

Town of Maggie Valley
Board of Aldermen Regularly Scheduled Meeting
May 14, 2024
MINUTES

Members Present:

Mayor Mike Eveland
Mayor Pro-Tem Jim Owens
Alderman John Hinton
Alderman Tim Wise
Alderman Phillip Wight

Members Absent:

None

Staff Present:

Vickie Best, Town Manager
Kathy Johnson, Town Clerk
Sam Cullen, Town Planner
Mike Mehaffey, Public Works Director
Matthew Boger, Police Chief
Brian Gulden, Attorney

Others Present:

Eleven others were present.

Media Present:

Brionna Dellara, Waynesville Mountaineer

Meeting Call to Order

Mayor Eveland called the Meeting to order at 6:30 pm on Tuesday May 14, 2024, in the Maggie Valley Town Hall Boardroom, 3987 Soco Road, Maggie Valley, NC 28751.

Pledge of Allegiance

The Pledge of Allegiance was repeated by all followed by prayer led by Sam Cullen.

Approval of Agenda/Conflict of Interest Declaration

There were no changes to the agenda and no conflict of interest stated.

Consent Agenda

- a. *Minutes to be Approved: March 27, April 2nd and 9th, 2024.*
- b. *Budget to Actual*
- c. *A/R Report*
- d. *Tax Releases*

***A motion was made by Alderman John Hinton to approve the consent agenda as presented.
The motion carried unanimously.***

Public Comment

Mayor Eveland reminded everyone there would be public comment at each of the public hearings. He asked if anyone would like to make general public comment. No one came forward.

Presentation by Shannon Young regarding Fly Fishing in Maggie Valley and the impact of losing the Davidson River Hatchery.

Mayor Eveland invited Shannon Young, owner of Maggie Valley Fly Fishing Shop to come forward to speak.

Mr. Young introduced himself and said along with being the owner of the Fly-Fishing Shop in Maggie Valley, he is a guide and also runs the Fly-Fishing outdoor festival. He said "Everything we have done at the Fly-Shop and with our festival is to the benefit of adding value to Maggie Valley. That has been our number one goal, not just making money. We want to continue with our Fly-shop which we have put our hearts into for the past eighteen months. We love to Fly-Fish Jonathan Creek and Haywood County."

The Bobby Setzer Fish Hatchery in Brevard which supplies eighty percent of all the trout in Western North Carolina will be shut down. He said, "We are trying to formulate a plan to subsidize the trout so our local economy doesn't take a hit." He spoke about an economic development impact study that was done in 2022. The study determined there was 1.38 billion dollars in revenue brought to WNC in 2022 from the fishing industry. "We found out about three months ago, at a Trout Unlimited meeting, the reduction starting next spring, will be sixty-seven percent reduction of all of WNC. He said the west fork of the pigeon for delayed harvest, is stocked five times a year at 2400 pounds and pouching gets a lot of those fish. The reduction will take it down to 800 pounds. Next spring, if the state reduces the sixty-seven percent, people will come to fly fish and there are no fish and then they won't be coming back.

With the remaining hatcheries, the Federal Government and the private sellers are only able to stock at thirty-three percent. The state said they will do the best they can, but we can't wait to see what that is.

Mr. Young spoke about the impact of losing the fish would have on the restaurants, gas station, and small businesses in Maggie Valley, Waynesville and Haywood County that need the revenue. In WNC, Haywood County is number five for revenue brought in from the fish industry. He said, "Our plan is to put together a complete outline to subsidize the trout." He has spoken with someone in North Georgia that can at least stock Jonathan Creek. "We need to have a plan in place in case the State drops the ball. Instead of reacting, we need to be proactive."

