Incident IBR Reported Offenses Month To Month Comparison

Pinehurst Police Department

January 2017 - January 2016

Part I Offenses		January 2016	January 2017	+/-	Percent Changed	Year-To-Date 2016	Year-To-Date 2017	+/-	Percent Changed
Murder		1	0	-1	-100%	1	0	-1	-100%
Rape		0	0	0	0%	0	0	0	0%
Robbery		0	0	0	0%	0	0	0	0%
Commercial		0	0	0	0%	0	0	0	0%
Individual		0	0	0	0%	0	0	0	0%
Assault		0	0	0	0%	0	0	0	0%
	Violent Total:	**1**	**0**	**-1**	**-100%**	**1**	**0**	**-1**	**-100%**
Burglary		0	1	1	-	0	1	1	-
Residential		0	1	1	-	0	1	1	-
Non-Residential		0	0	0	0%	0	0	0	0%
Commercial		0	0	0	0%	0	0	0	0%
Other		0	0	0	0%	0	0	0	0%
Larceny		6	8	2	33%	6	8	2	33%
Auto Theft		0	0	0	0%	0	0	0	0%
Arson		0	0	0	0%	0	0	0	0%
	Property Total:	**6**	**9**	**3**	**50%**	**6**	**9**	**3**	**50%**
	Part I Total:	**7**	**9**	**2**	**29%**	**7**	**9**	**2**	**29%**

Part II Offenses		January 2016	January 2017	+/-	Percent Changed	Year-To-Date 2016	Year-To-Date 2017	+/-	Percent Changed
Drug		3	17	14	467%	3	17	14	467%
Assault Simple		2	1	-1	-50%	2	1	-1	-50%
Forgery/Counterfeit		1	0	-1	-100%	1	0	-1	-100%
Fraud		3	2	-1	-33%	3	2	-1	-33%
Embezzlement		0	0	0	0%	0	0	0	0%
Stolen Property		0	2	2	-	0	2	2	-
Vandalism		2	1	-1	-50%	2	1	-1	-50%
Weapons		0	3	3	-	0	3	3	-
Prostitution		0	0	0	0%	0	0	0	0%
All Other Sex Offenses		0	0	0	0%	0	0	0	0%
Gambling		0	0	0	0%	0	0	0	0%
Offenses Against Family/Children		0	0	0	0%	0	0	0	0%
D.W.I.		0	0	0	0%	0	0	0	0%
Liquor Law Violation		0	0	0	0%	0	0	0	0%
Disorderly Conduct		1	0	-1	-100%	1	0	-1	-100%
Obscenity		0	0	0	0%	0	0	0	0%
Kidnap		0	0	0	0%	0	0	0	0%
All Other Offenses		10	12	2	20%	10	12	2	20%
	Part II Total:	**22**	**38**	**16**	**73%**	**22**	**38**	**16**	**73%**
	Incident Total:	**29**	**47**	**18**	**62%**	**29**	**47**	**18**	**62%**

Arrest IBR Reported Offenses Month To Month Comparison

Pinehurst Police Department

January 2017 - January 2016

Part I Offenses		January 2016	January 2017	+/-	Percent Changed	Year-To-Date 2016	Year-To-Date 2017	+/-	Percent Changed
Murder		0	0	0	0%	0	0	0	0%
Rape		0	0	0	0%	0	0	0	0%
Robbery		0	0	0	0%	0	0	0	0%
Commercial		0	0	0	0%	0	0	0	0%
Individual		0	0	0	0%	0	0	0	0%
Assault		0	0	0	0%	0	0	0	0%
	Violent Total:	**0**	**0**	**0**	**0%**	**0**	**0**	**0**	**0%**
Burglary		0	0	0	0%	0	0	0	0%
Residential		0	0	0	0%	0	0	0	0%
Non-Residential		0	0	0	0%	0	0	0	0%
Commercial		0	0	0	0%	0	0	0	0%
Other		0	0	0	0%	0	0	0	0%
Larceny		0	2	2	-	0	2	2	-
Auto Theft		0	0	0	0%	0	0	0	0%
Arson		0	0	0	0%	0	0	0	0%
	Property Total:	**0**	**2**	**2**	**-**	**0**	**2**	**2**	**-**
	Part I Total:	**0**	**2**	**2**	**-**	**0**	**2**	**2**	**-**

Part II Offenses		January 2016	January 2017	+/-	Percent Changed	Year-To-Date 2016	Year-To-Date 2017	+/-	Percent Changed
Drug		1	23	22	2200%	1	23	22	2200%
Assault Simple		5	1	-4	-80%	5	1	-4	-80%
Forgery/Counterfeit		0	0	0	0%	0	0	0	0%
Fraud		0	0	0	0%	0	0	0	0%
Embezzlement		0	0	0	0%	0	0	0	0%
Stolen Property		0	0	0	0%	0	0	0	0%
Vandalism		0	0	0	0%	0	0	0	0%
Weapons		0	3	3	-	0	3	3	-
Prostitution		0	0	0	0%	0	0	0	0%
All Other Sex Offenses		0	0	0	0%	0	0	0	0%
Gambling		0	0	0	0%	0	0	0	0%
Offenses Against Family/Children		0	0	0	0%	0	0	0	0%
D.W.I.		4	2	-2	-50%	4	2	-2	-50%
Liquor Law Violation		2	0	-2	-100%	2	0	-2	-100%
Disorderly Conduct		1	0	-1	-100%	1	0	-1	-100%
Obscenity		0	0	0	0%	0	0	0	0%
Kidnap		0	0	0	0%	0	0	0	0%
All Other Offenses		14	22	8	57%	14	22	8	57%
	Part II Total:	**27**	**51**	**24**	**89%**	**27**	**51**	**24**	**89%**
	Arrest Total:	**27**	**53**	**26**	**96%**	**27**	**53**	**26**	**96%**

CONTRACT TO AUDIT ACCOUNTS

Of Village of Pinehurst

Primary Governmental Unit

Discretely Presented Component Unit (DPCU) if applicable

On this 1st day of February, 2017,

Auditor: Dixon Hughes Goodman LLP Auditor Mailing Address: 1829 Eastchester Drive, High Point, North Carolina 27265 Hereinafter referred to as The Auditor

and Village Council (Governing Board(s)) of Village of Pinehurst (Primary Government)

and ________ (Discretely Presented Component Unit) : hereinafter referred to as the Governmental Unit(s), agree as follows:

1. The Auditor shall audit all statements and disclosures required by generally accepted accounting principles (GAAP) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit (s) for the period beginning July 1, 2016, and ending June 30, 2017. 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 will 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).

2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with generally accepted auditing standards. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards,* (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single 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 staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). 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 CPA Board).

   County and Multi-County Health Departments: The Office of State Auditor will designate certain programs that have eligibility requirements to be considered major programs in accordance with OMB Uniform Guidance for the State of North Carolina. The LGC will notify the auditor and the County and Multi-Health Department of these programs. A County or a Multi-County Health Department may be selected to audit any of these programs as major.

3. If an entity is determined to be a component of another government as defined by the group audit standards - the entity's auditor will 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 unqualified opinion being rendered. 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. <u>Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.</u>

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he 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 their most recent peer review report regardless of the date of the prior peer review report to the Governmental Unit and the Secretary of the LGC prior to the execution of the audit contract (See Item 22). **If the audit firm received a peer review rating other than pass**, the Auditor shall not contract with the Governmental Unit 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 Accounting Standards or if financial statements are not prepared in accordance with GAAP and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment..

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 the State and Local Government Finance Division (SLGFD) within four months of fiscal year end. Audit report is due on: October 31, 2017. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay must be submitted to the secretary of the LGC for approval.

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

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. **Invoices for services rendered under these contracts shall not be paid by the Governmental Unit 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 must be submitted by email in PDF format to the Secretary of the LGC for approval. The invoices must be sent via upload through the current portal address: http://nctreasurer.slgfd.leapfile.net Subject line should read "Invoice – [Unit Name]. The PDF invoice marked 'approved' with approval date will be returned by email to the Auditor to present to the Governmental Unit for payment. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.

9. In consideration of the satisfactory performance of the provisions of this contract, the Primary Governmental Unit shall pay to the Auditor, upon approval by the Secretary of the LGC, the fee, which includes any cost the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (Federal and State grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. (**Note: Fees listed on signature pages**.)

10. If the Governmental Unit has outstanding revenue bonds, the Auditor shall include documentation either in the notes to the audited financial statements or as a separate report submitted to the SLGFD along with the audit report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor should be aware that any other bond compliance statements or additional reports required in the authorizing bond documents need to be submitted to the SLGFD simultaneously with the Governmental Unit's audited financial statements unless otherwise specified in the bond documents.

11. 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 and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the client 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 as soon as practical after the close of the accounting period.

12. If the audit firm is required by the NC CPA Board or the Secretary of the LGC to have a pre-issuance review of their audit work, there must be a statement added to the engagement letter specifying the pre-issuance review including a statement that the Governmental Unit will not be billed for the pre-issuance review. The pre-issuance review must be performed **prior** to the completed audit being submitted to the LGC. The pre-issuance report must accompany the audit report upon submission to the LGC.

13. The Auditor shall electronically submit the report of audit to the LGC as a text-based PDF file when (or prior to) submitting the 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 SLGFD by any interested parties. Any subsequent revisions to these reports must 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 other lawful purposes of the Governmental Unit without subsequent consent of the Auditor. If it is determined by the LGC that corrections need to be made to the Governmental Unit's financial statements, they should be provided within three days of notification unless another time frame is agreed to by the LGC.

    If the OSA designates certain programs to be audited as major programs, as discussed in item #2, a turnaround document and a representation letter addressed to the OSA shall be submitted to the LGC.

    The LGC's process for submitting contracts, audit reports and invoices is subject to change. Auditors should use the submission process in effect at the time of submission. The most current instructions will be found on our website: https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx

14. 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 varied or changed to include the increased time and/or compensation as may be agreed upon by the Governing Board and the Auditor

15. If an approved contract needs to be varied or changed for any reason, the change must be made in writing, on theAmended LGC-205 contract form and pre-audited if the change includes a change in audit fee. This amended contract needs to be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract, and then must be submitted through the audit contract portal to the Secretary of the LGC for approval. The portal address to upload your amended contract is http://nctreasurer.slgfd.leapfile.net No change shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

16. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit should be attached to the contract, and by reference here becomes part of the contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract will control. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item #25 of this contract. Engagement letters containing indemnification clauses will not be approved by the LGC.

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

    See Attached Appendix A and Engagement Letter

18. 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 must be named along with the parent government on this audit contract. Signatures from the DPCU Board chairman and finance officer also must be included on this contract.

19. The contract must be executed, pre-audited, physically signed by all parties including Governmental Unit and Auditor signatures and submitted in PDF format to the Secretary of the LGC. The current portal address to upload your contractual documents is http://nctreasurer.slgfd.leapfile.net Electronic signatures are not accepted at this time. Included with this contract are instructions to submit contracts and invoices for approval as of November 2016. These instructions are subject to change. Please check the NC Treasurer's web site at https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx for the most recent instructions.

20. The contract is not valid until it is approved by the LGC Secretary. 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.**

21. 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.

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

23. Contractor hereby certifies that Contractor, and all subcontractors, are not on the Iran Final Divestment List ("List") created by the North Carolina State Treasurer pursuant to N.C.G.S. 147-86.58. Contractor shall not utilize any subcontractor that is identified on the List.

25. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted: (See Item 16 for clarification).

SIGNATURE PAGES FOLLOW

Contract to Audit Accounts (cont.) Village of Pinehurst
Primary Governmental Unit

Discretely Presented Component Units (DPCU) if applicable

Village of Pinehurst **- FEES**

Year-end bookkeeping assistance – [*For audits subject to Government Auditing Standards, this is limited to bookkeeping services permitted by revised Independence Standards*] N/A

Audit $23,500 plus application of risk assessment standards at our hourly rate of $150- $155/ hr., co

Preparation of the annual financial Statements N/A

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee.

The 75% cap for interim invoice approval for this audit contract is $ $20,400

**** NA if there is to be no interim billing**

Communication regarding audit contract requests for modification or official approvals will be sent to the email addresses provided in the spaces below.

Audit Firm Signature:

Dixon Hughes Goodman LLP
Name of Audit Firm

By John A. Frank, CPA
Authorized Audit firm representative name: Type or print

John A. Frank
Signature of authorized audit firm representative

Date February 1, 2017

John.Frank@dhgllp.com
Email Address of Audit Firm

Governmental Unit Signatures:

Village of Pinehurst
Name of Primary Government

By Nancy Roy Fiorillo
_ **Mayor / Chairperson: Type or print name and title**

Signature of Mayor/Chairperson of governing board

Date

By NA
Chair of Audit Committee - Type or print name

NA **
Signature of Audit Committee Chairperson

Date NA

** *If Governmental Unit has no audit committee, mark this section "N/A"*

Village of Pinehurst

PRE-AUDIT CERTIFICATE: Required by G.S. 159-28 (a)

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act. Additionally, the following date is the date this audit contract was approved by the governing body.

By John Frye
Primary Governmental Unit Finance Officer:
Type or print name

J Frye
Primary Government Finance Officer Signature

Date 2/13/17
*(Pre-audit Certificate **must be dated**.)*

jfrye@vopnc.org
Email Address of Finance Officer

Date Primary Government Governing Body Approved Audit Contract - G.S. 159-34(a)

2/28/17

Discretely Presented Component Units (DPCU) if applicable

**** This page to only be completed by Discretely Presented Component Units ****

FEES

Year-end bookkeeping assistance – [*For audits subject to Government Auditing Standards, this is limited to bookkeeping services permitted by revised Independence Standards*] ____________________

Audit ____________________

Preparation of the annual financial Statements ____________________

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee.

The 75% cap for interim invoice approval for this audit contract is $ ____________________

**** NA if there is to be no interim billing**

Communication regarding audit contract requests for modification or official approvals will be sent to the email addresses provided in the spaces below.

DPCU Governmental Unit Signatures:

____
Name of Discreetly Presented Component Unit

By ____________________
DPCU Board Chairperson: Type or print name and title

____
Signature of Chairperson of DPCU governing board

Date ____________________

____

By ____________________
Chair of Audit Committee - Type or print name

____________________ **
Signature of Audit Committee Chairperson

Date ____________________

** *If Governmental Unit has no audit committee, mark this section "N/A"*

PRE-AUDIT CERTIFICATE: Required by G.S. 159-28 (a)

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act. Additionally, the following date is the date this audit contract was approved by the governing body.

By ____________________
DPCU Finance Officer:
Type or print name

____
DPCU Finance Officer Signature

Date ____________________
(Pre-audit Certificate ***must be dated.****)*

____
Email Address of Finance Officer

Date DPCU Governing Body Approved Audit Contract - G.S. 159-34(a)

____

Steps to Completing the Audit Contract

1. Complete the Header Information – NEW: If a DPCU is subject to the audit requirements as 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 issued for the DPCU and is to be included in the Primary Government's audit, the DPCU must be named with the parent government on this Audit contract. The Board chairman of the DPCU also must sign the Audit contract.

2. Item No. 1 – Complete the period covered by the audit

3. Item No. 6 – Fill in the audit due date. For Governmental Unit (s), the contract due date can be no later than 4 months after the end of the fiscal year, even though amended contracts may not be required until a later date.

4. Item No. 8 – If the process for invoice approval instructions changed, the Auditor should make sure he and his administrative staff are familiar with the current process. Instructions for each process can be found at the following link. https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx

5. Item No. 9 – NEW: Please note that the fee section has been moved to the signature pages, Pages 5 & 6.

6. Item No. 16 – NEW: It is now expected that an engagement letter will be attached to the contract. Has the engagement letter been attached to the contract submitted to the SLGFD?

   a. Do the terms and fees specified in the engagement letter agree with the Audit contract? *"In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract will control."*

   b. Does the engagement letter contain an indemnification clause? **The audit contract will not be approved if there is an indemnification clause – refer to LGC Memo # 986.**

7. Complete the fee section for BOTH the Primary Government and the DPCU (if applicable) on the signature pages, please note:

   - The cap on interim payments is 75% of the current audit fee for services rendered if the contracted fee amount is a fixed amount. If any part of the fee is variable, interim payments are limited to 75% of the prior year's total audit fee. If the contract fee is partially variable, we will compare the authorized interim payment on the contract to 75% of last year's actual approved total audit fee amount according to our records. There is a report of audit fees paid by each governmental unit on our web site: https://www.nctreasurer.com/slg/Pages/Non-Audit-Services-and-Audit-Fees.aspx - Auditors and Audit Fees.
     Please call or email Darrus Cofield at 919-814-4299 darrus.cofield@nctreasurer.com if you have any questions about the fees on this list.

   - For variable fees for services, are the hourly rates or other rates clearly stated in detail? If issued separately in an addendum, has the separate page been acknowledged in writing by the Governmental Unit?

- For fees for services that are a combination of fixed and variable fees, are the services to be provided for the fixed portion of the fee clearly stated? Are the hourly rates or other rates clearly stated for the variable portion of the fee? (Note: See previous bullet point regarding variable fees.)

- If there is to be no interim billing, please indicate N/A instead of leaving the line blank.

8. Signature Area – There are now 2 Signature Pages: one for the Primary Government and one for the DPCU. Send the page(s) that are applicable to your Unit of Government. Make sure all signatures have been obtained, and properly dated. **The contract must be approved by Governing Boards pursuant to G.S. 159-34(a).** NEW - If this contract includes auditing a DPCU that is a Public Authority under the Local Government Budget and Fiscal Control Act it must be named in this Audit contract and the Board chairperson of the DPCU **must also sign** the Audit contract in the area indicated. If the DPCU has a separate Audit, a separate Audit contract is required for the DPCU.

9. Please place the date the Unit's Governing Board and the DPCU's governing Board (if applicable) approved the audit contract in the space provided.

    a. Please make sure that you provide email addresses for the audit firm and finance officer as these will be used to communicate official approval of the contract.

    b. Has the pre-audit certificate for the Primary Government (and the DPCU if applicable) been signed and dated by the appropriate party?

    c. Has the name and title of the Mayor or Chairperson of the Unit's Governing Board and the DPCU's Chairperson (if applicable) been typed or printed on the contract and has he/she signed in the correct area directly under the Auditor's signature?

10. If the Auditor is performing an audit under the yellow book or single audit rules, has year-end bookkeeping assistance been limited to those areas permitted under the revised GAO Independence Standards? Although not required, we encourage Governmental Units and Auditors to disclose the nature of these services in the contract or an engagement letter. Fees for these services should be shown in the space indicated on the applicable signature page(s) of the contract.

11. Has the most recently issued peer review report for the audit firm been included with the contract? This is required if the audit firm has received a new peer review report that has not yet been forwarded to us. The audit firm is only required to send the most current Peer Review report to us once – not multiple times.

12. After all the signatures have been obtained and the contract is complete, please convert the contract and all other supporting documentation to be submitted for approval into a PDF file. Peer Review Reports should be submitted in a separate PDF file. These documents should be submitted using the most current submission process which can be obtained at the NC Treasurer's web site – https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx.

13. NEW: If an audit is unable to be completed by the due date, an Amended Contract should be completed and signed by the unit and auditor, using the new "Amended LGC-205" form (Rev. 2015). The written explanation for the delay is now included on the contract itself to complete, and must be signed by the original parties to the contract.

DHG
DIXON HUGHES GOODMAN LLP

1829 Eastchester Drive
High Point, NC 27265
P 336.889.5156
F 336.889.6168
dhgllp.com

February 1, 2017

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

Dear Village Council:

We are pleased to confirm our understanding of the services we are to provide for Village of Pinehurst, (the "Village") for the year ended June 30, 2017. This attachment to item 17, "Contract to Audit Accounts" (LGC-205) is intended to further clarify certain provisions of the Contract.

AUDIT SERVICES

We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the Village as of and for the year ended June 30, 2017.

AUDIT OBJECTIVES

The objective of our audit is the expression of opinions as to whether the Village's financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. The objective also includes reporting on:

- Internal control related to the financial statements and compliance with laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards.*
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act, as amended, 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 (collectively referred to as the "Single Audits").*

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. The reports will state that the report is not suitable for any other purpose. If during our audit we become aware that the Village is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act; the provisions of the Uniform Guidance, and the *State Single Audit Implementation Act,* and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our audits. Our reports will be addressed to the governing board of the Village. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the Single Audits are other than unmodified, we will discuss the reasons with the governing board and/or the appropriate members of management. 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 issue reports, or may withdraw from this engagement.

AUDIT PROCEDURES - GENERAL

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

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 material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States of America 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 major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that comes 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, and of any material abuse that comes to our attention. We will include such matters in the reports required for the Single Audits. 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.

Our procedures may include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of certain assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We may request written representations from the Village's attorneys as part of the engagement, and they may bill the Village for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from management about its responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards. Because of the importance of management's written or verbal representations to an effective audit, management agrees to release and indemnify Dixon Hughes Goodman LLP and its personnel from any liability and costs relating to our services under this letter attributable to any knowing misrepresentations by management.

In providing our audit services we are required by law and our professional standards to maintain our independence from the Village. We take this mandate very seriously and thus guard against impermissible relationships which may impair the very independence which management and the users of our report require. As such management should not place upon us special confidence that in the performance of our audit services we will act solely in your interest. Therefore, management acknowledges and agrees we are not in a fiduciary relationship with management and we have no fiduciary responsibilities to management in the performance of our services described herein.

AUDIT PROCEDURES - INTERNAL CONTROLS

Our audit includes obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly we will express no such opinion. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, the Uniform Guidance and the *State Single Audit Implementation Act*.

As required by the Uniform Guidance and the *State Single Audit Implementation Act*, we will perform tests of controls over compliance 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 major federal and state award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance and the *State Single Audit Implementation Act*.

AUDIT PROCEDURES - COMPLIANCE

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Village's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

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 the Village has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *Office of Management and Budget ("OMB") Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina* for the types of compliance requirements that could have a direct and material effect on each of the Village's major programs. The purpose of these procedures will be to express an opinion on the Village's compliance with requirements applicable to each of its major programs in our reports on compliance issued pursuant to Uniform Guidance and the *State Single Audit Implementation Act*.

MANAGEMENT'S RESPONSIBILITIES

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. Management is also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements).

Management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Management is also responsible for providing us with access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters. Management also agrees to provide us with any additional information that we may request from management for the purpose of the audit as well as unrestricted access to any person within the Village from whom we determine it necessary to obtain audit evidence.

