new signage throughout facilities and lift stations, implementation of weekly safety meetings for all staff, development of Standard Operating Procedures (SOPs) for each department, complete inventory of materials, and upgrades to the mechanic shop for OSHA compliance.

The electric department completed service for Landis Ridge Building 2, performed substantial system enhancements with pole and line replacements, converted all Main Street and Ryder Street lights to LEDs, completed a 12kV conversion project, and built a new pole storage facility. A planned power outage that was originally scheduled to take 12 hours was completed in just 4 hours without contractor assistance, saving the town approximately \$80,000.

The water resources department completed a survey study, made progress on the 100,000-gallon water tower (though this project faced delays due to paint application in cold weather), continued the Mt. Moriah drinking water project, and completed the South Upright sewer rehab project.

The street department began street sign replacement throughout the town, with new signs including proper stop signs and backing plates. They also upgraded public works landscaping, purchased new equipment, and improved material storage organization.

Future Year Needs: For FY27, the department requested a 12-foot shoring box (\$10,000), Everhart dump site redesign (\$10,000), bumpers with winches for electric vehicles (\$10,000), a bobcat skid steer with forestry head mulcher (rental rather than purchase), a three-quarter-ton service truck, and an F-550 dump truck for the street department.

The board questioned whether they had equipment capable of using a 12-foot shoring box, with Director Taggart indicating they were close but probably limited to 8-foot safe operations currently.

For FY28, needs included Fifth Street lift station upgrades, an F-250 for water resources, AMI meters, a deck-over trailer for the excavator, and continuation of 12kV conversion work. Town Manager Ambrose noted that the electric fund balance was healthy at approximately \$3.99 million, but would be impacted by the new substation construction.

FY29 needs included reconnecting work to the wastewater treatment facility (\$500,000), a chipper for the tree crew (\$60,000), and various equipment replacements.

The presentation outlined needs through FY31, including a new small bucket truck, and AMI meter replacements.

5.2 Consider Discussion of the Fire Departments Annual Budget Retreat

Fire Chief Jason Smith presented the fire department's five-year capital improvement plan.

FY27 Needs: The department requested continuation of Class A uniform purchases (2 sets), four sets of turnout gear averaging \$3,000-4,000 per set, a fire station remodel (\$150,000), new ballistic gear to replace equipment received from the police department (\$8,000), and the annual payment on Fire Truck 441.

The proposed station remodel would create an open-concept living area by removing walls from the current bedroom space and converting unused hallway space into new bedroom areas. This would accommodate a potential fourth crew member while maintaining space for two engines and the squad vehicle. The Chief explained this would make the station more family-friendly and functional.

FY28-29 Needs: Similar uniform and turnout gear requests, Hurst hydraulic rescue tools (\$30,000), battery-powered fans to replace gas-powered units, and a new American-made drone to replace the current Chinese-made DJI drone, which was being phased out by federal mandate.

FY30-31 Expansion Plans: The Chief presented plans for potential expansion, including either remodeling Station 58 or building a new station to serve the growing Landis Ridge area. Town Manager Ambrose noted they owned property on US 29 that could house a fire station closer to industrial developments that require fire service within specific distances.

The department would need thermal imaging cameras (\$15,000 for three units), SCBA replacements, gas monitors, and potentially a new ladder truck by FY31. The current ladder truck is a 2007 model that would be 25 years old by then, well beyond the recommended 15-year lifespan.

Discussion of Equipment Phasing: The board discussed phasing equipment purchases rather than buying everything at once to ease the tax burden. For turnout gear, the plan was to purchase four sets annually for several years until each firefighter had two complete sets, one for use and one backup for when gear becomes contaminated.

Mayor Smith noted the importance of maintaining a ladder truck given the town's three-story buildings, including churches, apartments, and school buildings. Chief Smith confirmed the current ladder truck passes annual inspections, but parts are becoming increasingly difficult to find.

Chief Smith emphasized his goal of adding a fourth person to each fire crew and establishing a second active station to better serve the growing community, particularly the Landis Ridge development area.

6. CLOSING:

6.1 Motion to Adjourn

The budget retreat concluded with plans for the next budget meeting scheduled for March 18th, 2026, which would include presentations from the police department, Electricities, Auditors, and Centralina Regional Council. The regular board meeting is scheduled for March 16th, 2026.

ACTION: A MOTION WAS MADE TO ADJOURN THE MEETING AT 11:22 AM.

Moved By: Ashley Stewart, seconded by Darrell Overcash

Motion Passed: (4-0)

Voting For: Ashley Stewart, Darrell Overcash, Tony Corriher, Ryan Nelms

Respectfully Submitted,

Madison T. Stegall, Town Clerk



ElectriCities and North Carolina Municipal Power Agency Number 1

Town of Landis Board of Aldermen
March 18, 2026



Three Types of Electric Utilities



PUBLIC POWER UTILITIES



RURAL ELECTRIC COOPERATIVES



INVESTOR-OWNED UTILITIES

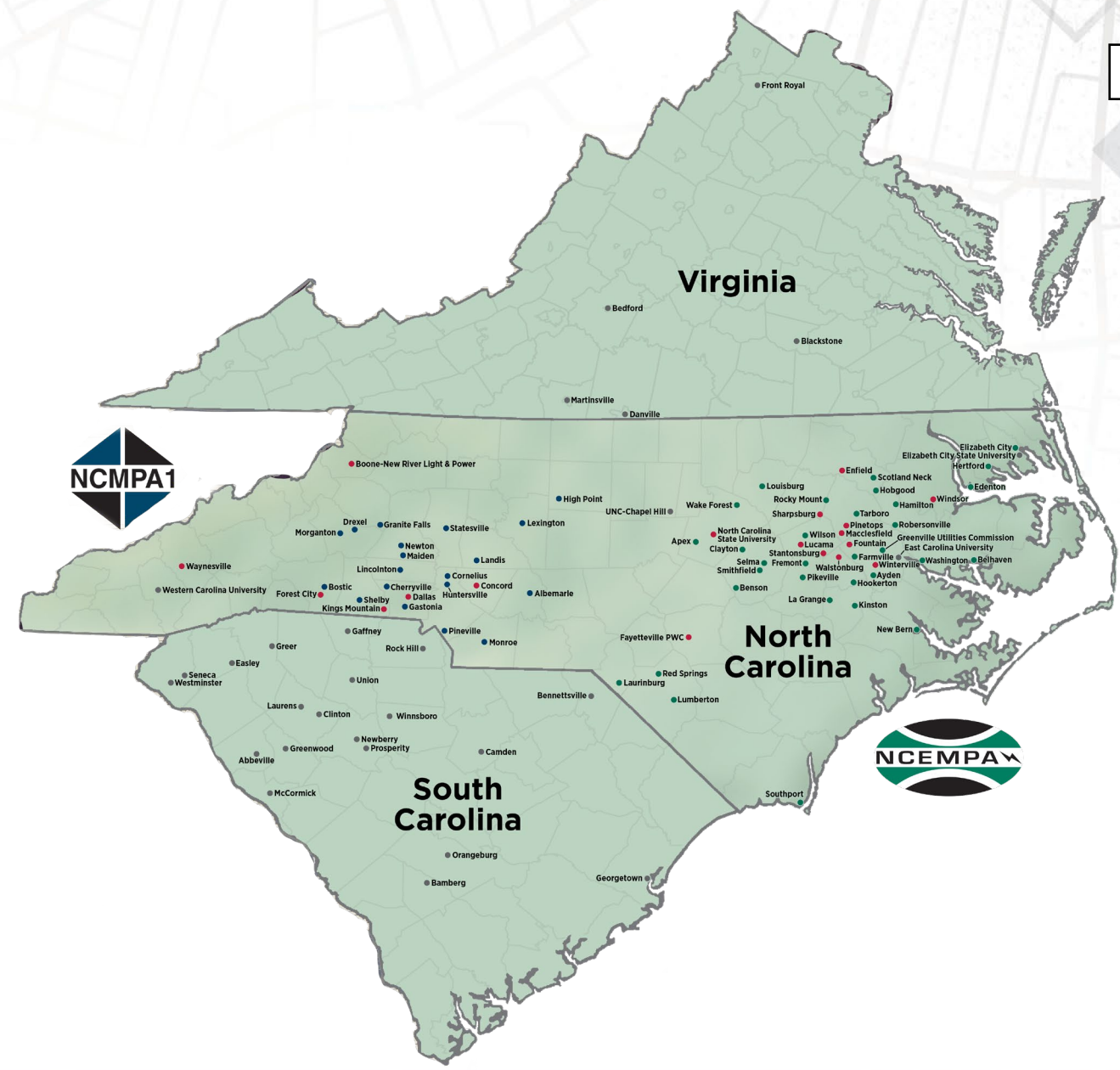
	BUSINESS MODEL	FEDERAL ENERGY REGULATORY COMMISSION JURISDICTIONS	REGULATED BY STATE PUBLIC UTILITY COMMISSION	GOVERNED BY	FINANCIAL CONTRIBUTION TO LOCAL GOVERNMENT	CAN RAISE FUNDS THROUGH
PUBLIC POWER UTILITIES	Not for profit, Community-owned	Only for interstate transmission	Very limited instances	Elected/appointed boards, mayors, city council members and citizens	Exempt from most taxes; instead make payments in lieu of taxes or transfers to the general fund	Tax-exempt municipal bonds
RURAL ELECTRIC COOPERATIVES	Not for profit, Member-owned	Only for interstate transmission	Some	Member-elected boards	May neither pay taxes nor other contributions to local government	Loans from the Dept of Agriculture's Rural Utilities Service or cooperative or private lenders
INVESTOR-OWNED UTILITIES	For profit, Shareholder owned	For wholesale rates	All	Private boards	Pay taxes to local government	Stock issue or corporate debt



Public Power's Purpose

Deliver value to our communities and customers through collective strength, knowledge, and action while promoting a successful future.

Public power illuminates the homes and workplaces of nearly **1.6M people** in North Carolina.



The energy behind public power

ElectriCities Services

ElectriCities supports members with over 125 services across the following categories:

- Benchmarking & Best Practices
- Business & Key Account Services
- Collaboration & Events
- Customer Service & Communication Resources
- Distribution System Operations
- Economic Development
- Industry News & Memberships
- Legislative Affairs
- Mutual Aid
- Rate Planning
- Rebates & Grants
- Regulatory Compliance & Reporting
- Residential Energy Services
- Retail Billing Support
- Safety Services
- Technology Support Services
- Training & Workforce Development
- Wholesale Power Supply Operations
- Wholesale Power Supply Planning & Contract Management
- Wholesale Power Supply Transmission & Distribution Interconnection Management

ElectriCities Governance Structure

NCMPA1 Board of Commissioners

- Accepts/rejects wholesale rates
- Adopts NCMPA1 budgets
- Provides concurrence with debt issuance
- Elects directors to the Board of Directors

NCEMPA Board of Commissioners

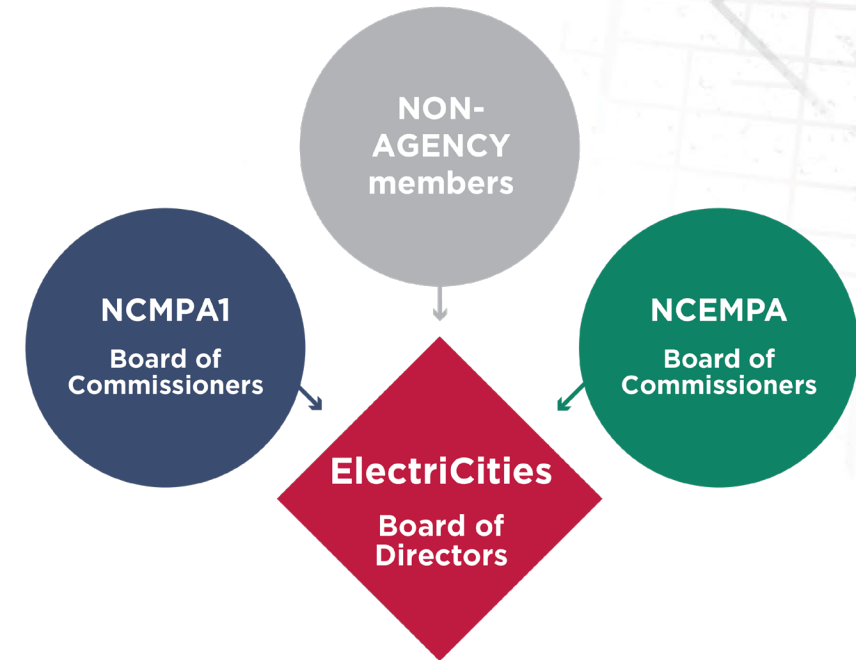
- Accepts/rejects wholesale rates
- Adopts NCEMPA budgets
- Provides concurrence with debt issuance
- Elects directors to the Board of Directors

Non-Agency Board of Commissioners

- Elects directors to the Board of Directors

ElectriCities Board of Directors

- Sits as Executive Committee for Boards of Commissioners
- Sets policy and strategic direction
- Holds management accountable for operations of the Power Agencies and ElectriCities
- Adopts ElectriCities budgets
- Approves Power Agencies debt issuance
- Adopts wholesale rates sufficient to cover Power Agencies' debt and expenses subject to rejection by the Boards of Commissioners



Power Agencies Are Formed

Energy Crisis Brought Together Utilities and Cities

- Cities wanted greater reliability and control over costs.
- Utilities needed help to finance new power plants.

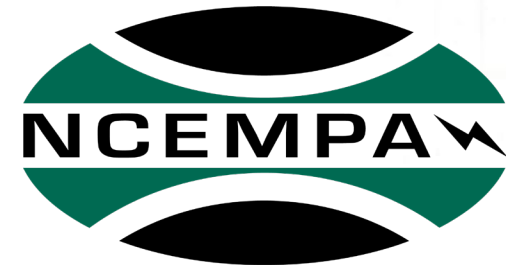
The Best Solution at the Time:

Cities Granted Permission to Own Generation

- Legislation passed unanimously in 1975.
- Constitutional amendment passed in 1977.

Who Supported the Idea?

- Governor
- Legislators
- City officials
- Voters



NCMPA1 Board of Commissioners

Appointed by Local Governing Board

NCMPA1 Officers

Michael Peoples – Chair, Gastonia
Ritchie Haynes – Vice Chair, Lincolnton
Daniel Cobb – Secretary-Treasurer, Granite Falls

Albemarle

Mayor Ronnie Michael
Martha Sue Hall
Darren Rhodes

Bostic

Vacant

Cherryville

Mayor Wade H. Stroupe, Jr.
Brian Dalton

Cornelius

Thurman Ross, Jr.
Todd Sansbury
Tyler Beardsley

Drexel

Bill Carroll

Gastonia

Michael Peoples
Brian Potocki
Adrian Certain

Granite Falls

Daniel P. Cobb

High Point

Tyler Berrier
Eric Olmedo

Huntersville

Nick Walsh, Jr
Bobby Williams

Landis

Michael Ambrose
Matthew Geelen
Ian Kenner

Lexington

Mayor Jason Hayes
Joe Watkins
Whitney Brooks

Lincolnton

Ritchie Haynes
Mayor Ed Hatley
David Ramsey

Maiden

Bryan C. Duckworth
Addyson Ikard

Monroe

Robert S. Miller, IV
Eric Howell

Morganton

Jessie Parris
Chris Jernigan

Newton

Recil Wright
Jody Dixon
Jeff Cochrane

Pineville

Ryan Spitzer
Danielle Moore

Shelby

Ben Yarboro

Statesville

Cody Leis
Ron Smith
Amy Lawton

NCMPA1: Catawba Nuclear Station

- The Catawba plant, which consists of two identical units, is jointly owned by NCMPA1, Duke, Piedmont Municipal Power Agency (S.C.), and North Carolina Electric Membership Corporation.
- NCMPA1 owns 75% of Catawba Unit 2.
- Through contractual arrangements, the owners share both units at the plant.
- In 2023, NCMPA1 entered into a long-term power purchase agreement with Central Electric Power Cooperative for 18% of NCMPA1's share effective Jan. 1, 2024.
- NCMPA1 owns the largest share of the Catawba plant.
 - NCMPA1 37.500%
 - NCEMC 30.754%
 - Duke 19.246%
 - PMPA 12.500%

Nuclear Regulatory Commission issued license extensions on Dec. 5, 2003, for both Catawba and McGuire nuclear plants. In the early 2030s, Duke will pursue a subsequent 20-year license extension.