Mayor Eveland confirmed with Mr. Young the closing of the hatchery will be for three years. Mr. Young said the hatchery will be closed starting September 2024 through 2027. Alderman Jim Owens said it would be helpful to put together the numbers for Haywood County. There would be a lot more clout if all the municipalities in the county were involved. Mr. Young said Haywood County stock is 44,000 pounds. The supplier in Georgia is seven dollars a pound, which would be

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\$354,000 for all of Haywood County per year. Mayor Eveland confirmed with Mr. Young the State will be supplying thirty-three percent of that. Maggie Valley fish stock is approximately 16,000 pounds, and that would be \$125,000 per year.

Mr. Young answered questions from the Board and discussed concerns about the impact of losing the Davidson River Hatchery. He proposed the Town of Maggie Valley create a catch and release only section of Jonathan Creek two to three miles long.

Frank Yaun introduced himself and said he lives in Asheville. He is a part-time guide with the Maggie Valley Fly Shop and a part-time writer about fly-fishing and a part-time fly-tier and works full time in the nursery business. He came here every year to fish the delayed harvest on the Nantahala River. He said, "The delayed harvest that NC implemented is a catalyst for the 1.38 billion dollars in revenues." He has spoken to Senator Tillis, and tried to talk to Chuck Edwards, Mike Clappett and the Governor about this situation. He said "Nothing has been done, they say they can't get the fish. I called three hatcheries and found three hatcheries that supply large quantities of fish. The trout are available; I don't know what the state's hold up is unless it's the budget." He expressed his agreement with Mr. Young's plan on stocking the fish.

Rob Aitken introduced himself and said he manages Maggie Valley Fly Shop and moved down from Philadelphia about five days after the shop opened. He spoke about the "catch and release" benefit to Jonathan Creek because of the high density of wild fish. It would be a long-term plan, regardless of what the State or County chooses to do resource-wise in the future. In order for this to work, it requires regulations to change that enables those sections to be protected and require certain sections to not be actively stocked.

Alderman Jim Owens said a recent survey done through the HCTDA; outdoor recreation is the number one driver for visitation in Haywood County. He recommended the speakers keep the Board updated on any changes.

Public Hearing for annexation and initial zoning of Harold and Pamela Mabry, PIN 7696-49-4548, 320 Cedar Drive.

Mayor Eveland opened the public hearing at 6:56 pm and invited Planner Cullen to begin his presentation. Mr. Cullen explained that the annexation of 320 Cedar Drive is sewer driven. The property owner petitioned to annex due to a failing septic system. The Clerk has satisfied the sufficiency of the property. It is a non-contiguous annexation, but it is contiguous with a cluster of properties in-town. He reviewed a map and said there is one property away from being contiguous.

Mayor Eveland opened the meeting for public comment for the annexation of 320 Cedar Drive. No one came forward to speak. The hearing was closed at 6:57 and opened for Board discussion.

A motion was made by Alderman John Hinton to adopt Ordinance 1081, Annexing 320 Cedar Drive / PIN # 7696-49-4548, belonging to Harold and Pamela Mabry into the Corporate Limits of the Town of Maggie Valley. The motion carried unanimously.

Mr. Cullen said the property is a .50-acre lot near Maggie Country Club. Staff recommends the property be zoned R-2 Medium Density Residential. This recommendation is based off the surrounding zoning districts, the table of permitted uses, and the surrounding land uses. The R-2 zoning classification will not create any nonconformities and should not create spot zoning in the future.

The Planning Board unanimously recommended approval of the R-2 Zoning classification at the March 16th meeting.

The Comprehensive Land Use Plan recommends the area be designated for Mountain Residential uses. The R-2 Medium Density is consistent with the Comprehensive Land Use Plan Mountain Residential areas should be used to Provide quality large-lot, single-family homes.

Mayor Eveland opened the public hearing at 6:59 pm and asked if anyone would like to speak about the zoning of 320 Cedar Drive. No-one came forward to comment and Mayor Eveland closed the public hearing at 7:00pm for Board discussion.

A motion was made by Alderman Jim Owens to adopt Ordinance 1082, zoning 320 Cedar Drive as R-2 Medium Density Residential. The motion carried unanimously.