Management responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information. Management responsibilities include 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 latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for the design, implementation and maintenance of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the Village involving (1) management; (2) employees who have significant roles in internal control; and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Management responsibilities include informing us of management's knowledge of any allegations of fraud or suspected fraud affecting the Village received in communications from employees, former employees, grantors, regulators, or others. In addition, management is responsible for identifying and ensuring that the Village complies with applicable laws and regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report. As required by the Uniform Guidance and the *State Single Audit Implementation Act*, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a Summary Schedule of Prior Audit Findings and a Corrective Action Plan if necessary.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the "Audit Objectives" section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. Management is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Management is responsible for identifying all federal and state awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal and state awards (including notes and noncash assistance received) in conformity with the Uniform Guidance and the *State Single Audit Implementation Act*. Management agrees to include our report on the schedule of expenditures of federal and state awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal and state awards. Management also agrees to include the audited financial statements with any presentation of the schedule of expenditures of federal and state awards that includes our report thereon. Management responsibilities include acknowledging to us in the written representation letter that (1) management is responsible for presentation of the schedule of expenditures of federal and state awards in accordance with the Uniform Guidance and the *State Single Audit Implementation Act*; (2) management believes the schedule of expenditures of federal and state awards, including its form, and content, is stated fairly in accordance with the Uniform Guidance and the *State Single Audit Implementation Act*; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) management has disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and state awards.

We understand that the Village's employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

REQUIRED SUPPLEMENTARY INFORMATION

Our audit is for the purpose of forming an opinion on the financial statements taken as a whole. Accounting principles generally accepted in the United States ("GAAP") provide for certain required supplementary information ("RSI") to accompany the basic financial statements. We understand the following RSI will accompany the basic financial statements:

1. Management's Discussion and Analysis ("MD&A")
2. Law Enforcement Officers' Special Separation Allowance – Schedule of Funding Progress

3. Law Enforcement Officers' Special Separation Allowance – Schedule of Employer Contributions
4. Local Government Employees' Retirement System – Proportionate Share of Net Pension Liability
5. Local Government Employees' Retirement System – Schedule of Contributions

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.

The Village's management is responsible for the fair presentation of the RSI. As part of our engagement, we will apply certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

SUPPLEMENTARY INFORMATION

We understand that the following supplementary information other than RSI will accompany the basic financial statements:

1. Budgetary schedules for all funds required to adopt a budget other than the General Fund and annually adopted major special revenue funds
2. Schedule of Ad Valorem Taxes Receivable
3. Analysis of Current Tax Levy - Village-Wide Levy
4. Schedule of Transfers
5. Schedule of Expenditures of Federal and State Awards, if applicable
6. Schedules of Capital Assets used in the Operation of Governmental Funds

Such information is presented for the purpose of additional analysis of the financial statements and is not a required part of the basic financial statements. The Village's management is responsible for the fair presentation of the supplementary information. We will subject the supplementary information to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the accounting and other records used to prepare the financial statements or to the financial statements themselves in accordance with auditing standards generally accepted in the United States of America.

Management responsibilities include acknowledging to us in the written representation letter that (a) management is responsible for presentation of the supplementary information in accordance with GAAP; (b) that management believes the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (c) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (d) management has disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Our responsibility is to report whether such information is fairly stated in all material aspects in relation to the basic financial statements taken as a whole. Management agrees to include our report on the supplementary information other than RSI in any document that contains, and indicates that we have reported on, the supplementary information other than RSI. Management also agrees to include the audited financial statements with any presentation of the supplementary information other than RSI that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information other than RSI no later than the date the supplementary information other than RSI is issued with our report thereon.

OTHER INFORMATION

Our audit is for the purpose of forming an opinion on the basic financial statements taken as a whole. We understand the Village will prepare schedules for inclusion in the Comprehensive Annual Financial Report. Such information is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The Village's management is responsible for such information. We will not subject such information to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we will not express an opinion or provide any assurance on it.

MANAGEMENT'S RESPONSIBILITY FOR NONATTEST SERVICES

Management agrees to assume all management responsibilities and to oversee the non-attest services we will provide by designating an individual possessing suitable skill, knowledge and/or experience. Management is responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results of such services. Management is responsible for designing, implementing, and maintaining internal controls.

We will provide the following non-attest services:

- We will advise management about appropriate accounting principles and their application and will assist in preparation of the Village's basic financial statements. The responsibility for the basic financial statements and all representations contained therein remains with management, which includes members of the governing board;
- At the conclusion of the engagement, we will complete the appropriate sections of and sign the Data Collection Form that summarizes our audit findings (if required). We will provide to management the required electronic copy of the financial reporting package (including the basic financial statements, Schedule of Expenditures of Federal and State Awards, auditors' reports on internal controls and compliance, Schedule of Findings and Questioned Costs, Corrective Action Plan (if required) and a Summary Schedule of Prior Audit Findings (if required) along with the Data Collection Form) to be uploaded on the federal clearinghouse's website; and,
- At the conclusion of the engagement, we will upload the audited financial statements and compliance reports on the North Carolina State Treasurer's website.

Management is responsible for evaluating the adequacy and results of the above non-attest services performed and accepting responsibility for the results of such services. This includes management's review and approval of all adjustments we may propose to the accounting records of the Village or its financial statements as a result of these services.

USE OF FINANCIAL STATEMENTS

If the Village's financial statements are to be included in a client prepared document, other than the Village's *Comprehensive Annual Financial Report*, which includes other information, the Village should notify us of the nature of the document and allow us to read such document prior to submitting the document to others. An example of another document would be an official statement in connection with a public debt offering.

AUDIT ADMINISTRATION, FEES AND OTHER

In connection with providing our professional services, we may engage the assistance of outside service providers for non-substantive services. We may share confidential information about the Village with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, management will be asked to provide its consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we are responsible for the adequate oversight of all services provided by the third-party service provider and for ensuring that all services are performed with competence and due professional care.

The audit documentation for this engagement is the property of Dixon Hughes Goodman LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available to the a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office or North Carolina Office of the State Auditor pursuant to authority given to it by law or regulation. If requested, access to such audit documentation will be provided under the supervision of Dixon Hughes Goodman LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

This engagement is limited to the services outlined above. We will perform all services in accordance with applicable professional standards.

John Frank is the engagement partner and is responsible for supervising the engagement and signing the report of authorizing another individual to sign. We plan to begin our audit work on August 7, 2017.

Our fees for these services and any additional services are detailed in the "Contract to Audit Accounts" (LGC-205) dated February 1, 2017. This estimate is based on the assumption there will be no significant bookkeeping assistance required or significant changes in the Village's operations including (but not limited to): issuance of new debt; new construction projects; creation of new funds; new or "State Mandated" major programs required to be tested for Single Audit; or additional procedures required in response to the discovery of fraud. We will issue contract addendums for additional fees related to any bookkeeping or changes mentioned above. The additional fees will be billed at our standard hourly rates depending on the experience level of the individuals performing the work.

Should management require additional services incidental to those specified herein which are not the subject of a separate engagement letter, upon your request for the performance of those services we will confirm to management in writing or by electronic mail the requested services we will provide. Such services, including our fees, shall be rendered subject to and in accordance with the provisions of this letter.

In providing our services we may direct management to provide your information to us through a separate web based client portal in an effort to provide greater security with respect to the information. In the event we request management to provide the Village's information to us through such a client portal, to the extent management fails to do so or in using the client portal management fails to monitor and restrict access only to your authorized personnel (any such failure being referred to herein as a "Portal Failure") we disclaim, and management release us from, any and all liability for loss and damage, including direct, indirect, consequential, incidental, and special damages such as loss of revenue or anticipated profits, arising from any interception, unintentional disclosure or communication or unauthorized use of such information incident to a Portal Failure. In addition, management agrees not to provide access to the client portal for use by any third-party with whom management is affiliated by contract or otherwise without our express prior written consent, and management shall indemnify and hold us harmless from and against any and all claims by any such third-party for all damages whatsoever, including direct or indirect damages, consequential, exemplary, incidental, special or punitive damages including lost profits or lost data, arising from such third party's use of materials on, accessed through, or downloaded from the client portal even if we are aware or have been advised of the use of or the access to, the client portal by such third party in contravention of the restrictions set forth herein.

Many of our clients choose to communicate with us by email, and we may use email in connection with this engagement unless management directs us otherwise. We will use reasonable precautions to protect your confidential information, but we have no obligation to employ any measures that management does not regularly employ in protecting your confidential information. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed, we cannot guarantee or warrant that email from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim any liability or responsibility whatsoever for interception or unintentional disclosure or communication of email transmissions, or for the unauthorized use or failed delivery of emails transmitted by us in connection with the performance of this engagement, or the disclosure or communication of confidential or proprietary information arising therefrom (hereinafter collectively referred to as "Email Interruption"). You agree that we shall have no liability for any loss or damage to any person or entity resulting from or related to any Email Interruption, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, and management hereby forever releases us from any such liability and shall indemnify us from any claim related thereto.

This agreement and any claim arising out of the services provided shall be governed by the laws of the state of North Carolina, exclusive of its conflict of laws rules. The parties agree that any action between them related to or arising out of this engagement shall be brought only in the state or federal courts of North Carolina.

Whenever possible, each provision of this agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision hereof shall be ineffective, or invalid, such ineffectiveness or invalidity shall be only to the extent of such prohibition or invalidity, without invalidating the remainder of the provision or the remaining provisions of this agreement, which shall otherwise remain in full force and effect. The agreements of Village of Pinehurst and Dixon Hughes Goodman LLP contained in the Contract to Audit Accounts and this attachment shall survive the completion or termination of this engagement.

Summer scheduling is very tight and travel accommodations are difficult to change, therefore, a rescheduling fee of 10% may be charged if fieldwork has to be rescheduled within 1 month of the rescheduled starting date. In the event we need to reschedule we will try to accommodate your needs, however, due to other client commitments, we cannot guarantee a timetable that will allow us to complete the audit by the deadline stated in the Contract to Audit Accounts. Progress billings will be submitted to the North Carolina Office of the State Treasurer for approval and then mailed to management. All invoices are payable upon presentation.

Government Auditing Standards require that we provide management with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2014 peer review report accompanies this letter.

We appreciate the opportunity to be of service to Village of Pinehurst and believe this letter accurately summarizes the significant terms of our engagement. If management has any questions, please let us know. If management agrees with the terms of our engagement as described in this letter, please sign the enclosed copy and the Contract to Audit Accounts and return it to us.

Very truly yours,

Dixon Hughes Goodman LLP

Dixon Hughes Goodman LLP

JAF/CCG

Enclosures

ACCEPTED AND AGREED:

This letter correctly sets forth the understanding of the ***Village of Pinehurst***.

By: ______________________________ Date: ____________________
Nancy Roy Fiorillo, Mayor

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

By: ______________________________ Date: 2/13/17
John Frye, Finance Officer

Contract to Audit Accounts" (LGC-205) dated February 1, 2017

Village of Pinehurst

Appendix A

The following is a list of additional items that may result in additional fees that are variable in nature and thus are not included in the audit figure presented on page 5 of the contract:

1. Any Federal or State award required to be audited as a major program for the year ended June 30, 2017, that was not audited as a major program during the three preceding fiscal years or is required to be audited due to the auditee not being considered low risk will be billed at our standard hourly rates as set forth in page 5 of the contract.
2. Prior to commencement of audit fieldwork we will provide the finance department with a detailed list of schedules required to facilitate the audit. Schedules not prepared by your personnel, for which we must then prepare, will be billed for additionally at our standard hourly rates as set forth in page 5 of the contract.
3. In addition to the fees reflected in page 5 of the contract, we will bill separately for confirmation postage, travel, report production and other reasonable out-of-pocket expenses.
4. Preparation of the Data Collection form, if applicable.
5. Preparation of your Schedule of Federal and State financial assistance, if applicable.

P&N Postlethwaite & Netterville

A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

System Review Report

To the Partners of Dixon Hughes Goodman LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Dixon Hughes Goodman LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended February 28, 2014. 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. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. 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. 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. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included (engagements performed under *Government Auditing Standards*; audits of employee benefit plans, audits performed under FDICIA, and examinations of service organizations Service Organizations Control (SOC) 1 and 2 engagements.

In our opinion, the system of quality control for the accounting and auditing practice of Dixon Hughes Goodman LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended February 28, 2014, 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*. Dixon Hughes Goodman LLP has received a peer review rating of *pass*.

Postlethwaite & Netterville

Baton Rouge, Louisiana
August 15, 2014

8550 United Plaza Blvd, Suite 1001 • Baton Rouge, LA 70809 • Tel: 225.922.4600 • Fax: 225.922.4611

AICPA® **Peer Review Program**
Administered by the National Peer Review Committee

American Institute of CPAs
220 Leigh Farm Road
Durham, NC 27707-8110

October 31, 2014

Kenneth Max Hughes, CPA
Dixon Hughes Goodman LLP
6525 Morrison Blvd Ste 500
Charlotte, NC 28211

Dear Mr. Hughes:

It is my pleasure to notify you that on October 31, 2014 the National Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is August 31, 2017. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,

Larry Gray

Larry Gray
Chair, National Peer Review Committee
nprc@aicpa.org 919 402.4502

cc: Candace E Wright; David W Hinshaw

Firm Number: 10017108 Review Number 359179

Letter ID: 935009

1895
VILLAGE OF
PINEHURST

HISTORY, CHARM, AND SOUTHERN HOSPITALITY

SUMMARY FOR THE MONTH OF JANUARY 2017

SUMMARY OF INCIDENT CALLS

TYPE OF INCIDENT	*NUMBER THIS MONTH*	*NUMBER YTD*	*NUMBER THIS MONTH LAST YEAR*	*NUMBER YTD LAST YEAR*	*PERCENTAGE YTD*
Fire	3	3	2	2	50%
Overpressure Rupture, Explosion, Overheat - no fire	0	0	0	0	0%
Rescue & EMS Incidents	44	44	38	38	16%
Hazardous Conditions - no fire	14	14	22	22	-36%
Service Call	38	38	16	16	138%
Good Intent Call	24	24	19	19	26%
False Alarm & False Call	34	34	30	30	13%
Severe Weather & Natural Disaster	0	0	4	4	-400%
Special Incident Type	0	0	0	0	0%
TOTAL INCIDENTS	**157**	**157**	**131**	**131**	**20%**

SUMMARY OF INSPECTION

TYPE OF INSPECTIONS	*NUMBER THIS MONTH*	*NUMBER YTD*	*NUMBER THIS MONTH LAST YEAR*	*NUMBER YTD LAST YEAR*	*PERCENTAGE YTD*
Residential	11	11	8	8	38%
Residential New Systems	0	0	0	0	0%
Residential Fire Sprinkler	0	0	0	0	0%
Commercial	20	20	1	1	1900%
Plan Review/Site Inspections	4	4	0	0	400%
Reinspection	15	15	0	0	1500%
Occupancy Certificates	0	0	0	0	0%
TOTAL INSPECTIONS	**50**	**50**	**9**	**9**	**456%**
Violations Found:	41	41	0	0	4100%
YTD Violations to be Corrected:		0		0	
YTD Violations Corrected:		0		0	
Correction Percentage:		0%		0%	

February 2, 2017

J. Carlton Cole, Fire Chief

ORDINANCE #17-03:

AN ORDINANCE AMENDING THE ORDINANCE APPROPRIATING FUNDS FOR OPERATIONS OF THE VILLAGE OF PINEHURST FOR FISCAL YEAR 2017, REGARDING REVENUES AND EXPENDITURES OF THE GENERAL FUND FOR THE VILLAGE OF PINEHURST, NORTH CAROLINA (TRANSFER OF FIRE DEPARTMENT CAPITAL OUTLAY TO OPERATING BUDGET)

THAT WHEREAS, the FY 2017 General Fund Capital Budget included funding for Fire Department SCBA breathing apparatus and extrication equipment; and,

WHEREAS, staff has determined that at current pricing, none of the items, individually, will meet the Village's capitalization threshold of $5,000 and should be properly reflected as Fire Department operating expenditures;

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Pinehurst, North Carolina, in the regular meeting assembled this 28th day of February, 2017, as follows:

SECTION 1. To amend the FY 2017 General Fund budget with regard to revenues and expenditures, the revenue and expenditure accounts are to be changed as follows:

Account No.	Account Name	Debit	Credit
10-10-320-5400	Departmental Supplies	$29,000	
10-10-320-7400	Capital Outlay: Equipment		$ 29,000

SECTION 2. Copies of this budget amendment shall be furnished to the Clerk to the Village Council, Village Manager, and Financial Services Director for their direction and implementation.

THIS ORDINANCE passed and adopted this 28th day of February, 2017.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: ______________________________
Nancy Roy Fiorillo, Mayor

Attest:

____
Lauren M. Craig, Village Clerk

Approved as to Form:

____
Michael J. Newman, Village Attorney

VILLAGE OF PINEHURST **STANDARD PROCEDURE**	
SUBJECT: Travel Expenses & Reimbursement Policy	Effective Date: 07/01/2004
Department: Financial Services	
Prepared by: Financial Services Director, John Frye	Policy No.: FIN-1120.1
	Revised: 02/28/2017
Approved by: Village Council Resolution #17-XX	# of Pages: 11

PROCEDURE PURPOSE:

To provide a standard procedure for payment of or reimbursement for travel expenses pertaining to approved travel, lodging, meals and miscellaneous travel expenses.

POLICY:

To reimburse employees ("Travelers") serving in various capacities in accordance with the Village of Pinehurst's Travel Expenses & Reimbursement Procedure for all necessary and reasonable expenses incurred while traveling on official business representing the Village of Pinehurst.

Travelers must account for all travel advances by submitting a Travel Authorization Request form. Travelers must also account for all expenses by submitting a complete and accurate Travel Expense Reconciliation form, approved by their Department Head. ~~The~~ A Village Manager will approve all travel forms for Department Heads and members of Boards or Commissions. Submission of falsified travel forms or any other violations of this policy may result in disciplinary action up to and including termination.

When two (2) or more Travelers are traveling to the same destination, they should make every effort to use special group travel discounts and jointly use transportation including taxi~~cab~~s, ride-sharing services, and Village-owned, ~~leased~~ or privately owned vehicles. Travel with representatives of other government units is also encouraged whenever possible.

Excessive expenditures, indirect travel routes, luxury accommodations, and unjustified or unnecessary services in the performance of official business should be avoided. Travelers may be personally responsible for unnecessary and unauthorized expenditures and any additional expenses incurred for personal preference or convenience.

OVERVIEW:

To establish the procedures to notify the Financial Services Department when travel is required, funds need to be encumbered, or travel advances need to be issued. To provide the general guidelines for necessary and reasonable expenses and to establish the steps that are involved in the completion and processing of the Travel Authorization Request and Travel Expense Reconciliation forms.

GENERAL GUIDELINES:

Travel Authorization

Travelers must request approval for all overnight travel in advance of incurring any expenditure (including registration fees) related to the trip by completing a Travel Authorization Request form. **No registration/reservations should be made before travel has been appropriately authorized for overnight travel**. The Traveler should complete all of Part 1 and Part 2, designate~~d~~ any advance needed in Part 3, sign and submit to their supervisor or Department Head. If no advance is requested, the traveler should place a zero (0) in the blank in Part 3 and forward the form to their supervisor or Department Head. A Travel Authorization Request form is not required for day trips that only include mileage reimbursement and or registration fees.

The Department Head or ~~the~~ Village Manager should assess the necessity of the trip, the reasonableness of the expenses, and the availability of funds before approving. After approval, the Department Head should forward the form to the Village Manager for review. Upon ~~approving~~approval, the Village Manager~~, the Department Head~~ should forward a copy of the completed form to the Financial Services Department ONLY if an advance is being requested. In the event an advance is requested, approved Travel Authorization Request forms are to be submitted to the Financial Services Department no later than fourteen (14) working days prior to the travel date. Upon receipt of the approved form, the Finance Officer will ~~approve~~ pre-audit the form and forward to the Financial Technician responsible for Payroll. If no advance is requested, the Village Manager will return the approved form to the requesting department.

The Traveler should refer to the Per Diem rate tables, set by the U.S. General Services Administration, to determine the per diem rate for meals and incidentals. The per diem rate will vary depending on the travel destination. ~~These rates are updated on October 1 of each year.~~ Please refer to the Personal Meals section for more information.

The Department Head is responsible for determining that an unencumbered appropriation sufficient to cover the total estimated cost of the approved travel remains in the expenditure line item. If the remaining balance in the expenditure item is insufficient to cover the advance requested and other monies are not yet available, the requesting Traveler and the Department Head will be notified by the Financial Services Department.

The Traveler should then use the Travel Expense Reconciliation form to submit their actual expenses once they have completed their trip.

Travel Advances

The Village of Pinehurst will assist Travelers who are required to travel on official business by advancing up to 100% of the estimated travel expenses, if the total estimated expenses exceed seventy-five dollars ($75) and the Traveler will require cash to cover the expenditures. Travelers ~~should complete~~ may use the Travel Authorization Request form to obtain a cash advance for authorized travel, if needed.

Petty cash will not be used to support travel or travel reimbursements, without prior approval by the ~~Director of~~ Financial Services Director.

The Financial Services Department will not be able to issue a travel advance if the Traveler has an outstanding advance that has not been reconciled and cleared by a corresponding Travel Expense Reconciliation form.

Transportation

Air Travel

Coach is the approved class of travel for all Travelers on domestic and international flights. Business class is optional for international flights greater than eight hours flying time with approval of the Department Head. **Upgrades to first class will not be reimbursed**. Also, the Village will reimburse Travelers for one checked bag fee if a free bag is not included in their base ticket price.

Since participation in travel loyalty programs is optional, ~~P~~personal ~~F~~frequent ~~F~~flyer miles accumulated, as a result of business travel, are available to Travelers to use at their discretion for things such as personal travel and upgrades to first class.

Every effort should be made to qualify for the lowest logical airfare by planning trips and ordering tickets in advance and by allowing flexibility in arrival and departure times. Non-refundable tickets may be used for future travel subject to the same restrictions as the original ticket with a minimum penalty. The penalty for rescheduling a non-refundable ticket is reimbursable if the change or cancellation is made at the direction of and for the convenience of the Village. In the event of accidents, serious illness or death with the Traveler's immediate family, or other critical circumstances beyond the control of the Traveler, the Village may elect to pay the penalties and charges.

~~The~~ Village Managers and Department Heads may be accompanied by no more than one key subordinate, not necessarily a "direct report". Unless circumstances dictate to the contrary, such as a lack of alternative flights, any concentration of Travelers from the same unit or in the same direct reporting relationship should be avoided when traveling by air.

Private Aircraft

Use of private/personal aircraft is **not** approved and, accordingly, no reimbursement will be made for the use of such aircraft.

Airline Club Membership

Travelers may not be reimbursed for membership in airline clubs.

Rail Travel

Travelers should use coach class when traveling by rail. When an overnight stay is required on board a train, a roomette or duplex accommodation is permitted.

Ground Transportation

Travelers should use the most economical and reasonable means of ground transportation that satisfies the Traveler's business purpose and requirements. These include and are limited to taxis, airport/hotel shuttle vans, rental cars, personal cars, ~~and~~ public transportation, and ride-sharing services.