License Expiration

Catawba 1
12/5/43

Catawba 2
12/5/43

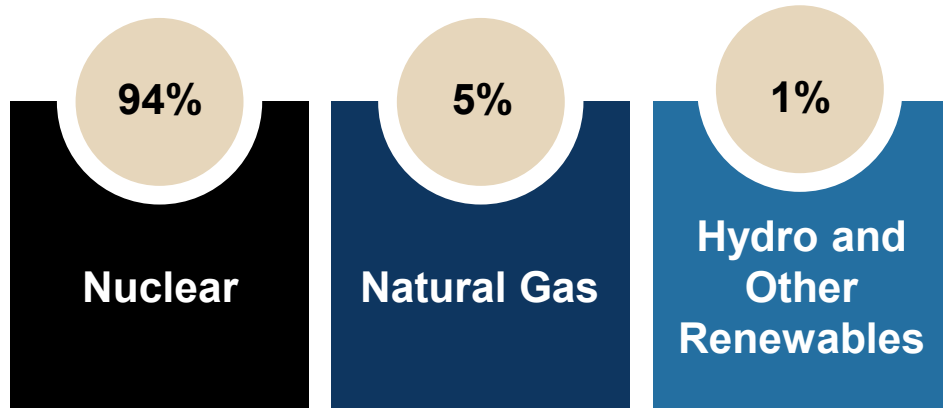
McGuire 1
6/12/41

McGuire 2
3/3/43

NCMPA1 2026 Energy Resource Mix

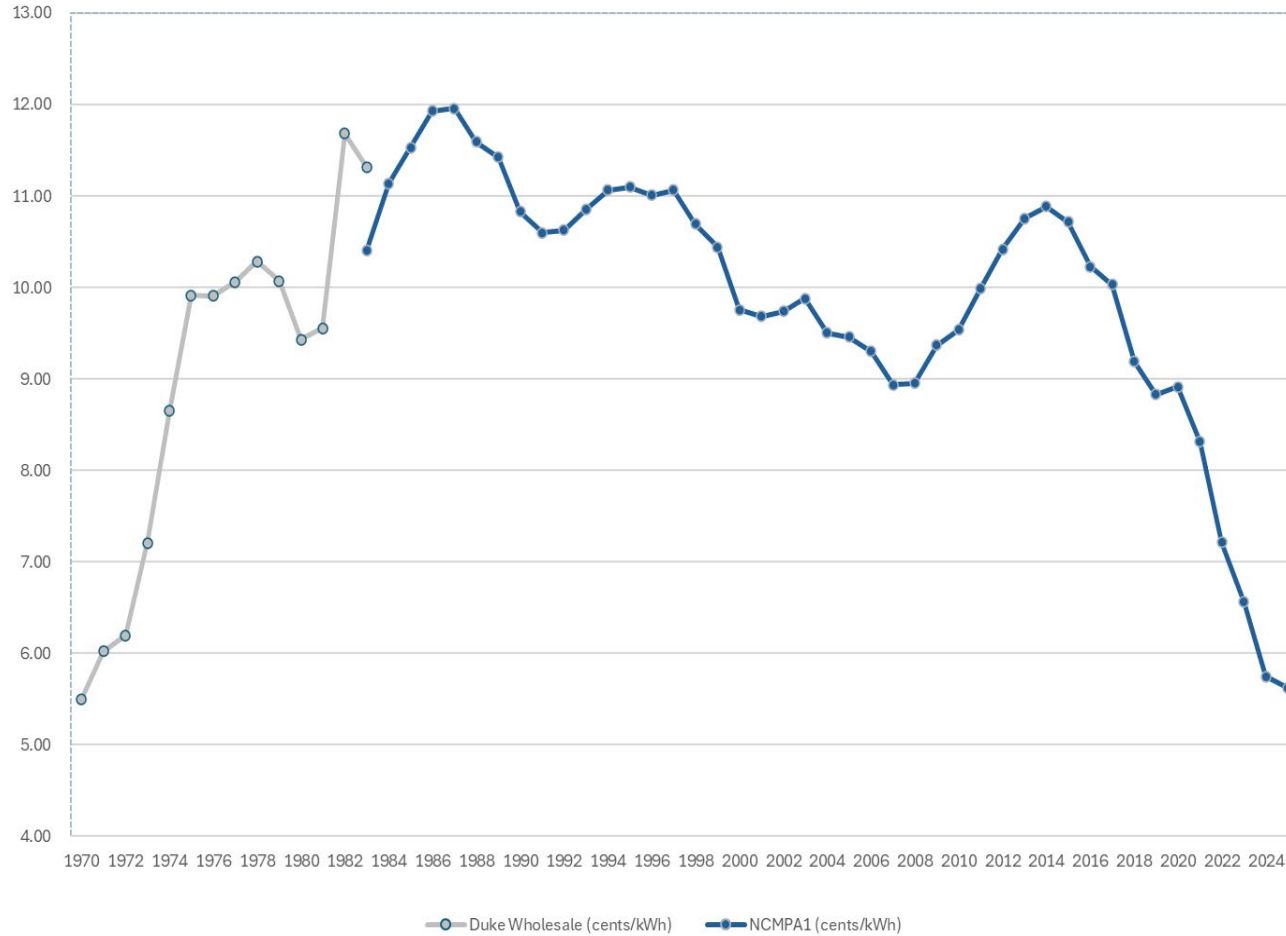


19 cities and towns in piedmont and western North Carolina



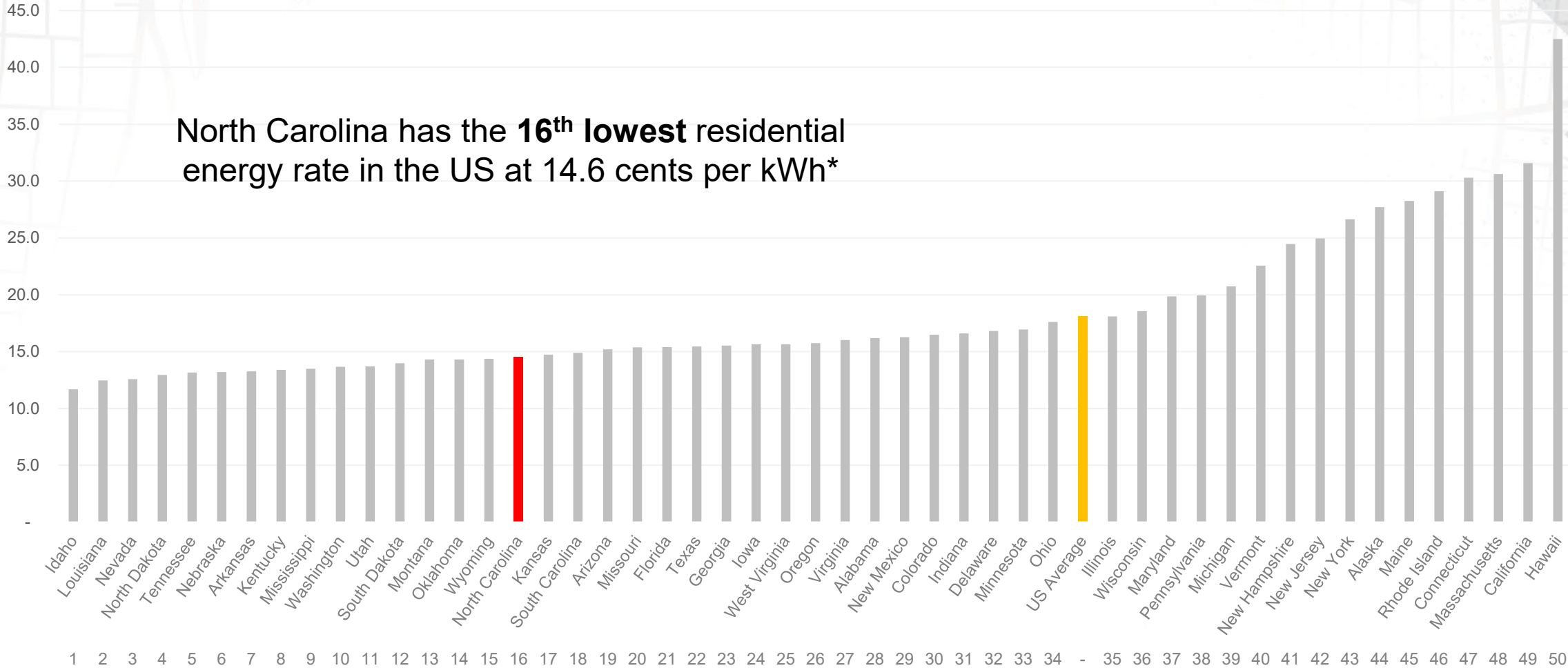
MORE THAN
94%
of the electricity
NCMPA1
PROVIDES IS FROM
EMISSIONS-FREE
generation sources

NCMPA1 Average Wholesale Rates (cents/kWh)



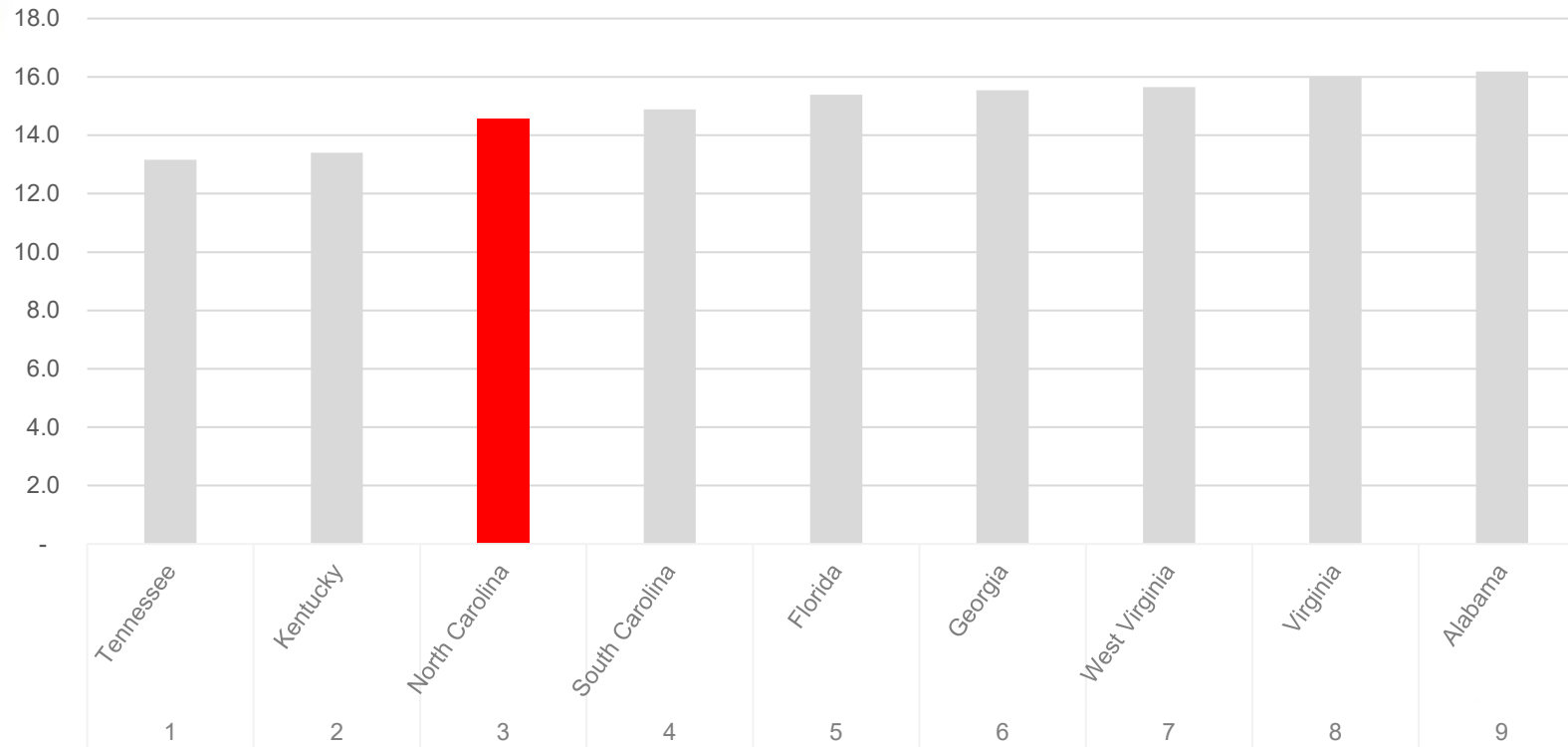
In western North Carolina, NCMPA1’s wholesale power costs have reduced by 45% over the past 10 years, and NCMPA1’s 19 member communities have received an additional \$275 million back from the Power Agency over the last decade.

National Residential Rates



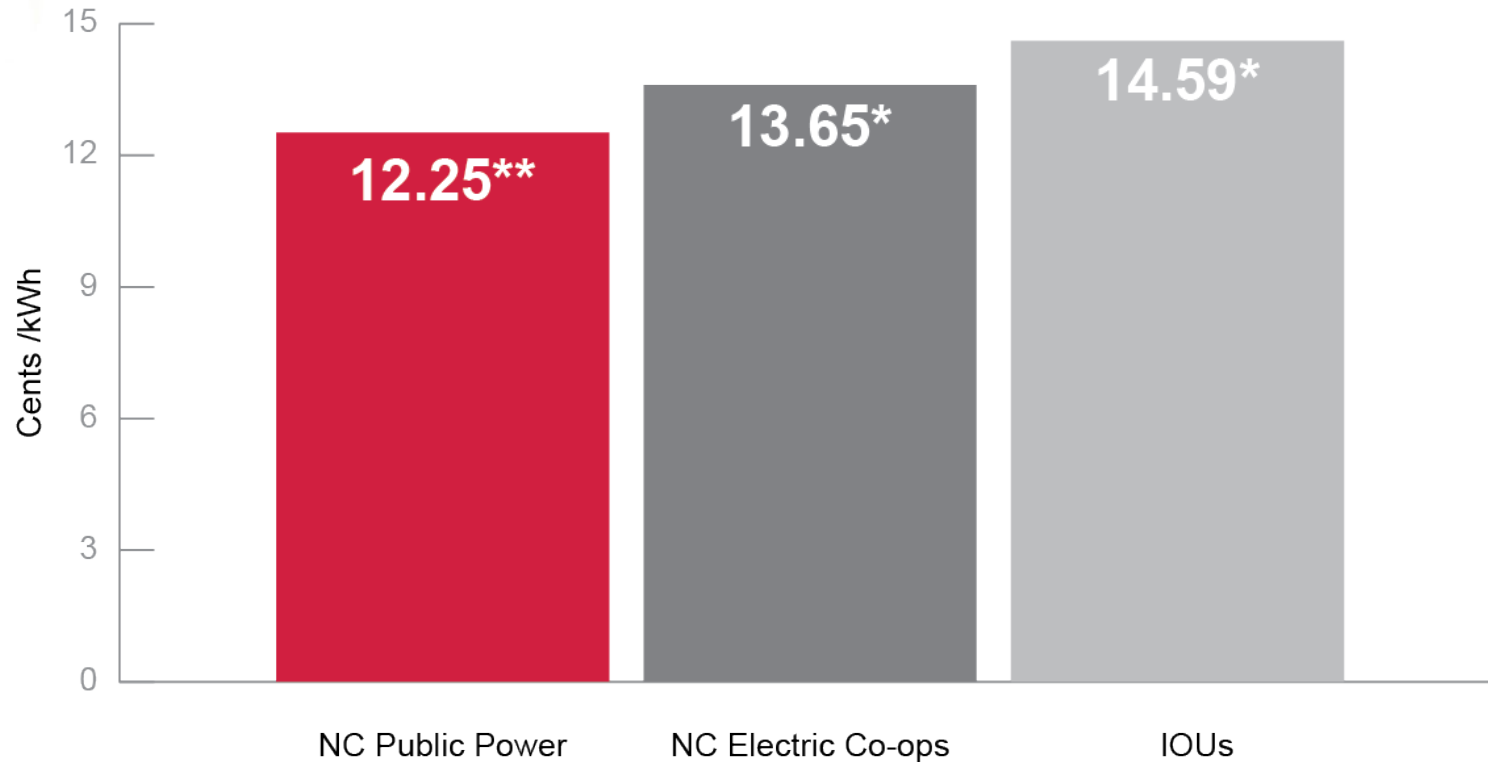
Regional Residential Rates

North Carolina has the **3rd lowest** residential energy rate in the Southeast at 14.6 cents per kWh*



Public Power is Affordable Power

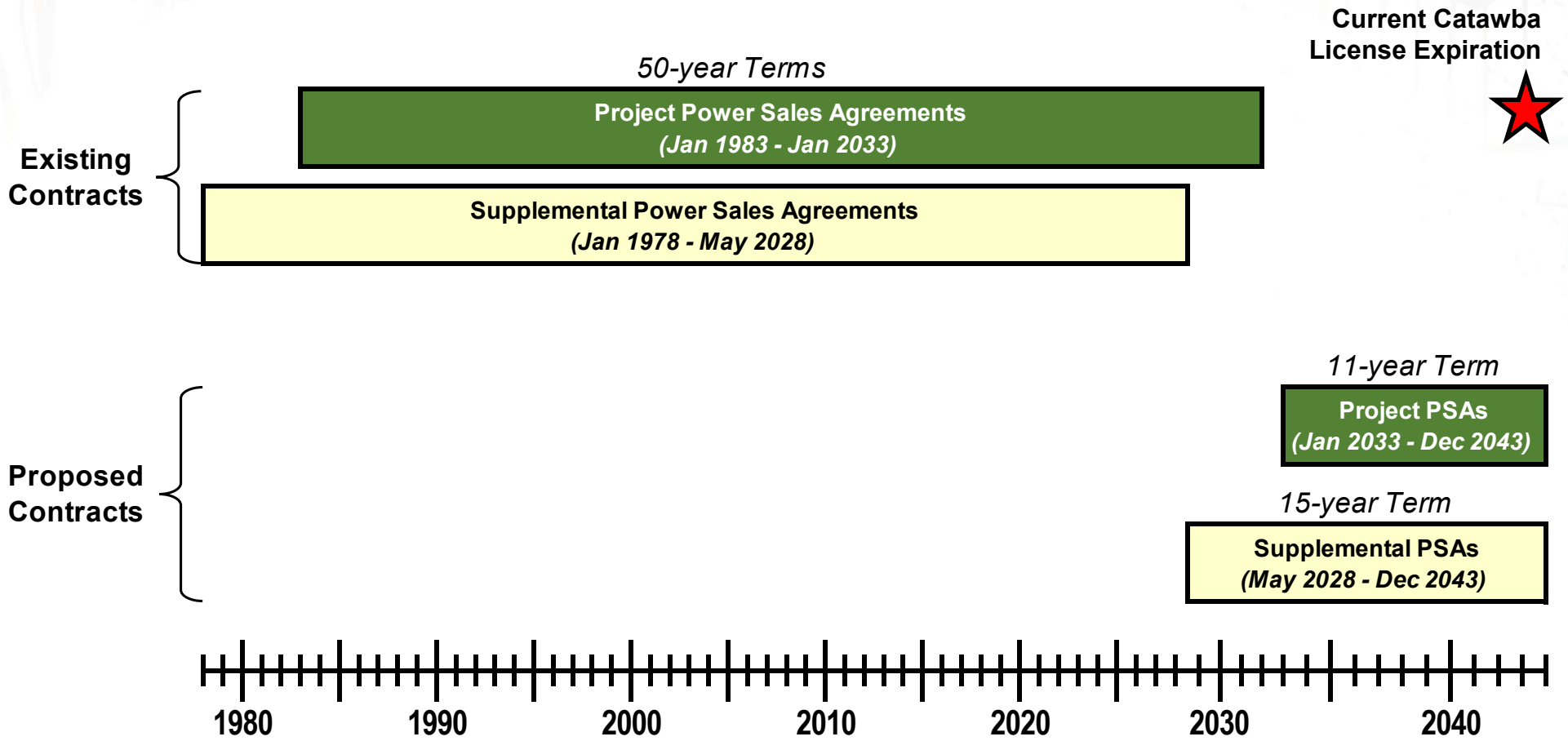
All 19 NCMPA1 and 31 of 32 NCEMPA members are the **lowest cost providers** in their areas



* 2024 EIA-861

**Based on data for public power utilities gathered by ElectriCities. It includes rate class-level revenue and usage data that includes short form filers.

Contract Timelines



Recent NCMPA1 Activities

- North Carolina General Assembly passed legislation last year to allow the 19 NCMPA1 municipalities to enter into subsequent contracts for another 50 years.
- Currently presenting contracts that will extend through 2043 to align with the current operating license at Catawba.
- Anticipate having contract approvals completed by the end of Q2 2026.




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of NORTH CAROLINA, INC.