A motion was made by Alderman Tim Wise to adopt the Consistency and Reasonableness statement for Ordinance 1082 as presented. The motion carried unanimously.

Public Hearing: Text Amendment for Revised Rules and Regulations for the Zoning Board of Adjustments.

Mayor Eveland asked Planner Cullen to begin his presentation. Mr. Cullen said the Planning Department has been investigating a text amendment to remove all extra territorial jurisdiction language from the Zoning Board of Adjustment's charter and to update attendance requirements.

The proposed text amendments are: 1) Removal of language concerning the ETJ. 2) Adding language to the attendance requirements. Members may not miss 3 consecutive meetings or 4 meetings in a calendar year. This is the same attendance policy the Planning Board has.

Alderman Phillip Wight asked if the attendance was set in stone because some people may leave for the winter and need to miss more days. Planner Cullen said there are excused absences.

Mayor Eveland opened the public hearing at 7:03 pm and asked if anyone would like to comment about the text amendment. No-one came forward to speak, he closed the hearing at 7:04 pm for Board discussion.

A motion was made by Alderman Phillip Wight to adopt Ordinance 1084, amending text to the Unified Development Ordinance for the Zoning Board of Adjustment. The motion carried unanimously.

A motion was made by Alderman Phillip Wight to adopt the Consistency and Reasonableness Statement for Ordinance 1084 as presented. The motion carried unanimously.

Planner Cullen reviewed the proposed changes to term limits. He has spoken to all Board members except one and they are all in agreement to the changes. None of the terms will be shortened. This is the first time in a while the Town has had a full Zoning Board and this will be a good time to start the new terms and get them staggered correctly.

Mayor Eveland said this is something that has been in the works for the past four years.

A motion was made by Alderman Jim Owens to adopt Resolution 24-09, approving the Zoning Board of Adjustment amended terms. The motion carried unanimously.

Approval of the 2025 Events at the Maggie Valley Festival Grounds.

Ms. Best reminded Board members the daily rental of the Festival Ground is now \$700 per day. Approving forty-eight days of events will bring in approximately \$33,600 in revenues. The applications presented at this meeting are ones that have been received through April 30, 2024. She anticipates more applications for 2025.

Alderman Phillip Wight said staff has done a great job working out the weekend festival schedules.

A motion was made by Alderman Phillip Wight to approve 2025 Maggie Valley Festival Grounds Events that have been received through April 30, 2024. The motion carried unanimously.

Request for out-of-Town Sewer Service: Dellwood Baptist Church Classroom Project.

Mr. Cullen said for numerous reasons, staff recommends this property be left out-of-town. This is the property adjacent to the church, owned by the church. The engineer that the Town asked the church to hire has confirmed that the existing sewer line could handle the additional flow from the classrooms they are wanting to put in.

Mayor Eveland confirmed with Public Works Director Mike Mehaffey that the Town has sewer capacity.

A motion was made by Alderman John Hinton to approve out-of-town sewer for Dellwood Baptist Church at 111 Regents Place, PIN 8607-01-5174. The motion carried unanimously.

Budget Amendment: Ordinance 1076: to finish the Sweet Briar Parking Lot \$65,000.

Manager Best said Ordinance 1076 approves a budget amendment for landscaping, drainage, and signage which was not included in the bid for the project. Having these additional costs has been discussed several times.

A motion was made by Alderman Tim Wise to adopt Budget Amendment Ordinance 1076 for \$65,000 to finish the Sweet Briar Parking Lot. The motion carried unanimously.

Transfer Funds from Street Maintenance to Capital Outlay Building \$47,800 for Town Hall Upgrades.

Mayor Eveland said this is money from this year's budget for the upgrades.

A motion was made by Alderman Jim Owens to transfer \$47,800 from Street Maintenance to Capital Outlay Building for the Town Hall upgrades. Alderman John Hinton (YES), Alderman Tim Wise (YES), Mayor Mike Eveland (YES), Alderman Phillip Wight abstained from voting. The motion carried unanimously.