Rental Cars

Rental cars should be used only when they are clearly the most economical mode of transportation.

When reserving a car Travelers should:

- Request a compact or intermediate size car.
- Refuse Loss/Collision Damage Waiver (LDW) and Personal Accident Insurance (PAI) for domestic business travel. Since the **Village provides insurance for business rentals**, the traveler will not be reimbursed if they purchase this coverage.

- Purchase available insurance coverage for business rentals outside the continental U.S., the cost of which will be reimbursed as a business expense.

- Return the rental car with a full tank of gasoline to avoid a refueling charge by the vendor.

- Use their Village issued purchasing card to pay for rental cars, otherwise use their personal charge card and be reimbursed through the travel expense report process or request a cash advance.

- When rental cars are used for approved combined personal and business travel, the Traveler should consider purchasing the Loss/Collision Damage (LDW) and Personal Accident Insurance (PAI) at his/her expense.

Personal Cars

When public transportation is unavailable or impractical, the Traveler may use a personal auto for business purposes.

- Reimbursement for miles traveled will be at the maximum rate allowed by the IRS, which is updated annually on the first day of January. Mileage from home to a place other than your normal place of work should be calculated "net" of your regular commuting mileage (from home to work).

- Parking charges and tolls will be reimbursed. Receipts are required.

- Fines for parking or traffic violations will **not** be reimbursed under any circumstances.

- When submitting mileage for reimbursement the Traveler should show the miles traveled and the rate on the Travel Expense Reconciliation form, as well as the destinations traveled to on the face of the form under purpose of travel.

- Travelers using a personal auto must carry ~~minimum~~ auto liability insurance coverage as required by law.~~limits of $100,000 per person/$300,000 per accident~~. ~~It is the Department Head's responsibility to ensure that travelers meet this requirement before travel.~~

    - In case of an accident while engaged in Village business, **Village liability insurance will apply above the personal insurance**. The Village does not provide physical damage coverage for personal vehicles.

Village Vehicles

Village vehicles may be used for any authorized travel. The requesting Traveler must obey all laws of the jurisdiction in which the vehicle is being operated and will be responsible for any parking or traffic violations incurred while using the Village vehicle. The vehicle should be used in conducting Village business only. A minimal amount of personal use, such as driving the vehicle to and from a meal is allowed. Non-Village ~~travelers~~ employees may accompany Village travelers if they have a ~~Village~~ business interest in the travel. **If family members accompany travelers on a business trip, the employee's personal vehicle must be used**.

There are three different tiers of Mileage rates per the IRS that are updated periodically.

1. **If no Government owned vehicle is available** – for departments that do not have a vehicle
2. **If Government owned vehicle available** – for departments that have a vehicle that can be used for travel. If the vehicle is already in use by another employee, the employee may use mileage rate 1.
3. **If committed to use Government owned vehicle** – employees that have a vehicle assigned to them personally.

Please see Village Policy A-160, Fleet Policy – Use of Village Owned Vehicles, for guidelines on the use and operation of Village owned vehicles.

Lodging

- Lodging charges should be placed on the Traveler's purchasing card and itemized on their Travel Expense Reconciliation form. The original invoice from the commercial lodging establishment must be attached to the p-card transaction log, with a copy attached to the Travel Expense Reconciliation form. Otherwise, the original invoice should be attached for reimbursement.

- Room cost, including taxes, should be listed separately from room service meals, parking, phone charges, etc. on the Travel Expense Reconciliation form. These incremental charges should be listed as "Other" expenses.

- Since participation in hotel loyalty programs is optional, points accumulated, as a result of business travel, are available to Travelers to use at their discretion for things such as personal travel.

Meals

Business Meals

Meals in conjunction with meetings where Village business is discussed are considered business meals.

Proper documentation of the business purpose is essential. Documentation should include:

- Name, title and company affiliation of those attending.
- Business topic of discussion.
- Name of restaurant or other establishment at which the meeting was held.

Reciprocal entertainment among Village personnel which does not involve a specific business purpose will **not** be reimbursed.

Personal Meals

A per diem allowance will be provided for meal and incidental expenses only if travel requires an overnight stay. The per diem allowance will be based on the rates set by the U.S. General Services Administration (http://www.gsa.gov). Meal expenses include the tip for service and incidental expenses include fees and tips given to porters, baggage carriers, bellhops, hotel maids, stewards or stewardesses.

In the event that the per diem allowance needs to be prorated to reflect times that the Traveler is not in travel status, or when meals are provided at no cost to the employee while travelling, the per diem allowance will be applied as follows:

	Breakfast	Lunch	Dinner	Total
% of Daily Allowance	20%	25%	55%	100%

No receipts are required for reimbursement of personal meals and incidental costs, as a Per Diem is paid to cover these costs. Employees should not claim per diem for meals that are provided with their event registration or hotel room**. If the employee does not incur an out of pocket expense, no per diem should be claimed for that meal.** If an employee claims a per diem for a meal that is included with the travel, the employee must explain the exception in the comments section of the Travel Expense Reconciliation form. The employee's department head will have the final authority to grant such an exception.

Travelers may receive a meal and incidental allowance for partial days of travel when the partial day is the day of departure or the day of return. The following guidelines will be used to determine the per diem allowance for that day:

Breakfast –	depart home prior to 8:00 a.m.
Lunch -	depart home prior to 10:00 a.m. and return after 3:00 p.m.
Dinner -	return home after 8:00 p.m. If stopping for dinner would cause the Traveler to return after 8:00 p.m., when they would have otherwise returned before 8:00 p.m., then the dinner will not be reimbursed.

~~Weekend Travel~~

~~Airlines may offer substantial discounts when a trip includes a Saturday night stay. Travelers may leave early or extend a business trip into a weekend to take advantage of a substantial discount.~~

~~The Village will reimburse expenses for additional weekend nights if the savings is greater than the cost of the lodging.~~

~~To qualify for reimbursement Travelers should be aware of the following guidelines:~~

- ~~The additional lodging and meal and incidental expenses are less than the airfare savings obtained by comparing the Saturday night stay airfare with the airfare for a non-Saturday night stay.~~
- ~~Support showing the savings must be included with the Travel Expense Reconciliation form.~~

~~Workers' Compensation insurance may not apply to accidents occurring during periods of extended travel for personal activities. See Section on Rental Cars. If a Traveler is involved in an accident with a rental car during a weekend stay when no Village business is conducted he/she will not be covered under the Village's insurance policy.~~

Combined Business/Personal Travel

Under most circumstances travelers should **not** be encouraged to combine business and personal trips. Only the actual documented business expenses will be reimbursable.

A vacationing traveler who makes a side trip to a business destination at the request of their Department Head or the Village Manager will only be reimbursed for the business expenses incurred. All the personal expenses including the airfare to and from the vacation destination are considered personal.

Any combination of business/personal travel should be discussed and approved prior to the trip with the traveler's Department Head ~~or~~ and the Village Manager.

Travelers should refer to the section~~s~~ on Rental Cars ~~and Weekend Travel~~ for guidance on insurance coverage for personal portions of combined travel.

Other Reimbursable Expenses Related to Travel

Specific miscellaneous or other expenses related to travel which are reimbursable and should be included on a Travel Expense Reconciliation form include:

- Reasonable dry cleaning/laundry expenses for trips exceeding five working days.

- Postage, photocopy, miscellaneous supplies or secretarial services required during a trip.

- Passports, Traveler's check fees and currency exchange fees, where applicable.

- ~~Personal phone calls home while away on overnight business trips, to the extent that they are of reasonable frequency and duration.~~

- ~~Fees for dependent care or elder care when travel is mandated by the Village and not normally required as part of the Traveler's defined duties, when pre-approved by the Village Manager.~~

Non-Reimbursable Expenses Related To Travel

The following expenses which may be incurred in conjunction with business travel are not reimbursable and should not be included on a Travel Expense Reconciliation form:

- Fees associated with any personal charge/credit cards.

- Air travel or other personal trip insurance.

- Charges for a barber, manicurist, beautician, bootblack, masseur, etc.

- Athletic, social or country club fees for personal activities.

- Cost of newspapers, magazines, toiletries, cigarettes, etc.

- Fees for dependent care, elder care, pet care, home sitting, etc. arising from travel normally required by the position.

- Medical expenses.

- Personal articles or clothing. (Except damage or theft thereto. Refer to the section on Personal Losses)

- Personal entertainment such as in-room movies and mini-bars.

- Luggage/briefcases.

- Traffic fines.

Personal Losses

Personal property loss reimbursement is **not** to be included on a Travel Expense Reconciliation form.

Loss of personal property by a Traveler while away on business will be reimbursed by the Financial Services Department through the payroll process provided:

- The Traveler took reasonable and normal precautions to protect and safeguard the property.

- The loss was immediately reported to the police or other appropriate authorities.

- The value of the lost, stolen or damaged items can be reasonably substantiated.

- The Traveler has first applied the loss to his/her personal homeowner's/renter's insurance policy, where applicable.

- Reimbursement will not exceed the amount of the deductible if the loss is recoverable under a personal insurance policy.

Reimbursement of personal losses require written approval by the Department Head or the Village Manager.

Reimbursement Procedures

Approval

After the trip is completed, Travelers must complete a Travel Expense Reconciliation form to request reimbursement for all travel expenses defined in the Village's travel expenses and reimbursement procedures. After completion, the Traveler must sign and forward the form and supporting detail to the appropriate Department Head or Village Manager for approval. All receipts must be taped on an 8 ½ x11 piece of paper then stapled to the Travel Expense Reconciliation form before submitting it for approval. Improperly prepared Reports may be returned to the Traveler for amendment.

Travel expenses submitted for reimbursement by Employees are to be approved by their Department Head~~, the Director of Financial Services or the Village Manager~~. Travel expenses submitted for reimbursement by Department Heads, Council Members and Appointed Officials are to be approved by the Village Manager. If the approving Department Head is unavailable for a period exceeding one week from the time the Travel Expense Reconciliation form is completed, then the Traveler ~~should~~ may submit the report to the ~~Director of Financial Services or~~ Village Manager for approval. **The approving Department Head is responsible for assuring that the expenses are legitimate, reasonable, properly documented and in conformance with the Village's policy.**

- Exceptions to the stated policy must be specifically approved on an individual basis by the responsible Department Head.

- Travel Expense Reconciliation forms should be submitted within 30 days after returning from a trip.

- Travel Expense Reconciliation forms submitted more than 90 days from the date the expense was incurred requires the approval of the ~~Director of Financial Services~~Village Manager.

Receipt and Documentation Requirements

Original receipts, regardless of the amount, must be obtained and submitted with the Traveler's Travel Expense Reconciliation form for the following expenses:

- Lodging at a commercial establishment

- Automobile rental

- Airline travel

- Rail tickets

A copy of the receipt is acceptable documentation for charges placed on the Village's purchasing card.

Reimbursement Processing

The approved Travel Expense Reconciliation form should be forwarded to the Financial Services Department so that a reimbursement to the Traveler can be processed. The Financial Services Department will determine that the Travel Expense Reconciliation form has been properly approved, that it is mathematically correct, and that requested reimbursements agree to submitted receipts, when required, and are within the limits set by the Village's travel expenses and reimbursement policies and procedures. Travel Expense Reconciliation forms submitted with errors will be returned **unpaid** to the approving Department Head for review and correction.

To improve operating efficiency and provide a more secure environment over the reimbursement of travel expenses, the Village will reimburse Travelers by direct deposit. Reimbursement amounts will be included in the Traveler's paycheck that is directly deposited into their bank account. Travel reimbursements will be included in the Traveler's gross wages, but are not taxable and not subject to any withholding amounts.

Adherence to the Village's guidelines regarding approval, receipts, and documentation is essential for prompt payment of or reimbursement for travel expenses pertaining to approved travel, lodging, meals and miscellaneous travel expenses.

~~Approved by:~~

~~Policy Committee Chair~~ ~~Date~~

~~Andrew M. Wilkison, Village Manager~~ ~~Date~~

	VILLAGE OF PINEHURST **STANDARD PROCEDURE**

SUBJECT: Purchasing Policy & Procedures	Effective Date: 11/01/2000
Department: Financial Services	
Prepared by: Financial Services Director, John Frye	Policy No.: FIN-416.1
	Revised: 02/28/2017
Approved by: Village Council Resolution #17-XX	# of Pages: 16

PROCEDURE PURPOSE:

These purchasing policies and procedures are intended for use as a guide to the Village of Pinehurst's purchasing methods and practices. When used properly and with common sense, the policies and procedures established herein will enable the Village to obtain needed materials, equipment, supplies and services efficiently and economically.

The understanding and cooperation of all employees is essential if the Village is to obtain the maximum value for each dollar spent. While this policy and procedure does not answer all questions related to purchasing, it does provide the foundation for a sound purchasing system.

The basic goals of the Village's purchasing program are:

1. To comply with the legal requirements of competitive bidding that are outlined in Chapter 143, Article 8 of the North Carolina General Statutes.

2. To comply with other North Carolina General Statutes regarding procurement including laws regarding Historically Underutilized Businesses (HUBs).

3. To assure vendors that impartial and equal treatment is afforded to all who wish to do business with the Village.

4. To receive maximum value for each dollar spent by awarding purchase orders to the lowest responsible, responsive bidder, taking into consideration quality, performance, technical support, delivery schedule, past performance and other relevant factors.

5. To provide Village departments the required goods, equipment, and services at the time and place needed and in the proper quantity and quality.

6. To professionally administer the search for sources of supplies, the development of new sources, the selection of suppliers, negotiations, commitment, follow-up, and adjustments.

7. To promote good and effective vendor relations, cultivated by informed and fair buying practices and strict maintenance of ethical standards.

8. To effect maximum feasible standardization of products used within and among departments in order to minimize stock levels and obtain better prices.

If the established procedures and guidelines are followed, each department can efficiently manage, control and plan its available resources to meet present and future departmental needs and help the Village to meet these goals.

OVERVIEW:

Local Buying

It is the desire of the Village to purchase from vendors located within Moore County whenever possible. This can be accomplished by insuring that local vendors who have goods or services available which are needed by the Village are included in the competitive purchasing process. The Village has a responsibility to its residents; however, to insure that maximum value is obtained for each public dollar spent. **The Village cannot and will not make purchasing decisions solely on the basis of vendor residence.** Rather, the Village will endeavor to encourage local vendors and suppliers to compete for all Village business.

Planning

Planning for purchases should be done on both~~,~~ a short-term and long-term basis, thereby minimizing small orders and last minute purchases. Planning will also reduce the number of trips required to obtain materials and minimize clerical and supervisory time spent on documenting purchases.

Buying Proper Quality

Quality and service are as important as price.~~; and, i~~It is the duty of the requesting department to secure the best, most economical, quality products and services that will meet but not exceed the requirements for which the goods or services are intended. In some instances the lowest price does not necessarily mean the lowest cost.

PURCHASING PROCEDURES~~ ~~:

This section outlines the Village's purchasing procedures. These procedures cover the purchase of apparatus, supplies, materials and/or equipment, as well as contracted services, for items costing over $1,000. Purchases of less than $1,000 are subject to the Purchasing Card (P-Card) Program Policy procedure, which are documented in Policy No. FIN-416.2. This policy does not, however, preclude departments from encumbering funds for purchases less than $1,000. Construction contracts are addressed separately in this document.

Vendor Setup

~~Each vendor must be properly set up prior to the issuance of a purchase order. An E-Verify Compliance Statement must be obtained once for each new vendor (Federal and State agencies and Municipalities are exempt from this requirement). In addition, a~~ A subcontractor form (W-9) must be obtained for vendors who provide contracted or professional services. Please contact Financial Services if you have questions regarding ~~these~~ this form~~s~~.

Contract Control Form

If the purchase involves the Village executing a contract document, or if the purchase includes labor being performed on Village property, a *Contract Control ~~f~~Form* will be required. The *Contract Control Form* helps protect the Village from various contract risks and ensures that contractors have adequate insurance coverage for the work they perform. It also assists the Village with overall contract management. All required forms must be included with the submittal package.

Request to Purchase

The *Request to Purchase Form* ~~(Exhibit B)~~, which must be approved by the department head or his/her designee, initiates the procurement process.

A completed *Request to Purchase Form* with appropriate signatures is required for all purchases requiring a Purchase Order. See Exhibit A for a list of purchases that do not require a purchase order.

Completing the Request to Purchase Form

The request is a one-part form. Once completed, forward the original form to the Financial Services Department. A copy of the request should be retained by the user department and attached to the copy of the purchase order that will follow.

All requests must indicate the account to be charged, a description of the item, the quantity to be purchased, the unit of issue (e.g. lbs., cases, dozen, each, etc.), the unit cost of the item requested, along with either the budgeted amount or a "Not To Exceed"

(N.T.E.) amount in the appropriate column.

Each section of the request must be completed. If you are unable to provide required information please state "unknown" in that section. If the form is not completed in its entirety or if the Financial Services staff has questions concerning the request, he/she may return the form with a request for additional information needed to the department head or his/her designee.

Specific Instructions

All items must be completed on the *Request to Purchase Form* for a purchase order to be generated. Please remember the following items when completing the form:

1. Please number the page(s) if there is more than one page to assure that none are lost during the processing of the request.

2. The promised delivery date must be indicated; **the acronym ASAP is not ~~accepted~~acceptable.**

3. The contact person with whom you normally deal should be listed.

4. The address of the delivery location must be provided.

5. Include a thorough description of all items requested with product numbers from a catalog, if applicable.

6. Indicate anticipated shipping costs separately from the cost of the product.

7. Do not send the form to the Financial Services Department until all required signatures are obtained.

VENDOR SELECTION

Selection Policy

Vendors should be selected on a competitive basis. Formal bids, informal bids, or telephone quotations will be solicited by the individual departments prior to submission of the *Request to Purchase Form*. Bid awards, purchase orders and/~~-~~or contracts should be issued to the lowest responsible, responsive bidder.

Selection Procedures

For the procurement of supplies, materials and/~~-~~or equipment and for construction or repair, the Village will observe the following procedures:

1. In accordance with North Carolina General Statute §143-129, invitation for formal

bids will be used for purchases of $90,000 and greater ($~~300,000~~500,000 and greater for construction and repairs). This will include advertising in the local newspaper and/or other advertising media as deemed appropriate and receiving sealed bids.

2. Purchases greater than $5,000 but less than $90,000 (less than $~~300,000~~500,000 for construction and repairs), are subject to Informal Bidding Procedures. North Carolina General Statute §143-131 requires this for purchases greater than $30,000 but less than $90,000;~~,~~ however, the Village has elected to use a lower threshold of $5,000. Purchases in this range will require three written quotes. All quotes, regardless of degree of formality, are required to be attached to the *Request to Purchase Form* before the Purchase Requisition form is submitted.

3. In accordance with North Carolina General Statute §143-131, purchases of less than $5,000 can be made in the open market with no requirement for a formal invitation for bids or request for quotations. However, ~~E~~e**very effort should be given to obtain written competitive quotes for purchases of less than $5,000**. However, verbal quotes will be accepted if documented on the *Vendors Requested to Propose Form*~~ in Exhibit E~~. All quotes, regardless of degree of formality, are required to be attached to the *Request to Purchase Form* before the ~~p~~Purchase ~~order~~ Requisition form is ~~issued~~submitted.

The department is required to obtain written quotations from any related party that submits a proposal to provide goods or services. A related party includes Village employees, Board members, and Council members and their immediate family members. In these instances, the department is **required** to obtain pricing from at least three vendors.~~. Also, the related party is required to provide documentation of a bona-fide business in the form of either a taxpayer ID number for incorporated businesses or a copy of the most recent Schedule C from the vendor's personal tax Form 1040.~~ Related-party contracts are discouraged and should be in accordance with the Village's Ethics Policy AD-150.

E-VERIFY

Per Session Law 2013-418, municipalities may not enter into a contract unless the contractor and the contractor's subcontractors comply with Article 2 of Chapter 64 of the General Statutes. Employers and their subcontractors with 25 or more employees in North Carolina as defined in Article 2 of Chapter 64 of the NC General Statutes must comply with E-Verify requirements to contract with the Village. Federal and State agencies and Municipalities are exempt from this requirement.

E-Verify is a Federal program operated by the US Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law.

~~An E-Verify Compliance Statement must be obtained once for each new vendor.~~ Any contract or purchase order approved by the Village will include these E-Verify contract requirements.

PURCHASE ORDERS

To be valid, a purchase order issued by the Village must be completed and signed by either the ~~Director of~~ Financial Services Director (the statutory Finance Officer) or ~~his/her designee~~the Assistant Financial Services Director (the Deputy Finance Officer). **Purchase orders will not be issued without a properly executed *Request to Purchase Form*.**

The Purchase Order Process

A purchase order is a contract between the Village and a vendor. The Village will not recognize the issuance of purchase orders by unauthorized Village employees or officials and payment of these obligations will not be approved. Obtaining supplies, materials, equipment or services without a purchase order is an unauthorized purchase (except in emergency situations as outlined later).

Unauthorized purchases are classified as a personal expense and may be paid for by the employee.

In the event that a purchase order is not requested by the department and issued by Financial Services before the date of the invoice, the department head responsible for the unauthorized purchase should complete the *Explanation for Delay of Purchase Order Request* ~~F~~*Form* ~~(Exhibit F)~~. This form will then be signed by the department head, forwarded to their immediate supervisor for approval, and then forwarded to the Village Manager, or his/her designee, for final approval. Once the Village Manager has approved the form, the Village Manager will send the form to Financial Services to authorize the ~~issuance of the purchase order and the~~ payment of the invoice. Financial Services will not issue payment of the invoice without an approved *Explanation for Delay of Purchase Order Request F~~f~~orm*.

The original purchase order will be distributed to the requesting department and should be mailed to the vendor. It is recommended that departments make a copy of the original purchase order for their records prior to mailing it to the vendor. Financial Services will maintain ~~two~~ one copy~~ies~~ of the purchase order, which is filed ~~:~~

~~Accounts Payable Copy Matched and filed with the invoice~~
~~Purchasing Copy Filed~~ sequentially in notebooks.

After an item is received, the department should indicate the purchase order number on the ~~packing slip and~~ invoice before forwarding to the Financial Services Department for payment. This should be done immediately after the item(s) have been received, inspected and accepted by the user department.

Change Orders

In order to change, modify, cancel, or liquidate an existing purchase order, the user department must complete a *Change Order Form* ~~(Exhibit C)~~ with the department head's or his/her designee's approval. All pertinent information needed to make the changes should be completed. The change order should be forwarded to the Financial Services Department for processing and approval. Financial Services will then distribute the paperwork to the department head or his/her designee. It is the department's responsibility to forward the additional paperwork to the vendor. _~~The Village Council must approve change orders for purchases and/or contracts that it originally awarded.~~Change order approval will be based upon the new purchase order total and not on the amount being added to the purchase order. Purchase order changes are appropriate for reasonable increases in quantity or project scope. If the change is significant, the Financial Services Director may request the purchase be re-quoted as a new purchase. Also, change orders should not be processed for changes under 10% of the original purchase order.