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www.electricities.com

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 [company/ElectriCitiesNC](https://www.linkedin.com/company/ElectriCitiesNC)

 [NC Public Power Channel](https://www.youtube.com/channel/NC Public Power Channel)



Town of Landis

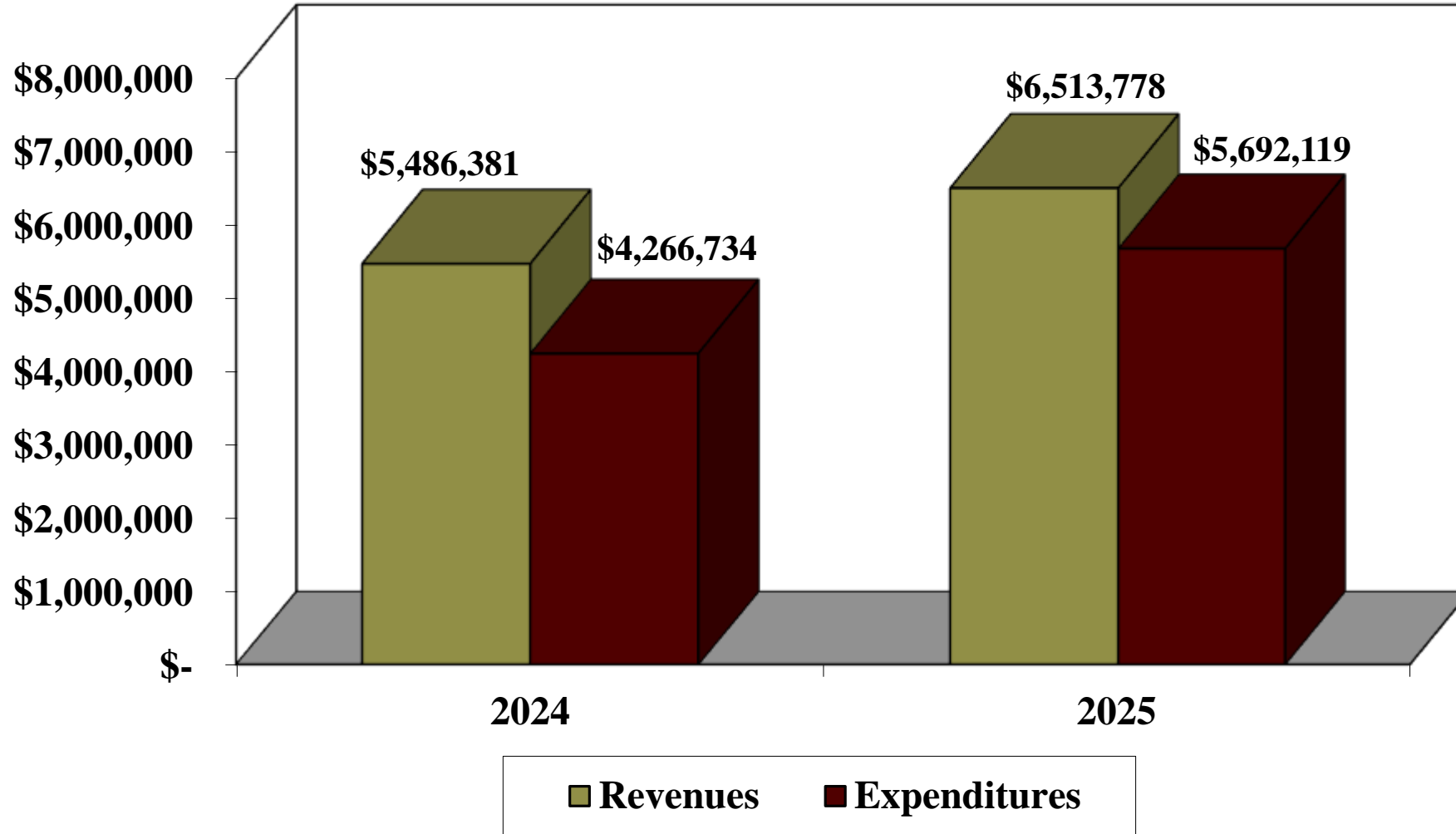
2025 Audited Financial Statements



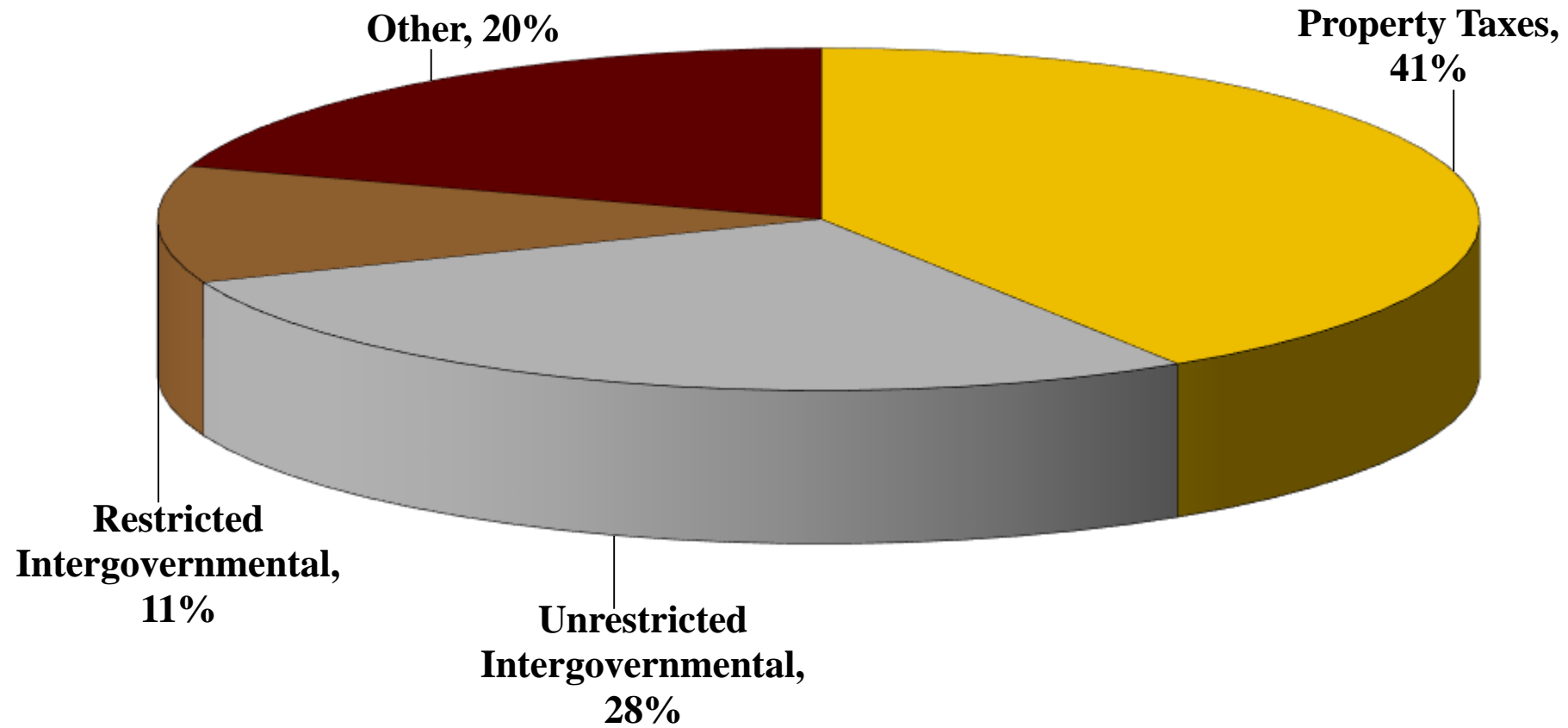
Audit Highlights

- UNMODIFIED OPINION
- COOPERATIVE STAFF

GENERAL FUND SUMMARY

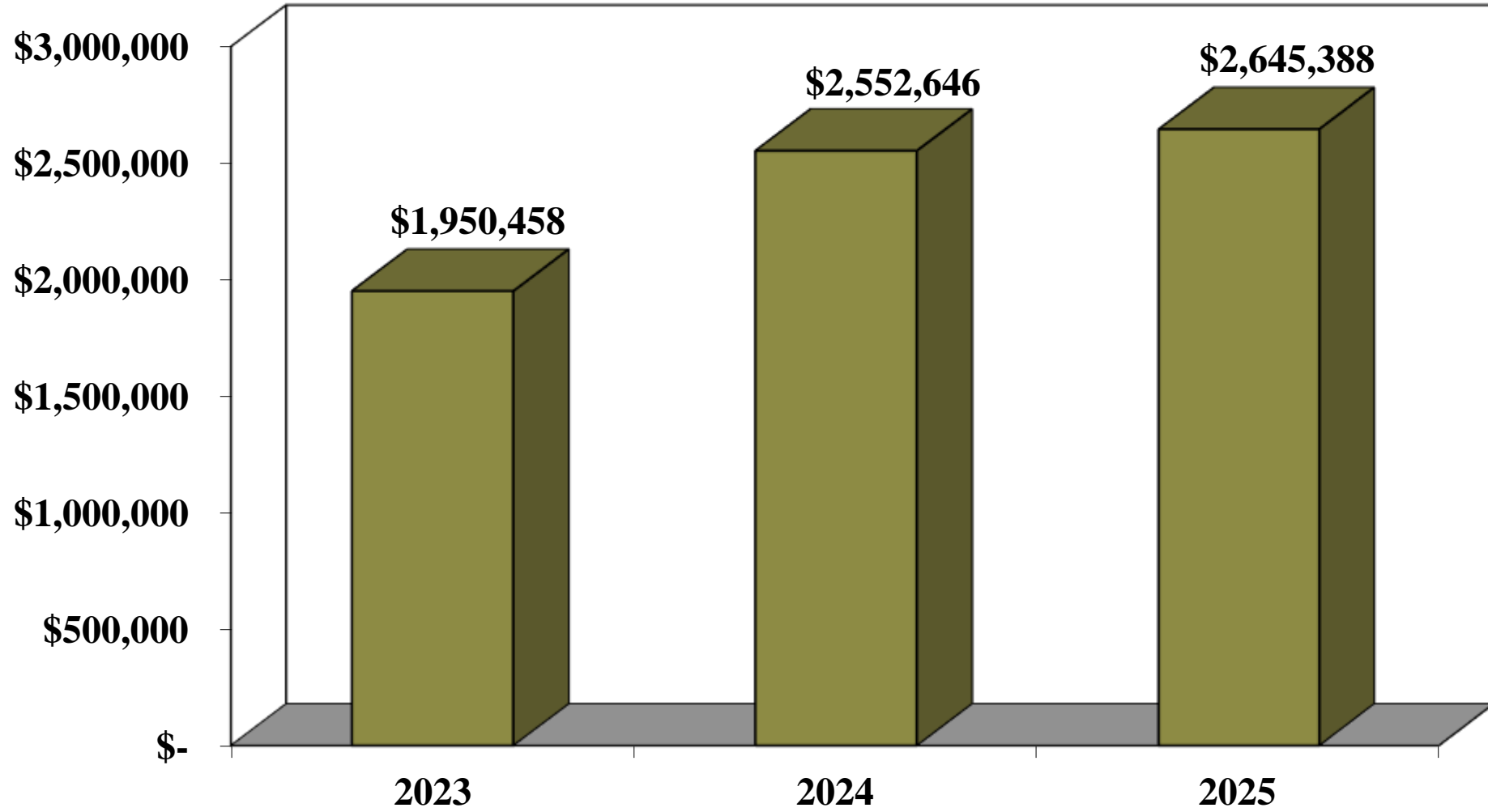


TOP 3 REVENUES: GENERAL FUND

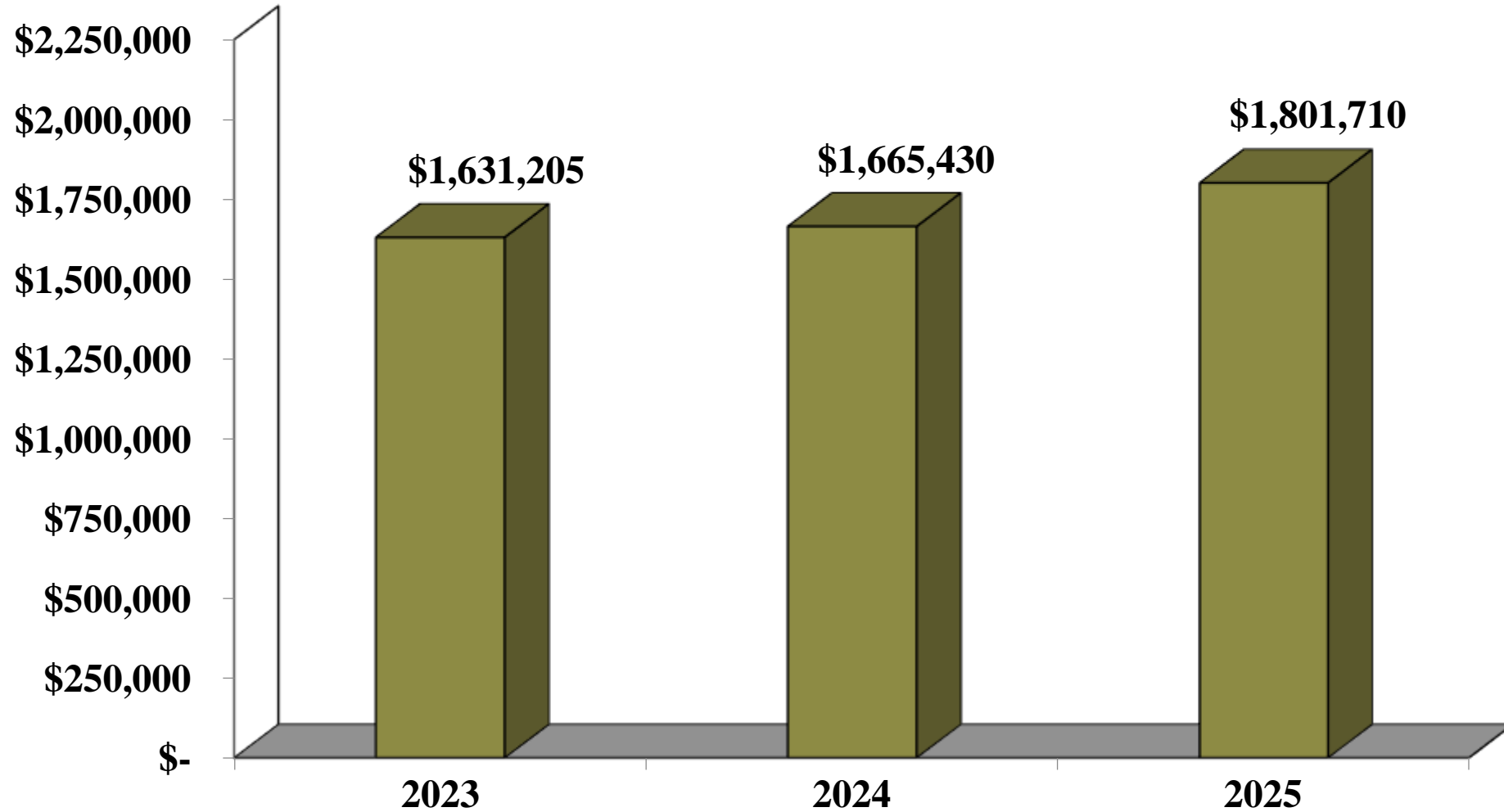


Total Revenues \$ 6,513,778

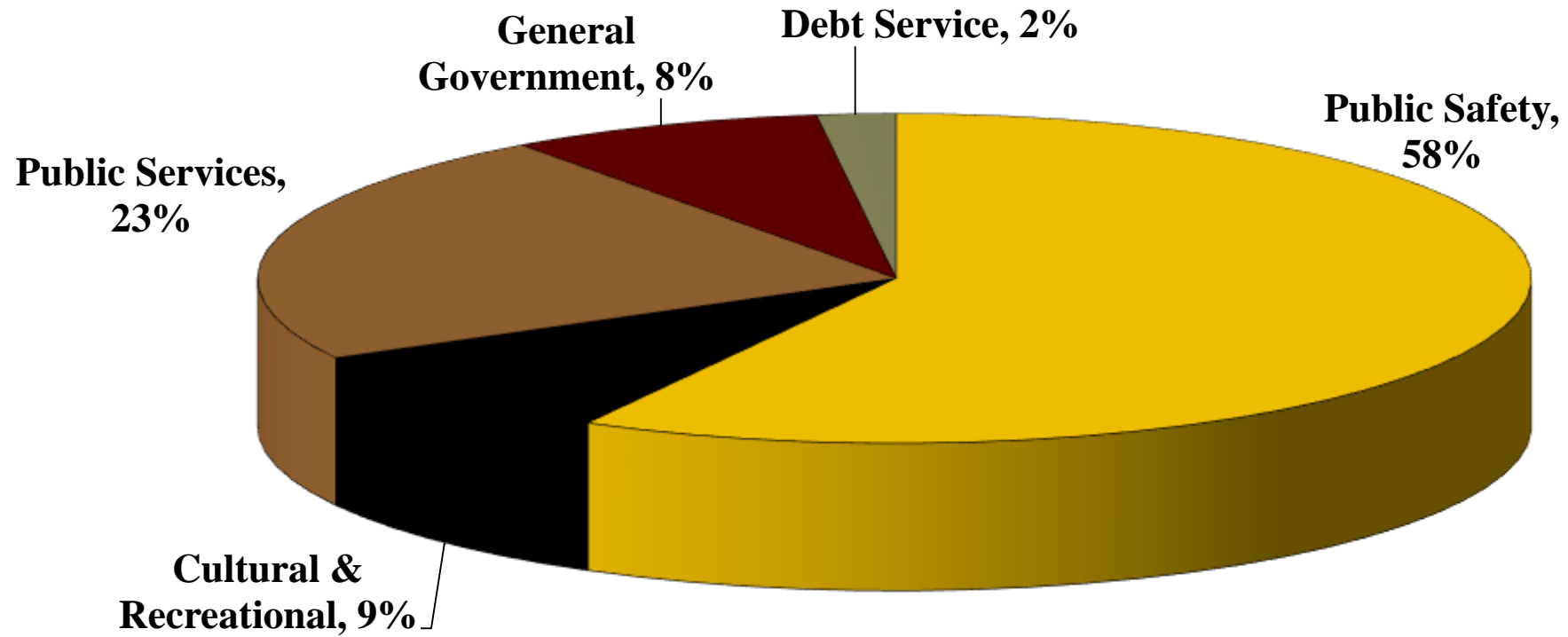
AD VALOREM TAXES



UNRESTRICTED INTERGOVERNMENTAL

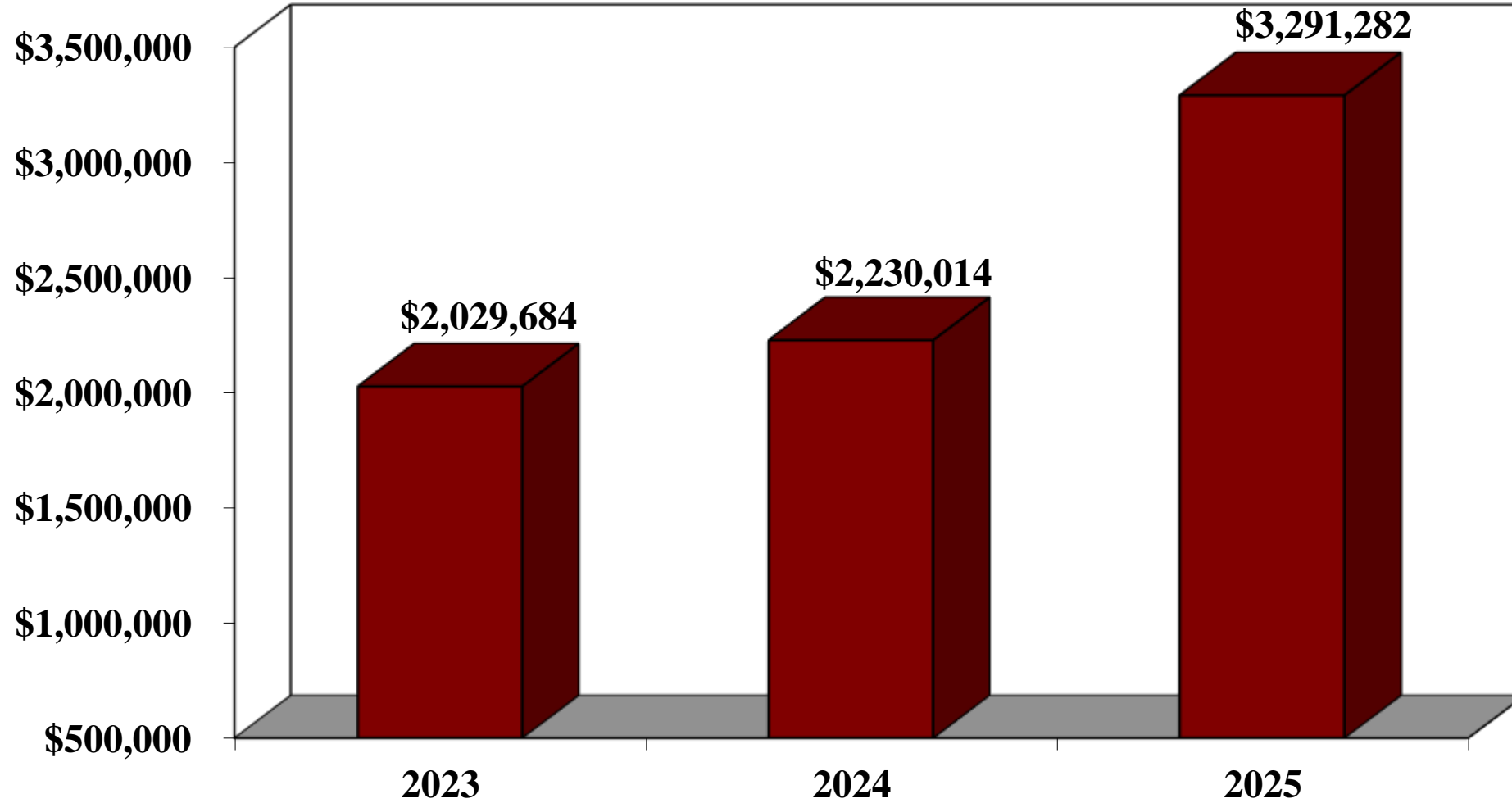


TOP 3 EXPENDITURES: GENERAL FUND

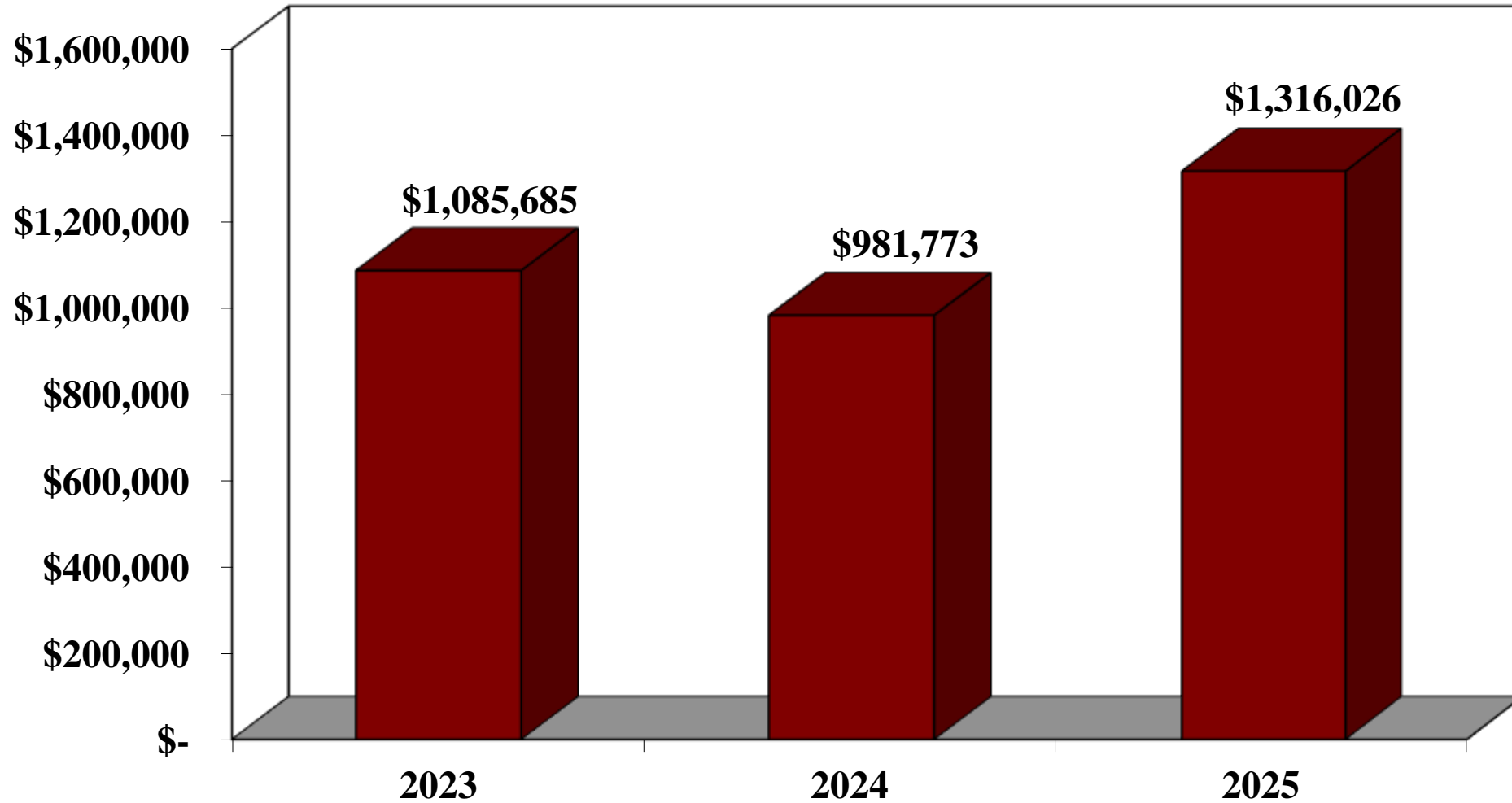


Total Expenditures \$ 5,692,119

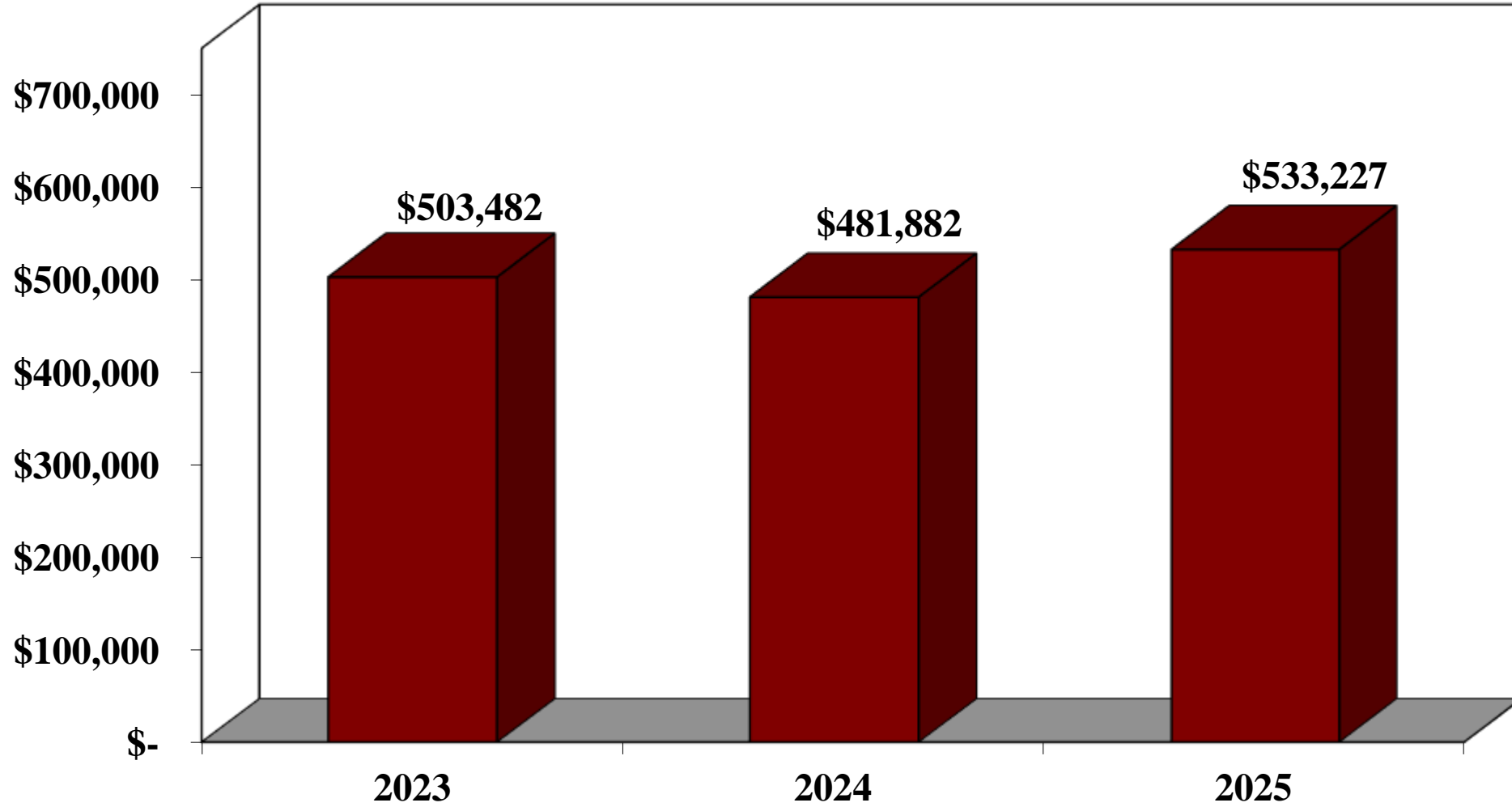
PUBLIC SAFETY EXPENDITURES



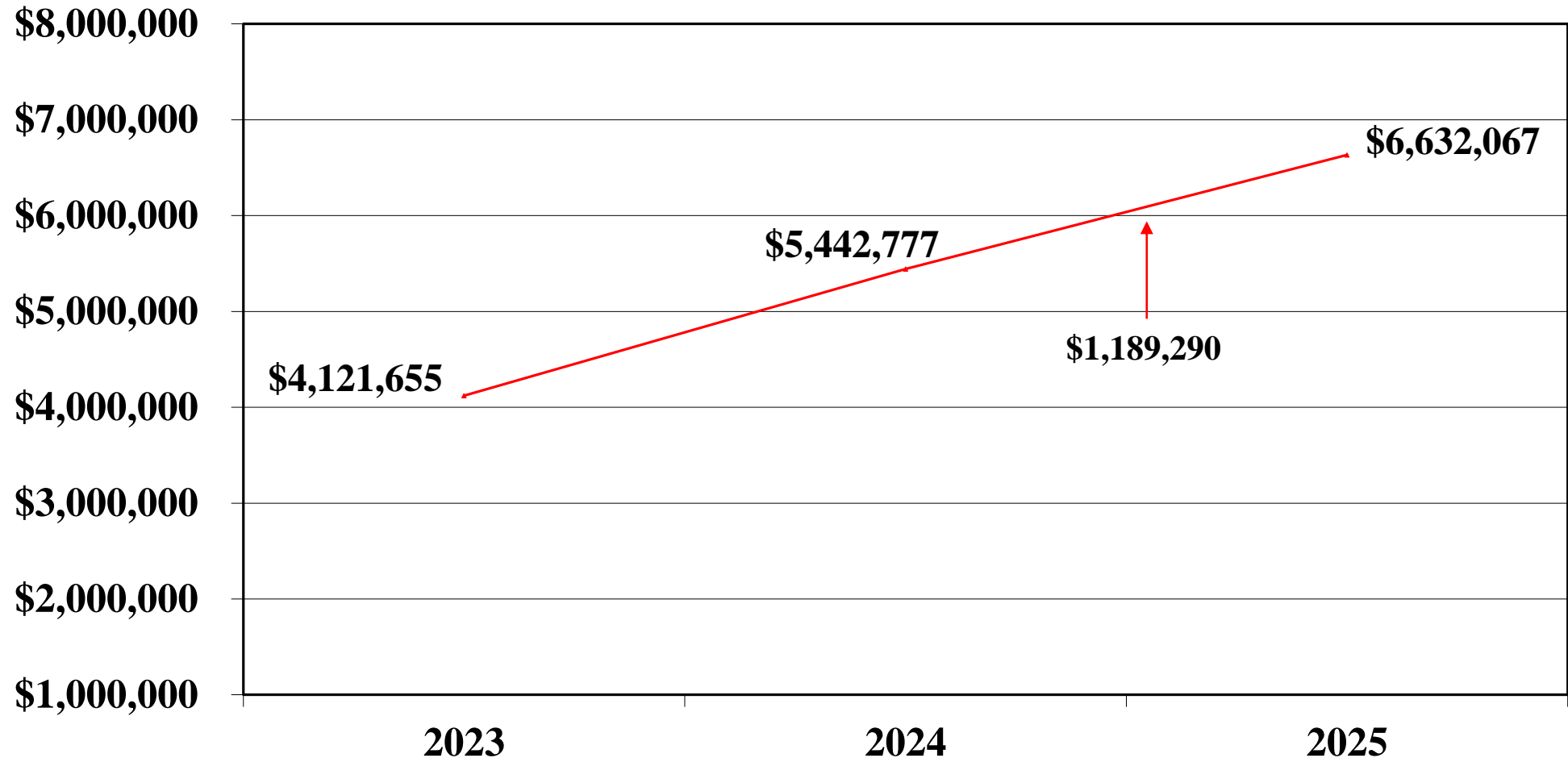
PUBLIC SERVICES



CULTURAL AND RECREATIONAL



TOTAL FUND BALANCE: GENERAL FUND

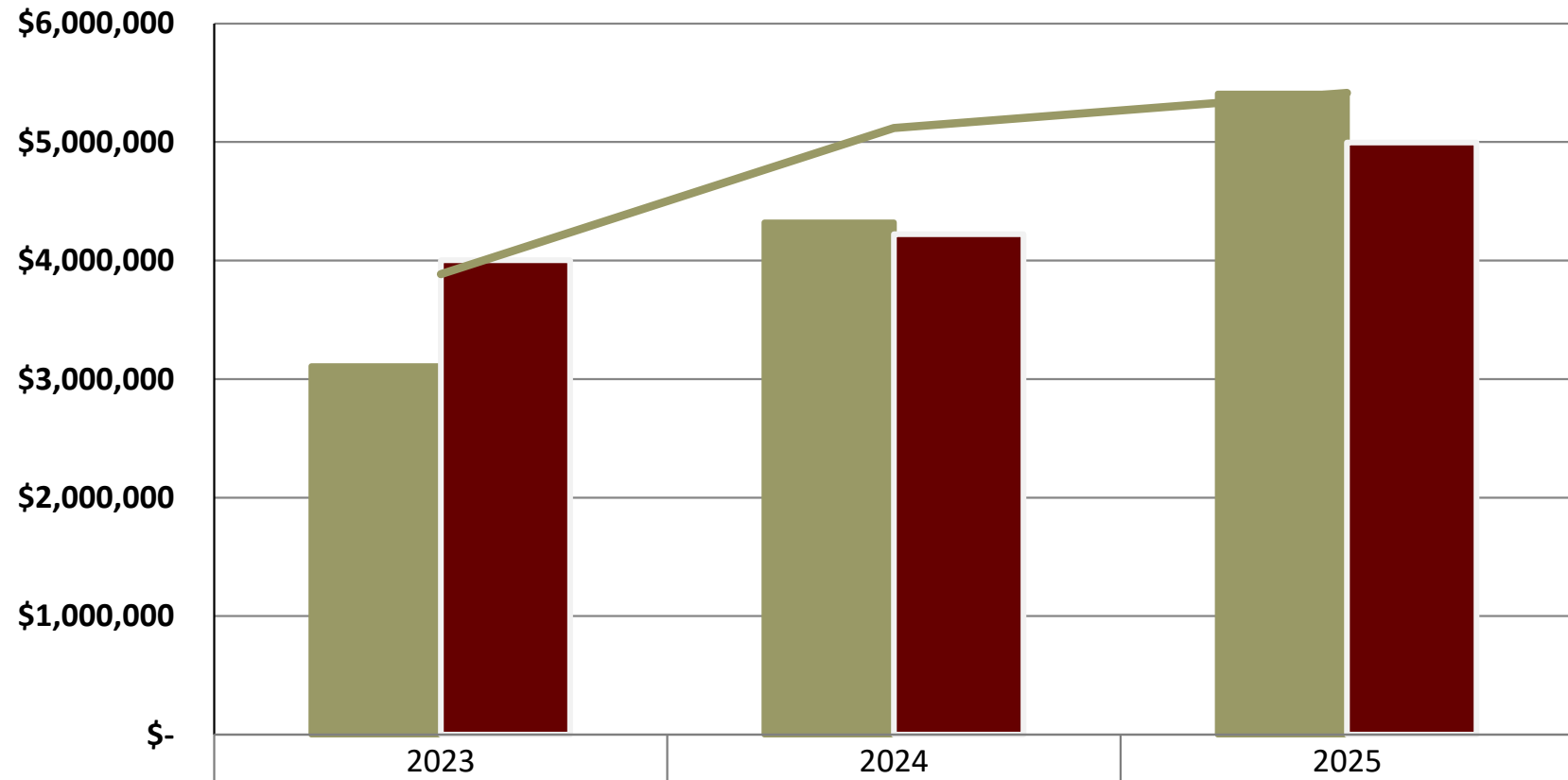


FUND BALANCE POSITION-GENERAL FUND

Total Fund Balance	\$	6,632,067
Stabilization by State Statute		<u>(557,578)</u>