Approve Bid for Festival Ground Sign.

Manager Best said the Town received two bids and the lowest bid is from the company that constructed the Town Hall sign. Signs Etc. had the lowest bid of \$26775.35.

A motion was made by Alderman Jim Owens to approve the bid from Signs Etc. in the amount of \$26775.35 for the Festival Ground Sign. Alderman John Hinton (YES), Alderman Tim Wise (YES), Mayor Mike Eveland (YES), Alderman Phillip Wight abstained from voting. The motion carried unanimously.

Budget Amendment Ordinance 1085: Transfer \$26,775 from Administration to Festival Ground's Capital Outlay Land Improvements.

A motion was made by Alderman Jim Owens to adopt Budget Amendment Ordinance 1085 transferring \$26,775 from Administration to Festival Ground's Capital Outlay Land Improvements. The motion carried unanimously.

Approval of 2024 Audit Contract not to exceed \$30,620 for the audit and financial statement preparation.

A motion was made by Alderman Phillip Wight to approve the 2024 audit contract with Martin Starnes & Associates and the amount is not to exceed \$30,620 for financial statement preparation. The motion carried unanimously.

Other Business

Alderman Tim Wise confirmed with Manager Best that the Town Hall upgrades included the halls, carpets, new doors and windows in the cafeteria. Mr. Wise said they are much needed upgrades, and we are excited to get it done.

Manager Best reminded Board Members of the Budget meeting that will be held tomorrow May 15, 2024 in the Town Hall Board Room.

Department Head Reports

Mike Mehaffey, Public Works Director

Public Works

- Monthly maintenance, general cleaning and repairs at Town Hall, Pavilion, Parham Park, Rathbone/Rich Park, Festival Grounds, Public Works buildings and Police Department.
- Monthly Recyclables approx. 11.2 tons.
- Monthly Solid Waste approx. 49.5 tons.
- Monthly White Goods/Electronics 4 pick-ups.
- Picked up miscellaneous residential brush and debris. 203 brush pick-ups that totaled 12 loads of brush.
- Continue maintenance and repairs on Welcome Banners, Miss Maggie Banners and Spring banners.
- Public Works continues upkeep of all Town facilities.
- Perform ditch, culvert, shoulder and road maintenance along streets. Both private and Town streets.
- Service and/or repaired 4 Public Works vehicles/equipment 1 Administration and 4 Police vehicles.
- Picked up bagged trash and debris along Highway 19 and Highway 276 from Fie Top Road to the Wastewater Treatment Plant.
- The Highway 19 Pedestrian Safety project is getting close to finishing. We are waiting on final information from DOT.
- Pothole and road repairs on Twinbrook drive, Panoramic Loop, Riddle Cove Road, Festival Grounds area and Mountainside circle.
- Public Works continues inspections and testing of roads, paving and other infrastructure at Mountain View Estates.
- The new fencing at the Festival Grounds Ferguson lot has been completed.
- The Sweet Brier Parking Lot contract with Custom Paving has been completed. Public Works continues doing cleanup, landscaping, additional signage and seeding.
- Public Works has begun street sweeping. We have completed Highway 19, Moody Farm Road and Town Hall. We will continue doing other areas as time and weather allow.