Change orders will **not** be allowed:

1. That would alter the procurement procedures that were used in the original process. (i.e., from informal to formal).
2. After the scope of services have been rendered or materials have been received.
3. That would increase a blanket purchase order.

Change orders are not needed when the dollar amount of the change for a line item will not be exceeded by 10% of the original amount.

SPECIAL PROCUREMENT PROCEDURES

Blanket Purchase Orders

The Financial Services Department will issue blanket purchase orders to selected vendors for the procurement of large volume items and recurring service contracts, such as cleaning and pest control services.~~ Blanket purchase orders should not be used for items normally carried in stock in inventory.~~

Requests for blanket purchase orders must, in addition to the required information, indicate the following: items covered by the blanket purchase order and a Not to Exceed (NTE) amount in the appropriate column. The issued purchase order will instruct the vendor that unauthorized purchases will not be allowed. It is the responsibility of the individual authorized to purchase under a blanket purchase order to ensure that an unspent balance remains to cover the purchase to be made. **Any purchase that exceeds the funds available under a blanket purchase order or**

made by personnel not authorized will be classified as an unauthorized purchase, or personal expense, and may be charged to the employee.

An authorized Village employee must sign the vendor's delivery ticket and the purchase order number should be indicated on the receiving documents when a purchase is received. ~~Departments are asked to forward all delivery tickets immediately to Accounts Payable to be matched with invoices for payment~~~~This~~Delivery tickets may be discarded after being reconciled with the invoice.

Service Contracts

Recurring service contracts such as monthly or quarterly cleaning, pest control, maintenance, etc. can be encumbered at the beginning of the fiscal year for which a valid contract exists. A request for a blanket purchase order should be made in the total estimated amount to be expended on the service contract in the fiscal year. An executed contract should be attached to the *Request to Purchase Form* before a blanket purchase order will be issued for service contracts.

Purchasing Card Program

To procure small-dollar items, select Village employees will be issued a VISA-brand procurement card. Small-dollar purchases are individual expenditures of $1,000 or less. Some cardholders could be authorized to make purchases for greater or lesser amounts. The policies and procedures for the Village purchasing card program are documented in the Purchasing Card (P-Card) Program Policy No. FIN-416.2.

Emergency Purchases

In cases of emergencies, the department head or his/her designee may purchase directly from any vendor supplies or services whose immediate procurement is essential to prevent delays in work that may affect the life, health, or safety~~, or convenience~~ of Village of Pinehurst employees or citizens.

The user department shall exercise good judgment and use established vendors when making emergency purchases. Always obtain the best possible price and limit purchases to those items emergency related. Not anticipating needs does not constitute an emergency situation. First, the department should determine if a true emergency does exist. Second, the department should anticipate needs and avoid emergency situations whenever possible.

During working hours, the following procedure should be used for emergency purchases:

Contact the Financial Services Department and supply all pertinent information to obtain a purchase order. The information needed will include the vendor name, item(s) to be purchased with quantities, expenditure account to which the item(s) should be charged and the reason for the emergency purchase. After verifying available funds, a purchase order number will be issued for the expenditure and the purchase order will be distributed accordingly. ~~Should~~ If the purchase will over encumber the account balance, a ~~Request for Transfer of Funds~~budget amendment ~~form~~ will need to be completed as soon as possible.

After working hours, the following procedure should be used for emergency purchases:

> The ~~packing slip or~~ invoice received should be coded with the account(s) to be charged and signed by the individual receiving the goods or services. The department head should ~~approve the purchase and attach a~~ complete the *Explanation for Delay of Purchase Order Request Form*. This form will then be signed by the department head, forwarded to their immediate supervisor for approval and then forwarded to the Village Manager, or his/her designee, for final approval. Once the Village Manager has approved the form, the Village Manager will send the form to Financial Services to authorize the payment of the invoice. Financial Services will not issue payment of the invoice without an approved *Explanation for Delay of Purchase Order Request Fform*.~~brief explanation of the nature of the emergency, verify the availability of funds, and forward any documents immediately to the Financial Services Department for payment.~~

Emergency purchases, although sometimes necessary, are costly both in time and money. The use of emergency procedures should be limited and will be monitored for abuse.

Call-In Request for Purchase Orders

Call-in requests for purchase orders will be used for emergency situations only. However, ~~faxing~~ scanning and emailing requests with the appropriate backup for rapid expedition is acceptable.

Purchase Order Cut-Off Date

Purchase requests for materials, supplies, services and equipment (not included in blanket purchase orders or service contracts) for the ending current fiscal year must be submitted to the Financial Services Department no later than June 1. Purchase requests of a routine nature that could have been scheduled prior to June 1, and are not critical, will be returned to the department for disposition in the new fiscal year. This procedure is necessary to allow for the delivery and receipt of the goods by the end of the fiscal year.

Sole Source of Supply

In the event there is only one vendor capable of providing a particular good or service, the competitive pricing procedures outlined in this manual may be waived by the ~~Director of Financial Services for purchases in the informal range~~approval of the Village Council. Whenever a department head or his/her designee elects to purchase goods or services from a "sole source", he/she shall document on the request why only one company or individual is capable of providing the goods or services required. The provisions of G.S. §143-129(e)(6), which requires Council to allow for this sole source exception, will be applied.

State of North Carolina Purchase Contract

Departments may utilize the State of North Carolina Department of Administration Purchase and Contract Division whenever possible for procurement of capital and non-capital items. This system expedites the purchase of goods, offers pricing compatible with quotes received from formal and informal bids, and satisfies North Carolina General Statutes. Examples of goods on state contract are: law enforcement vehicles, office furniture, copiers, janitorial supplies, copier paper, and light bulbs. Contact the Financial Services Department with questions about which goods are on State Contract.

Cooperative or Group Purchasing Programs

Under North Carolina General Statute 143-129(e)(3) departments may make purchases from suppliers who are selected through a group purchasing program that is a "formally organized program that offers competitively obtained purchasing services at discount prices to two or more public agencies". Items selected for purchase from these contracts are not subject to informal or formal bidding requirements. Financial Services maintains membership in several such programs. Current information regarding these programs can be found on the Financial Services Self-Service page on the intranet.

Professional Services

Normal competitive procedures cannot be utilized in securing professional services such as attorneys, engineers, planners, and other professional people who, in keeping with the standards of their discipline, will not enter into a competitive bidding process. When an agreement between a professional service company and the Village is established, a purchase order with a NTE amount shall be issued to satisfy accounting and statutory requirements. A copy of the contract should be provided to support the purchase order. Architectural, engineering, and surveying contracts will also be subject to a qualification based selection (QBS) process per NCGS 143-64.31.

Purchasing Calendar: Capital and Non-Capital Equipment

In order to secure financing and maintain the fixed asset records for the fiscal year, the departments should try to complete all capital purchases no later than February 15 with delivery scheduled no later than May 15, if at all possible.

~~Vehicle and Equipment Repair: Outsourcing of Service~~

~~The Fleet Maintenance Dept. shall handle the procedures for outsourcing vehicle and equipment repairs, such as body repair, engine rebuilding, or any other service. The Director of Fleet Maintenance should submit written estimates showing separate labor, material(s), and towing costs to the Financial Services Department with the completed *Request to Purchase Form.*~~

COMPETITIVE BIDS

Formal Bids-Apparatus, Supplies, Materials, & Equipment ($90,000 and Greater)

In order to purchase supplies, apparatus, materials or equipment with an expenditure of $90,000 or more, the department head or his/her designee, in conjunction with the ~~Director of~~ Financial Services Director, shall develop and prepare specifications for bidding. The department head shall be responsible for ensuring that all North Carolina General Statutes are satisfied, including, but not limited to, newspaper advertisement and receipt of sealed bids. These requirements are outlined in NCGS §143-129.

After receipt of all bids, the department head or his/her designee, shall review ~~all~~the bid responses to determine the bid deemed in the best interest of the Village. The department head or his/her designee shall make a formal recommendation of award, with supporting documentation to the ~~Director of~~ Financial Services Director, Village Manager, and the Village Council.

Upon Village Council approval of the recommendation, the responsible department head shall initiate the purchase order process and upon receipt of the issued purchase order, the department head may place the order with the successful bidder(s).

Informal Bids-Supplies and Materials ($5,000 - $90,000)

The department head shall utilize the informal bidding process for purchases greater than $5,000 and up to $90,000, in accordance with NCGS §143-131. The informal bidding process requires that competitive pricing be obtained in ~~a written manner~~writing from the bidders. Requests for quotes are sent to several sources that can supply the product(s) desired. Upon receiving the quotes and selecting the vendor, the department head shall forward a *Request to Purchase Form* to the Financial Services Department who will generate a purchase order. Copies of the written quotations submitted by vendors should accompany the *Request to Purchase Form* along with the basis for selecting the vendor chosen.

Purchases of Supplies and Materials (Less than $5,000)

Every effort should be made to obtain three (3) written quotes when expending public funds of less than $5,000. Once the department head determines the quote that is in the best interest of the Village, he/she or his/her designee should complete a *Request to Purchase Form* and forward it to the Financial Services Department, along with copies of the written quotes received. ~~One method of documenting quotes is to use~~Quotes should be summarized on the *Vendors Requested to Quote Form* ~~in Exhibit E~~. This form can be especially useful for documenting verbal quotes. If other documentation is supplied, the department should provide all of the information ~~listed in Exhibit E~~ with their submission to Financial Services. The Finance Technician will then generate a purchase order.

CONSTRUCTION AND REPAIR WORK

Formal Construction or Repair Contracts ($~~300,000~~500,000 and greater)

Construction contracts within this range shall be the responsibility of the department head, engineer, and other Village officials as deemed necessary. These officials are responsible for specification development. G.S. §143-128 details the five alternative bidding methods for building construction and repair contracts. G.S. §143-128.2 defines historically underutilized business (HUB) participation goals and requirements. Per Ordinance #93-7, it is the Village's policy to have a verifiable goal of five (5%) percent for participation by historically underutilized businesses in building construction contracts awarded pursuant to G.S. §143-128.

After the formal bidding process has been completed, the department head or his/her designee shall recommend to the Village Council the lowest responsible, responsive bidder deemed in the best interest of the Village. Upon award by the Village Council and execution of the contract, the department head shall initiate a *Request to Purchase Form* so that a purchase order can be generated to encumber the expenditure account.

Informal Construction or Repair Contracts (Less than $~~3~~500,000)

Construction, renovation or repair work of less than $~~3~~500,000 shall be the responsibility of the department head, the contracted engineer and other Village officials as deemed necessary. The bid award will be made to the lowest responsible, responsive bidder, upon recommendation by the department head. Under G.S. 143-131(b) for construction or repair projects departments are required to document their good faith effort to solicit historically underutilized businesses. Upon approval by the Village Manager and execution of the contract, the department head or his/her designee shall initiate a *Request to Purchase Form* so that a purchase order can be generated to encumber the expenditure accounts. The department is also responsible for contacting the successful bidder(s).

HISTORICALLY UNDERUTILIZED BUSINESSES

For building construction (vertical construction with walls and roof) projects above $300,000, the Village must follow prescribed requirements in the Village's Minority Business Outreach Plan (MBOP). The formal bidding limit for construction is $500,000, but for HUB reporting, the limit is $300,000. For projects in this range, departments should contact the Financial Services Director for assistance in following those guidelines.

For building construction, maintenance, or repair projects in the $30,000 - $300,000 informal range, departments must make the following "good faith" efforts.

1. Solicit HUB participation in contracts,
2. Document efforts to recruit HUB participation,
3. Maintain records of HUB contractors solicited, and
4. Report all data on HUB participation efforts to the N.C. HUB Office.

Good faith efforts should be recorded on a HUB Informal Reporting Form and submitted to the Financial Services Director. This form will be the basis for a report to the NC HUB Office.

The Finance Department maintains a list of minority owned (HUB) businesses in Moore County in the intranet that may be of assistance to departments in soliciting HUB bids.

VERIFICATION OF BIDS RECEIVED

When a *Request to Purchase Form* is submitted for the purchase of supplies, materials, or equipment, the Financial Services Department will periodically verify bid information provided by vendors directly with the vendors. All bids received should accompany the *Request to Purchase Form*, regardless of the bid selected. In addition, a listing of the vendors who were asked to propose on the goods/services should be provided on the *Vendors Requested to Propose Form*.

SPECIFICATIONS

When goods or services are procured under the formal or informal bidding process, specifications must be prepared. All specifications, should do at least four things:

1. Identify minimum requirements,
2. Encourage competitive bids,
3. Be capable of objective review, and
4. Provide for an equitable award at the lowest possible cost.

Specifications shall be as simple as possible while maintaining the degree of exactness required to prevent bidders from avoiding supplying the goods or services required or otherwise taking advantage of their competitors.

All specifications utilizing a name brand must include the term "or approved equal" to avoid being restrictive and eliminating fair competition from the bidding process.

Different methods of structuring specifications include:

1. Qualified products on acceptable vendor list,
2. Specification by blueprint or dimension sheet,
3. Specification by chemical analysis or physical properties,
4. Specification by performance, purpose or use,
5. Specification by identification with industry standards, or
6. Specification by samples.

DELIVERY AND PERFORMANCE

A completed and accepted purchase order by the parties concerned must produce the intended results or objectives before it can be considered a successful or completed purchase. The terms and conditions must clearly define the delivery and performance requirements of the services, supplies or equipment.

The importance of the delivery schedule should be emphasized to the vendor. Delivery requirements should be clearly written and fully understood by all vendors. If several items are required by the purchase order, there may be a different delivery schedule for each item. It is important to clearly indicate the delivery location on the *Request to Purchase Form*.

<u>Partial Deliveries</u>

Some purchase orders may list several items. It is possible the vendor may complete timely delivery on some items, which are referred to as "partial deliveries". Upon receipt of a partial delivery, the department should attach a copy of the signed delivery receipt, indicate “Partial Delivery” and forward to the Financial Services Department.

<u>Non-performance</u>

If a vendor fails to meet any requirements(s) of the specifications or terms and conditions of the contract or purchase order, the vendor can be cited for non-performance. The seriousness of non-performance will be evaluated based upon the circumstances of each violation. ~~Specific types of non-performance are discussed in Section 11.~~

INSPECTION AND TESTING

Life and safety as well as successful operation of expensive equipment and supplies may depend upon how well a purchased item meets the design and performance specifications.

Goods and materials should be checked at the time of receipt for damage or defects. The inspection shall include assuring goods comply with the specifications. If damage is found or the goods fail to comply with the specifications, the item(s) shall be rejected as outlined below.

Rejection

In order to protect the Village's rights in the event of rejection, for whatever reason, the vendor shall be informed as soon as possible. Reasons for the rejection must be documented in memo form and forwarded to the Financial Services Department in a timely manner. It is the department head's or his/her designee's responsibility to notify Financial Services and the vendor of the reason for the rejection within three (3) business days if another employee received and signed for the goods.

Damaged Goods

One of the major reasons for immediately inspecting the goods or materials upon receipt is to detect any visible damage. When it is apparent that the extent of the damage causes the goods to be worthless, they will not be accepted. It is necessary that all damage including evidence of concealed damage shall be documented by memo and forwarded to the Financial Services Department. The department head or his/her designee is responsible for informing the vendor and Financial Services of the damaged goods within three (3) business days if another employee received and signed for the goods.

Latent Defects

Latent defects may be the result of damage in transit or failure of the manufacturer to conform to specifications. Consequently, it is often difficult to fix responsibility for the defective material. If specific liability for the defect cannot be determined between the carrier, the vendor, or the manufacturer, the Village may file a claim against all parties. A memo explaining the defects must be forwarded to the Financial Services Department to ensure all parties involved are properly informed. The department head or his/her designee is responsible for informing the vendor and Financial Services of the damaged goods within three (3) business days if another employee received and signed for the goods.

VENDOR RELATIONS

Good vendor relations are valuable business assets established through mutual confidence and satisfactory business relationships between buyer and seller. An important contribution toward promoting and preserving these relations is a clear understanding of the method of contract between buyer and seller.

OTHER

No employee or official should derive a direct personal benefit from any contract or purchase. Also, employees should not accept gifts or favors from vendors per G. S. 133-32 and the Village's Ethics Policy AD-150.

Departments do not have the authorization to commit in writing, or verbally, future Village business to vendors.

AFTER THE ORDER

The procurement function is not accomplished by simply placing an order with a supplier. Satisfactory delivery must also be made. To insure delivery will be made when required, follow-up is necessary.

Follow-up or expediting delivery of an order is part of the purchasing process and can be more efficiently handled by the purchasing party.

The Financial Services Department shall on a regular basis review outstanding purchase orders to determine if vendors are delinquent in shipping the items requested or providing the services requested. The Department head or his/her designee should contact vendors directly concerning any delinquent deliveries.

The Financial Services Department shall contact vendors concerning invoice discrepancies and shall have the authorization to approve or disapprove invoice amounts.

EXHIBIT A

EXAMPLES OF PURCHASES NOT REQUIRING A COMPLETED REQUEST TO PURCHASE FORM

The following items are not required to obtain a purchase order prior to their purchase:

~~Advertising (legal ads, radio announcements, etc.)~~
~~Annual dues~~
Claim payments
~~Contracted labor~~
Insurance premiums
~~Medical examinations~~
~~Memberships~~
Petty cash - replenishment of funds
~~Postage permits and expenses~~
Refunds

~~Rental of buildings~~
~~Subscriptions~~
Tuition fees for educational purposes
Utilities

	VILLAGE OF PINEHURST **STANDARD PROCEDURE**

SUBJECT: Purchasing Policy & Procedures	Effective Date: 11/01/2000
Department: Financial Services	
Prepared by: Financial Services Director, John Frye	Policy No.: FIN-416.1
	Revised: 02/28/2017
Approved by: Village Council Resolution #17-XX	# of Pages: 16

PROCEDURE PURPOSE:

These purchasing policies and procedures are intended for use as a guide to the Village of Pinehurst's purchasing methods and practices. When used properly and with common sense, the policies and procedures established herein will enable the Village to obtain needed materials, equipment, supplies and services efficiently and economically.

The understanding and cooperation of all employees is essential if the Village is to obtain the maximum value for each dollar spent. While this policy and procedure does not answer all questions related to purchasing, it does provide the foundation for a sound purchasing system.

The basic goals of the Village's purchasing program are:

1. To comply with the legal requirements of competitive bidding that are outlined in Chapter 143, Article 8 of the North Carolina General Statutes.

2. To comply with other North Carolina General Statutes regarding procurement including laws regarding Historically Underutilized Businesses (HUBs).

3. To assure vendors that impartial and equal treatment is afforded to all who wish to do business with the Village.

4. To receive maximum value for each dollar spent by awarding purchase orders to the lowest responsible, responsive bidder, taking into consideration quality, performance, technical support, delivery schedule, past performance and other relevant factors.

5. To provide Village departments the required goods, equipment, and services at the time and place needed and in the proper quantity and quality.

6. To professionally administer the search for sources of supplies, the development of new sources, the selection of suppliers, negotiations, commitment, follow-up, and adjustments.

7. To promote good and effective vendor relations, cultivated by informed and fair buying practices and strict maintenance of ethical standards.

8. To effect maximum feasible standardization of products used within and among departments in order to minimize stock levels and obtain better prices.

If the established procedures and guidelines are followed, each department can efficiently manage, control and plan its available resources to meet present and future departmental needs and help the Village to meet these goals.

OVERVIEW:

Local Buying

It is the desire of the Village to purchase from vendors located within Moore County whenever possible. This can be accomplished by insuring that local vendors who have goods or services available which are needed by the Village are included in the competitive purchasing process. The Village has a responsibility to its residents; however, to insure that maximum value is obtained for each public dollar spent. **The Village cannot and will not make purchasing decisions solely on the basis of vendor residence.** Rather, the Village will endeavor to encourage local vendors and suppliers to compete for all Village business.

Planning

Planning for purchases should be done on both~~,~~ a short-term and long-term basis, thereby minimizing small orders and last minute purchases. Planning will also reduce the number of trips required to obtain materials and minimize clerical and supervisory time spent on documenting purchases.

Buying Proper Quality

Quality and service are as important as price. ~~; and, i~~It is the duty of the requesting department to secure the best, most economical, quality products and services that will meet but not exceed the requirements for which the goods or services are intended. In some instances the lowest price does not necessarily mean the lowest cost.

PURCHASING PROCEDURES:

This section outlines the Village's purchasing procedures. These procedures cover the purchase of apparatus, supplies, materials and/or equipment, as well as contracted services, for items costing over $1,000. Purchases of less than $1,000 are subject to the Purchasing Card (P-Card) Program Policy procedure, which are documented in Policy No. FIN-416.2. This policy does not, however, preclude departments from encumbering funds for purchases less than $1,000. Construction contracts are addressed separately in this document.

Vendor Setup

~~Each vendor must be properly set up prior to the issuance of a purchase order. An E-Verify Compliance Statement must be obtained once for each new vendor (Federal and State agencies and Municipalities are exempt from this requirement). In addition, a~~ A subcontractor form (W-9) must be obtained for vendors who provide contracted or professional services. Please contact Financial Services if you have questions regarding ~~these~~ this form~~s~~.

Contract Control Form

If the purchase involves the Village executing a contract document, or if the purchase includes labor being performed on Village property, a *Contract Control ~~f~~Form* will be required. The *Contract Control Form* helps protect the Village from various contract risks and ensures that contractors have adequate insurance coverage for the work they perform. It also assists the Village with overall contract management. All required forms must be included with the submittal package.

Request to Purchase

The *Request to Purchase Form* ~~(Exhibit B)~~, which must be approved by the department head or his/her designee, initiates the procurement process.

A completed *Request to Purchase Form* with appropriate signatures is required for all purchases requiring a Purchase Order. See Exhibit A for a list of purchases that do not require a purchase order.

Completing the Request to Purchase Form

The request is a one-part form. Once completed, forward the original form to the Financial Services Department. A copy of the request should be retained by the user department and attached to the copy of the purchase order that will follow.

All requests must indicate the account to be charged, a description of the item, the quantity to be purchased, the unit of issue (e.g. lbs., cases, dozen, each, etc.), the unit cost of the item requested, along with either the budgeted amount or a "Not To Exceed"

(N.T.E.) amount in the appropriate column.

Each section of the request must be completed. If you are unable to provide required information please state "unknown" in that section. If the form is not completed in its entirety or if the Financial Services staff has questions concerning the request, he/she may return the form with a request for additional information needed to the department head or his/her designee.

Specific Instructions

All items must be completed on the *Request to Purchase Form* for a purchase order to be generated. Please remember the following items when completing the form:

1. Please number the page(s) if there is more than one page to assure that none are lost during the processing of the request.