Available Fund Balance	\$	<u>6,074,489</u>
Available Fund Balance 2024	\$	4,989,776
Increase in Available FB	\$	1,084,713



FUND BALANCE - GENERAL FUND



Fund Balance Available Excluding Powell Bill	\$3,110,365	\$4,321,455	\$5,410,159
Net Expenditures*	\$4,003,156	\$4,221,696	\$4,995,680
FBA as a % of Net Expenditures	77.7%	102.4%	108.3%

Net expenditures are adjusted for transfers, debt proceeds, and Powell bill expenditures

WATER & SEWER FUNDS

Cash Flow from Operations	\$	350,866
Total Net Position	\$	11,573,542
Unrestricted Net Position	\$	2,575,612
Change in net position	\$	1,990,940
Quick Ratio		13.42



ELECTRIC FUND

Cash Flow from Operations	\$	2,179,459
Total Net Position	\$	6,442,198
Unrestricted Net Position	\$	3,367,279
Change in net position	\$	1,494,497
Quick Ratio		5.53



GENERAL PERFORMANCE INDICATORS

- ❖ Performance Indicators – Response Required
 - Material weakness – material audit adjustments
 - Significant deficiency & FPIC – late audit submission
 - FPIC – W&S Capital asset condition ratio 42.02%



GENERAL PERFORMANCE INDICATORS

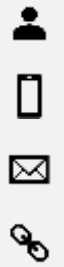
- ❖ Positive performance indicators
 - GF fund balance available %
 - Enterprise fund quick ratios
 - Stable property tax valuation & collection %





Questions?

