



Town of Southern Shores

5375 N. Virginia Dare Trail, Southern Shores, NC 27949

Phone 252-261-2394 / Fax 252-255-0876

www.southernshores-nc.gov

Town Council Regular Meeting

April 1, 2025, 5:30 PM

Pitts Center-5375 N. Virginia Dare Trail, Southern Shores NC 27949

Present

Mayor Morey

Mayor pro tem Neal

Council Member Batenic

Council Member Neilson

Call Meeting to Order-April 1, 2025

Pledge of Allegiance

Moment of Silence

Amendments to / Approval of Agenda

Mayor Morey acknowledged the absence of Council member Sherlock due to a family commitment and called on council for any amendments to the agenda. Hearing none, Council member Neilson **moved** to approve the agenda as presented, Seconded by Council member Batenic. The motion passed unanimously.

Consent Agenda

The consent agenda consisted of the following:

1. Child Abuse Prevention Month, April 2025 Proclamation #2025-0401
2. Resolution #2025-0402 April Fair Housing Month
3. Resolution #2025-0403 Encouraging The North Carolina Legislature to Expand Authority to Construct Housing for Local Government Employees
4. Surplus Resolution #2025.0404
5. 2025 Audit Contract and Engagement Letter (year 3 of 3)
6. Amendment to Rules of Procedure- Section 17 to include Rules of Decorum

Mayor Morey presented the consent agenda. Mayor pro tem Neal **moved** to approve the consent agenda as presented, Seconded by Council member Batenic. The motion passed unanimously.

Staff Reports

Planning/Deputy Town Manager

Planning Director/Deputy Town Manager Wes Haskett provided a brief report for the month of March. He also announced the next Planning Board Meeting will be held on April 21st here in the Pitts Center.

Police Chief

Police Chief Kole presented the March police report. He added that he did not have a date yet for the Coffee with a Cop at the Shore Coffee Roasters.

Fire Chief

Fire Chief Limbacher provided the monthly calls report for March.

Town Manager

Town Manager Ogburn provided the following updates:

- Town Manager Cliff Ogburn provided a visual update on the bridge construction project, showing progress photos from March 4 and April 1. He noted that the bridge remains on schedule and under budget, with completion expected by Memorial Day. The project is transitioning from bridge work to street paving. He also addressed concerns from residents about structural vibrations caused by construction, stating that affected homeowners are being asked to submit documentation for review.

Council members requested that progress photos be shared in the town newsletter to alleviate resident concerns.

Town Attorney

Town attorney Robert Hobbs had nothing to report.

General Public Comment

Steve House (Vice Chair, Dare County Board of Commissioners) invited council and public to Wilbur Wright birthday celebration on April 16 at Hilton Garden Inn. He emphasized his availability to Southern Shores residents on county/state issues.

Old Business**Consideration of Bid Award- Town Hall Building Renovation**

The agenda summary read, the low bid for the Town Hall Building Renovation was higher than the budgeted amount. NC General Statutes allow for negotiations with the low bidder to bring the project to within the budgeted amount. The removal of the additional square footage for file storage from the project resulted in significant savings. However, the project still meets the other intended purposes of employee safety and security, and better use of existing space. Work included in the project consists of remodeling and converting the conference room into a receptionist area, and the remodeling of the planning and administration entrances. Also included are three new interior doors and a new front door equipped with recently replaced electronic access equipment. The funding for the project in this year's budget is \$380,000. The cost for the negotiated work is \$231,690.05 which includes a 10% contingency. Other elements of the project addressed separately include a new front porch at Town Hall and replacement of all existing door electronic access control equipment, leaving unspent \$16,389.95. Vendors involved include Sussex Development, KDH Fire & Security, and Cornerstone Marine Construction.

The council unanimously approved authorizing the town manager to execute contracts.

MOTION: Mayor pro tem Neal **moved** to authorize Town manager Ogburn to enter into contracts with Sussex Development and KDH Fire and Security to make renovations to Town Hall in a total

amount not to exceed \$231,690.05, Seconded by Council member Batenic. The motion passed unanimously.

AMENDED MOTION: Mayor pro tem Neal amended his original motion to include Cornerstone Marine Construction along with Sussex Development and KDH Fire and Security, Seconded by Council member Neilson. The amended motion passed unanimously.