WWTP

- Daily and Monthly testing, monitoring and analysis; Monthly cleaning and repairs.
- Monthly Road, Levee, equipment and building maintenance.
- Continued yearly sewer line, manhole, easement spraying and creek crossing inspections as required by DENR.
- Installed/repaired 3 sewer services issues, cleaned and videoed approximately 0' feet of sewer line, inspected 12 sewer connections/installations, repaired/leak stopped 0 damaged manhole and inspected 0 manholes as we continue to work on I&I issues.
- Dewatered 41,000 gallons of digester sludge. Lime Stabilized 0 tons of dewatered sludge. Also, we hauled 0 tons of dewatered sludge to landfill.
- Worked with business owners, homeowners, contractors and others to help resolve sewer related issues such as rainwater getting into sewer lines, back-ups, video inspection, private line or service locations and damage to lines.
- Continue monthly sewer easement maintenance. Bush hogging, tree cutting, spraying and debris removal.
- This month we received ninety-four locate requests for NC811. These were all marked in a timely manner.
- Continue monitoring Johnathan Creek and stream banks for fallen and dead trees that could impact the Town's sewer creek crossings. This is now required by NCDEQ.
- Removed fallen trees and debris from Jonathan's Creek on Moody Farm Road, Stonebridge Campground, Valley Creek and Campbell Creek.
- Grease in the Towns sewer collection system and in the Wastewater Treatment Plant is an ongoing and time-consuming problem. Regular grease trap pumping and maintenance is the key to keeping these problems to a minimum. All food handling businesses are required to have grease-removing equipment installed and to maintain records of cleaning and maintaining their equipment. The sewer department staff regularly inspects this equipment and looks at records and logs of this maintenance. This month we performed 3 grease trap inspections. Of these 0 were found to be non-compliant. We continue to work with all businesses on their grease issues. We provide assistance and education in hopes of reducing the amount of grease in our sewer system.
- Reviewed plans and permits for new developments and projects.
- The Mountain View Estates project has started. The contractor has started clearing debris from lots and the storm drainage system that was previously installed. This is another project we will be doing inspections for sewers, stormwater and roads. The first phase of this project will continue through the spring.
- Our contract sewer line cleaning has been completed. 21,272 feet was cleaned and videoed.

Matthew Boger, Police Chief

Incidents

- During this reporting month April, the Maggie Valley Police Department investigated thirty-one incidents, which included Breaking and Entering, Larceny, Property Damage, Drug Violations, Simple Assault, Aggravated Assault, Motor Vehicle Theft, and Disorderly Conduct.

Arrests

- Maggie Valley Police Officers arrested ten individuals, resulting in seventeen charges, which included Larceny, Breaking and Entering, Property Damage, Drug Violations, Driving While Impaired, and Disorderly Conduct.

Motor Vehicle Traffic

- Maggie Valley Police Officers investigated one motor vehicle accidents for the reporting period and issued one-hundred and seventy-seven traffic-related charges. Forty-nine-point one percent of charges were for speeding (9 citations and 78 written warnings).

Officer Activities

- THIS LIST IS NOT A COMPREHENSIVE LIST OF ALL THE INCIDENTS FOR THE REPORTING PERIOD. SOME CASES, DUE TO THE INTEGERGY OF THE CASE, CAN NOT BE PUBLICLY DISCLOSED AT THIS TIME.
- Sergeant Flowers and K-9 Officer Bellows responded to a residence in reference to a breaking and entering in progress call for service. The residence was cleared and secured. No persons were found inside the home.
- Sergeant Wood initiated a traffic stop on a vehicle driving recklessly during the Mini Truck event. The driver was arrested for DWI.
- Sergeant Flowers and K-9 Officer Bellows responded to a residence in reference to a domestic disturbance call for service. No assault had occurred, and an incident report was documented.
- Sergeant Flowers met with an individual at the Police Department in reference to fraud. A report of the incident was documented and forwarded to C.I.D.
- Officer Herbertson responded to a business in reference to a property damage call for service. A report of the incident was documented and forwarded to C.I.D.
- Officer Herbertson assisted HCSO with a call-in reference to a gunshot wound. The injury was self-inflicted and thanks to Officer Herbertson's training from TCCC he was first on scene and able to render medical assistance to the victim.
- Officer Riddle responded to an abandoned business in reference to a property damage call for service. A report of the damage was documented.
- Officer Riddle responded to an emergency assault that took place on Rich Cove. The assault inflicted serious injury and the victim was transported to Mission Hospital. The suspect has been interviewed and charged have been filed.
- Officer Greene continued the FTO program with Officer Snyder who is in the final phase of training. This is very demanding on the training officer, and we appreciate his commitment.
- Officer Greene assisted Probation with a call in our jurisdiction. The suspect was charged with domestic criminal trespass and probation violations.
- Several officers worked several extra shifts during this month's events.