Tonya Coffee
(828)327-2727
tcoffey@msa.cpa
www.msa.cpa



The	Governing Board Board of Aldermen
of	Primary Government Unit Town of Landis, NC
and	Discretely Presented Component Unit (DPCU) (if applicable) N/A

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

and	Auditor Name Martin Starnes & Associates, CPAs. P.A.
	Auditor Address 730 13th Avenue Drive SE, Hickory NC 28602

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/26	Date Audit Will Be Submitted to LGC 12/31/26
-----	--------------------------------	---

Must be within six months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by “U.S. Auditing Standards – AICPA (Clarified),” referred to as 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). Budgetary comparison information shall be prepared in accordance with applicable GASB standards. Budget-to-actual comparisons at the level of the legally adopted budget ordinance shall be presented as required supplementary information and shall not be included in the basic financial statements. Any other budgetary comparison information shall be presented only as supplementary information for funds required to be budgeted under NCGS Chapter 159, Article 3.

2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. If the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period, the Auditor shall perform the audit in accordance with *Generally Accepted Government Auditing Standards* (GAGAS). The Governmental Unit is subject to federal single audit requirements in accordance with Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F (*Uniform Guidance*) and the State Single Audit Implementation Act. Currently the threshold is \$1,000,000 for federal and state single audits, or such other threshold as applicable for the fiscal year under audit. 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 staff 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) the Auditor and Governmental Unit(s) should discuss, in advance of the execution of this contract, the responsibility for submission of the audit and the accompanying data collection form (form SF-FAC) to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512) to ensure proper submission.

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 or subsequent revisions, as applicable) issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he or 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 to 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 the Auditor's receipt of an updated peer review report. If the audit firm receives 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 six months of fiscal year end. At the time of the execution of this contract, if the parties know that the anticipated submission date of the audit exceeds six months after fiscal year end, a written explanation shall be provided to the Secretary of the LGC on this contract form (see the space provided on Page 7). 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 they 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 the Auditor's findings, together with his or her recommendations for improvement. That written report shall include all matters determined to be "significant deficiencies and material weaknesses" in accordance with AU-C §265 "Communicating Internal Control Related Matters Identified in an Audit" of GAAS. 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, "Auditor's Communication With Those Charged With Governance," commonly referred to as a "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 paragraphs 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 for which the Auditor consulted outside the engagement team and, in the Auditor's judgment, are significant and relevant to those charged with governance, and other findings or issues that the Auditor believes are significant and relevant. If matters identified during the audit were required to be reported as described in AU-C §260 paragraphs 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 Single Audit Act and the State Single Audit Act. This does not include fees for any pre-issuance reviews that may be required by the North Carolina Association of Certified Public Accountants (NCACPA) Peer Review Committee or North Carolina State Board of CPA Examiners (see Paragraph 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 Secretary of the Local Government Commission to obtain a pre-issuance review or take corrective action as a result of peer review findings or quality control deficiencies, such corrective action shall be consistent with the authority and requirements of the North Carolina State Board of Certified Public Accountant Examiners, the AICPA Peer Review Program, and established Local Government Commission practice, including the use of report addenda or other remedial measures, as appropriate.

14. In accordance with G.S. 159-34, the Finance Officer of the Unit is responsible for filing the audited financial statements with the Secretary of the Local Government Commission.

The Auditor may upload the audit report and related documents through the LGC's electronic submission system; however, submission shall not be deemed complete until the Finance Officer has reviewed and certified the submission.

The Auditor, Finance Officer, other Unit staff member designated by the Finance Officer, or a third party approved by the Unit may enter all Data Input Report information except the information on the "transmittal doc info" tab. The "transmittal doc info" tab must be completed by the Auditor.

The Finance Officer shall review, approve, and certify the accuracy and completeness of the Data Input Report (DIR) in the LGC's LOGOS system prior to LGC review, regardless of whether the DIR is prepared by the Auditor or the Unit.

Finance Officer certification is required for any corrected or revised submissions.

Finance Officer certification of the DIR shall be completed in a timely manner following notification that the DIR is ready for review and within time frames prescribed by the LGC. Failure to complete certification in a timely manner may result in the audit being considered late due to unit action rather than auditor performance.

The Auditor shall conduct the audit in accordance with generally accepted auditing standards and shall ensure that the financial statements are prepared in accordance with generally accepted accounting principles as of the fiscal year end. Budget-to-actual comparisons at the level of the legally adopted budget ordinance shall be presented in required supplementary information, separate from the basic financial statements, and shall not be included in the audit opinion. The Auditor shall confirm that such information reconciles to the financial statements and is consistent with applicable accounting guidance and any LGC reporting requirements.

The Finance Officer shall certify in a timely manner that all data inputted in LOGOS used for preparation of the financial statements and required supplementary information is complete and accurate.

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 preaudited if the change includes a change in audit fee (preaudit 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 Paragraph 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, preaudited (preaudit 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. The Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if the Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. 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 or 2024 Revision* (as applicable). Preparing financial statements in their entirety 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, the Auditor must document and include in the audit workpapers how the Auditor 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 Board 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 of the LGC. The Auditor's presentation to the Governing Board 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;
- 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 Board that the Governing Board shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under Rule 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary of the LGC through the LGC's LOGOS system, including completion of the Data Input Report (DIR). Submission is not complete and shall not be accepted by the LGC until the Finance Officer has reviewed and certified the DIR in accordance with Paragraph 14 of this contract.

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Paragraph 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. **Applicable to audits with fiscal year ends of June 30, 2025, and later.** The Unit authorizes the LGC to grant access to the LGC's LOGOS system, including the Data Input Report (DIR), to employees of the contracted audit firm who are associated with and acting on behalf of the firm for purposes of performing audit and reporting services under this contract. Such access shall be limited to the scope necessary to perform contracted services and shall not relieve the Auditor or the Unit of their respective responsibilities under this contract.

34. Changes or edits to the text of this contract form are not permitted, except for the Secretary's authority to revise or update this contract form pursuant to LGC Rule 20 NCAC 03. 0502.

For contracts with an anticipated audit submission date exceeding six months after fiscal year end, please use this space to explain the reason for the late submission, as required by Paragraph 6 of this contract form:

FEEES 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 Paragraph 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: The individual at the 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:
Michael D. Ambrose	Town Manager, Town of Landis	mambrose@townoflandisnc.gov

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 Paragraphs 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 firm for correction.

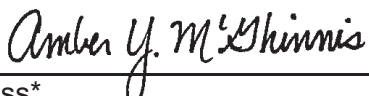
4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, 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 Rule 20 NCAC .0503 shall be submitted to the Secretary of the LGC 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	Town of Landis, NC
Audit Fee (financial and compliance if applicable)	\$ 59,600 (\$55,100 audit + \$4,500 single audit for up to 2 programs)
Fee per Major Program (if not included above)	\$ 4,500 per major program in excess of 2
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	\$ 10,000
All Other Non-Attest Services	\$
TOTAL AMOUNT NOT TO EXCEED	\$ 69,600 (includes 2 major programs)

Discretely Presented Component Unit	N/A
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* Martin Starnes & Associates, CPAs. P.A.	
Authorized Firm Representative (typed or printed)* Amber Y. McGhinnis	Signature* 
Date* 03/10/26	Email Address* amcghinnis@msa.cpa

GOVERNMENTAL UNIT

Governmental Unit* Town of Landis, NC	
Date Governing Board Approved Audit Contract* (Enter date in box to right)	
Mayor/Chairperson (typed or printed)* Meredith B. Smith, Mayor	Signature*
Date	Email Address* msmith@townoflandisnc.gov

Chair of Audit Committee (typed or printed, or "NA") N/A	Signature
Date	Email Address

GOVERNMENTAL UNIT – PREAUDIT CERTIFICATE

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

This instrument has been preaudited 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:	\$ 69,600 (includes 2 major programs)
Primary Governmental Unit Finance Officer* (typed or printed) Carly Loflin, Interim Finance Director	Signature*
Date of Preaudit Certificate*	Email Address* cloflin@townoflandisnc.gov

**SIGNATURE PAGE – DPCU
(complete only if applicable)**

DISCRETELY PRESENTED COMPONENT UNIT

DPCU* N/A	
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") N/A	Signature
Date	Email Address

DPCU – PREAUDIT CERTIFICATE

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

This instrument has been preaudited 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)* N/A	Signature*
Date of Preaudit Certificate*	Email Address*

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

PRINT

Report on the Firm’s System of Quality Control

To the Shareholders of Martin Starnes & Associates, CPAs, P.A. and the Peer Review Committee, Coastal Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. (the firm) in effect for the year ended December 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm’s Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer’s Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm’s compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including compliance audits under the Single Audit Act and an audit of an employee benefit plan.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. in effect for the year ended December 31, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Martin Starnes & Associates, CPAs, P.A. has received a peer review rating of *pass*.

Dean Dorton Allen Ford, PLLC

Dean Dorton Allen Ford, PLLC

May 10, 2024

MARTIN STARNES

& ASSOCIATES, CPAs, P.A.

“A Professional Association of Certified Public Accountants and Management Consultants”

March 10, 2026

Carly Loflin, Interim Finance Director
Town of Landis
PO Box 8165
Landis, NC 28088

Martin Starnes & Associates, CPAs, P.A. (“we”) are pleased to provide the Town of Landis (the “Town,” “you” or “your”) with the professional services described below. Please read this letter, and any other attachments incorporated herein (collectively, “Agreement”). This Agreement details the nature and limitations of the services we will provide, the terms of our engagement and each party’s responsibilities.

Engagement Objective and Scope

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Landis, NC, as of June 30, 2026, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Town of Landis’ basic financial statements as listed in the table of contents.

In addition, we will audit the entity’s compliance over major federal and state award programs for the period ended June 30, 2026. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity’s major federal and state award programs. The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with *Government Auditing Standards* will always detect a material misstatement 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 on the financial statements.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the entity complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and *Government Auditing Standards*, if any, and perform procedures to address those requirements.

Accounting principles generally accepted in the United States of America require that certain supplementary information be presented to supplement the basic financial statements. Such information, 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. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Budgetary comparison info and related notes to RSI
- Law Enforcement Officers' Special Separation Allowance schedules
- Local Governmental Employees' Retirement System's schedules

Supplementary information other than RSI will accompany the Town of Landis' basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- Combining and individual fund financial statements
- Budgetary schedules
- Other schedules
- Schedule of Expenditures of Federal and State Awards

This engagement letter documents the agreed-upon terms of the audit in accordance with AU-C section 210. In accordance with AU-C section 935, the provisions of AU-C section 210 have been adapted and applied to meet the objectives of a compliance audit under the Uniform Guidance.

Schedule of Expenditures of Federal and State Awards

We will subject the Schedule of Expenditures of Federal and State Awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the Schedule of Expenditures of Federal and State Awards is presented fairly in all material respects in relation to the financial statements as a whole.

Data Collection Form (if applicable)

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, Schedule of Expenditures of Federal and State Awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the Federal Audit Clearinghouse. The financial reporting

package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the Federal Audit Clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Audit of the Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. As part of an audit of financial statements in accordance with GAAS and in accordance with *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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. 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 controls.
- May include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected customers, creditors, financial institutions, and other third parties as part of our audit procedures. We also may request written representations from your attorneys on litigation, claims, and assessments as part of the engagement, and they may bill you for responding to our inquiries. At the conclusion of our audit, we also will require certain written representations from management made during the audit about the financial statements and related matters.
- Obtain an understanding of internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- 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.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Landis' ability to continue as a going concern for a reasonable period of time.

We may advise management about appropriate accounting principles and their application, and we may assist in the assembly of your financial statements. However, management has the final responsibility for the selection and application of accounting policies and the fair presentation of financial statements that reflect the nature and operation of the Town of Landis.

Although we are currently in the planning stage of our audit, we have identified the following significant risks during our audit to date that require special audit consideration:

- Improper revenue recognition is considered a fraud and significant risk according to GAAS
- Management override of controls (including journal entries and budget amendments) is considered a fraud and significant risk according to GAAS

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. 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.

Audit of Major Program Compliance

Our audit of the Town of Landis' major federal and state award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended, the Uniform Guidance, and the State Single Audit Implementation Act, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and the State Single Audit Implementation Act and other procedures we consider necessary to enable us to express such an opinion on major federal and state award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The objective of a compliance audit under the Uniform Guidance and the State Single Audit Implementation Act is to obtain reasonable assurance about whether the entity complied in all material respects with the applicable compliance requirements for each of its major federal programs and to express an opinion on the entity's compliance based on the audit.

The Uniform Guidance and the State Single Audit Implementation Act require that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal and state award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the entity's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the 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 federal or state programs as a whole.

As part of a compliance audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and

assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal and state programs and, performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs, and performing such other procedures as we consider necessary in the circumstances. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and the State Single Audit Implementation Act.

Also, as required by the Uniform Guidance and the State Single Audit Implementation Act, we will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal and state award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to management and those charged with governance, regarding, among other matters, the planned scope and timing of the compliance audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal and state award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management's Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For the prevention and detection of fraud, including the design and implementation of programs and controls to prevent and detect fraud;
4. For identifying, in its accounts, all federal and state awards received and expended during the period and the federal and State programs under which they were received;
5. For maintaining records that adequately identify the source and application of funds for federal and state funded activities;
6. For preparing the Schedule of Expenditures of Federal and State Awards (including notes and noncash assistance received) in accordance with the Uniform Guidance and State Single Audit Implementation Act;
7. For designing, implementing, and maintaining effective internal control over federal and state awards that provides reasonable assurance that the entity is managing federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions of the federal and state awards;
8. For identifying and ensuring that the entity complies with federal and state laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal and state award programs, and implementing systems designed to achieve compliance with

- applicable federal and state statutes, regulations and the terms and conditions of federal and state award programs;
9. For disclosing accurately, currently and completely the financial results of each federal and state award in accordance with the requirements of the award;
 10. For identifying and providing 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;
 11. For taking prompt action when instances of noncompliance are identified;
 12. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
 13. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
 14. For submitting the reporting package and data collection form to the appropriate parties;
 15. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
 16. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including the disclosures, and relevant to federal and state award programs, such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit;
 - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
 - d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report (if applicable); and
 - e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report (if applicable).
 17. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year or period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
 18. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
 19. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
 20. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant roles in the system of internal control and others where fraud could have a material effect on the financials and/or compliance;
 21. For the accuracy and completeness of all information provided;
 22. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information, records and documentation;
 23. For informing us of any events encountered subsequent to the period under audit that may require adjustment to or note disclosure in the financial statements; and
 24. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility (a) for the preparation of the supplementary information in accordance with the applicable criteria, (b) to provide us with the appropriate written representations regarding supplementary information, (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information, and (d) to present

the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

With regard to the Schedule of Expenditures of Federal and State Awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the Schedule of Expenditures of Federal and State Awards in accordance with the Uniform Guidance and the State Single Audit Implementation Act, (b) to provide us with the appropriate written representations regarding the Schedule of Expenditures of Federal and State Awards, (c) to include our report on the Schedule of Expenditures of Federal and State Awards in any document that contains the Schedule of Expenditures of Federal and State Awards and that indicates that we have reported on such schedule, and (d) to present the Schedule of Expenditures of Federal and State Awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited basic financial statements readily available to the intended users of the Schedule of Expenditures of Federal and State Awards no later than the date of issuance by you of the schedule and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor’s report to the date the financial statements are issued.

Limitations of the Audit Report

Should the Town wish to include or incorporate by reference these financial statements and our report thereon into any other document at some future date, we will consider granting permission to include our report into another such document at the time of the request. However, we may be required by generally accepted auditing standards (GAAS) to perform certain procedures before we can give our permission to include our report in another document such as an annual report, private placement, regulator filing, official statement, offering of debt securities, etc. You agree that the Town will not include or incorporate by reference these financial statements and our report thereon, or our report into any other document without our prior written permission. In addition, to avoid unnecessary delay or misunderstandings, it is important to provide us with timely notice of your intention to issue any such document.

Nonattest Services

We will perform the following nonattest services:

- Draft of financial statements and footnotes
- GASB 34 conversion entries
- Preparation of auditor portions of Data Collection Form (if applicable)
- Preparation of the LGC’s data input report
- Clerical services

We will not assume management responsibilities on behalf of the Town of Landis. However, we will provide advice and recommendations to assist management of the Town of Landis in performing its responsibilities.

The Town of Landis’ management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the

adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) designing, implementing, and maintaining the system of internal control, including the process used to monitor the system of internal control.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

You may request that we perform additional services not contemplated in this engagement letter. If this occurs, we will communicate with you regarding the scope and estimated cost of these additional services. Engagements for additional services may necessitate that we amend the Agreement or issue a separate agreement to reflect the obligations of all parties. In the absence of any other written communications from us documenting additional services, our services will be limited to and governed by the terms of this Agreement.

Reporting

We will issue a written report upon completion of our audit of the Town of Landis’ basic financial statements. Our report will be addressed to the governing body of the Town of Landis. 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 opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor’s report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

In accordance with the Uniform Guidance, we will issue (1) a report on compliance for each major program and (2) a report on internal control over compliance. These reports are intended solely for the information and use of management, those charged with governance, federal awarding agencies, pass-through entities, and oversight bodies, and are not intended to be used by anyone other than these specified parties.

We will provide copies of our reports to the Town. However, management is responsible for distribution of the reports and financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

We also are responsible for communicating with the Town’s management or those charged with governance our audit responsibility under GAAS, an overview of the planned scope and timing of the audit including significant risks identified by us, significant issues or findings from the audit, including our views about the qualitative aspects of the Town of Landis’ significant accounting practices, significant unusual

transactions, significant difficulties encountered during the audit, disagreements with management, difficult or contentious matters for which we consulted outside the engagement team and that are, in our professional judgement, relevant to those charged with governance, uncorrected and corrected misstatements, and other findings or issues arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

Electronic Transmittals

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

During the course of the engagement, a portal will be in place for information to be shared, but not stored. Our policy is to terminate access to this portal after one year. The Town is responsible for data backup for business continuity and disaster recovery, and our workpaper documentation is not to be used for these purposes.

If you decide to transmit your confidential information to us in a manner other than a secure portal, you accept responsibility for any and all unauthorized access to your confidential information. If you request that we transmit confidential information to you in a manner other than a secure portal, you agree that we are not responsible for any liability, including but not limited to, (a) any loss or damage of any nature, whether direct or indirect, that may arise as a result of our sending confidential information in a manner other than a secure portal, and (b) any loss arising as a result of any virus being passed on or with, or arising from any alteration of, any email message.