2. The promised delivery date must be indicated; **the acronym ASAP is not ~~accepted~~acceptable.**

3. The contact person with whom you normally deal should be listed.

4. The address of the delivery location must be provided.

5. Include a thorough description of all items requested with product numbers from a catalog, if applicable.

6. Indicate anticipated shipping costs separately from the cost of the product.

7. Do not send the form to the Financial Services Department until all required signatures are obtained.

VENDOR SELECTION

Selection Policy

Vendors should be selected on a competitive basis. Formal bids, informal bids, or telephone quotations will be solicited by the individual departments prior to submission of the *Request to Purchase Form*. Bid awards, purchase orders and/~~-~~or contracts should be issued to the lowest responsible, responsive bidder.

Selection Procedures

For the procurement of supplies, materials and/~~-~~or equipment and for construction or repair, the Village will observe the following procedures:

1. In accordance with North Carolina General Statute §143-129, invitation for formal

bids will be used for purchases of $90,000 and greater ($~~300,000~~500,000 and greater for construction and repairs). This will include advertising in the local newspaper and/or other advertising media as deemed appropriate and receiving sealed bids.

2. Purchases greater than $5,000 but less than $90,000 (less than $~~300,000~~500,000 for construction and repairs), are subject to Informal Bidding Procedures. North Carolina General Statute §143-131 requires this for purchases greater than $30,000 but less than $90,000;~~,~~ however, the Village has elected to use a lower threshold of $5,000. Purchases in this range will require three written quotes. All quotes, regardless of degree of formality, are required to be attached to the *Request to Purchase Form* before the Purchase Requisition form is submitted.

3. In accordance with North Carolina General Statute §143-131, purchases of less than $5,000 can be made in the open market with no requirement for a formal invitation for bids or request for quotations. However, ~~E~~e**very effort should be given to obtain written competitive quotes for purchases of less than $5,000**. However, verbal quotes will be accepted if documented on the *Vendors Requested to Propose Form*~~ in Exhibit E~~. All quotes, regardless of degree of formality, are required to be attached to the *Request to Purchase Form* before the ~~p~~Purchase ~~order~~ Requisition form is ~~issued~~submitted.

The department is required to obtain written quotations from any related party that submits a proposal to provide goods or services. A related party includes Village employees, Board members, and Council members and their immediate family members. In these instances, the department is **required** to obtain pricing from at least three vendors.~~. Also, the related party is required to provide documentation of a bona-fide business in the form of either a taxpayer ID number for incorporated businesses or a copy of the most recent Schedule C from the vendor's personal tax Form 1040.~~ Related-party contracts are discouraged and should be in accordance with the Village's Ethics Policy AD-150.

E-VERIFY

Per Session Law 2013-418, municipalities may not enter into a contract unless the contractor and the contractor's subcontractors comply with Article 2 of Chapter 64 of the General Statutes. Employers and their subcontractors with 25 or more employees in North Carolina as defined in Article 2 of Chapter 64 of the NC General Statutes must comply with E-Verify requirements to contract with the Village. Federal and State agencies and Municipalities are exempt from this requirement.

E-Verify is a Federal program operated by the US Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law.

~~An E-Verify Compliance Statement must be obtained once for each new vendor.~~ Any contract or purchase order approved by the Village will include these E-Verify contract requirements.

PURCHASE ORDERS

To be valid, a purchase order issued by the Village must be completed and signed by either the ~~Director of~~ Financial Services Director (the statutory Finance Officer) or ~~his/her designee~~the Assistant Financial Services Director (the Deputy Finance Officer). **Purchase orders will not be issued without a properly executed *Request to Purchase Form***.

The Purchase Order Process

A purchase order is a contract between the Village and a vendor. The Village will not recognize the issuance of purchase orders by unauthorized Village employees or officials and payment of these obligations will not be approved. Obtaining supplies, materials, equipment or services without a purchase order is an unauthorized purchase (except in emergency situations as outlined later).

Unauthorized purchases are classified as a personal expense and may be paid for by the employee.

In the event that a purchase order is not requested by the department and issued by Financial Services before the date of the invoice, the department head responsible for the unauthorized purchase should complete the *Explanation for Delay of Purchase Order Request ~~F~~Form* ~~(Exhibit F)~~. This form will then be signed by the department head, forwarded to their immediate supervisor for approval, and then forwarded to the Village Manager, or his/her designee, for final approval. Once the Village Manager has approved the form, the Village Manager will send the form to Financial Services to authorize the ~~issuance of the purchase order and the~~ payment of the invoice. Financial Services will not issue payment of the invoice without an approved *Explanation for Delay of Purchase Order Request F~~f~~orm*.

The original purchase order will be distributed to the requesting department and should be mailed to the vendor. It is recommended that departments make a copy of the original purchase order for their records prior to mailing it to the vendor. Financial Services will maintain ~~two~~ one copy~~ies~~ of the purchase order, which is filed ~~:~~

~~Accounts Payable Copy Matched and filed with the invoice~~
~~Purchasing Copy Filed~~ sequentially in notebooks.

After an item is received, the department should indicate the purchase order number on the ~~packing slip and~~ invoice before forwarding to the Financial Services Department for payment. This should be done immediately after the item(s) have been received, inspected and accepted by the user department.

Change Orders

In order to change, modify, cancel, or liquidate an existing purchase order, the user department must complete a *Change Order Form* ~~(Exhibit C)~~ with the department head's or his/her designee's approval. All pertinent information needed to make the changes should be completed. The change order should be forwarded to the Financial Services Department for processing and approval. Financial Services will then distribute the paperwork to the department head or his/her designee. It is the department's responsibility to forward the additional paperwork to the vendor. ~~The Village Council must approve change orders for purchases and/or contracts that it originally awarded.~~Change order approval will be based upon the new purchase order total and not on the amount being added to the purchase order. Purchase order changes are appropriate for reasonable increases in quantity or project scope. If the change is significant, the Financial Services Director may request the purchase be re-quoted as a new purchase. Also, change orders should not be processed for changes under 10% of the original purchase order.

Change orders will **not** be allowed:

1. That would alter the procurement procedures that were used in the original process. (i.e., from informal to formal).
2. After the scope of services have been rendered or materials have been received.
3. That would increase a blanket purchase order.

Change orders are not needed when the dollar amount of the change for a line item will not be exceeded by 10% of the original amount.

SPECIAL PROCUREMENT PROCEDURES

Blanket Purchase Orders

The Financial Services Department will issue blanket purchase orders to selected vendors for the procurement of large volume items and recurring service contracts, such as cleaning and pest control services. ~~Blanket purchase orders should not be used for items normally carried in stock in inventory.~~

Requests for blanket purchase orders must, in addition to the required information, indicate the following: items covered by the blanket purchase order and a Not to Exceed (NTE) amount in the appropriate column. The issued purchase order will instruct the vendor that unauthorized purchases will not be allowed. It is the responsibility of the individual authorized to purchase under a blanket purchase order to ensure that an unspent balance remains to cover the purchase to be made. **Any purchase that exceeds the funds available under a blanket purchase order or**

made by personnel not authorized will be classified as an unauthorized purchase, or personal expense, and may be charged to the employee.

An authorized Village employee must sign the vendor's delivery ticket and the purchase order number should be indicated on the receiving documents when a purchase is received. ~~Departments are asked to forward all delivery tickets immediately to Accounts Payable to be matched with invoices for payment~~~~This~~Delivery tickets may be discarded after being reconciled with the invoice.

Service Contracts

Recurring service contracts such as monthly or quarterly cleaning, pest control, maintenance, etc. can be encumbered at the beginning of the fiscal year for which a valid contract exists. A request for a blanket purchase order should be made in the total estimated amount to be expended on the service contract in the fiscal year. An executed contract should be attached to the *Request to Purchase Form* before a blanket purchase order will be issued for service contracts.

Purchasing Card Program

To procure small-dollar items, select Village employees will be issued a VISA-brand procurement card. Small-dollar purchases are individual expenditures of $1,000 or less. Some cardholders could be authorized to make purchases for greater or lesser amounts. The policies and procedures for the Village purchasing card program are documented in the Purchasing Card (P-Card) Program Policy No. FIN-416.2.

Emergency Purchases

In cases of emergencies, the department head or his/her designee may purchase directly from any vendor supplies or services whose immediate procurement is essential to prevent delays in work that may affect the life, health, or safety ~~or convenience~~ of Village of Pinehurst employees or citizens.

The user department shall exercise good judgment and use established vendors when making emergency purchases. Always obtain the best possible price and limit purchases to those items emergency related. Not anticipating needs does not constitute an emergency situation. First, the department should determine if a true emergency does exist. Second, the department should anticipate needs and avoid emergency situations whenever possible.

During working hours, the following procedure should be used for emergency purchases:

Contact the Financial Services Department and supply all pertinent information to obtain a purchase order. The information needed will include the vendor name, item(s) to be purchased with quantities, expenditure account to which the item(s) should be charged and the reason for the emergency purchase. After verifying available funds, a purchase order number will be issued for the expenditure and the purchase order will be distributed accordingly. ~~Should~~ If the purchase will over encumber the account balance, a ~~Request for Transfer of Funds~~budget amendment ~~form~~ will need to be completed as soon as possible.

After working hours, the following procedure should be used for emergency purchases:

> The ~~packing slip or~~ invoice received should be coded with the account(s) to be charged and signed by the individual receiving the goods or services. The department head should ~~approve the purchase and attach a~~ complete the *Explanation for Delay of Purchase Order Request Form*. This form will then be signed by the department head, forwarded to their immediate supervisor for approval and then forwarded to the Village Manager, or his/her designee, for final approval. Once the Village Manager has approved the form, the Village Manager will send the form to Financial Services to authorize the payment of the invoice. Financial Services will not issue payment of the invoice without an approved *Explanation for Delay of Purchase Order Request ~~F~~form*.~~brief explanation of the nature of the emergency, verify the availability of funds, and forward any documents immediately to the Financial Services Department for payment.~~

Emergency purchases, although sometimes necessary, are costly both in time and money. The use of emergency procedures should be limited and will be monitored for abuse.

Call-In Request for Purchase Orders

Call-in requests for purchase orders will be used for emergency situations only. However, ~~faxing~~ scanning and emailing requests with the appropriate backup for rapid expedition is acceptable.

Purchase Order Cut-Off Date

Purchase requests for materials, supplies, services and equipment (not included in blanket purchase orders or service contracts) for the ending current fiscal year must be submitted to the Financial Services Department no later than June 1. Purchase requests of a routine nature that could have been scheduled prior to June 1, and are not critical, will be returned to the department for disposition in the new fiscal year. This procedure is necessary to allow for the delivery and receipt of the goods by the end of the fiscal year.

Sole Source of Supply

In the event there is only one vendor capable of providing a particular good or service, the competitive pricing procedures outlined in this manual may be waived by the ~~Director of Financial Services for purchases in the informal range~~approval of the Village Council. Whenever a department head or his/her designee elects to purchase goods or services from a "sole source", he/she shall document on the request why only one company or individual is capable of providing the goods or services required. The provisions of G.S. §143-129(e)(6), which requires Council to allow for this sole source exception, will be applied.

State of North Carolina Purchase Contract

Departments may utilize the State of North Carolina Department of Administration Purchase and Contract Division whenever possible for procurement of capital and non-capital items. This system expedites the purchase of goods, offers pricing compatible with quotes received from formal and informal bids, and satisfies North Carolina General Statutes. Examples of goods on state contract are: law enforcement vehicles, office furniture, copiers, janitorial supplies, copier paper, and light bulbs. Contact the Financial Services Department with questions about which goods are on State Contract.

Cooperative or Group Purchasing Programs

Under North Carolina General Statute 143-129(e)(3) departments may make purchases from suppliers who are selected through a group purchasing program that is a "formally organized program that offers competitively obtained purchasing services at discount prices to two or more public agencies". Items selected for purchase from these contracts are not subject to informal or formal bidding requirements. Financial Services maintains membership in several such programs. Current information regarding these programs can be found on the Financial Services Self-Service page on the intranet.

Professional Services

Normal competitive procedures cannot be utilized in securing professional services such as attorneys, engineers, planners, and other professional people who, in keeping with the standards of their discipline, will not enter into a competitive bidding process. When an agreement between a professional service company and the Village is established, a purchase order with a NTE amount shall be issued to satisfy accounting and statutory requirements. A copy of the contract should be provided to support the purchase order. Architectural, engineering, and surveying contracts will also be subject to a qualification based selection (QBS) process per NCGS 143-64.31.

Purchasing Calendar: Capital and Non-Capital Equipment

In order to secure financing and maintain the fixed asset records for the fiscal year, the departments should try to complete all capital purchases no later than February 15 with delivery scheduled no later than May 15, if at all possible.

~~Vehicle and Equipment Repair: Outsourcing of Service~~

~~The Fleet Maintenance Dept. shall handle the procedures for outsourcing vehicle and equipment repairs, such as body repair, engine rebuilding, or any other service. The Director of Fleet Maintenance should submit written estimates showing separate labor, material(s), and towing costs to the Financial Services Department with the completed *Request to Purchase Form.*~~

COMPETITIVE BIDS

Formal Bids-Apparatus, Supplies, Materials, & Equipment ($90,000 and Greater)

In order to purchase supplies, apparatus, materials or equipment with an expenditure of $90,000 or more, the department head or his/her designee, in conjunction with the ~~Director of~~ Financial Services Director, shall develop and prepare specifications for bidding. The department head shall be responsible for ensuring that all North Carolina General Statutes are satisfied, including, but not limited to, newspaper advertisement and receipt of sealed bids. These requirements are outlined in NCGS §143-129.

After receipt of all bids, the department head or his/her designee, shall review ~~all~~the bid responses to determine the bid deemed in the best interest of the Village. The department head or his/her designee shall make a formal recommendation of award, with supporting documentation to the ~~Director of~~ Financial Services Director, Village Manager, and the Village Council.

Upon Village Council approval of the recommendation, the responsible department head shall initiate the purchase order process and upon receipt of the issued purchase order, the department head may place the order with the successful bidder(s).

Informal Bids-Supplies and Materials ($5,000 - $90,000)

The department head shall utilize the informal bidding process for purchases greater than $5,000 and up to $90,000, in accordance with NCGS §143-131. The informal bidding process requires that competitive pricing be obtained in ~~a written manner~~writing from the bidders. Requests for quotes are sent to several sources that can supply the product(s) desired. Upon receiving the quotes and selecting the vendor, the department head shall forward a *Request to Purchase Form* to the Financial Services Department who will generate a purchase order. Copies of the written quotations submitted by vendors should accompany the *Request to Purchase Form* along with the basis for selecting the vendor chosen.

Purchases of Supplies and Materials (Less than $5,000)

Every effort should be made to obtain three (3) written quotes when expending public funds of less than $5,000. Once the department head determines the quote that is in the best interest of the Village, he/she or his/her designee should complete a *Request to Purchase Form* and forward it to the Financial Services Department, along with copies of the written quotes received. ~~One method of documenting quotes is to use~~Quotes should be summarized on the *Vendors Requested to Quote Form* ~~in Exhibit E~~. This form can be especially useful for documenting verbal quotes. If other documentation is supplied, the department should provide all of the information ~~listed in Exhibit E~~ with their submission to Financial Services. The Finance Technician will then generate a purchase order.

CONSTRUCTION AND REPAIR WORK

Formal Construction or Repair Contracts ($~~300,000~~500,000 and greater)

Construction contracts within this range shall be the responsibility of the department head, engineer, and other Village officials as deemed necessary. These officials are responsible for specification development. G.S. §143-128 details the five alternative bidding methods for building construction and repair contracts. G.S. §143-128.2 defines historically underutilized business (HUB) participation goals and requirements. Per Ordinance #93-7, it is the Village's policy to have a verifiable goal of five (5%) percent for participation by historically underutilized businesses in building construction contracts awarded pursuant to G.S. §143-128.

After the formal bidding process has been completed, the department head or his/her designee shall recommend to the Village Council the lowest responsible, responsive bidder deemed in the best interest of the Village. Upon award by the Village Council and execution of the contract, the department head shall initiate a *Request to Purchase Form* so that a purchase order can be generated to encumber the expenditure account.

Informal Construction or Repair Contracts (Less than $~~3~~500,000)

Construction, renovation or repair work of less than $~~3~~500,000 shall be the responsibility of the department head, the contracted engineer and other Village officials as deemed necessary. The bid award will be made to the lowest responsible, responsive bidder, upon recommendation by the department head. Under G.S. 143-131(b) for construction or repair projects departments are required to document their good faith effort to solicit historically underutilized businesses. Upon approval by the Village Manager and execution of the contract, the department head or his/her designee shall initiate a *Request to Purchase Form* so that a purchase order can be generated to encumber the expenditure accounts. The department is also responsible for contacting the successful bidder(s).

HISTORICALLY UNDERUTILIZED BUSINESSES

For building construction (vertical construction with walls and roof) projects above \$300,000, the Village must follow prescribed requirements in the Village's Minority Business Outreach Plan (MBOP). The formal bidding limit for construction is \$500,000, but for HUB reporting, the limit is \$300,000. For projects in this range, departments should contact the Financial Services Director for assistance in following those guidelines.

For building construction, maintenance, or repair projects in the \$30,000 - \$300,000 informal range, departments must make the following "good faith" efforts.

1. Solicit HUB participation in contracts,
2. Document efforts to recruit HUB participation,
3. Maintain records of HUB contractors solicited, and
4. Report all data on HUB participation efforts to the N.C. HUB Office.

Good faith efforts should be recorded on a HUB Informal Reporting Form and submitted to the Financial Services Director. This form will be the basis for a report to the NC HUB Office.

The Finance Department maintains a list of minority owned (HUB) businesses in Moore County in the intranet that may be of assistance to departments in soliciting HUB bids.

VERIFICATION OF BIDS RECEIVED

When a *Request to Purchase Form* is submitted for the purchase of supplies, materials, or equipment, the Financial Services Department will periodically verify bid information provided by vendors directly with the vendors. All bids received should accompany the *Request to Purchase Form*, regardless of the bid selected. In addition, a listing of the vendors who were asked to propose on the goods/services should be provided on the *Vendors Requested to Propose Form*.

SPECIFICATIONS

When goods or services are procured under the formal or informal bidding process, specifications must be prepared. All specifications, should do at least four things:

1. Identify minimum requirements,
2. Encourage competitive bids,
3. Be capable of objective review, and
4. Provide for an equitable award at the lowest possible cost.

Specifications shall be as simple as possible while maintaining the degree of exactness required to prevent bidders from avoiding supplying the goods or services required or otherwise taking advantage of their competitors.

All specifications utilizing a name brand must include the term "or approved equal" to avoid being restrictive and eliminating fair competition from the bidding process.

Different methods of structuring specifications include:

1. Qualified products on acceptable vendor list,
2. Specification by blueprint or dimension sheet,
3. Specification by chemical analysis or physical properties,
4. Specification by performance, purpose or use,
5. Specification by identification with industry standards, or
6. Specification by samples.

DELIVERY AND PERFORMANCE

A completed and accepted purchase order by the parties concerned must produce the intended results or objectives before it can be considered a successful or completed purchase. The terms and conditions must clearly define the delivery and performance requirements of the services, supplies or equipment.

The importance of the delivery schedule should be emphasized to the vendor. Delivery requirements should be clearly written and fully understood by all vendors. If several items are required by the purchase order, there may be a different delivery schedule for each item. It is important to clearly indicate the delivery location on the *Request to Purchase Form*.

Partial Deliveries

Some purchase orders may list several items. It is possible the vendor may complete timely delivery on some items, which are referred to as "partial deliveries". Upon receipt of a partial delivery, the department should attach a copy of the signed delivery receipt, indicate “Partial Delivery” and forward to the Financial Services Department.

Non-performance

If a vendor fails to meet any requirements(s) of the specifications or terms and conditions of the contract or purchase order, the vendor can be cited for non-performance. The seriousness of non-performance will be evaluated based upon the circumstances of each violation. ~~Specific types of non-performance are discussed in Section 11.~~

INSPECTION AND TESTING

Life and safety as well as successful operation of expensive equipment and supplies may depend upon how well a purchased item meets the design and performance specifications.

Goods and materials should be checked at the time of receipt for damage or defects. The inspection shall include assuring goods comply with the specifications. If damage is found or the goods fail to comply with the specifications, the item(s) shall be rejected as outlined below.

Rejection

In order to protect the Village's rights in the event of rejection, for whatever reason, the vendor shall be informed as soon as possible. Reasons for the rejection must be documented in memo form and forwarded to the Financial Services Department in a timely manner. It is the department head's or his/her designee's responsibility to notify Financial Services and the vendor of the reason for the rejection within three (3) business days if another employee received and signed for the goods.

Damaged Goods

One of the major reasons for immediately inspecting the goods or materials upon receipt is to detect any visible damage. When it is apparent that the extent of the damage causes the goods to be worthless, they will not be accepted. It is necessary that all damage including evidence of concealed damage shall be documented by memo and forwarded to the Financial Services Department. The department head or his/her designee is responsible for informing the vendor and Financial Services of the damaged goods within three (3) business days if another employee received and signed for the goods.

Latent Defects

Latent defects may be the result of damage in transit or failure of the manufacturer to conform to specifications. Consequently, it is often difficult to fix responsibility for the defective material. If specific liability for the defect cannot be determined between the carrier, the vendor, or the manufacturer, the Village may file a claim against all parties. A memo explaining the defects must be forwarded to the Financial Services Department to ensure all parties involved are properly informed. The department head or his/her designee is responsible for informing the vendor and Financial Services of the damaged goods within three (3) business days if another employee received and signed for the goods.

VENDOR RELATIONS

Good vendor relations are valuable business assets established through mutual confidence and satisfactory business relationships between buyer and seller. An important contribution toward promoting and preserving these relations is a clear understanding of the method of contract between buyer and seller.

OTHER

No employee or official should derive a direct personal benefit from any contract or purchase. Also, employees should not accept gifts or favors from vendors per G. S. 133-32 and the Village's Ethics Policy AD-150.

Departments do not have the authorization to commit in writing, or verbally, future Village business to vendors.

AFTER THE ORDER

The procurement function is not accomplished by simply placing an order with a supplier. Satisfactory delivery must also be made. To insure delivery will be made when required, follow-up is necessary.

Follow-up or expediting delivery of an order is part of the purchasing process and can be more efficiently handled by the purchasing party.

The Financial Services Department shall on a regular basis review outstanding purchase orders to determine if vendors are delinquent in shipping the items requested or providing the services requested. The Department head or his/her designee should contact vendors directly concerning any delinquent deliveries.

The Financial Services Department shall contact vendors concerning invoice discrepancies and shall have the authorization to approve or disapprove invoice amounts.