New Business

MOA Relating to the SSVFD Becoming a Town Municipal Fire Department

At its March 4, 2025 regular Town Council meeting, the Council heard a presentation from NC Fire Chiefs Consulting regarding the feasibility of the Southern Shores Volunteer Fire Department becoming a municipal department. The report recommended that the parties meet and confer with one another to jointly set a course of action for the transition. This working group consists of two Councilmembers, the SSVFD Fire Chief and a representative of the SSVFD volunteers, the town's Finance/HR Director and Town Manager. This group has held productive weekly meetings, including open discussions with volunteer firefighters. Town manager Ogburn explained that the MOA signifies both parties' commitment to a plan for a smooth transition and will lay the groundwork for eventual legal integration under town management.

Mayor Morey stated this is step one and we are looking for ultimately a binding legal agreement.

Council member Batenic stated Fire Chief Limbacher and representatives from the fire department board have been on board throughout the process. The town and fire department both know the task at hand and are working on it to get it done.

The council unanimously approved a Memorandum of Agreement (MOA) as a first step in transitioning the Southern Shores Volunteer Department into a municipal operation.

MOTION: Mayor Morey moved to approve the Memorandum of Agreement (MOA) as presented, Seconded by Council member Batenic. The motion passed unanimously.

Consideration of TCA-25-02 Misdemeanor

Town Planning Director Wes Haskett explained at the February 6, 2024 Town Council meeting, the Town Council directed Town Staff to draft Town Code amendments to modernize the Town Code. As a result, Town Staff has drafted TCA-25-02 which proposes amendments to multiple Chapters of the Town Code that specify that violations of some existing ordinances shall be a class 3 misdemeanor and punishable by a fine of not more than \$500.00 within the applicable ordinances. All of the applicable ordinances, except for Chapter 22, Article III Camping, are currently enforceable as class 3 misdemeanors and a fine of not more than \$500.00 but the enforcement provisions are established in Town Code Chapter 1, instead of the applicable ordinances.

Planning Director Wes Haskett noted that there is one exception staff is requesting council not include as part of the amendment, and that is town code section 10-1 (e)13 lines 8 through 10 which pertains to the provision in the cemetery's ordinance.

Hearing no discussion from the council, Mayor Morey called for a motion.

MOTION: Mayor pro tem Neal moved to adopt TCA 25-02 less the text change (cemetery provision) on line 8 through 10 of the TCA, Seconded by Council member Batenic. The motion passed unanimously.

Trinitie Trail Bridge Change Order

Town manager Cliff Ogburn introduced a change order to the Trinitie Bridge project, proposing additional road paving from the bridge northward to Deer Path. The total cost was \$27,542.71, covered by the existing budget surplus.

Council member Batenic inquired about extending the paving even further. Town manager Ogburn felt that it would require a future contract, as the required work would be more than a change order for the current project.

MOTION: Council member Batenic moved to approve the change order, Seconded by Council member Neilson. The motion passed unanimously.

Council Business

Council Member Neilson provided updates from the Dare 250th Anniversary planning committee. He recommended including Southern Shores' historic flattops on Skyline Drive in the county's upcoming history trail map and passport program which the event committee is creating. The council expressed consensus to support this initiative.

Mayor pro tem Neal gave an update on the Entry Corridor Committee, which will meet again on April 15. The committee is finalizing a public survey and developing strategies to distribute it through various channels such as newsletters, QR code door hangers, and stickers at local businesses.

Council member Batenic reported that the Dare County Tourism Board received a record number of grant applications, 36 requests totaling \$536,000 with only \$230,000 available for fall events. He emphasized the wide range of events and interest in promoting Dare County.

Mayor Morey announced that the next regular council meeting is scheduled for May 6, 2025, with a potential additional meeting in May for budget discussions and a possible Mayor's Chat to be announced.

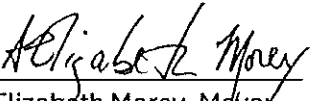
Mayor Morey **moved** to go into a closed session at 6:07 PM under NCGS 143-318.11(A)(3) for attorney-client privilege discussions, Seconded by Council member Batenic. The motion passed unanimously.

Upon returning from the closed session, Town attorney Robert Hobbs announced the council met with him to discuss a legal matter to protect the attorney -client privilege. He addressed that matter, gave advice and was given directions by the council.