Timing of Engagement

We expect to begin our services at a time mutually determined by you and Martin Starnes & Associates, CPAs, P.A. and after receipt of this executed Agreement and all documents requested by our office. The timing of our work is dependent upon the timely receipt of the information we request from you, including timely responses to any questions we may ask.

Our services under this Agreement will conclude at the earlier of:

- issuance of the deliverable outlined in this Agreement;
- written notification by either party that the Agreement is terminated

Provisions of Engagement Administration and Fees

Tonya Coffey is the engagement partner for the audit services specified in this letter. The engagement partner’s responsibilities include supervising Martin Starnes & Associates, CPAs, P.A.’s services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. To ensure that our independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

The audit documentation for this engagement is the property of Martin Starnes & Associates, CPAs, P.A. and constitutes confidential information. However, we may be requested to make certain audit documentation available to the Local Government Commission, Office of the State Auditor, federal or state agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Martin Starnes & Associates, CPAs, P.A.’s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

Our fees for these services are as follows:

Audit Fee	\$ 55,100
Financial Statement Drafting	10,000
Single Audit Fees (up to 2 programs)	<u>4,500</u>
	<u>\$ 69,600</u>
Additional Fees:	
Charge per major program in excess of 2	<u>\$ 4,500</u>

Please note that the fees above include up to 2 major programs, as indicated. The “total amount not to exceed” listed on the audit contract also includes up to 2 major programs. If the total number of major programs exceeds 2 and the “total amount not to exceed” needs to be increased, we will prepare an amended contract to include the fees necessary based on the per program amount listed as additional fees above.

As part of the base audit fee above, we will provide 10 printed copies of the final audit report and related documents. Additional printed copies may be requested. However, such requests will incur a supplemental fee at our standard reproduction and handling rate in effect at the time of the request.

In addition, the preparation of the LGC’s data input report is considered an additional service outside the scope of the audit engagement. Fees for this service will be billed at our standard hourly rates for the personnel assigned to the engagement. We will notify you if we anticipate the need for significant additional time in excess of normal preparation requirements.

Our invoices for these fees will be rendered in four installments as work progresses and are payable upon presentation. The Town agrees to pay all cost of collection (including reasonable attorney fees) that the Firm may incur in connection with the collection of unpaid invoices. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for non-payment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our reports. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. In the event that work is discontinued, either temporarily or permanently, as a result of delinquent or non-payment, we shall not be liable for any loss you may incur as a result of the

work stoppage, including penalties and interest. In such cases, you assume all risk associated with your failure to meet any governmental or other deadlines.

We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the Town of Landis' personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

We want our clients to receive the maximum value for our professional services and to perceive that our fees are reasonable and fair. In working to provide you with such value, we find there are certain circumstances that can cause us to perform work in excess of that contemplated in our fee estimate.

Following are some of the more common reasons for potential supplemental billings:

Changing Laws and Regulations

There are many governmental and rule-making boards that regularly add or change their requirements. Although we attempt to plan our work to anticipate the requirements that will affect our engagement, there are times when this is not possible. We will discuss these situations with you at the earliest possible time in order to make the necessary adjustments and amendments in our engagement.

The estimated fees are based on auditing and accounting standards effective as of the date of this engagement letter and known to apply to the Town at this time. Unless otherwise indicated, estimated fees do not include any time related to the application of new auditing or accounting standards that impact the Town for the first time.

Incorrect Accounting Methods or Errors in Client Records

We base our fee estimates on the expectation that client accounting records are in order so that our work can be completed using our standard testing and accounting procedures. However, should we find numerous errors, incomplete records, or the application of incorrect accounting methods, we will have to perform additional work to make the corrections and reflect those changes in the financial statements. If, for any reason, the Town is unable to provide such schedules, information, and assistance, the Firm and the Town will mutually revise the fee to reflect additional services, if any, required of us to achieve these objectives.

Failure to Prepare for the Engagement

In an effort to minimize your fees, we assign you the responsibility for the preparation of schedules and documents needed for the engagement. We also discuss matters such as availability of your key personnel, deadlines, and work space. If your personnel are unable, for whatever reasons, to provide these items as previously agreed upon, it might substantially increase the work we must do to complete the engagement within the scheduled time.

Starting and Stopping Our Work

If we must withdraw our staff or accommodate the Town's requested scheduling change because of the condition of the client's records, or the failure to provide agreed upon items within the established timeline for the engagement, we will not be able to perform our work in a timely, efficient manner, as established

by our engagement plan. This will result in additional fees, as we must reschedule our personnel and incur additional start-up costs.

Our fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our fees for such services range from \$90-\$450 per hour.

Non-Solicitation of Employees and Independent Contractors

During the term of this engagement and for a period of eighteen (18) months after the end of this engagement, for whatever reason, you agree that you shall not, directly or indirectly: (i) solicit or attempt to solicit for employment or for engagement as an independent contractor, any of our employees or independent contractors; or (ii) solicit, encourage, or induce, or attempt to solicit, encourage, or induce, any of our employees or independent contractors to leave the employment of Martin Starnes & Associates, CPAs, P.A. or terminate their relationship with Martin Starnes & Associates, CPAs, P.A. For the avoidance of doubt, general advertisements for employment shall not be deemed a violation of this paragraph.

You agree that we invest a large amount of capital and resources to ensure that our employees and independent contractors deliver the highest level of service in our industry. You also agree that the cost of recruiting and hiring qualified individuals to replace our employees or independent contractors would be a lengthy and expensive process. You therefore agree that your violation of the non-solicitation provision above will result in economic damages that are difficult to ascertain and that, in the event of a breach of the non-solicitation provision above, you will pay to Martin Starnes & Associates, CPAs, P.A. a fee equal to One Hundred Percent (100%) of the employee's or independent contractor's annual rate of compensation at the time their relationship with us ends.

You further agree that your breach or threatened breach of the non-solicitation provision above would result in irreparable loss and injury to us. You agree that, in addition to all other remedies provided at law or equity, we shall be entitled to a temporary restraining order and preliminary and permanent injunctive relief in the event of a breach or threatened breach of the non-solicitation provision above, and you hereby waive any requirement that we post any bond in connection with obtaining such restraining order and/or injunctive relief. We shall be entitled to a restraining order and/or injunctive relief without regard to whether we can demonstrate that we have suffered actual damages or economic loss as a result of the breach or threatened breach of the non-solicitation provision.

Termination and Withdrawal

Either party may terminate this Agreement at any time and for any reason. If this Agreement is terminated before services are completed, you agree to pay all fees and expenses we incur through the effective date of termination.

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 available to anyone other than your

personnel, any such documents. This provision will apply to all materials whether in digital, “hard copy” format or other medium.

Conflicts of Interest

If we, in our sole discretion, believe a conflict of interest has arisen affecting our ability to deliver services to you in accordance with either the ethical standards of our firm or the ethical standards of our profession, we may be required to terminate our services without issuing our work product.

Third-Party Service Providers or Subcontractors

We may use third-party service providers, subcontractors, commercially available artificial intelligence, or software tools, some of which may utilize or offer artificial intelligence capabilities (collectively, “external party” or “external parties”), to assist us where necessary to help provide professional services to you or support the needs of our firm. You consent to our use of external parties. Our firm remains responsible for exercising reasonable care in providing our services, and our services and work product will be subjected to our firm's customary quality control procedures.

We may provide your confidential information to external parties in support of our services. You consent to the disclosure of your confidential information to those external parties. We take reasonably prudent business care consistent with our professional standards to prevent the unauthorized release of your confidential information.

In certain circumstances, we may require a separate, written consent from you before your information is transmitted to an external party or parties.

Records Management

We will return any original records and documents you provide to us. Our copies of your records and documents are solely for our documentation purposes and are not a substitute for your own record-keeping obligations under any applicable laws or regulations. You are responsible for maintaining complete and accurate books and records, which may include financial statements, schedules, tax returns and other deliverables provided to you by us. If we provide deliverables or other records to you via an information portal, you must download this information within 60 days. Professional standards may preclude us from being the sole repository of your original data, records, or information.

Workpapers and other items created by us to support the delivery of our services are our property and will remain in our control. We will consider requests for copies of workpapers and other items created by us in accordance with the AICPA Code of Professional Conduct. Our workpapers will be maintained by us in accordance with our firm’s record retention policy and any applicable legal and regulatory requirements.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report. Catastrophic events or physical deterioration may result in damage to or destruction of our firm’s records, causing the records to be unavailable before the expiration of the retention period, as stated in our record retention policy.

Summons or Subpoenas

All information you provide to us in connection with this engagement will be maintained by us on a confidential basis.

If we receive a summons or subpoena which our legal counsel determines requires us to produce documents from this engagement or testify about this engagement, provided that we are not prohibited from doing so

by applicable laws or regulations, we agree to inform you of such summons or subpoena as soon as practicable. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate, at your sole expense, to attempt to limit discovery. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request.

If we are not a party to the proceeding in which the information is sought, you agree to reimburse us for our professional time and expenses, as well as the fees and expenses of our legal counsel, incurred in responding to such requests.

Confidentiality

In providing services to you, we may require information that is considered confidential and may include Personally Identifiable Information (PII), i.e. information that can be used to distinguish or trace an individual's identity such as address, bank account and social security information. We will maintain all client information, including PII, on a confidential basis and have a duty to do so based on the standards promulgated by the American Institute of Certified Public Accountants as well as applicable laws and regulations. You assume the risk of loss if you provide us with information, including PII, which differs from the information we request in order to provide services to you in accordance with the Agreement.

Referrals

In the course of providing services to you, you may request referrals to products or professionals such as attorneys, brokers, or investment advisors. As a courtesy, we may identify professional(s) or product(s) for your consideration. However, you are responsible for evaluating, selecting, and retaining any professional or product and determining if the professional or product meets your needs. You agree that we will not oversee the activities of and have no responsibility for the work product of any professional or suitability of any product we refer to you or that you separately retain.

Limitations on Oral and Email Communications

We may discuss with you our views regarding the treatment of certain items or decisions you may encounter. We may also provide you with information in an email. Any advice or information delivered orally or in an email (rather than through a memorandum delivered as an email attachment) will be based upon limited research and a limited discussion and analysis of the underlying facts. Additional research or a more complete review of the facts may affect our analysis and conclusions.

Due to these limitations and the related risks, it may not be appropriate to proceed with a decision solely on the basis of any oral or email communication from us. You accept all responsibility for any liability, including but not limited to additional tax, penalties or interest resulting from your decision (i) not to have us perform the research and analysis necessary to reach a more definitive conclusion and (ii) to instead rely on an oral or email communication. The limitation in this paragraph will not apply to an item of written advice that is a deliverable of a separate engagement. If you wish to engage us to provide formal advice on a matter on which we have communicated orally or by email, we will confirm this service in a separate agreement.

Disclaimer of Legal and Investment Advice

Our services under this Agreement do not constitute investment advice unless specifically engaged in the *Engagement Objective and Scope* section of this Agreement. Our services under this Agreement do not constitute legal advice.

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, our firm employs 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.

Marketing and Educational Communications

If we send you newsletters, updates, explanations of technical developments or similar communications, it is strictly for marketing or general educational purposes and should not be construed as professional advice on which you may rely. These communications, by themselves, do not create a contractual relationship between us and you, a binding obligation for us to provide services to you, nor a requirement on our part to monitor issues for you.

Independent Contractor

When providing services to your company, we will function 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.

Our obligations under this Agreement are solely obligations of Martin Starnes & Associates, CPAs, P.A., and no Martin Starnes & Associates, CPAs, P.A. stakeholder shall be subjected to any personal liability whatsoever to you or any person or entity.

Severability

If any portion of this Agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this Agreement.

Survivability

The following sections of this Agreement shall survive termination of the Agreement: Limitation of Liability and Statute of Limitations.

Assignment, No Third-Party Beneficiaries

All parties acknowledge and agree that the obligations and responsibilities of this Agreement cannot be assigned to any third party except as agreed to in writing. This Agreement has been entered into solely between you and Martin Starnes & Associates, CPAs, P.A., and no third-party beneficiaries are created hereby.

Force Majeure

Neither party shall be held liable for any delays resulting from circumstances or causes beyond our reasonable control, including, without limitation, fire or other casualty, act of God, strike or labor dispute, war or other violence, epidemics or pandemics as defined by The Centers for Disease Control and Prevention, or any law, order or requirement of any governmental agency or authority. However, no Force Majeure event shall excuse you of any obligation to pay any outstanding invoice or fee or from any indemnification obligation under this Agreement.

Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature intended to replicate a written signature, shall be presumed valid, and we may reasonably rely upon it. For purposes hereof, “electronic signature” includes, but is not limited to, a scanned copy of a manual signature, an electronic copy of a manual signature affixed to a document, a signature incorporated into a document utilizing touchscreen capabilities, or a digital signature. Documents may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement.

Entire Agreement

This Agreement, including the LGC-205 Contract to Audit Accounts, represents the entire agreement of the parties and supersedes all previous oral, written or other understandings and agreements between the parties. Any modification to the terms of this Agreement must be made in writing and signed by both parties.

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 Martin Starnes & Associates, CPAs, P.A. 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 Martin Starnes & Associates, CPAs, P.A. in performing the services provided herein. This provision shall not apply if enforcement is disallowed by applicable law or professional standards.

Limitation of Liability

You agree that Martin Starnes & Associates, CPAs, P.A.’s 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. In no event shall Martin Starnes & Associates, CPAs, P.A. 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. The foregoing limitations shall not apply to the extent it is finally, judicially determined that the liability resulted from gross negligence or fraud of Martin Starnes & Associates, CPAs, P.A. or if enforcement of this provision is disallowed by applicable law or professional standards.

Mediation

If a timely dispute arises out of or relates to this Agreement, including the scope of services contained herein, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try to settle the dispute by mediation administered by the American Arbitration Association (“AAA”) under the *AAA Accounting and Related Services Arbitration Rules and Mediation Procedures* before resorting to arbitration, litigation, or any other dispute resolution procedure. The mediator will be selected by mutual agreement of the parties. If the parties cannot agree on a mediator, a mediator shall be designated by the AAA. The mediation will be conducted in North Carolina.

The mediation will be treated as a settlement discussion and, therefore, all discussions during the mediation will be confidential. The mediator may not testify for either party in any later proceeding related to the dispute. No recording or transcript shall be made of the mediation proceedings. The costs of any mediation proceedings shall be shared equally by all parties. Any costs of legal representation shall be borne by the hiring party.

This provision shall not apply to any dispute of fees owed, billed or due.

Arbitration Procedures

If a dispute has not been resolved within 90 days after the effective date of the written notice beginning the mediation process (or such longer period, if the parties so agree in writing), the mediation shall terminate and the dispute shall be settled by binding arbitration to be held at a mutually agreeable location. The arbitration shall be conducted in accordance with the CPR Rules for Non-Administered Arbitration that are in effect at the time of the commencement of the arbitration, except to the extent modified by this Dispute Resolution Provision (the rules). The arbitration shall be conducted before a panel of three arbitrators. Each of the Town and firm shall designate one arbitrator in accordance with the “screened” appointment procedure provided in the Rules, and the two party-designated arbitrators shall jointly select the third in accordance with the Rules. No arbitrator may serve on the panel unless he or she has agreed in writing to enforce the terms of the engagement letter and to abide by the terms of the Rules. Except with respect to the interpretation and enforcement of these arbitration procedures (which shall be governed by the Federal Arbitration Act), the arbitrators shall apply the laws of the state of North Carolina (without giving effect to its choice of law principles) in connection with the dispute. The arbitrators may render a summary disposition relative to all or some of the issues, provided that the responding party has had an adequate opportunity to respond to any such application for such disposition. Any discovery shall be conducted in accordance with the Rules. The result of the arbitration shall be binding on the parties, and judgment on the arbitration award may be entered in any court having jurisdiction.

Costs

Each party shall bear its own costs in both the mediation and the arbitration; however, the parties shall share the fees and expenses of both the mediators and the arbitrators equally.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm to the Contract to Audit Accounts for your consideration and files.

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements and compliance over major federal and state award programs, including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of the Town of Landis by:

Signature: _____

Title: _____

Date: _____

Landis Police Department

CIP





PURCHASE 2 PATROL VEHICLES PER YEAR

\$130,000 PER YEAR

REPLACE AGING HEAT AND
A/C UNIT

Fiscal Year 2031

\$23,000



PORTABLE BREATH TESTING
DEVICE

Replace 2 per year
\$1,600 Per Year



4 POLE MOUNTED DIGITAL
SPEED LIMIT SIGNS

\$ 7,374

Fiscal years 2027 - 2028



AXON BODY CAMERA AND TASER RENEWAL

\$36,000 Per Year
Beginning Fiscal year 2027



3 NEW BALLISTIC VESTS
PER YEAR

\$3,800 per year
replacing expiring vests



DRUG FIELD TEST KITS

\$300 per year replacing expired / outdated test kits

[MDT]
MULTI-DRUG TEST

MOBILEDETECT POUCH

[MUST MATCH REACTION ON BOTH SIDES]

	FENTANYL	
	HEROIN / OPIATES	
	COCAINE	
	AMPHETAMINES	
	MDMA / ECSTASY	
	NO REACTION	

AUTOMATED DETECTION WITH THE MOBILEDETECT APP



CAUTION - POUCH CONTAINS ACID - RESULTS NOT VALID AFTER 3 HOURS

[Empty dashed boxes for results]

**NEW LVP FLOORING IN THE
CHIEF'S OFFICE**

\$5,000

Fiscal year 2028

Section 3, Item 3.4



ALCOHOL SIMULATED
IMPAIRMENT
GOGGLES

\$900 Fiscal Year 2028



RADAR TRAILER

Radar Trailer
Fiscals Years
2029/2030
\$15,000



UNIFORM WORN LIGHT TO
ILLUMINATE OFFICERS

Fiscal Year 2027

\$1,620



REPLACE AGING RADARS

Replace one Radar
Per Year
\$5,000



CRIME SCENE CAMERA

\$ 2,500

Fiscal year 2030



**POLE MOUNTED
SURVEILLANCE CAMERA**

\$13,100

Fiscal Years 2028/2029



REMODEL THE KITCHEN
AREA

\$25,000 Fiscal Year
2031



CALLS FOR SERVICE

2023: 1,482

2024: 2,235

2025: 2,627



Police Department CIP

Dept.	Capital Project	Justification	Funding Description	FY 27	FY 28	FY 29	FY30	FY 31	Total Cost
Police	Purchase Two (2) Police Cars p/yr. for the next five (5) years	Replace aging vehicles (2 vehicles p/yr. for the next 5 years) paid in full at the time of purchase	Town funded	\$ 130,000	\$ 130,000	\$ 135,000	\$ 140,000	\$ 140,000	\$ 675,000
Police	Replace 13 year old Heat and A/C unit	Replacement of Heat and AC Unit paid in full at time of purchase	Town funded					\$ 23,000	\$ 23,000
Police	Replace Portable Breath Testing Devices 2 p/yr.	Replacing worn and damaged equipment	Grant Funded	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600		\$ 6,400
Police	Purchase 4 Solar pole mounted digital speed limit signs	Illuminate speeds in high traffic area	Grant Funded	\$ 7,374	\$ 7,374				\$ 14,748
Police	Taser and Body Camera Renewal	Continuation/Renewal of our current Taser and Body Cameral Contract	Town funded	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 180,000
Police	3 New Ballistic Vest per year	Replace aging/expired Ballistic vests 50/50 Grant	Grant/Town Funded	\$ 3,800	\$ 3,800	\$ 3,800	\$ 3,800	\$ 3,800	\$ 19,000
Police	Purchase New Drug Test Field Kits	Replace expired/outdated test kits with ones safer for the officer to use and have enhanced detection/evidence documentation	Town Funded	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 1,500
Police	Chief's Office Floor and Paint	Replace worn floors and repaint	Town Funded		\$5,000				
Police	Alcohol Impairment Goggles	Simulate alcohol impairment and assist in drug and alcohol prevention for adolescents	Grant Funded		\$900				\$ 12,800
Police	Radar Trailer	Illuminate speeds in high traffic area and collect traffic data	Grant Funded			\$15,000	\$15,000		\$ 25,000
Police	Uniform worn lights to illuminate officers	Prevent accident and help illuminate officers in emergency situations	Grant Funded	\$ 1,620					\$ 1,620
Police	Radar Replacement	Replace aging radars 1 per year	Grant Funded	\$ 5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$ 25,000
Police	Camera Replacement	Replace aging crime scene camera	Town Funded				\$2,500		
Police	Pole Mounted Surveillance Camera	Pole Mounted Camera to Enhance Surveillance Operations and enhance investigations	Town funded		13,100	\$13,100			\$ 13,100
Police	Remodel the kitchen area	Replace flooring, cabinets, countertops, install stove, and replace aging refrigerator	Town funded					\$25,000	\$ 25,000
	TOTALS			\$ 195,694	\$ 203,074	\$ 209,800	\$ 204,200	\$ 233,100	\$ 1,032,168



DRAFT LANDIS RULES OF PROCEDURE DISCUSSION

ENSURING EFFECTIVE GOVERNANCE
THROUGH ESTABLISHED PROCEDURAL
STANDARDS

Why Rules of Procedure Matter

They promote **fairness and consistency** by ensuring all members, the presiding officer, and the public understand how decisions are made and how participation is managed.