EXHIBIT A

EXAMPLES OF PURCHASES NOT REQUIRING A COMPLETED REQUEST TO PURCHASE FORM

The following items are not required to obtain a purchase order prior to their purchase:

~~Advertising (legal ads, radio announcements, etc.)~~
~~Annual dues~~
Claim payments
~~Contracted labor~~
Insurance premiums
~~Medical examinations~~
~~Memberships~~
Petty cash - replenishment of funds
~~Postage permits and expenses~~
Refunds

~~Rental of buildings~~
~~Subscriptions~~
Tuition fees for educational purposes
Utilities

	VILLAGE OF PINEHURST **STANDARD PROCEDURE**

SUBJECT: **Capital Assets Policy**	Effective Date: 10/10/2004
Department: Financial Services	
Prepared by: Financial Services Director, John Frye	Policy No.: FIN-503.1
	Revised: 02/28/2017
Approved by: Village Council Resolution #17-XX	# of Pages: 6

PROCEDURE PURPOSE:

To establish and maintain complete and accurate capital asset records.

POLICY:

The Village of Pinehurst adheres to the rules and regulations established by the Governmental Accounting Standards Board (GASB) and North Carolina general statues for the recording and accounting of capital assets. Local governments are required by G.S. 159-26(b)(8) to maintain "a ledger or group of accounts in which to record the details relating to the general capital assets of the unit."

Capital asset records are required under Generally Accepted Accounting Principles (GAAP) and are necessary for the local government's auditor to render an unqualified audit opinion on its financial statements. Also, capital asset information is required for a Comprehensive Annual Financial Report to qualify for the Government Financ~~ial Services~~e Officers Association's Certificate of Achievement for Excellence in Financial Reporting.

OVERVIEW:

Capital assets are assets that are tangible in nature~~,~~ and have a useful life longer than one year. The Village depreciates assets that have a cost of **$5,000** or more ~~or more ($50,000 or more for infrastructure)~~. They are classified as land, infrastructure, buildings, furniture & fixtures, equipment, vehicles, and construction in progress. Capital assets can be both movable and immovable. Items of insignificant value, while they may meet the above criteria are normally expensed instead of being considered capital assets.

A capital asset is considered a capitalized purchase subject to depreciation if it meets the following conditions:

- The item meets the dollar and life criteria and is designed to stand alone in its normal function.
- The item enhances, upgrades, expands, or increases the life of an existing capitalized item. A major repair would qualify to be capitalized if it does extend the life, **and** enhances the value of a capital asset.

Items that are not capitalized are those that function alone but do not meet the dollar and life criteria. These items must be charged as expenditures in the year of acquisition. The following conditions provide further definition of items that are not capitalized.

- Individually purchased component items costing less than $5,000.
- A replacement item that replaces part of a system but does not significantly enhance the life of the system. If an item is purchased as replacement for a system component or repair part, it is not a capital expenditure, regardless of the cost. Examples are a dump body for a truck, a bush hog for a tractor or a front-end loader for a tractor.

Capital assets containing separate physical parts (i.e. CPU, monitor and keyboard) are not considered one asset having one or more component parts. Each separate physical part is considered to be a separate asset and is individually evaluated to determine if capitalization criteria are met.

CONTROL:

Capital Assets are added to the Financial Services Departments asset inventory list by the Financial Services Department. Upon payment of the invoice, the Finance Technician will add the Capital Asset to the inventory list.

It is the responsibility of each Department Head to accurately maintain an Asset Inventory list for their respective departments and to maintain secure control of their assets. Individual departments are also responsible for maintaining non-capitalized assets under their control. The Financial Services Department is responsible for maintaining the computerized reports of capital assets owned by the Village.

The Financial Services Department will maintain a comprehensive Asset Inventory List for each Department. Semi-annually, a copy of the asset inventory will be given to the Department Heads for their review. Each Department Head will check their inventory of capital assets semi-annually to verify the accuracy of the list provided by the Financial Services Department and report any discrepancies to the Financ~~ial~~e Technician.

Throughout the year, Department Heads should notify the appropriate department when a capitalized asset is no longer of use to the department by completing the Capital Asset Inventory Control Form~~ (Exhibit A)~~. The Personal Property Disposition Policy (Policy No.: FIN-504.1) will be followed to dispose, transfer or donate any capitalized asset that is declared surplus. Those assets meeting the capital asset criteria and included on the Department's Asset Inventory List or those assets included on the Department's non-depreciable inventory list need to be reported.

Department Directors are responsible for conducting a full physical inventory of all capital assets at the end of each fiscal year and reconciling the physical inventory to the Asset Inventory List. The Financial Services department ~~will then perform some test counts of the capital asset inventories in each department on the last two business days of every fiscal year to ensure the assets have been properly counted and reconciled.~~will conduct a bi-annual physical inventory of all current capital assets, identifying assets in use, and noting any assets that have been scrapped, sold, or transferred to other departments. This bi-annual physical inventory is typically performed the last week in May.

CLASSIFICATIONS ~~and~~ AND COST BASIS

All capital assets meeting the criteria described herein that are owned by the Village of Pinehurst are recorded in the accounting records. Accounting classifications of capital assets and the criteria used to determine the cost basis of the Village's capital assets are as follows:

Land – A capital asset account that reflects the acquisition value of land and the rights to land owned by the Village of Pinehurst. It includes all land held in fee simple and all rights to land that have no termination date.

If the land is purchased, the valuation includes such costs as purchase price, legal fees, filling and excavation, and other costs directly related to the acquisition of the land and its preparation for use. ~~Rights of way and easements are recorded at purchase cost plus legal costs.~~ If land is acquired by a gift, the valuation recorded should be the ~~appraised~~ acquisition value at the time of ~~acquisition~~receipt. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date, or the amount at which a liability could be liquidated with the counterparty at the acquisition date. Proceeds from the salvaging of any assets removed from the land reduce the land's cost (i.e. funds received from the sale of the components of an existing building on the land).

Right-of-Ways – A capital asset account that reflects the strip of land acquired for use as a public street. Street construction assets are recorded as infrastructure.

If the right-of-way is purchased, the valuation includes such costs as purchase price and legal fees. If a right-of-way is acquired through a gift, the valuation is recorded at the acquisition value at the time of receipt.

Infrastructure – A capital asset account that reflects the acquisition value of permanent improvements (other than buildings) that add value to the land or improve the use of the land, and recording of infrastructure type assets. Examples of such improvements are: fences, retaining walls, drainage systems, sidewalks, parking lots, driveways, roads, bridges, curbs and gutters, etc.

Note that when used with capital assets, the terms improvement and betterment have different meanings. Improvements are capital assets permanently attached to land. Betterments are additions to or changes in existing depreciable assets intended to increase their efficiency or prolong their useful lives.

If purchased or constructed, the valuation includes such costs as the purchase price, acquisition legal fees, and other professional fees (related to design or construction). If acquired by gift, the valuation recorded should be the ~~appraised~~ acquisition value at the time of ~~acquisition~~receipt.

Buildings and Improvements – A capital asset account that reflects the acquisition value of permanent structures owned by the Village of Pinehurst used to house persons and property. Permanently installed fixtures to or within these structures are considered parts of the structure. The costs of major improvements to structures are included in this account.

If purchased or constructed, the valuation includes such costs as the purchase price, acquisition legal fees, and other professional fees (related to design or construction). If acquired by gift, the valuation recorded should be the ~~appraised~~ acquisition value at the time of ~~acquisition~~receipt.

Furniture & ~~Fixtures~~Equipment – A capital asset account that reflects the value of tangible property not permanently affixed to real property, used in carrying out the operations of the Village of Pinehurst.~~A capital asset account that reflects the value of tangible property that is used within the facilities of the Village of Pinehurst.~~

The basis of valuation of purchased furniture & ~~fixtures~~ equipment includes the net contract price, transportation charges, and the cost of installing special devices or other preparations required to ready the asset for its intended use. The basis of valuation of donated furniture & fixtures is the ~~appraised~~ acquisition value at the date acquired.

~~**Equipment & Machinery** – A capital asset account that reflects the value of tangible property not permanently affixed to real property, used in carrying out the operations of the Village of Pinehurst.~~

~~The basis of valuation of purchased equipment and machinery includes the net contract price, transportation charges, and the cost of installing special devices or other preparations required to ready the asset for its intended use. The basis of valuation of donated equipment is the appraised~~ acquisition ~~value at the date of acquisition~~receipt~~.~~

Vehicles – A capital asset account that reflects the value of motor vehicles owned by the Village of Pinehurst.

The basis of valuation of purchased vehicles includes the net contract price; taxes, tags and titles; transportation charges; and the cost of installing special devices or other preparations required to ready the asset for its intended use. The basis of valuation of donated vehicles is the ~~appraised~~ acquisition value at the date ~~acquired~~received.

Construction in Progress – A capital asset account used when a government reports amounts expended on an uncompleted building or other capital construction project. When the project is complete, the cumulative costs are transferred to another appropriate capital asset account. These subclasses such as buildings, improvements, and equipment might be used.

If purchased or constructed, the valuation includes such costs as the purchase price, acquisition legal fees, and other professional fees (related to design or construction). If acquired by gift, the valuation recorded should be the ~~appraised~~ acquisition value at the time of ~~acquisition~~receipt.

ESTIMATED USEFUL LIFE

Most capital assets incur physical deterioration through usage and the passage of time. Although care and maintenance may succeed in extending the physical life of an asset, typically it will, eventually, reach a condition where the benefits have been exhausted.

Based on the historical use and replacement of the Village's capitalized assets, the following ranges will be used as guidelines in setting the estimated useful lives for asset reporting under GASB 34:

ASSET CLASS	ESTIMATED USEFUL LIFE
Right-of-Ways	40 Years
Infrastructure	20 – 40 Years
Buildings & Improvements	20 Years
Furniture & ~~Fixtures~~Equipment	~~5~~3-10 Years
~~Equipment & Machinery~~	~~3 – 10 Years~~
Vehicles	4 – 20 Years

~~A list of types of assets within each asset class and their estimated useful life is detailed in Exhibit B.~~

Note that the service potential of Land and CIP do not diminish with time or use and are not depreciated. Therefore, establishing an estimated useful life is not necessary.

The Financial Services Department will review the estimated useful lives of capital assets once established and, if necessary, make changes to the standard estimated useful life to reflect changes in the condition of the asset or its use.

DEPRECIATION

The Village obtains benefit from a capital asset over several years. By accepting that the life of a capital asset is limited, the Village accounts need to recognize the benefits of the capital asset as it is "consumed" over several years. This consumption of a capital asset is referred to as depreciation.

Depreciation is defined as "the wearing out, using up, or other reduction in the useful economic life of a tangible fixed asset whether arising from use, passage of time or obsolescence through either changes in technology or demand for goods and services produced by the asset."

Depreciation accounting is the systematic and rational allocation of the recorded cost of depreciable capitalized assets over their estimated useful lives. The Village will depreciate eligible assets using the straight-line method over the estimated useful life of the asset. The first year of depreciation will be calculated for six months only, regardless of when the asset was added during the year, or utilizing the half-year convention.

SUMMARY

The Village's policy is to capitalize assets with an estimated useful life of more than one year and a total cost of $5,000 or more ~~($50,000 or more for infrastructure)~~. The Village depreciates eligible assets using the straight-line method over the estimated useful life of the asset.

To insure the consistent recording of annual depreciation amounts for similar assets, the standards for estimating the useful lives of capital assets recorded on the Village's books, are outlined in the table contained within this document.

This document replaces all previous versions of this policy in their entirety.

Financial Policies Master Listing

Policy	Resolution	Action
Fees & Charges Policy	#17-03	None
Fund Balance Policy	#12-62	None
Investment Policy	#10-07	None
Write-Off of Uncollectible Accounts	#12-34	None
Capital Assets Policy	**#10-03**	**Update**
Personal Property Disposition Policy	**#08-04**	**Update**
Purchasing Policy & Procedures	**#13-48**	**Update**
Purchasing Card (P-Card) Program Policy	**#10-03**	**Update**
Travel Expense & Reimbursement Policy	**#10-03**	**Update**

	VILLAGE OF PINEHURST **STANDARD PROCEDURE**

SUBJECT: **Personal Property Disposition Policy**	Effective Date: 02/01/2007
Department: Financial Services	
Prepared by: Financial Services Director, John Frye	Policy No.: FIN-504.1
	Revised: 02/28/2017
Approved by: Village Council Resolution #17-XX	# of Pages: 5

PROCEDURE PURPOSE:

To provide a standard procedure for declaring personal property as surplus and disposing of surplus personal property in such a manner as to secure the highest dollar value to the Village.

POLICY:

To dispose of personal property in accordance with North Carolina General Statutes Chapter 160A, Article 12 and Village Ordinance #08-04.

To prevent conflicts of interest, the Village prohibits the disposition of any surplus property to Council members, as well as any other officials or employees actively involved in the decision-making process for the disposition of the asset. The prohibition also extends to the immediate families of the Council members as well as the family members of the affected officials and employees.

OVERVIEW:

To establish the procedures to notify the Village Manager when personal property is no longer of use in the daily operations of the Village and to establish the steps that are involved in the processing of the disposition of any such personal property.

PROCEDURES:

Issuance of Request to Surplus Personal Property

For any furniture, fixture, equipment or vehicle that is no longer of use in the daily operations of the Village, the department head or designee that has budget responsibility for the property should request that the Village Manager approve that the personal property be disposed of by completing a Request To Surplus Personal Property form ~~(Exhibit A)~~. The requisition should describe the surplus item (including the year, make and model), the VIN or Serial number, the mileage if the surplus property is a vehicle, and the class code. If there is additional information that would be beneficial to obtaining the highest value for the Village, then that information should be noted in the comments/special considerations section of the form. This includes optional equipment on vehicles such as air conditioning, power windows and door locks, tilt wheel, etc.

If the surplus personal property is a vehicle, the department head should forward the Request to Surplus Personal Property form to the Fleet Maintenance department head for approval, after they have completed the form. The Fleet Maintenance department head should approve and forward the completed form to the Village Manager for final approval. If final approval is given, then the Village Manager will forward the signed requisition to the Financial Services Department for disposal of the property.

~~Timeline~~

~~Upon receipt of the approved Request to Surplus Personal Property, the Finance Technician should begin completing the Timeline worksheet (Exhibit E). One Timeline worksheet should be completed for all assets that are to be included in one notice of sale. The purpose of the Timeline worksheet is to insure compliance with the time periods between notice and sale of surplus personal property prescribed in the G.S. Chapter 160A, Article 12.~~

Surplus Personal Property Information

A ~~s~~Surplus ~~p~~Personal ~~p~~Property ~~i~~Information ~~s~~Sheet ~~(Exhibit B)~~ will be used to describe the property available for sale or exchange, indicate whether or not a bid was accepted, to whom it was sold, or with whom exchanged, and the amount of money or other consideration received for each sale or exchange. ~~After receipt of the approved requisition to surplus personal property, the Finance Technician should complete a surplus property information sheet for each item on the requisition.~~ The information sheet should include the property description and the VIN or Serial number (both matching the requisition), fixed asset number, the placed in service date, the net book value and the estimated fair market value. Because it is generally unconstitutional for a local government to dispose of property for less than its fair market value, for items not sold at public auction, the Finance Technician should determine the estimated fair market value by using the most independent and verifiable means available. Support for determining the fair market value should be attached to the surplus personal property information sheet. For items sold at public auction, the final sale price is considered the market value of the item sold. ~~After completing an information sheet for each surplus item, the Finance Technician should attach a copy of the approved requisition to each information sheet and file in a pending sale file.~~

Special consideration must be given to property that was acquired with Grant proceeds. First, the Finance Technician should determine whether or not the property was purchased with Grant proceeds. If it was, then the Finance Technician should determine whether or not the Grant specifies that any funds recouped from its disposition must be returned to the Grantor Agency. If both of these conditions exist, the Finance Technician should mark the "Yes" box on the Surplus Personal Property Information Sheet or otherwise mark "No".

At least semi-annually, the Village will offer the surplus personal property for sale according to the guidelines and limitations for the sale and disposition of personal property as described in G.S. Chapter 160A, Article 12 and Council Ordinance #08-04.

Ten (10) days prior to the offer to sale date, the Finance Technician will notify all Department Heads of the details of the surplus property that is available for sale so that if necessary, they can claim the property for use in their department. All surplus property remaining unclaimed after the ten days will be included in the offer to sale.

Methods of Sale

The Village adheres to the guidelines and limitations for the sale and disposition of personal property as described in G.S. Chapter 160A, Article 12. Subject to certain limitations the Village may dispose of personal property by:

(1) Private negotiation and sale;
(2) Advertisement for sealed bids;
(3) Negotiated offer, advertisement, and upset bid;
(4) Public auction (including electronic auction); or
(5) Exchange

Private negotiation and sale may be used only with respect to personal property valued at less than thirty thousand dollars ($30,000) for any one item or group of similar items. Personal Property valued at thirty thousand dollars ($30,000) or more for any one item or group of similar items may be exchanged by private negotiation if the Village receives a full and fair consideration in exchange for its property, or may be sold by any method documented above other than private negotiation and sale, except as permitted in G.S. 160A-277 and G. S. 160A-279.

The Village Council adopted Ordinance #00-1 which was amended by ~~Ordinance #08-04~~ Ordinance #17-XX that prescribes procedures for disposing of personal property valued at less than ~~five~~ ten thousand dollars ($~~5,000~~10,000) for any one item or group of items. The Ordinance authorizes the Village Manager to declare surplus any property valued at less than ~~five~~ ten thousand dollars ($~~5,000~~10,000) for any one item or group of items, to set its fair market value, and to convey title to the property for the Village in accord with the regulations. The completion of the request to surplus personal property and the surplus personal property information sheet is intended to assure compliance with the General Statute and Village Ordinances.

For disposing of personal property valued at ~~five~~ ten thousand dollars ($~~5,000~~10,000) or more for any one item or group of items, the Village Council shall at a regular council meeting adopt a resolution authorizing the Village Manager to dispose of the property by one of the methods of sale noted above which is permitted in G.S. 160A-266(a). A notice summarizing the contents of the resolution shall be published once after its adoption, and no sale shall be consummated thereunder until 10 days after its publication.

Notice of Sale

At least semi-annually the Finance Technician will identify the personal property items that are available for sale and initiate the process to dispose of any such surplus personal property by any means which he or she judges reasonably calculated to yield the highest attainable sale price in money or other consideration, including but not limited to the methods of sale provided in Article 12 of N.C. General Statutes Chapter 160A and Village Ordinance #~~08-04~~17-XX.

For items offered by public notice, the notice should describe the property, include an "as is" clause, and provide the location for inspection. The notice should also provide instructions for the bid submission including the deadline, method of bidding (i.e. in person, by mail, fax or phone), and the name and contact information for bid submission ~~(Exhibit C)~~. Bids may be accepted at any time after the notice of sale is published. However, the personal property may not be sold sooner than 10 days after the notice has been published. In computing the 10 days, the Finance Dept. should not count the day of publication but should compute the last day of the required waiting period. If the last day is a Saturday, Sunday or holiday, it is not counted, and the time period ends at the end of the next day that is not a Saturday, Sunday or holiday.

Processing Published Bids

For surplus property valued at less than ~~five~~ ten thousand dollars ($~~5,000~~10,000) for any one item or group of items, the process outlined in Ordinance #~~08-04~~17-XX will be followed. All bids will be reviewed by the Finance Technician. ~~The Finance Technician should update the surplus personal property information sheet using the information from the bid form. The Finance Technician should forward the surplus personal property information sheets to the Finance Director for acceptance.~~ If accepted, the Finance Technician will note the successful bidder's name on the information sheet, notify them that they are the successful bidder and arrange for pickup of the personal property. The procedures as outlined in the terms and conditions of sale ~~(Exhibit C)~~

should be followed by the Finance Technician to complete the sale process. The Village Manager or his designee's signature should be obtained on any applicable title documents at the time of payment in full.

~~The Finance Technician should take a copy of the check, credit card receipt, or money order and attach it to the surplus personal property information sheet. If cash is received, the Finance Technician should attach a copy of the cash receipt voucher to the surplus personal property information sheet.~~ After obtaining the signed title documents, the Finance Technician should attach a copy of the signed title document to the surplus personal property information sheet and enter the sale of the personal property in the fixed asset system, stamp the surplus personal property information sheet posted and file. All records should be retained for a minimum of three (3) years from the date of the sale, as evidenced by the date on the cash receipt voucher or check.

Once posted, if the sold personal property was originally purchased with Grant proceeds and the Grant specified that any proceeds received upon disposition of the property must be returned to the Grantor Agency, then the Finance Technician will forward a copy of the Surplus Personal Property Information Sheet stamped 'posted' to the Finance Technician. The Finance Technician should prepare a disbursement payable to the Grantor for the amount of the sale.

If the highest bid is less than the estimated fair market value, the Finance Director may reject the offer. If the highest offer is rejected by the Finance Director or no offers are received for the property, the surplus property may be retained for future sale, disposed of to obtain any reasonably available salvage value, or disposed of as waste material. No surplus property may be donated to any individual or organization except as allowed by the G.S. and approved by resolution of the Village Council.

For surplus property valued at ~~five~~ ten thousand dollars ($~~5,000~~10,000) or more for any one item or group of items, bids will be processed in compliance with General Statute Chapter 160A, Article 12 applicable to the method of sale.