Evidence Processing (E/P)

- Evidence Technicians O. Murphy and S. Justice processed six items for the month. Evidence includes narcotics, narcotics paraphernalia, and personal property.

Investigations (CID)

- Detective Crocker and Chief Boger assisted several agencies with a sexual assault case. The jurisdiction is still to be determined, but it was confirmed to not be in the city limits of Maggie Valley.
- Detective Crocker met with the district attorney's office in reference to a drug investigation.
- Detective Crocker attended Grand Jury.
- Detective Crocker is working on a joint investigation with Waynesville PD in reference to the exploitation of a minor.
- Detective Crocker attended an FI at KARE in reference to the case above with WPD.
- Detective Crocker and Chief Boger responded to Tanglewood Shops multiple times this month in reference to an ongoing civil issue.
- Detective Crocker conducted some follow-up on a larceny of a vehicle. The vehicle was a 2024 Jeep Wagoneer. Video footage was obtained, and a male is observed to walk up to the vehicle at 3:03am and drive off in the vehicle. It was later located in Newport, TN unoccupied.
- Detective Crocker attended MDT.
- Detective Crocker responded to the scene of an assault. The victim was transported to mission for several head lacerations. Chief Boger and Detective Crocker interviewed two suspects resulting in one arrest with charges of Felony Breaking and Entering and Assault with a Deadly Weapon Inflicting Serious Injury with Intent to Kill.

K9 Program

- The K9 teams logged 8 training events and 4 deployments.
- One person was arrested for possession of a controlled substance and our K9 team assisted in removing a deadly narcotic off the streets. Good Job!

Community Patrol and Interactions

- Maggie Valley Officers patrolled through our residential neighborhoods 101 times monthly.
- Maggie Valley Officers performed their monthly business visits.
- Maggie Valley Officers responded to 503 Calls for Service (CFS) in this reporting period. The average number of calls for service per day has been consistently around 10 for the last several months. This month the CFS's has greatly increased.

Events, Schools, and Meetings

- K9 Officer Bellows and Charlie did a K9 demo at Maggie Methodist for the preschool class.
- K9 Sgt. Wood and Karma did a meet and greet demo for the Maggie Valley Chamber of Commerce.

- The annual radar calibrations were conducted on all installed radar units. Special thanks to the NC Highway Patrol for assisting with this operation.
- Due to the large number of individuals attending the Mini Truck event, most officers worked extra shifts for coverage. Officers patrolled the event to ensure the safety of the event. Very minimal complaints were received during the event.

Sam Cullen, Town Planner

- Nine Residential Permits: New Structure Permits for 64 Maris Place, 60 Leisure Lane, 62 and 85 Leisure Lane, 2085 Soco Road, Tanner Trail, Twinbrook Lane, 243 Old Still Road, 106 Silverleaf Circle.
- Two Commercial Permits for renovations at 3422 Soco Road and 3376 Dellwood Road.
- Two Floodplain Permits Renovations at 1235 Moody Farm Road, 221 Moody Farm Road.
- Five In person consultations: HOA's, E.V. Chargers, Internship, IT issues, and Contractors.
- Three Final Zoning Compliance: 42 Alex Ridge, 54 Alex Ridge, and 87 Riverside Villa.
- One Misc. requests: Zoning Verification, 3376 Dellwood Road.
- Four Notice of Violations: Grass, Soco Road, Caldwell Drive and Dingus Way: RV, 74 Caldwell Drive

In April the Planning Department:

- Staffed the regularly scheduled planning board meeting.
- Met with the SWNC Home consortium and recommended awarding grants to various affordable housing projects.
- Met with the Haywood County MPO representatives to prioritize transportation projects.
- Met with EV charging consultants to investigate a 2-bay charging station for the Sweet Briar parking lot.
- Conducted preliminary plat review of a proposed single family home development in the Maggie Valley Country Club area.