They increase **transparency and public trust** by providing clear, predictable processes that align with state law and accepted best practices.

They support **efficient and defensible decision-making** by reducing confusion, minimizing procedural disputes, and helping boards focus on the substance of their work rather than the process.

Review Process

Review of UNC School of Government (SOG) Models

- The UNC School of Government develops model rules aligning with state law to reduce legal risk and support orderly meetings.

Assess Draft Landis Rules Alignment

- Reviewing Landis Rules through the SOG framework helps ensure compliance with public administration standards and legal requirements.

Today's Discussion Framework

Share Purpose & SOG Alignment Results for Context

Review Each Proposed Rule for Clarity

Discuss Proposed Changes or Modifications

Post-Meeting: *Revise Rules (as needed). Consider in April*

Applicability of the Rules (Section 1)

Purpose of the Section

- Establishes when and to whom the Rules of Procedure apply, ensuring consistent governance across all official Board actions.

Alignment with SOG Standards

- Consistent with SOG model language

Discussion Question

- Does the applicability statement clearly capture every setting where the Board should be operating under formal procedure?

Meeting Types and Notice Requirements (Section 2 Rules 1-2)

Purpose of the Section

- Rule 1: Provides predictability and transparency by setting a regular, publicly known meeting schedule for conducting Town business.
- Rule 2: Defines how and when the Board may meet outside the regular schedule, while protecting transparency, notice, and public access.

Alignment with SOG Standards

- Consistent with SOG model language for meeting types and noticing requirements

MEETINGS AND NOTICE

DOES THE SCHEDULE-AND-POSTING APPROACH WORK OPERATIONALLY FOR THE BOARD AND THE PUBLIC (TIMING, LOCATION, ACCESSIBILITY)?

DO THE SPECIAL MEETING NOTICE AND "ONLY NOTICED ITEMS" LIMITS PROVIDE ENOUGH FLEXIBILITY WHILE PROTECTING TRANSPARENCY?

ARE THE RECESSED MEETING RULES CLEAR ENOUGH THAT EVERYONE UNDERSTANDS WHEN NOTICE IS (AND ISN'T) REQUIRED?

Board Leadership Structure (Rule 3)

Purpose of the Section

- Ensures an orderly transition after elections and clearly establishes Board leadership and presiding authority.

Alignment with SOG Standards

- Consistent with SOG model language for organizational meeting timing and sequence, presiding/voting structure for mayor and mayor pro-tem

Agenda Management (Rule 4)

Purpose of the Section

- Structures how business comes before the Board so members and the public can prepare, understand, and follow decisions.

Alignment with SOG Standards

- Consistent with SOG model language
- Missing element: rules for consent agenda

For example: process to request an item moved from the consent agenda; items on the consent agenda must be voted on and adopted by a single motion, etc.



Agenda Management (Rule 4)

Agenda Preparation Responsibility

The Town Manager is responsible for preparing the agenda and packet before the meeting.

Advance Distribution

Agendas and packets must be distributed to Board members in advance for review.

Public Availability and Transparency

Meeting agendas must be publicly available prior to meetings to ensure transparency.

Agenda Adoption and Amendments

Agendas are adopted by majority vote and may be amended except for special meeting additions.

AGENDA PREPARATION AND ADOPTION

**DO THE AGENDA PACKET TIMING AND
AMENDMENT RULES GIVE THE BOARD
ENOUGH FLEXIBILITY WHILE SUPPORTING
PUBLIC TRANSPARENCY?**

Petition of Citizens - Public Participation (Rule 5)

Purpose of the Section

- Guarantees the public an opportunity to address the Board while maintaining order, fairness, and meeting efficiency.

Alignment with SOG Standards

- Consistent with SOG model language - balancing public access with meeting order

Discussion Question

- Does this public comment structure provide fair access while keeping meetings orderly and efficient?

Order of Business (Rule 6)

Purpose of the Section

- Creates a logical, predictable flow for meetings while allowing flexibility when needed.

Alignment with SOG Standards

- Consistent with SOG model language

Discussion Question

- Does this order of business reflect how Landis prefers to conduct meetings—or should the order be adjusted?

Presiding Officer (Rule 7)

Purpose of the Section

- Clarifies who manages the meeting and ensures fair debate, orderly conduct, and consistent application of rules.

Alignment with SOG Standards

- Consistent with SOG model language: early agenda adoption

Discussion Question

- Do these presiding officer authorities and the appeal process strike the right balance between order and shared governance?

Parliamentary Structure (Rules 8-11):

Guides how the meeting is presided over

Purpose of the Section:

- Rule 8: Establishes that the Board acts collectively and formally, not through informal discussion or individual direction.
- Rule 9: Ensures that proposals brought forward have at least minimal support before consuming Board time.
- Rule 10: Prevents confusion and keeps Board deliberations focused and understandable.
- Rule 11: Distinguishes between policy decisions and procedural actions to preserve orderly debate.

Alignment with SOG Standards

- Consistent with SOG model language

Parliamentary Structure (Rules 12-15)

Purpose of the Section

- Rule 12: Defines how decisions are made and recorded, reinforcing democratic decision-making and accountability.
- Rule 13: Allows flexibility in voting methods while maintaining transparency and an auditable public record.
- Rule 14: Promotes fair participation by all Board members and balanced discussion before decisions are made.
- Rule 15: Allows the Board to formally approve prior actions taken on its behalf to ensure legal clarity and accountability.

Alignment with SOG Standards

- Generally consistent with SOG model language
- Rule 13: SOG's procedural guidance emphasizes transparent voting outcomes and clear minutes. Many SOG adapted municipal rules treat written ballots cautiously and often reserve them for limited contexts to reduce ambiguity.

Parliamentary Structure (Rules 16- 19)

Purpose of the Section

- Rule 16: Provides a clear, limited toolbox for managing meetings efficiently and resolving procedural questions without confusion
- Rule 17: Balances finality with flexibility by allowing issues to be revisited when circumstances change.
- Rule 18: Permits refinement of proposals and prevents unnecessary votes when consensus is lacking.
- Rule 19: Reinforces Board members' responsibility to participate in decisions and ensures a clear public record.

Alignment with SOG Standards

- Consistent with SOG model language

Conflict of Interest (Rule 20)

Purpose of the Section

- Rule 20: Protects the integrity of Board decisions by requiring disclosure, avoidance of self-interest, and compliance with law..

Alignment with SOG Standards

- Consistent with SOG model language - emphasizes that procedural rules should reinforce ethical decision-making, conflicts disclosure, and compliance with state law

Discussion Question

- Are the expectations for disclosure and recusal clear enough that Board members will feel confident applying them in real time?

Closed Session (Rule 21)

Also Rule 16 Motion 6 & Motion 7

Purpose of the Section

- Rule 21: Allows confidentiality via a closed session only when legally permitted, while safeguarding transparency and proper process.

Alignment with SOG Standards

- Consistent with SOG model language - emphasizes clear motion language, permissible purposes, and careful record management.

Discussion Question:

- Do these closed-session steps provide sufficient clarity so that the Board stays consistently within lawful purposes and process?

Quorum (Rule 22)

Purpose of the Section

- Rule 22: Defines the minimum participation required to ensure that Board actions are legitimate and representative.

Alignment with SOG Standards

- Consistent with SOG model language

Discussion Question:

- Should Landis add an explicit remote/electronic participation rule? And if so, clarify that remote attendance does not count toward quorum or voting.

Public Hearing (Rule 23)

Purpose of the Section

- Rule 23: Establishes a fair and orderly process for receiving public input on matters requiring or benefiting from formal hearings.

Alignment with SOG Standards

- Consistent with SOG model language - emphasizes clear hearing parameters to ensure fairness, manage time, and preserve public access.
- Does not distinguish between “legislative public hearings” from “quasi judicial hearings” the procedures

Public Hearing (Rule 23) - Distinguish “legislative public hearings” from “quasi judicial hearings” ?

The UNC School of Government consistently emphasizes:

- Boards must identify the type of hearing before it begins
- Procedures should match the Board’s legal role
- Rules of Procedure should either: distinguish procedures between hearing types, or reference separate quasi-judicial procedures

Definitions

- Legislative public hearings are held when the Board is making policy or setting rules that apply generally to the community.
 - Examples: budget adoption, ordinance adoption
- Quasi-judicial hearings are held when the Board is applying existing law to a specific property, person, or situation, similar to how a court operates.
 - Examples: Conditional/special use permit, variances, administrative appeals

Minutes (Rule 24)

Purpose of the Section

- Rule 24: Creates an official, accurate public record of Board actions and decisions.

Alignment with SOG Standards

- Consistent with SOG model language - clear action protect the integrity of board action.

Discussion Question

- Do the minutes requirements (especially vote recording and closed-session minute review) reflect the Board's expectations for transparency and recordkeeping?

Appointments & Committees (Rules 25 & 26)

Purpose of the Section

- Rule 25: Ensures appointments to boards and committees are made transparently, fairly, and in compliance with state law.
- Rule 26: Clarifies how advisory and working bodies are formed and ensures open-meetings compliance where required.

Alignment with SOG Standards

- Consistent with SOG model language - transparency

Appointments & Committees (Rules 25 & 26)

Purpose of the Section

- Rule 25: Ensures appointments to boards and committees are made transparently, fairly, and in compliance with state law.
- Rule 26: Clarifies how advisory and working bodies are formed and ensures open-meetings compliance where required.

Alignment with SOG Standards

- Consistent with SOG model language - transparency

Amendments & Use of Roberts Rules (Rules 27 & 28)

Purpose of the Section

- Rule 27: Provides a structured way for the Board to update its procedures intentionally and transparently.
- Rule 28: Supplies a procedural backstop for uncommon situations while keeping North Carolina law and local rules primary.

Alignment with SOG Standards

- Consistent with SOG model language - supports a mechanism for the board to evolve its procedures intentionally and transparently.
- Robert's Rules functions as a backstop—not the primary operating manual



**TOWN OF LANDIS
BOARD OF ALDERMAN RULES OF PROCEDURE**

I. APPLICABILITY

These rules apply to all meetings of the Board of Aldermen of the Town of Landis at which the board is empowered to exercise any of the executive, quasijudicial, administrative, or legislative powers conferred on it by law.

II. REGULAR, SPECIAL AND EMERGENCY MEETINGS

Rule 1. Regular Meetings

The Board of Aldermen shall adopt a schedule of its regular monthly meetings prior to the commencement of each calendar year. Regular meetings of the Board of Aldermen shall be held at Town Hall, located at 312 S. Main Street, Landis, North Carolina, and shall begin at 6: 00 p.m. A current copy of the board’s regular meeting schedule shall be filed with the town clerk, and available on the town’s official website.

Rule 2. Special, Emergency, and Recessed Meetings

(a) Special Meetings:

The Mayor, or two members of the Board of Aldermen may at any time call a special meeting of the board. At least forty-eight hours before a special meeting called in this manner, written notice of the meeting stating its time and place and the subjects to be considered shall be (1) given to each board member; (2) posted on the board’s principal bulletin board or, if none, at the door of the board’s usual meeting room; and (3) mailed or delivered to each newspaper, wire service, radio station, television station, and person who has filed a written request for notice with the town clerk.

A special meeting may also be called or scheduled by vote of the board in open session during another duly called meeting. The motion or resolution calling or scheduling the special meeting shall specify its time, place, and purpose. At least forty-eight hours before a special meeting called in this manner, notice of the time, place, and purpose of the meeting shall be (1) posted on the board’s principal bulletin board or, if none, at the door of the board’s usual meeting room and (2) mailed or delivered to each newspaper, wire service, radio station, television station, and person who has filed a written request for

notice with the town clerk. Only those items of business specified in the notice may be discussed or transacted at a special meeting, unless (1) all members are present; and (2) the board determines in good faith at the meeting that it is essential to discuss or act on the item immediately.

(b) Emergency Meetings:

The Mayor, or two members of the Board of Aldermen may at any time call an emergency meeting of the board by signing a written notice stating the time and place of the meeting and the subjects to be considered. Written or oral notice of the meeting shall be given to each board member and to each local newspaper, local wire service, local radio station, and local television station that has filed a written emergency meeting notice request with the town clerk, and whose request includes the newspaper's, wire services, or station's telephone number. Notice to the news media shall be given at the expense of the party notified.

Emergency meetings may be called only because of generally unexpected circumstances that require immediate consideration by the board. Only business connected with the emergency may be considered at an emergency meeting.

(c) Recessed Meetings:

A properly called regular, special, or emergency meeting may be recessed to a time and place certain by a procedural motion made and adopted as provided in Rule 16(b), Motion 2, in open session during the regular, special, or emergency meeting. The motion shall state the time and place when the meeting will reconvene. No further notice need be given of such a recessed session of a properly called regular, special, or emergency meeting.

(d) Cancellations:

Three members of the Board of Aldermen, or the Town Manager, may at any time cancel any regular, special, or recessed meeting. Any regular, special, or recessed meeting may be cancelled upon a declaration of a state of emergency by the Town of Landis. In the event of such cancellations, the town shall cause a notice of the cancellation to be posted at the door of the board's usual meeting room.

III. ORGANIZATION OF THE BOARD

Rule 3. Organizational Meetings

The Board of Aldermen shall hold an organizational meeting at its regular meeting place at 6:00 p.m. on the second Monday in December following a regular municipal election, and quadrennially thereafter. Initially, the previous board shall convene, at which time it shall approve any prior minutes and may consider any unfinished business it desires to complete. It shall then adjourn *sine die*. Immediately following, the newly elected board shall convene and take and subscribe the oath of office as the first order of business. As the second order of business, the board shall elect a mayor pro-tem, using one of the nomination and voting procedures set out in Rule 25. The mayor pro-tem shall act as mayor whenever the mayor shall be absent from the town or be prevented by sickness or other cause from attending to the duties of his/her office, and he/she shall possess all the rights and powers of the mayor during the continuance of such vacancy, absence, or disability. The mayor shall preside at meetings of the Board of Aldermen and shall exercise such other powers and perform such other duties as are or may be conferred and imposed upon him/her by the general laws of North Carolina, by the Town Charter, and the ordinances of the town. The mayor shall only vote in the event of a tie among the members of the Board of Aldermen.

IV. AGENDA

Rule 4. Agenda

(a) Agenda:

The town manager shall cause to be prepared an agenda and agenda package for each meeting. A request to have an item of business placed on the agenda may be raised by any board member as new business on the agenda, and upon receiving a majority vote, shall be placed on a future agenda as directed. An agenda package shall include, for each item of business placed on the proposed agenda, as much background information on the subject as is available and feasible to reproduce, and shall contain a copy of all proposed resolutions and ordinances as may appear on the agenda. Each board member shall receive a copy of the proposed agenda and agenda package no later than three (3) days prior to each regular meeting in digital form. The proposed agenda and agenda package shall also be available for public inspection and appear on the town's official website no later than 48 hours prior to each regular meeting. Nothing in this section shall preclude the town manager from modifying the proposed agenda and agenda package at any time prior to a board meeting as the town's business dictates.

(b) Adoption of the Agenda:

As its first order of business at each meeting, the board shall, as specified in Rule 6, discuss and revise the proposed agenda and adopt an agenda for the meeting. The board may by majority vote add items to or subtract items from the proposed agenda, except

that the board may not add items to the agenda of a special meeting unless (a) all members are present and (b) the board determines in good faith at the meeting that it is essential to discuss or act on the item immediately. If items are proposed to be added to the agenda, the board may, by majority vote, require that written copies of particular documents connected with the items be made available at the meeting to all board members.

The board may designate certain agenda items "for discussion and possible action." Such designation means that the board intends to discuss the general subject area of that agenda item before making any motion concerning that item.

(c) Open Meetings Requirement:

The board shall not deliberate, vote, or otherwise take action on any matter by reference to a letter, number, or other designation, or other secret device or method, with the intention of making it impossible for people attending a meeting of the board to understand what is being deliberated, voted, or acted on. However, the board may deliberate, vote, or otherwise take action by reference to an agenda, if copies of the agenda sufficiently worded to enable the public to understand what is being deliberated, voted, or acted on, are available for public inspection at the meeting.

Rule 5. Petition of Citizens

The board shall provide at least one period for public comment per month at its second regular monthly meeting of the board. In compliance with N.C.G.S. § 160A- 81.1, the board establishes the following policy for monthly public comments at the second regular meeting of the board of aldermen each month. The clerk shall provide sign-up forms at the entry to the town hall meeting room prior to each meeting for people who desire to address the board. Forms shall be available until the commencement of the board meeting. The purpose of the time for informal public comments is to allow for public input to the board on issues germane to the town. It is not intended to compel board members or staff to answer questions in an impromptu manner.

Each speaker will speak from the podium, and begin their remarks by giving their name, stating whether or not they are residents of the town, and stating the topic about which they intend to speak. Comments will be directed to the full board, not to an individual board member, staff members, or the audience. Speaker comments are limited to a maximum of three (3) minutes during the public comment period. At the conclusion of three (3) minutes, each speaker shall leave the podium. Speakers may not yield any of his or her time to another speaker.