Financial Services Policy Review – FY 2017

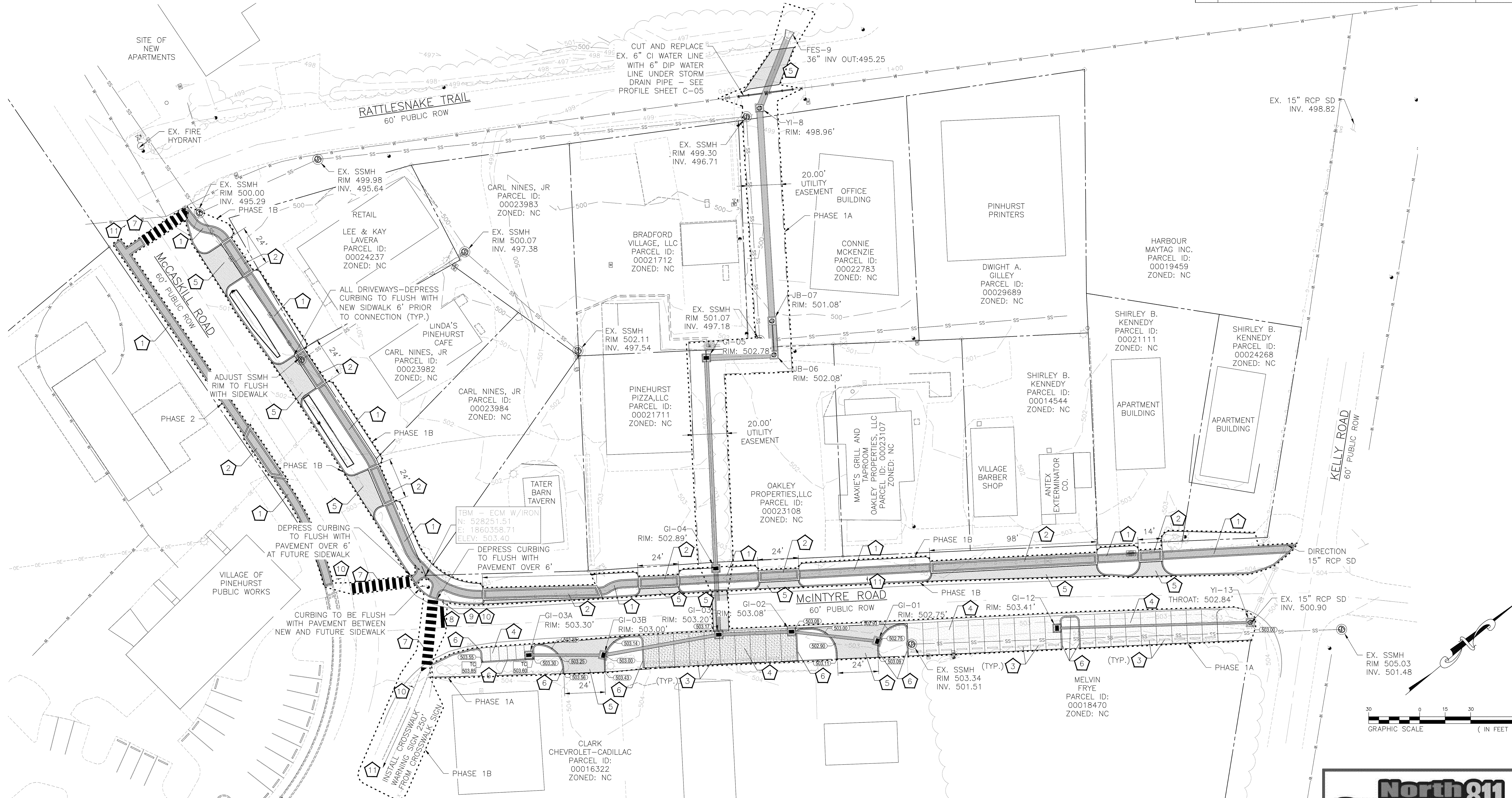
Summary of Recommended Policy Changes

1. All Polices
   a. Removed forms and other attachments
   b. Removed policy references to exhibits and attachments
   c. Updated policy header and formatting to current convention
2. Capital Assets Policy
   a. Removed parenthetical reference to infrastructure capitalization threshold of $50,000 (p. 1)
   b. Updated the capital asset physical inventory process language to reflect a full inventory every two years by Financial Services staff in the month of May (p. 3)
   c. Added right-of-ways as a capital asset classification as they are presented in the Village's financial statements (p. 3)
   d. Combined the Furniture & Fixtures and Equipment & Machinery asset classification into one classification, Furniture & Equipment as presented in the Village's financial statements (p. 4)
   e. Changed the valuation method for donated capital assets from appraised value to acquisition value per GASB Statement 72 requirement. (p. 3)
3. Personal Property Disposition Policy
   a. Raise the dollar value of items the Village Manager can declare surplus from $5,000 to $10,000 (will require a new resolution to update #08-04) (p. 3)
   b. Clarified language that family members of employees involved in the disposal of assets are prohibited from receiving disposed property (p. 1)
   c. Remove the requirement to use a Timeline Worksheet (p. 2)
   d. Added language stating that the value of items sold at public auctions is deemed to be at "market value" (p. 3)
   e. Increase required asset sales from annually to semi-annually (p. 3)
4. Purchasing Policy & Procedures
   a. Incorporated language to refer to the Village's policy on Historically Underutilized Businesses (HUBs) (p. 1, 13)
   b. Added that bids will be awarded to the lowest responsible, <u>responsive</u> bidder (p. 1)
   c. Removed requirement that an E-Verify form be obtained. The E-Verify requirement is now included with the terms and conditions in all contracts and on all purchase orders (p. 3)
   d. Added the requirement to obtain a Contract Control form for all transactions with a contract document or when a purchase order includes labor to be performed on Village property (p. 3)
   e. Increased threshold for formally bid construction or repair contracts from $300,000 to $500,000 in line with state law (p. 5, 12)
   f. Revised language regarding related party contracts to reflect the Village Ethics Policy (p. 5)
   g. Clarified that PO change order approval will be determined on the new contract total and not on the incremental amount being added to the PO (p. 7)

h. “Convenience” is removed as a justification for emergency purchase (p. 8)
i. Incorporated the “Explanation for Delay of Purchase Order Request” form to emergency purchases section of the policy (p. 9)
j. Sole source language was revised to clarify that this authority rests with the Village Council (p. 10)
k. Added qualification based selection requirement for architect, engineer, and surveyor contracts (p. 10)
l. Removed vehicle and equipment repair as this type of information is not provided for all of the other services the Village procures (p. 11)
m. Revised list of purchase that do not require a purchase order. We currently issue POs for most of these items. Others of these items are below the threshold of when a purchase order is required. (p. 16)

5. Purchasing Card (P-Card) Program Policy
    a. Updated the targeted p-card expenses list (p. 2)
    b. Clarified that the Merchant Category Codes are set by the Financial Services Director (p. 3)
    c. Updated the monthly statement review to reflect approval by the Assistant Financial Services Director (p. 3)
    d. Updated verbiage to conform to changes implemented since the program began (p. 3-4)
    e. Added language to remind cardholders of requirement to request purchase orders for items over $1,000 (p. 6)
    f. Removed the 15 transaction limit per month as this discourages small-dollar purchases for which the program was designed (p. 6)
    g. Updated the Transaction Log submittal deadlines (p. 8)
    h. Updated contact phone numbers (p. 11, 13)
6. Travel Expenses & Reimbursement Policy
    a. Required the Village Manager to review and approve all Travel Authorization Request forms (p. 2)
    b. Added language to clarify that the Village will pay for one checked bag per flight if a free bag is not included in the base airline ticket price (p. 3)
    c. Clarified that since hotel loyalty programs are voluntary, any points accumulated for business travel are available to employees for personal use similar to airline miles (p. 3, 6)
    d. Removed personal auto liability insurance coverage amounts and stated that employees should carry the coverage that is required by law. This has not been monitored or enforced in the past. (p. 5)
    e. Removed the section on Weekend Travel due to concerns regarding public purpose for such expenditures. Also, comparing airline flight costs may be difficult. (p. 8)
    f. Removed the reimbursement for personal calls home due to proliferation of cell phones (p. 9)
    g. Removed the reimbursement for dependent and elder care, as this has never been used and may be difficult to administer (p. 9)

REVISIONS			
SYM.	DESCRIPTION	DATE	BY



NOTES:

1. ALL GENERAL NOTES, ABBREVIATIONS, SYMBOLS, AND OTHER INFORMATION INDICATED ON SHEET C-01 SHALL APPLY TO THIS PLAN.

LAYOUT NOTES:

1. ALL SIDEWALKS SHALL BE 5FT. WIDE.
2. DRIVEWAY TURNOUT RADII SHALL BE LARGEST RADIUS POSSIBLE WITH A MAX. OF 5FT. RADIUS.
3. SIGNS ARE TO BE PROVIDED BY THE VILLAGE OF PINEHURST, THE SIGN POST SHALL BE SUPPLIED BY THE CONTRACTOR AND SHALL BE 4"x4" TREATED LUMBER BURIED 3FT. DEEP IN 12" DIAMETER HOLE WITH CONCRETE POURED TO WITHIN 2" OF FINISH GRADE AND COVERED WITH TOPSOIL. CONTRACTOR SHALL COORDINATE WITH THE VILLAGE OF PINEHURST FOR ABOVE GROUND SIGN POST HEIGHT FOR POST WITH SINGLE OR DOUBLE SIGNS.

SITE KEY NOTING:

SYMBOL	DESCRIPTION	SHEET REFERENCE
1	INSTALL BRICK SIDEWALK	SEE SHT. D-01, #1
2	INSTALL BRICK SIDEWALK AT DRIVEWAY	SEE SHT. D-01, #1
3	INSTALL CONCRETE WHEELSTOP	SEE SHT. D-01, #2
4	INSTALL GRAVEL PAVEMENT	SEE SHT. D-01, #3
5	INSTALL ASPHALT PAVEMENT	SEE SHT. D-01, #4
6	INSTALL BRICK CURBING	SEE SHT. D-01, #7
7	INSTALL PEDESTRIAN CROSSWALK STRIPING	SEE SHT. D-01, #8
8	INSTALL STOP BAR STRIPING	SEE SHT. D-01, #5
9	INSTALL STOP SIGN	PROVIDED BY VOP
10	INSTALL CROSSWALK SIGN	PROVIDED BY VOP
11	INSTALL CROSSWALK WARNING SIGN	PROVIDED BY VOP
	INSTALL SIGN POST	SEE SHT. D-01, #9

PHASE NOTES:

PHASE 1A: SHALL INCLUDE ALL WORK OUTLINED ON THE EAST SIDE OF MCINTYRE ROAD, STORM DRAINAGE WORK TO RATTLESNAKE TRAIL AND REPLACEMENT OF SECTION OF WATERLINE ON RATTLESNAKE TRAIL.
PHASE 1B: SHALL INCLUDE ALL WORK OUTLINED ON THE WEST SIDE OF MCINTYRE ROAD AND THE NORTH SIDE OF MCCASKILL ROAD.
PHASE 2: SHALL INCLUDE ALL WORK OUTLINED ON THE SOUTH SIDE OF MCCASKILL ROAD.

VILLAGE OF PINEHURST CONSTRUCTION PLAN APPROVAL

All Construction Methods and Materials shall be in accordance with the Village of Pinehurst, Moore County Public Utilities, and NCDOT Standards and Specifications. In the event of a conflict between standards, the more stringent shall govern unless a written waiver is issued by the Village Engineer. Utility installations and other Public Facilities, including streets, sidewalks, and handicap ramps, have been approved by the Village of Pinehurst and shall be so installed unless a change is authorized by prior written approval. Public Sanitary Sewer and Utility Easements shall be recorded prior to final acceptance and/or issuance of a Certificate of Occupancy by the Village.

PLAN APPROVAL NUMBER ____________

ENGINEERING ____________

FIRE DEPARTMENT ____________

PLANNING ____________

MOORE CO. PUBLIC UTILITIES ____________

North Carolina 811
www.nc811.org
CALL 811 BEFORE YOU DIG

INFRASTRUCTURE INSPECTION NOTICE TO CONTRACTOR

THIS IS TO ADVISE YOU THE THE VILLAGE OF PINEHURST IS NOW REQUIRING A MINIMUM OF FORTY-EIGHT(48) HOURS OF NOTICE WHEN REQUESTING AN ENGINEERING INSPECTION. INSPECTION REQUESTS MAY BE MADE BY CALLING THE ENGINEERING DEPARTMENT AT 295-1900. ITEMS REQUIRING AN ENGINEERING INSPECTION INCLUDE, BUT ARE NOT LIMITED TO:

1. SUBGRADE INSPECTION/PROOF ROLLING(STREETS, SIDEWALKS, FIRE LANES, ETC.) DENSITY TESTS FROM AN APPROVED GEO-TECHNICAL ENGINEERING FIRM MAY BE REQUIRED.
2. PLACEMENT AND INSPECTION OF BASE COURSE MATERIALS INCLUDING PROOF-ROLLING. DENSITY TESTS FROM A VILLAGE APPROVED GEO-TECHNICAL ENGINEERING FIRM MAY BE REQUIRED/ACCEPTED BY THE VILLAGE.
3. PLACEMENT AND COMPACTING OF PAVEMENT MATERIALS INCLUDING CONCRETE AND ASPHALT SURFACE COURSES. INCLUDES STRINGLINES/GRADE CONTROL, PAVING AND ROLLING OPERATIONS, MATERIAL INSPECTIONS. INSTALLATION OF WATER AND SEWER MAINS AND SERVICES INCLUDING PRESSURE TESTING, PIPE LAYING CHLORINATION OF WATER
4. MAINS, BACTERIAL TESTING, MANDREL PULLS, ETC. NECESSARY TO MEET THE VILLAGE'S UTILITY ORDINANCES. NOTE: THE CONTRACTOR SHALL ALSO CONTACT THE MOORE COUNTY UTILITIES DEPARTMENT ENGINEERING DIVISION AT 947-6315 TO SCHEDULE UTILITY INSPECTIONS AS REQUIRED BY MCPUD.
5. INSTALLATION OF FORMWORK AND PLACEMENT OF CONCRETE(SIDEWALKS, CURB AND GUTTER, ETC.) WITHIN PUBLIC RIGHT OF WAY. INSTALLATION OF STORM DRAINAGE SYSTEMS(PIPES, TRENCHES, CATCH BASINS, FRAMES/GRATES, OUTLET, PROTECTION, ETC.)
6. INSTALLATION OF STORM DRAINAGE SYSTEMS(PIPES, TRENCHES, CATCH BASINS, FRAMES/GRATES, OUTLET, PROTECTION, ETC.)

FAILURE TO SCHEDULE THE REQUIRED INSPECTIONS SHALL BE GROUNDS FOR REJECTION OA ALL WORK NOT INSPECTED AND ISSUANCE OF A STOP-WORK ORDER UNTIL THE PROJECT IS IN COMPLIANCE.

PRELIMINARY – DO NOT USE FOR CONSTRUCTION

NORTH CAROLINA PROFESSIONAL ENGINEER SEAL 17651 BILL LESTER, JR.

LKC Engineering, pllc
140 Aqua Shed Court
Aberdeen, NC 28315
O: 910.420.1437
F: 910.637.0096
lkcengineering.com
License No. P-1095

Engineering
Landscape Architecture
Planning

LKC

STREETSCAPE LAYOUT PLAN

McINTYRE ROAD STREETSCAPE IMPROVEMENTS

Pinehurst, North Carolina

DATE:	FEB., 2017
DESIGNED:	FDW
DRAWN:	FDW
CHECKED:	TAC
NO.	C-03

RESOLUTION #10-03:

A RESOLUTION REGULATING ADMINISTRATIVE POLICIES OF THE VILLAGE OF PINEHURST.

THAT WHEREAS, Chapter 160A, Article 7 of the General Statutes of North Carolina outlines the powers and duties of the Village Manager and the Village Council; and

WHEREAS, the Village Council has deemed it necessary and in the best interests of its employees and citizens to formulate and revise administrative policies; and

WHEREAS, as the operational needs of the Village change, the Village Council and the Village Manager have from time to time adopted and amended previously adopted administrative policies for the Village of Pinehurst;

WHEREAS, the Village has established an inter-departmental Policy Committee to review all policies that impact employees or departments activities across the organization; and

NOW, THEREFORE, BE IT RESOLVED, by the Village Council of the Village of Pinehurst, North Carolina, in work session assembled this 9th day of January 2010, as follows:

SECTION 1. All policies recommended by the Village's Policy Committee, listed in Attachment #1 hereto, which have been approved by the Village Manager, are hereby ratified and approved by the Village Council.

SECTION 2. The Village Manager is hereby authorized to approve all administrative policies (or amendments to previously Council approved administrative policies) as recommended by the Village's Policy Committee.

SECTION 3. All financial policies of the Village shall be approved by the Village Council and human resources polices shall be approved in accordance with Resolution #09-31.

SECTION 4. The Village Manager shall report to the Village Council any revisions to existing policies or newly created policies that are approved by the Village's Policy Committee.

SECTION 5. The Policy Committee Chair is hereby instructed to furnish, in a timely manner, a copy of all approved or updated polices to the employees of the Village of Pinehurst upon approval.

SECTION 6. This resolution shall be and the same is hereby effective from and after the date of its adoption.

ADOPTED this 9th day of January 2010.

(Municipal Seal)

VILLAGE OF PINEHURST
VILLAGE COUNCIL

VILLAGE OF PINEHURST CORPORATE SEAL NORTH CAROLINA

By: George P. Lane
George P. Lane

Approved as to Form:

Linda S. Brown
Linda S. Brown, Village Clerk

Michael J. Newman, Village Attorney

RESOLUTION #10-03
ATTACHMENT #1

ADMINISTRATIVE POLICIES (APPROVED BY THE POLICY COMMITTEE)

1. Cellular Phone Policy
2. Communications Policy
3. Electronic Communications Use Policy

FINANCIAL POLICIES (APPROVED BY THE POLICY COMMITTEE)

1. Capital Assets Policy
2. Fees and Charges Policy (was originally approved in 2004, but 2006 update was approved by the Policy Committee and Manager)
3. Purchasing Card Program
4. Purchasing Policy & Procedures
5. Travel Expense & Reimbursement
6. Write-Off of Uncollectible Accounts

MINUTES OF
VILLAGE COUNCIL REGULAR MEETING
JANUARY 24, 2017

395 MAGNOLIA ROAD
ASSEMBLY HALL
PINEHURST, NORTH CAROLINA
4:30 P.M.

The Pinehurst Village Council held a Regular Meeting at 4:30 p.m., Tuesday, January 24, 2017 in the Assembly Hall of the Pinehurst Village Hall, 395 Magnolia Road, Pinehurst, North Carolina. The following were in attendance:

Ms. Nancy Roy Fiorillo, Mayor
Ms. Claire L. Berggren, Councilmember
Mr. John Bouldry, Councilmember
Mr. John R. Cashion, Mayor Pro-Tem
Mr. Clark Campbell, Councilmember
Mr. Jeffrey M. Sanborn, Village Manager
Ms. Lauren M. Craig, Village Clerk

And approximately 39 attendees, including 9 staff and 1 press.

1. **Call to Order.**
   Mayor Nancy Roy Fiorillo called the meeting to order.

2. **Invocation and Pledge of Allegiance.**
   Pastor Ashely Smith of The Village Chapel led the invocation and Mayor Fiorillo led everyone in the Pledge of Allegiance.

3. **Reports.**

   Manager
   - Last week staff met with representatives from Village Heritage Foundation and the Kuester Development regarding landscaping improvements along the Magnolia Road corridor between the Greens project and Village owned property. The Village determined to move approximately 60 trees from the Arboretum to Magnolia Road to mirror the double line of pines on the west side.
   - The proposed HPC guidelines are getting added to Open Village Hall and will go live Friday, anuary 27 to obtain public input.
   - Staff received a suggestion from John Strickland to make the Planning and Inspections report easily accessible for the public and staff will be posting this on the Village website in the near future.

   Council
   - Mayor Fiorillo noted many people attended the meeting to discuss the Western Connector and she let the audience know that Council has discussed holding a transportation work session on Tuesday, February 14 at 4:30pm. She explained Gene Maples will present information on the Midland Road Corridor and after a break Council will also discuss the Western Connector. Mayor Fiorillo encouraged the public to attend this meeting.

4. **Presentation of resolution honoring Richard Ashton for his service on the Board of Adjustment and the Planning and Zoning Board.**
   Mr. Ashton did not attend the meeting and will be recognized at a future date.

5. **Presentation of resolutions honoring members of the former Beautification Committee.**

Councilmember Cashion presented the former Beautification Committee with resolutions honoring them for their service on the committee prior to its reorganization with the Pinehurst Appearance Committee.

6. **Presentation of resolutions honoring members of the former Conservation Commission.**
Councilmember Berggren presented the former Conservation Commission with resolutions honoring them for their service on the commission prior to its reorganization with the Pinehurst Appearance Committee.

7. **Presentation of resolutions honoring members of the former Community Appearance Commission.**
Councilmember Bouldry presented the former Community Appearance Commission with resolutions honoring them for their service on the commission prior to its reorganization with the Pinehurst Appearance Committee.

8. **Motion to Approve Consent Agenda.**

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

A. Consider reappointing members to the Historic Preservation Commission (Farren, Davis).
B. Consider a resolution honoring a member of the BOA and P&Z (Snyder).
C. Consider a resolution honoring a member of the BOA and P&Z (Shriberg).
D. Consider a resolution honoring a member of the Historic Preservation Commission (Jacoby).
E. Consider a resolution honoring a member of the Historic Preservation Commission (Farrell).
F. Approval of Draft Village Council Meeting Minutes.
December 12-13, 2016 Strategic Planning Retreat
December 13, 2016 Regular Meeting
G. Public Safety Reports.
Police Department
Fire Department

End of Consent Agenda.
Councilmember Cashion moved to approve the Consent Agenda. The motion was seconded by Councilmember Berggren and passed unanimously with a vote of 5-0.

9. **Discuss and consider a resolution appointing Jeff Haarlow to the Planning and Zoning Board and Board of Adjustment for the Village of Pinehurst.**
Village Manager Jeff Sanborn explained Fred Engelfried and Leo Santowasso are recommending Jeff Haarlow be considered for appointment on the Planning and Zoning Board and Board of Adjustment for the Village of Pinehurst. Mr. Engelfried and Mr. Santowasso introduced Mr. Haarlow to the Village Council. Upon a motion by Councilmember Campbell, seconded by Councilmember Bouldry, the Village Council unanimously approved Resolution 17-04 appointing Jeff Haarlow to the Planning and Zoning Board and the Board of Adjustment for the Village of Pinehurst by a vote of 5-0.

10. **Review and Approve the Proposed FY 2018 BSC and Areas of Focus.**
Natalie Hawkins, Assistant Village Manager, presented Council with a proposed FY 2018 Balanced Scorecard (BSC), including the recommended Areas of Focus. Ms. Hawkins explained the FY 2018 BSC indicates Council's goals, strategic objectives, key performance indicators (KPIs), and recommended performance targets. Ms. Hawkins noted the four recommended Areas of Focus include: guide appropriate redevelopment and growth; provide interconnected greenway trails, bike paths, and sidewalks; maintain high quality streets; and provide recreation programs, leisure activities, and cultural arts events for all ages. Council held a discussion about this and upon a motion by

Councilmember Cashion, seconded by Councilmember Berggren, Council unanimously approved the FY 2018 BSC and Areas of Focus as presented by a vote of 5-0. Ms. Hawkins also discussed the proposed Initiative Action Plans for the five-year planning period and Council formed a consensus on these plans.

11. Consider a request by Moore County for a Special Non-Residential Intensity Allocation for the public utilities storage yard at 810 Juniper Lake Road.

Kevin Reed, Director of Planning and Inspections, explained Moore County is seeking a Special Intensity Allocation (SIA) pursuant to Section 8.3.3.5(c)(2) of the Pinehurst Development Ordinance (PDO) for the construction of a new Moore County Public Utilities storage yard complex. He noted the new complex is located at 810 Juniper Lake Road on property recently acquired from the Village and located within Watershed III (WS III). Upon a motion by Councilmember Berggren, seconded by Councilmember Cashion, Council unanimously approved the Special Intensity Allocation for the construction of a new Moore County Public Utilities storage yard complex located at 810 Juniper Lake Road as outlined in the memorandum prepared and submitted by the Pinehurst Planning and Inspections Department dated January 17, 2017 by a vote of 5-0.