Adjournment

A motion was made by Alderman Tim Wise to adjourn the meeting at 7:25 pm. The motion carried unanimously.

Attest:



Mayor Mike Eveland



Vickie Best, Town Manager



Kathy Johnson, Town Clerk



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

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

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

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/24	Date Audit Will Be Submitted to LGC 10/31/24
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Must be within four months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.
2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards (GAGAS)* if the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F* (Uniform Guidance) or the State Single Audit Implementation Act. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

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

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

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

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

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

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

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

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

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

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

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

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements and/or the compliance section, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.
15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.
16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC.
17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.
18. Special provisions should be limited. Please list any special provisions in an attachment.
19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.
20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.
21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.
22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

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

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

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

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

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

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

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

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

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

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

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

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

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

FEES FOR AUDIT SERVICES

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

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

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

Name:

Title and Unit / Company:

Email Address:

Misty Hagood

Finance Officer, Town of Maggie Valley

mhagood@maggievalleynyc.gov

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

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

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

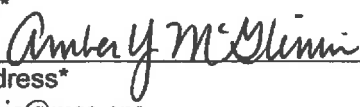
4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC,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

Primary Government Unit	Town of Maggie Valley, NC
Audit Fee (financial and compliance if applicable)	\$ 24,470
Fee per Major Program (if not included above)	\$
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	\$ 6,150
All Other Non-Attest Services	\$
TOTAL AMOUNT NOT TO EXCEED	\$ 30,620


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

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Martin Starnes & Associates, CPAs, P.A.	
Authorized Firm Representative (typed or printed)* Amber Y. McGhinnis	Signature* 
Date* 04/29/24	Email Address* amcghinnis@msa.cpa

GOVERNMENTAL UNIT

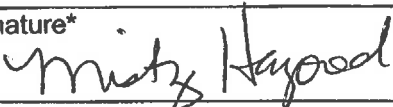
Governmental Unit* Town of Maggie Valley, NC	
Date Governing Board Approved Audit Contract* (Enter date in box to right)	5/14/24
Mayor/Chairperson (typed or printed)* Mike Eveland, Mayor	Signature* 
Date 5/14/24	Email Address* meveland06@gmail.com

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

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

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

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

Sum Obligated by This Transaction:	\$ 30,620
Primary Governmental Unit Finance Officer* (typed or printed) Misty Hagood, Finance Officer	Signature* 
Date of Pre-Audit Certificate* 5-15-24	Email Address* mhagood@maggievalleynnc.gov

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

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

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

DPCU – PRE-AUDIT CERTIFICATE

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

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

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

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

PRINT



Koonce, Wooten & Haywood, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Report on the Firm's System of Quality Control

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

We have reviewed the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. (the firm) in effect for the year ended December 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

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

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. in effect for the year ended December 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Martin Starnes & Associates, CPAs, P.A. has received a peer review rating of *pass*.

Koonce, Wooten & Haywood, LLP

Koonce, Wooten & Haywood, LLP

May 4, 2021

Raleigh
4060 Barrett Drive
Post Office Box 17806
Raleigh, North Carolina 27619

919 782 9265
919 783 8937 FAX

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Suite 203
Durham, North Carolina 27707

919 354 2584
919 489 8183 FAX

Pittsboro
579 West Street
Post Office Box 1399
Pittsboro, North Carolina 27312

919 542 6000
919 542 5764 FAX

Smithfield
212 East Church Street
Post Office Box 2348
Smithfield, North Carolina 27577

919 934 1121
919 934 1217 FAX