Speakers must be courteous in their language and presentation. Personal attacks will not be tolerated. Speakers may leave written comments and/ or supporting documents, if any, with the town clerk.

If at the beginning of the public comment period, the mayor determines that the time required to hear all speakers on the sign-up sheet would unduly disrupt the conduct of town business or cause undue inconvenience to citizens in attendance for other items on the agenda, the mayor may require the designation of spokesman, or the selection of delegates, for groups of persons supporting or opposing the same positions, whose time shall be limited to a maximum of three (3) minutes. The mayor may also move the period for public comment to some time later in the meeting.

Notwithstanding the mayor's prerogatives under this Rule 5, any decision of the mayor may be appealed and overruled by a majority of the Board.

Rule 6. Order of Business

Items shall be placed on the agenda according to the order of business. The order of business for each regular meeting shall be as follows:

- 1. Introduction
- 2. Consent Agenda
- 3. Presentations
- 4. Public Hearings
- 5. Citizen Comments
- 6. Ordinances/Resolutions
- 7. Old Business
- 8. Considerations
- 9. Department Reports
- 10. Reports
- 11. Upcoming Events
- 12. Closing

By general consent of the board, items may be considered out of order.

v. CONDUCT OF DEBATE

Rule 7. Presiding Officer

The mayor shall preside at board meetings if he/she is present, unless he/she becomes actively engaged in debate on a particular matter. In order to address the board, a member must be recognized by the mayor.

If the mayor is absent, the mayor pro-tem shall preside. If both the mayor and mayor pro-tem are absent, another member designated by majority vote of the board shall preside. The mayor pro-tem, or another member who is temporarily presiding retains all of his/her rights as a member, including the right to make motions and the right to vote.

If the presiding officer becomes actively involved in debate on a particular matter, he/she may designate another board member to preside over the debate. The presiding officer shall resume presiding as soon as action on the matter is concluded.

The presiding officer shall have the following powers:

1. To rule motions in or out of order, including any motion patently offered for obstructive or dilatory purposes; and
2. To determine whether a speaker has gone beyond reasonable standards of courtesy in his/her remarks and to entertain and rule on objections from other members on this ground; and
3. To entertain and answer questions of parliamentary law or procedure; and
4. To call a brief recess at any time; and
5. To adjourn in an emergency.

A decision by the presiding officer under any of the first three powers listed may be appealed to the board upon motion of any member, pursuant to Rule 16, Motion 1. Such a motion is in order immediately after a decision under those powers is announced and at no other time. The member making the motion need not be recognized by the presiding officer, and the motion, if it is timely made, may not be ruled out of order.

Rule 8. Action by the Board

The board shall proceed by motion, except as otherwise provided for in Rules 3, 4, and 25. Any member, including the mayor, may make a motion.

Rule 9. Second Required

A motion requires a second before the board may proceed with discussion or action on the motion.

Rule 10. One Motion at a Time

A member may make only one motion at a time.

Rule 11. Substantive Motions

A substantive motion is out of order while another substantive motion is pending.

Rule 12. Adoption by Majority Vote

- (a) A motion shall be adopted by a majority of the votes cast, a quorum as defined in Rule 22 being present, unless otherwise required by these rules or the laws of North Carolina. A majority is more than half.
- (b) A roll call vote shall be required upon the request of the mayor, or at least two (2) other members of the board.

Rule 13. Voting by Written Ballot

The board may choose by majority vote to use written ballots in voting on a motion. Such ballots shall be signed, and the minutes of the board shall show the vote of each member voting. The ballots shall be available for public inspection in the office of the town clerk immediately following the meeting at which the vote took place and until the minutes of that meeting are approved, at which time the ballots may be destroyed.

Rule 14. Debate

The mayor shall state the motion and then open the floor to debate. The mayor shall preside over the debate according to the following general principles:

1. The maker of the motion is entitled to speak first; and
2. A member who has not spoken on the issue shall be recognized before someone who has already spoken; and
3. To the extent possible, the debate shall alternate between proponents and opponents of the measure.

Rule 15. Ratification of Actions

To the extent permitted by law, the board may ratify actions taken on its behalf but without its prior approval. A motion to ratify is a substantive motion.

Rule 16. Procedural Motions

- (a) **Certain Motions Allowed.** In addition to substantive proposals, only the following procedural motions, and no others, are in order. Unless otherwise noted, each motion is debatable, may be amended, and requires a majority of the votes cast, a quorum being present, for adoption. Procedural motions are in order while a substantive motion is pending and at other times, except as otherwise noted.
- (b) **Order of Priority of Motions.** In order of priority (if applicable), the procedural motions are:

Motion 1. To Appeal a Procedural Ruling of the Presiding Officer. A decision of the presiding officer ruling a motion in or out of order, determining whether a speaker has gone beyond reasonable standards of courtesy in his remarks, or entertaining and answering a question of

parliamentary law or procedure may be appealed to the board, as specified in Rule 7. This appeal is in order immediately after such a decision is announced and at no other time. The member making the motion need not be recognized by the presiding officer and the motion, if timely made, may not be ruled out of order.

Motion 2. To Adjourn. This motion may be made only at the conclusion of action on a pending substantive matter; it may not interrupt deliberation of a pending matter. A motion to recess to a time and place certain shall also comply with the requirements of Rule 2(c).

Motion 3. To Take a Brief Recess. This motion allows the board to pause briefly in its proceedings rather than to recess to a time and place certain.

Motion 4. Call to Follow the Agenda. The motion must be made at the first reasonable opportunity, or it is waived.

Motion 5. To Suspend the Rules. The board may not suspend provisions of the rules that state requirements imposed by law on the board. For adoption, the motion requires an affirmative vote equal to a majority of the entire membership of the board rather than of a quorum present.

Motion 6. To Go into Closed Session. The board may go into closed session only for one or more of the permissible purposes listed in G.S. 143-318. 11(a). The motion to go into closed session shall cite one or more of these purposes and shall be adopted at an open meeting. A motion based on G.S. 143- 318. 11(a)(1) shall also state the name or citation of the law that renders the information to be discussed privileged or confidential. A motion based on G.S. 143- 318(a)(3) shall identify the parties in each existing lawsuit concerning which the board expects to receive advice during the closed session, if in fact such advice is to be received.

Motion 7. To Leave Closed Session. This motion is made to return from a closed session to an open meeting.

Motion 8. To Divide a Complex Motion and Consider It by Paragraph. The motion is in order whenever a member wishes to consider and vote on subparts of a complex motion separately.

Motion 9. To Defer Consideration (also, To Table). The board may defer a substantive motion for later consideration at an unspecified time. A substantive motion the consideration of which has been deferred expires one hundred (100) days thereafter unless a motion to revive consideration is adopted. If consideration of a motion has been deferred, a new motion with the same effect cannot be introduced while the deferred motion remains pending (has not expired). A person who wishes to revisit the matter during that time must take action to revive consideration of the original motion [Rule 16(b), Motion 14], or else move to suspend the rules [Rule 16(b), Motion 5].

Motion 10. Motion for the Previous Question. The motion is not in order until there has been at least twenty (20) minutes of debate, and every member has had an opportunity to speak once.

Motion 11. To Postpone to a Certain Time or Day. If consideration of a motion has been postponed, a new motion with the same effect cannot be introduced while the postponed motion remains pending. A person who wishes to revisit the matter must either wait until the specified time or move to suspend the rules [Rule 16(b), Motion 5].

Motion 12. To Refer a Motion to a Committee. The board may vote to refer a substantive motion to a committee for its study and recommendations. Sixty (60) days or more after a substantive motion has been referred to a committee, the introducer of the substantive motion may compel consideration of the measure by the entire board, whether or not the committee has reported the matter to the board.

Motion 13. To Amend.

- a) An amendment is improper if adoption of the motion with that amendment added would have the same effect as rejection of the original motion. A proposal to substitute completely different wording for a motion or an amendment shall be treated as a motion to amend.
- b) A motion may be amended, and that amendment may be amended, but no further amendments may be made until the last-offered amendment is disposed of by a vote.
- c) Any amendment to a proposed ordinance or resolution shall be reduced to writing before the vote on the amendment.

Motion 14. To Revive Consideration. The board may vote to revive consideration of any substantive motion earlier deferred by adoption of Motion 9 of Rule 16(b). The motion is in order at any time within one hundred (100) days after the day of a vote to defer consideration. A substantive motion on which consideration has been deferred expires one hundred (100) days after the deferral unless a motion to revive consideration is adopted.

Motion 15. To Reconsider. The board may vote to reconsider its action on a matter. The motion to do so must be made by a member who voted with the prevailing side (the majority, except in the case of a tie; in that case the "nos" prevail) and only at the meeting during which the original vote was taken, including any continuation of that meeting through recess to a time and place certain. The motion cannot interrupt deliberation on a pending matter but is in order at any time before final adjournment of the meeting.

Motion 16. To Rescind or Repeal. The board may vote to rescind actions it has previously taken or to repeal items that it has previously adopted. The motion is not in order if rescission or repeal of an action is forbidden by law.

Motion 17. To Prevent Reintroduction for Six Months. The motion shall be in order immediately following the defeat of a substantive motion and at no other time. The motion requires for adoption a vote equal to a majority of the entire membership of the board, rather than of a quorum. If adopted, the restriction imposed by the motion remains in effect for six months or until the next organizational meeting of the board, whichever occurs first.

Rule 17. Renewal of Motion

A motion that is defeated may be renewed at any later meeting unless a motion to prevent reconsideration has been adopted.

Rule 18. Withdrawal of Motion

A motion may be withdrawn by the introducer at any time before it is amended or before the chair puts the motion to a vote, whichever occurs first.

Rule 19. Duty to Vote

Every member must vote unless excused by the remaining members of the board. A member who wishes to be excused from voting shall so inform the presiding official, who

shall take a vote of the remaining members. No member shall be excused from voting except in cases involving conflicts of interest, as defined by the board or by law, or the member's official conduct, as defined by the board. In all other cases, a failure to vote by a member who is physically present in the board chamber, or who has withdrawn without being excused by a majority vote of the remaining members present, shall be recorded as an affirmative vote.

Rule 20. Conflicts of Interest

- a. Implicit in the operations and conduct of city government is the constant expectation that the board recognize that in all their transactions and at all times they are subject to the duty of undivided loyalty to the town. The nature of their obligations is such that it demands positive action on their part to affirmatively protect and promote the interest of the town committed to their care, and at all times to avoid situations where their self-interests, actual or apparent, may be of such nature or extent as to conflict with performance of that primary responsibility.
- b. The scope of human activity is so broad that it is unadvisable to attempt to enumerate here all possible areas in which a conflict of interest might arise. Consequently, the following is an illustrative list only, and is not intended to proscribe all aspects of the conduct of the board in their capacity as town elected officials:
 - i. No member of the board should use their positions or the knowledge gained therein in such manner that a conflict between the town's interests and their personal interests arise. Both the fact and the appearance of the conflicting interests are to be avoided.
 - ii. Members of the board should refrain from transmitting any knowledge of town considerations or decisions or any other information which might be prejudicial to the interest of the town to any person other than in connection with the discharge of their responsibility.
 - iii. If any applicable statutes or laws exist, strict compliance with the provisions of such statutes or laws is expected, whether local, state or federal.
 - iv. Whenever a board member has a personal interest, whether individually or through another party that has or may have business dealings with the town, he/she shall disclose that interest to the town manager for proper consideration and action.
 - v. Whenever a board member has an opportunity to engage in a transaction in which the town would otherwise wish to engage in,

- he/she shall disclose that interest to the town manager for proper consideration and action.
- vi. If a board member is in a position where access to the town's confidential information may materially influence his/her decisions in another party engaged in business with the town, he/she shall decline that information.
 - vii. If a board member is in a position where access to the town's confidential information may materially influence his/her personal financial or investment decisions, he/she shall decline that information.
 - viii. Board members shall at all times fully comply with the board's code of ethics.
- c. Members of the board shall comply with all laws and requirements governing conflicts of interest, self-benefiting, gifts and favors, and misuse of confidential information, as required by N.C.G.S. § 14-234, 14- 234. 1, and 133- 32.
 - d. If at any time an elected official finds that they are in doubt as to the proper application of the town's policy on conflicts of interest with respect to any particular situation, or they find that they might have a financial interest or outside relationship which might involve a conflict of interest, they should immediately make all the facts known to the town manager for proper consideration and action.

Rule 21. Closed Session.

The board may hold closed sessions as provided by law. The board shall commence a closed

session only after a motion to go into closed session has been made and adopted during an open meeting. The motion shall state the purpose of the closed session. The motion to go into closed session must be approved by the vote of a majority of those present and voting. The board shall terminate the closed session by a majority vote, using Motion 7 of Rule 16(b).

Only those actions authorized by statute may be taken in closed session. A motion to adjourn shall not be in order during a closed session.

Rule 22. Quorum

- a. A majority of the actual membership of the board, excluding vacant seats, shall constitute a quorum. A majority is more than half. The mayor shall be considered a member of the board in determining the number on which a majority is based and in counting the number of members actually present. A member who has withdrawn from a meeting without being excused by majority vote of the remaining members present shall be counted as present for purposes of determining whether or not a quorum is present.

Rule 23. Public Hearings

Public hearings required by law or deemed advisable by the board shall be organized by a resolution that sets forth the subject, date, place, and time of the hearing as well as any rules regarding the length of time allotted for each speaker, and other pertinent matters. The resolution shall be adopted by a majority vote. Its specifications may include, but are not limited to, rules fixing the maximum time allotted to each speaker; providing for the designation of spokespersons for groups of persons supporting or opposing the same positions; providing for the selection of delegates from groups of persons supporting or opposing the same positions when the number of persons wishing to attend the hearing exceeds the capacity of the board room (so long as arrangements are made, in the case of hearings subject to the open meetings law, for those excluded from the board room to listen to the hearing); and providing for the maintenance of order and decorum in the conduct of the hearing.

All notice and other requirements of the open meetings law applicable to board meetings shall also apply to public hearings at which a majority of the board is present; such a hearing is considered to be part of a regular or special meeting of the board. These requirements also apply to hearings conducted by appointed or elected committees of board members, if a majority of the committee is present. A public hearing for which any required notices have been given may be continued to a time and place certain without further advertisement. The requirements of Rule 2(c) shall be followed in continuing a hearing at which a majority of the board, or of a board committee, as applicable, is present.

At the time appointed for the hearing, the presiding official or his/her designee shall call for a motion to open the hearing and then preside over it. When the allotted time expires, or earlier, if no one wishes to speak who has not done so, the presiding officer shall entertain a motion to end the hearing.

Rule 24. Minutes

Full and accurate minutes of the board proceedings, including closed sessions, shall be kept. These minutes and general accounts shall be open to inspection of the public,

except as otherwise provided in this rule. The exact wording of each motion and the results of each vote shall be recorded in the minutes, and at the request of any member of the board, the entire board shall be polled by name on any vote.

Members' and other persons' comments may be included in the minutes if the board approves.

General accounts of closed sessions are sealed immediately against public inspection upon preparation. Sealed minutes shall be presented for approval by the Board of Aldermen during a closed session held following their preparation; likewise, any revisions deemed necessary by the Board of Aldermen shall also be sealed against public inspection. All sealed minutes shall be reviewed annually by the Mayor, the Town Manager, and the Town Attorney, who shall by majority opinion be empowered to unseal and release for public inspection any closed session minutes for which so doing would no longer frustrate the purpose of having met in closed session.

Rules 25. Appointments

- a. The board may consider and make appointments to other bodies, including its own committees, if any, only in open session. The board may not consider or fill a vacancy among its own membership except in open session. Appointments will be made according to the North Carolina General Statutes, when applicable.
- b. The board shall at all times comply with the North Carolina Constitutional and statutory prohibitions on dual-office holding.
- c. If an appointee has unexcused absences which constitute more than 25% of the board meetings in any calendar year which he/she is required to attend pursuant to his/her appointment, he/she may be asked to resign by majority vote of the board, commission or committee, if approved by the Board of Aldermen. Excused absences are defined as absences caused by events beyond one's control. If the individual refuses to resign when asked he/she may be dismissed by action of the Board of Aldermen subject to state or local law. A calendar year is to be defined as a 12-month period beginning on the date of appointment.
- d. Appointees must uphold town policies pertaining to the board, commission, or committee on which he/she serves.
- e. The town shall cause the following appointment information to be published on the town's official website for each board, commission, or committee where the town has an official appointment:
 - 1. The Name.
 - 2. A brief summary of its function.
 - 3. The total number of members and terms of office.
 - 4. The requirements for office and duties of each appointed position.

5. The current members, including names and terms served.
 6. The regular meeting day, time, and location, if available.
 7. The method by which each appointment is made.
- f. The board shall use the following procedure to make appointments to various other boards and committees:
1. Notification of available appointments. A list of available positions stating terms of office, requirements for office, and duties of positions shall be available for public inspection in the office of the town clerk and published on the town's official website at the beginning of each calendar year.
 2. Selection Process
 - i. Individuals interested in applying for appointment shall submit a written application on a form provided by the town to the town clerk and available on the town's official website.
 - ii. The town clerk shall provide the board with written notification that vacancies exist on the various boards, commissions, and committees appointed by the board or its members. This notification along with applications of interested citizens shall be provided to the board at a regular meeting.
 - iii. Nominations for vacancies may be made at the same meeting at which the vacancy is considered; provided, however, that upon a motion and second, nominations may be delayed until a subsequent meeting upon a simple majority vote. Once the floor is opened for nominations, the member or members shall put forth nominations with no second required and debate such nominations where necessary. When the debate has ended, and if only one nomination is made, the appointment shall be approved by a voice vote of a majority of the board. If more than one nomination is made, the town clerk shall call the roll of the members and each member shall cast a vote. The nominee who receives the highest votes shall be the nominee appointed.
 3. Applications. All applications for appointments shall remain active and on file with the town clerk for a period of one (1) year.

Rule 26. Committees Boards

- a. **Establishment and Appointment.** The board may establish and appoint members for such temporary and standing committees and boards as are required by law or needed to help carry on the board's work. Any specific provisions of law relating to particular committees and boards shall be followed.
- b. **Open Meetings Law.** The requirements of the open meetings law shall apply to all elected or appointed authorities, boards, commissions, councils, or other bodies of a local governmental unit that are composed of two or more members and that exercise or are authorized to exercise legislative, policymaking, quasijudicial, administrative, or advisory functions. However, the law's requirements shall not apply to a meeting solely among the town's professional staff.

Rule 27. Amendment of the Rules

These rules may be amended at any regular meeting or at any properly called special meeting that includes amendment of the rules as one of the stated purposes of the meeting, unless a statute or a rule of the board provides otherwise. Adoption of an amendment shall require an affirmative vote equal to a quorum.

Rule 28. Reference to *Robert's Rules of Order*

The board shall refer to the current edition of Robert's Rules of Order Newly Revised to answer procedural questions not resolved in these rules so long as RONR does not conflict with North Carolina law or with the spirit of these rules.