Adjourn

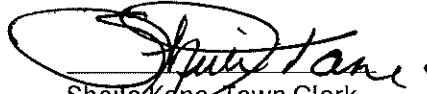
Hearing no further business, Mayor Morey called for a motion to adjourn. Council member Batenic moved to adjourn the meeting at 7:35 PM, Seconded by Council member Neilson. The motion passed unanimously.

ATTEST:


Elizabeth Morey, Mayor



Respectfully submitted,


Sheila Kane, Town Clerk



TOWN OF SOUTHERN SHORES
TOWN COUNCIL REGULAR MEETING

5375 N. Virginia Dare Trail, Southern Shores, NC 27949

Phone 252-261-2394 / Fax 252-255-0876

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PITTS CENTER

Tuesday, April 01, 2025 at 5:30 PM

AGENDA

Call Meeting to Order

Pledge of Allegiance

Moment of Silence

Amendments to / Approval of Agenda

Consent Agenda

1. Child Abuse Prevention Month, April 2025 Proclamation #2025-0401
2. Resolution #2025-0402 April Fair Housing Month
3. Resolution #2025-0403 Encouraging The North Carolina Legislature To Expand Authority To Construct Housing For Local Government Employees
4. Surplus Resolution #2025.0404
5. 2025 Audit Contract and Engagement Letter (year 3 of 3)
6. Amendment to Rules of Procedure- Section 17 to include Rules of Decorum

Staff Reports

General Public Comment (Limit: 3 minutes per speaker.)

Old Business

7. Consideration of Bid Award- Town Hall Building Renovation

New Business

8. MOA Relating to the SSVFD Becoming a Town Municipal Fire Department
9. Consideration of TCA-25-02 Misdemeanor
10. Trinitie Trail Bridge Change Order

Council Business

Closed Session - closed session per NCGS 143-318.11(a)(3) for attorney-client privilege

Adjourn



Child Abuse Prevention Month, April 2025 Proclamation #2025-0401

Whereas, children are vital to our state's future success, prosperity and quality of life as well as being our most vulnerable assets;

Whereas, all children deserve to have safe, stable, nurturing homes and communities they need to foster their healthy growth and development;

Whereas, child abuse and neglect is a community responsibility affecting both the current and future quality of life of a community;

Whereas, communities that provide parents with the social support, knowledge of parenting and child development and resources they need to cope with stress and nurture their children ensure all children grow to their full potential;

Whereas, effective child abuse prevention strategies succeed because of partnerships created among citizens, human service agencies, schools, faith communities, health care providers, civic organizations, law enforcement agencies, and the business community;

Therefore, we, the Town of Southern Shores do hereby proclaim

April as Child Abuse Prevention Month and call upon all citizens, community agencies, faith groups, medical facilities, elected leaders and businesses to increase their participation in our efforts to support families, thereby preventing child abuse and strengthening the communities in which we live.

Elizabeth Morey, Mayor
Town of Southern Shores

Date



FAIR HOUSING MONTH PROCLAMATION

#2025-0402

WHEREAS The Fair Housing Act, enacted on April 11, 1968, enshrined into federal law the goal of eliminating racial segregation and ending housing discrimination in the United States; and

WHEREAS The Fair Housing Act prohibits discrimination in housing based on race, color, religion, sex, familial status, national origin, and disability, and commits recipients of federal funding to affirmatively further fair housing in their communities; and

WHEREAS The Town of Southern Shores is committed to the mission and intent of Congress to provide fair and equal housing opportunities for all; and

WHEREAS Our social fabric, the economy, health, and environment are strengthened in diverse, inclusive communities; and

WHEREAS More than fifty years after the passage of the Fair Housing Act, discrimination persists, and many communities remain segregated; and

WHEREAS Acts of housing discrimination and barriers to equal housing opportunity are repugnant to a common sense of decency and fairness.

NOW THEREFORE BE IT RESOLVED that the Town Council of Southern Shores does hereby declare the month of April 2025 as

Fair Housing Month

in Southern Shores as an inclusive community committed to fair housing, and to promoting appropriate activities by private and public entities to provide and advocate for equal housing opportunities for all residents and prospective residents of the Town of Southern Shores.