12. Consider changes to Fees and Charges Schedule.

John Frye, Director of Financial Services, explained the Village's Fees and Charges Policy calls for the periodic review of all fees and charges and upon a review by staff, we are recommending several changes. Mr. Frye noted the items proposed for consideration are in the areas of Planning, Public Services, Fair Barn, Harness Track, and Parks & Recreation. Council reviewed each of the proposed changes with Mr. Frye and Mr. Mark Wagner, Director of Parks and Recreation. Upon a motion by Councilmember Bouldry, seconded by Councilmember Cashion, Council unanimously approved Resolution 17-03 amending the Fees and Charges Schedule for the Village of Pinehurst by a vote of 5-0.

13. Other Business.

- None.

14. Comments from Attendees.

- Bruce Gettis appreciates the efforts by the Council and the boards/committees heard from today. He explained he and his wife bought a 16 acre parcel of land on Bowman Road. He noted he is an engineer professionally and appreciates their work but the rural nature of the areas affected in the proposed Western Connector are bundled and would affect the quality of life. Mr. Gettis asked to remove the Western Connector from the Comprehensive Plan.
- Earl Ingram thanked the Council for their time and consideration concerning the Western Connector. He explained he lives in the ETJ and he appeared before the Council 1996 regarding the Western Connector and he has been trying to get the people of Pinehurst to not to support this and would like for this to go away.
- Jason Koffman of Pinehurst No. 9 moved here three years ago with his wife. He said the proposed Western Connector would create urban sprawl and that developers will come in and buy up this land and create this. He does not live in the affected area but he does not believe there is justification for this and believes it will move an issue from one area to another area because it is local traffic.
- Lori Wiles explained she wrote the page in The Pilot on Sunday regarding the Western Connector issue. She explained she is seeking to learn more about the Western Connector because no one needs to go through anything they went through regarding the Greens apartment complex. She said the Moore County Transportation Meeting agenda was just posted and it included an agenda item noting the committee would be coming to a consensus on this issue tomorrow. Mayor Fiorillo assured her that this will be removed. She also discussed with Council about waiving protocol for the next work session to allow public comment and all agreed. She explained she and her husband have 461 acres under contract with hope of bringing back old Pinehurst Gun Club that would be affected with this plan.

15. Motion to Adjourn.

Councilmember Bouldry moved to adjourn the Regular Meeting. The motion was seconded by Councilmember Cashion and carried unanimously. The Regular Meeting adjourned at 5:45 p.m.

Respectfully Submitted,

Lauren M. Craig
Village Clerk

RESOLUTION #17-10:

A RESOLUTION ADOPTING AND AMENDING FINANCIAL POLICIES OF THE VILLAGE OF PINEHURST (FINANCIAL POLICIES UPDATE).

THAT WHEREAS, Chapter 160A, Article 7 of the General Statutes of North Carolina outlines the powers and duties of the Village Manager and the Village Council; and

WHEREAS, the Village Council has deemed it necessary and in the best interests of its employees and citizens to formulate and revise administrative policies; and

WHEREAS, the Village Council by Resolution #10-03 established that "All financial policies of the Village shall be approved by the Village Council"; and

WHEREAS, as the operational needs of the Village change, the Village Council has, from time to time, adopted and amended previously adopted financial policies for the Village of Pinehurst;

NOW, THEREFORE, BE IT RESOLVED, by the Village Council of the Village of Pinehurst, North Carolina, in the regular meeting assembled this 28th day of February, 2017, as follows:

SECTION 1. All of the policies recommended by the Village's Financial Services Director, listed in Attachment #1 hereto, which have been reviewed by the Village Manager, are hereby amended and approved by the Village Council.

SECTION 2. The Financial Services Director is hereby instructed to inform all employees of these approved or updated polices, in a timely manner.

SECTION 3. This resolution shall be and the same is hereby effective from and after the date of its adoption.

THIS ORDINANCE passed and adopted this 28th day of February, 2017.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By:

____
Nancy Roy Fiorillo, Mayor

Attest:

____
Lauren M. Craig, Village Clerk

Approved as to Form:

____
Michael J. Newman, Village Attorney

RESOLUTION #17-10
ATTACHMENT #1

FINANCIAL POLICIES UPDATED

1. Capital Assets Policy
2. Personal Property Disposition Policy
3. Purchasing Policy & Procedures
4. Purchasing Card (P-Card) Program Policy
5. Travel Expense & Reimbursement Policy

MINUTES OF
VILLAGE COUNCIL WORK SESSION
JANUARY 10, 2017

395 MAGNOLIA ROAD
ASSEMBLY HALL
PINEHURST, NORTH CAROLINA
4:30 P.M.

The Pinehurst Village Council held a Work Session at 4:30 p.m., Tuesday, January 10, 2017 in the Assembly Hall of Pinehurst Village Hall, 395 Magnolia Road, Pinehurst, North Carolina. The following were in attendance:

Ms. Claire L. Berggren, Councilmember
Mr. John Bouldry, Councilmember
Mr. John R. Cashion, Mayor Pro-Tem
Mr. Clark H. Campbell, Councilmember
Mr. Jeffrey M. Sanborn, Village Manager
Ms. Lauren M. Craig, Village Clerk

Excused Absence: Ms. Nancy Roy Fiorillo, Mayor

And approximately 20 attendees, including 8 staff and 0 press.

1. **Call to Order.**
Mayor Pro Tem John Cashion called the meeting to order.

2. **Discuss and consider a resolution appointing Tom Schroeder and Christine Dandeneau to the Historic Preservation Commission.**
Village Manager Jeff Sanborn explained Jim Lewis and staff have interviewed candidates for the Historic Preservation Commission (HPC) due to vacancies by Amanda Jacoby and Jack Farrell and out of those, Tom Schroeder and Christine Dandeneau are being recommended to fill these seats. Upon a motion by Councilmember Bouldry, seconded by Councilmember Campbell, Council unanimously approved Resolution 17-02 appointing Tom Schroeder and Christine Dandeneau to the Historic Preservation Commission for the Village of Pinehurst by a vote of 4-0.

3. **Presentation and discussion on the Civic Engagement Initiative.**
Natalie Hawkins, Assistant Village Manager, explained Council has an objective on the FY 2017 Balanced Scorecard to "Enhance Community Engagement" and explained staff has worked on a civic engagement initiative that included consolidating and transitioning communication responsibilities to a Communications Specialist, implementing improvements to social media, and completing an ACE on civic engagement. Ms. Hawkins presented the ACE recommendations and asked for Council's input on how to increase civic engagement. Council held a discussion on the recommendations and about using public input for land use planning. An audience member explained her experience with the State of New Hampshire as she served on a Citizens Commission to get public input for the state. Council gave consensus for staff to proceed with obtaining public input on certain legislative decisions prior to them being taken to the Planning and Zoning Board for consideration and to identify other topics which need public input throughout the year.

4. **Discussion on Neighborhood Sidewalk Expansion in FY 2018.**
Jeff Batton, Assistant Village Manager and Mark Wagner, Parks and Recreation Director presented a recommendation for constructing neighborhood sidewalks in the next fiscal year. Mr. Batton shared FY 2016 community survey results which resulted in Lake Pinehurst being a high priority neighborhood to increase satisfaction. Mark Wagner shared maps from the 2015 Pedestrian Master Plan and the 2015 Pedestrian Plan Priorities list. Staff explained the recommended sidewalk location for FY 2018 would be on St. Andrews Drive starting at Linden Road and going to Lake Forest to Sugar Gum. Staff noted the next steps would be to obtain public input which would include a neighborhood

survey in March and conduct public input meetings in April. Council held a discussion about this and formed a consensus to move forward with the recommendation for public input.

5. **Review general concept plan for McIntyre Road/McCaskill Road streetscape.**
Jeff Batton, Assistant Village Manager explained the intent of this item is to provide a short review of the general concept plan for the streetscape enhancements along McIntyre Road and McCaskill Road. Mr. Batton explained this concept plan is not complete but it gives a preview and an opportunity to comment early in the planning process. Council formed a consensus to proceed with these plans.

6. **Consider a resolution dedicating a waterline to the County of Moore as part of the Public Services renovation project.**
Jeff Batton, Assistant Village Manager noted as part of the Public Services renovation project, the Village was required to install a new 6" waterline on Spur Road in order to place a fire hydrant as required to meet the Fire Code. Mr. Batton explained the need for Council to consider a resolution authorizing the Mayor or her designee to execute all necessary documents to transfer ownership of approximately 240' of 6" waterline within the right-of-way on Spur Road to the County of Moore. Upon a motion by Councilmember Campbell, seconded by Councilmember Bouldry, Council unanimously approved Resolution 17-01 declaring the intent of the Village of Pinehurst to abandon and dedicate 240’ of newly installed waterline along Spur Road to the County of Moore Public Utilities by a vote of 4-0.

7. **Village Council's work session discussion.**
   a. Councilmember Bouldry said he attended the POA #6 meeting on Monday night and Jamie Reed from the Planning and Inspections Department was there representing the Village and did a great job.

   b. Councilmember Bouldry asked about the maintenance status of the gravel lot by Village Green and Jeff Batton answered that this will need to be addressed by a budget request in the next fiscal year and completed with a new and improved material.

   c. Councilmember Bouldry explained the formation of the Pinehurst Appearance Committee and the volunteer leaders who were identified to lead the subcommittees. Councilmember Bouldry asked about Council liaisons for each of the subcommittees and determined for staff to send out the Council liaison list for Council to review for the year.

   d. Councilmember Bouldry asked what was decided about Highway 211 out to Pinewild regarding the upkeep of median along the road and Jeff Sanborn said staff would evaluate this in the budget process and evaluate this with NC DOT. Councilmember Cashion suggested the addition of a yellow blinking light being added.

   e. Councilmember Cashion said there is an effort with stakeholders from Southern Pines to discuss the Midland Road Corridor Study plans identify other key stakeholders who have an interest in this project to work through the plans. Councilmember Campbell suggested revisiting NC DOT regarding the request to reduce the speed limit on Highway 211.

   f. Councilmember Cashion HPC Guidelines and how Council wishes to approach the review of the re-write. Council noted they have been presented with the most recent final version of the Historic Standards and Guidelines and the re-write committee is ready to receive public comments prior to Council’s approval. Jim Lewis, Chairperson of the HPC, explained the 13 month process of reviewing and re-writing the Historic Standards and Guidelines. Council formed consensus to place this topic on Open Village Hall for public review and input prior to being finalized and presented to the Village Council.

8. Review the preliminary list of items for the 1/24 Regular Meeting agenda.
Village Manager Jeff Sanborn submitted the following list of items for the January 24 Regular Meeting.

1. Presentation of resolutions honoring members of the former Conservation Commission.
2. Presentation of resolutions honoring members of the former Community Appearance Commission.
3. Presentation of resolutions honoring members of the former Beautification Committee.
4. Presentation of resolutions honoring Richard Ashton for his service on the BOA and P&Z.
5. Consent Agenda: Resolution honoring member of the BOA and P&Z (Synder).
6. Consent Agenda: Resolution honoring member of the BOA and P&Z (Shriberg).
7. Consent Agenda: Consider reappointing members to the Historic Preservation Commission (Farren, Davis).
8. Consent Agenda: Consider a resolution honoring a member of the Historic Preservation Commission (Jacoby).
9. Consent Agenda: Consider a resolution honoring a member of the Historic Preservation Commission (Farrell).
10. Consent Agenda: Approval of Draft Village Council Meeting Minutes
11. Consent Agenda: Public Safety Reports
12. Consider proposed changes to the Fees and Charges Schedule.
13. Review and approve the proposed FY 2018 BSC and Areas of Focus.

9. Motion to go into Closed Session pursuant to NCGS §143-318.11(a)(5)(i) to establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating (i) the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease. Specifically, the Council will discuss a potential land swap.

Upon a motion by Councilmember Bouldry, seconded by Councilmember Berggren, Council unanimously approved to go into Closed Session pursuant to NCGS §143-318.11(a)(5)(i) to establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating (i) the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease. Specifically, the Council will discuss a potential land swap. This was passed by a vote of 4-0.

10. Motion to adjourn the Closed Session and re-enter the Work Session.
Upon a motion by Councilmember Berggren, seconded by Councilmember Campbell Council unanimously approved to adjourn the Closed Session and re-enter the Work Session by a vote of 4-0.

11. Motion to Adjourn.
Councilmember Berggren moved to adjourn the Work Session. The motion was seconded by Councilmember Campbell and carried unanimously. The Work Session adjourned at 7:00 p.m.

Respectfully Submitted,

Lauren M. Craig
Village Clerk

McGill
ASSOCIATES
ENGINEERING • PLANNING • FINANCE

February 21, 2017

Mr. Mark Wagner, Parks and Recreation Director
Village of Pinehurst
395 Magnolia Road
Pinehurst, North Carolina 28374

RE: Recommendation of Award
US 15-501 Greenway Trail Extension
Village of Pinehurst, North Carolina

Dear Mr. Wagner:

On February 14, 2017, two (2) bids were received and opened for the US 15-501 Greenway Trail Extension project at Village Hall. Prior to receiving bids, McGill Associates provided bid packages to six (6) contractors with invitations to submit bids, including Black Rock Nursery, Brooks Hauling, LDIG, Aurora Hills Farm Landscaping, S&K Paving, and RDU Paving. Since the project value falls within the State of North Carolina's "Informal" bidding requirements, no minimum number of bids were required.

The low base bid was submitted by Black Rock Nursery, LLC from Carthage, North Carolina in the amount of $164,997.00. The two (2) submitted bids are summarized in the attached Certified Bid Tabulation.

Black Rock Nursery, LLC has successfully completed other greenway and sidewalk projects for the Village, and currently holds a North Carolina Landscape Contractor's license. McGill Associates therefore recommends that the Village of Pinehurst award the US 15-501 Greenway Trail Extension project to Black Rock Nursery, LLC in the total bid amount of $164,997.00, contingent upon the receipt of all final regulatory approvals for the project.

If you have any questions regarding this letter of recommendation, please feel free to give me a call. We look forward to working with you and the Village of Pinehurst through the construction phase of this important project.

Sincerely,

McGILL ASSOCIATES, P.A.

Michael S. Apke

MICHAEL S. APKE, P.E.
Director – Pinehurst Office

Enclosure – Certified Bid Tabulation

16.04036/Recommendation of Award.doc

McGill Associates, P.A. • 5 Regional Circle, Suite A, Pinehurst, North Carolina 28374
Phone: 910-295-3159 • Fax: 910-295-3647

CERTIFIED BID TABULATION
US 15-501 GREENWAY TRAIL EXTENSION
VILLAGE OF PINEHURST, NORTH CAROLINA

				BLACK ROCK NURSERY		BROOKS HAULING, GRADING & LANDSCAPING, INC.	
ITEM NO.	DESCRIPTION	QUAN.	UNIT	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1.	Mobilization (3.0% maximum)	1	LS	$ 4,000.00	$ 4,000.00	$ 2,900.00	$ 2,900.00
2.	Field Staking of Trail and Boardwalk Locations	1	LS	$ 3,300.00	$ 3,300.00	$ 2,975.00	$ 2,975.00
3.	Clearing and Grubbing, Including two (2) Existing Leaning Trees	1	LS	$ 23,800.00	$ 23,800.00	$ 31,000.00	$ 31,000.00
4.	6-Foot Wide Compacted Gravel Screenings Trail Per Pinehurst Standards and Typical Screenings Greenway Detail	2,168	LF	$ 21.15	$ 45,853.20	$ 10.45	$ 22,655.60
5.	6-Foot Wide Asphalt Trail Per Pinehurst Standards and Typical Asphalt Greenway Detail	523	LF	$ 31.30	$ 16,369.90	$ 35.04	$ 18,325.92
6.	6-Foot Wide Concrete Sidewalk/Trail Per Pinehurst Standards and Detail	104	LF	$ 29.10	$ 3,026.40	$ 22.15	$ 2,303.60
7.	25 LF Boardwalk and Appurtenances	3	EA	$ 9,212.50	$ 27,637.50	$ 11,500.00	$ 34,500.00
8.	15" Reinforced Concrete Pipe	20	LF	$ 63.00	$ 1,260.00	$ 85.00	$ 1,700.00
9.	Temporary Construction Entrance	3	EA	$ 2,000.00	$ 6,000.00	$ 3,330.00	$ 9,990.00
10.	Fill Material	1,500	CY	$ 22.50	$ 33,750.00	$ 25.00	$ 37,500.00
TOTAL BASE BID (SUM OF ITEMS 1 to 10)					**$ 164,997.00**		**$ 163,850.12**
	Bidder added: 2,000' wire grass						**$ 6,000.00**
	Bidder added: 60 rolls 4' wide excelsior						**$ 3,200.00**
							$ 173,050.12

This is to certify that the bids tabulated herein were publicly opened and read aloud at 2:00 p.m. local time on the 14th day of February 2017 in the offices of the Village of Pinehurst, North Carolina.

NORTH CAROLINA PROFESSIONAL SEAL 27394 ENGINEER MICHAEL S. APKE

2-21-17

McGill ASSOCIATES

MIKE APKE, PE
5 Regional Circle, Suite A
Pinehurst, North Carolina 28374

ORDINANCE #17-02:

AN ORDINANCE PRESCRIBING PROCEDURES FOR DISPOSING OF PERSONAL PROPERTY VALUED AT LESS THAN $10,000

THAT WHEREAS, the Village of Pinehurst from time to time has personal property which is no longer needed or required; and

WHEREAS, North Carolina General Statute 160A-266 authorizes Village Council to adopt procedures for the disposal or exchange of personal property valued at less than $30,000 for any one item or group of items; and

WHEREAS, North Carolina General Statute 160A-270 provides that the Village Council may conduct electronic auctions of the Village's personal property by authorizing the establishment of an electronic auction procedure or by authorizing the use of existing private or public electronic auction services; and

WHEREAS, Village Council desires to adopt procedures for the disposal and exchange of surplus personal property valued at less than $10,000 for any one item or group of items, including but not limited to disposal and exchange by electronic means;

NOW, THEREFORE, BE IT ORDAINED AND ESTABLISHED by the Village Council of Pinehurst, North Carolina, in a regular meeting assembled this 28th day of February, 2017 as follows:

SECTION 1. **Property That Can be Disposed of Under this Ordinance**. The Village Manager is hereby authorized to declare surplus and dispose of any personal property owned by the Village of Pinehurst when, in his or her judgment, each of the following three criteria are met:

a) the item or group of items to be disposed of has a fair market value of less than ten thousand dollars ($10,000.00);
b) the property is no longer necessary for the conduct of Village business; and,
c) sound property management principles and financial considerations indicate that the interests of the Village of Pinehurst would be best served by disposing of the property.

Personal property that, in the judgment of the Village Manager, meets these three criteria is referred to in this Ordinance as "Surplus Property."

SECTION 2. **Methods of Disposition**. The Village Manager may dispose of Surplus Property by any means which he or she judges reasonably calculated to secure for the Village the fair market value in money or other consideration and to accomplish the disposal efficiently and economically, including but not limited to the methods of sale provided in Article 12 of North Carolina General Statutes, Chapter 160A-266 and 160A-270. Such sale may be public or private, and with or without notice and minimum waiting period.

SECTION 3. Sale by Electronic Auction. As one of several means of disposing of Surplus Property, the Village Manager is specifically authorized to dispose of Surplus Property by electronic means. The Village Manager is authorized to establish procedures for disposing of Surplus Property by electronic means, and is further authorized to use existing public or private electronic auction services to dispose of Surplus Property. Notwithstanding the requirements of North Carolina General Statute 160A-270, the Village shall not be required to provide advance notice of electronic auctions of such Surplus Property.

SECTION 4. Terms of Disposition. The Surplus Property shall be sold to the party who tenders the highest offer, or exchanged for any property or services useful to the Village of Pinehurst if greater value may be obtained in that manner, and the Village Manager is hereby authorized to execute and deliver any applicable title documents necessary or appropriate to consummate such sale. If no offers are received within a reasonable time, the Village Manager may retain the property for the Village, obtain any reasonably available salvage value, or cause it to be disposed of as waste material. No Surplus Property may be donated except by resolution of the Village Council.

SECTION 5. Records and Reports. The Village's Financial Services Director shall keep a record of all property sold under the authority of this Ordinance and that record shall describe the property sold or exchanged, to whom it was sold, or with whom it was exchanged, and the amount of money or other consideration received for each sale or exchange.

SECTION 6. Delegation. The Village Manager is authorized to delegate any or all of the authority granted or responsibilities assigned under this Ordinance to the Financial Services Director.

SECTION 7. This Ordinance is adopted pursuant to the provisions of North Carolina General Statutes 160A-266 and 160A-270.

THIS ORDINANCE passed and adopted this 28th day of February, 2017.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: ______________________________
Nancy Roy Fiorillo, Mayor

Attest:

____
Lauren M. Craig, Village Clerk

Approved as to Form:

____
Michael J. Newman, Village Attorney

VILLAGE OF PINEHURST
VILLAGE COUNCIL
CLOSED SESSION – JANUARY 10, 2017

395 MAGNOLIA ROAD
ASSEMBLY HALL
PINEHURST, NORTH CAROLINA
4:30 PM

MINUTES

At the regular meeting of the Pinehurst Village Council held at 4:30 p.m., Tuesday, January 10, 2017 in the Assembly Hall of the Pinehurst Village Hall, 395 Magnolia Road, Pinehurst, North Carolina, Councilmember Bouldry moved to go into Closed Session pursuant to NCGS §143-318.11(a)(5)(i) to establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating (i) the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease. Specifically, the Council will discuss a potential land swap. The motion was seconded by Councilmember Berggren and carried unanimously with a vote of 4-0.

The following people were present:

Ms. Claire L. Berggren, Councilmember
Mr. John Bouldry, Councilmember
Mr. Clark H. Campbell, Councilmember
Mr. John R. Cashion, Mayor Pro-Tem
Mr. Jeff Sanborn, Village Manager
Mr. Jeff Batton, Assistant Village Manager

Excused Absence: Ms. Nancy Roy Fiorillo, Mayor

MAYOR PRO TEM JOHN R. CASHION CALLED THE MEETING TO ORDER.

The Village Council discussed the provisions of a potential land swap between the Village of Pinehurst and Mr. Frank Maser. The swap discussed would involve the Village of Pinehurst giving Mr. Maser a parcel of land adjacent to the Village Public Services yard in exchange for a parcel near the Bretton Woods community.

ADJOURNMENT.

Upon the conclusion of the Closed Session, Councilmember Berggren moved to adjourn the Closed Session and re-enter the Regular Meeting. The motion was seconded by Councilmember Campbell and carried unanimously.

Respectfully Submitted,

Lauren M. Craig
Village Clerk