Elizabeth Morey, Mayor
Town of Southern Shores

Date



Town of Southern Shores

5375 N. Virginia Dare Trail, Southern Shores, NC 27949

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A RESOLUTION OF THE SOUTHERN SHORES TOWN COUNCIL ENCOURAGING THE NORTH CAROLINA LEGISLATURE TO EXPAND AUTHORITY TO CONSTRUCT HOUSING FOR LOCAL GOVERNMENT EMPLOYEES

Res # 2025-0403

WHEREAS, Dare County and its six municipalities, Duck, Southern Shores, Kitty Hawk, Kill Devil Hills, Nags Head, and Manteo, recognize that the availability of affordable housing for local government employees is essential to attracting and retaining qualified personnel necessary for providing vital public services; and

WHEREAS, the unique economic conditions, geographical constraints, and market dynamics of Dare County and its municipalities create significant barriers to adequate affordable housing for public sector employees, thereby affecting the recruitment, retention, and overall effectiveness of governmental operations; and

WHEREAS, 31% of households in Dare County are cost-burdened, meaning they spend more than 30% of their income on housing costs, leaving limited resources for other essential needs and making it increasingly difficult for public sector employees to afford housing within the communities they serve; and

WHEREAS, the lack of affordable housing options has resulted in long commutes for employees, workforce shortages, and challenges in maintaining essential public services, including law enforcement, emergency response, public works, and municipal administration; and

WHEREAS, providing housing or assisting employees with affordable housing options directly benefits public safety, educational quality, emergency response times, administrative effectiveness, and general employee wellbeing, ensuring the continued delivery of high-quality services to Dare County residents and visitors; and

WHEREAS, current North Carolina law restricts the ability of local government entities to construct, develop, or otherwise directly provide housing specifically targeted for their employees, creating additional obstacles to resolving the housing crisis; and

WHEREAS, Session Law 2004-16 granted the Dare County Board of Education the authority to construct affordable housing for teachers, setting precedent for local government involvement in workforce housing solutions, demonstrating the feasibility and benefits of such initiatives; and

WHEREAS, the high cost of land and housing development in Dare County exacerbates the difficulty in attracting and retaining government employees, making it imperative that local governments be given the flexibility to address this challenge through targeted housing solutions; and

WHEREAS, granting local authority through special legislation would enable Dare County and its municipalities to take a proactive, localized approach to addressing their specific housing challenges for essential public sector personnel.

NOW, THEREFORE, BE IT RESOLVED, that Southern Shores, in collaboration with Dare County and the municipalities of Duck, Nags Head, Kitty Hawk, Kill Devil Hills, and Manteo, respectfully requests that the North Carolina General Assembly enact local legislation granting express authorization to Dare County and its municipalities to construct, finance, manage, or otherwise provide housing for employees of the county and municipal governments thereby ensuring the stability and effectiveness of critical public services.

Adopted this 1st day of April 2025.

Elizabeth Morey, Mayor
Town of Southern Shores

ATTEST:

Town of Southern Shores, Town Clerk



Town of Southern Shores

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Item 4.

**A RESOLUTION DECLARING CERTAIN PROPERTY
OF THE TOWN TO BE SURPLUS
AND AUTHORIZING THE DISPOSITION OF SAID PROPERTY
#2025.0404**

WHEREAS, the Town Council of the Town of Southern Shores, North Carolina, has determined that the Town owns certain personal property that is no longer needed or usable by the Town; and

WHEREAS, the property is described below:

Surplus Property Information

Make	Model	Year	Department	V.I.N. / Description	Surplus
Ford	TAURUS	2016	POLICE	#0488	GOV-DEALS
FORD	EXPLORER	2017	POLICE	#8972	GOV-DEALS
MISC	OFFICE EQUIP.		ADMIN		NO VALUE
MISC	PUBLIC WORKS	-	PUBLIC WORKS	BROKEN MOWER & 100 GALLON BARRELL	SCRAP METAL

NOW, THEREFORE, BE IT RESOLVED by the Southern Shores Town Council that the Town Manager or his designee are hereby authorized to dispose of the aforementioned property by any means allowable to include offering for sale at public auction, internet on-line offering, private negotiation and sale, upset bid process, or destruction.

AND BE IT FURTHER RESOLVED that property described in this resolution is surplus as of April 1, 2025.

ATTEST:

Elizabeth Morey, Mayor

Sheila Kane, Town Clerk



Town of Southern Shores Police Department

5375 N. Virginia Dare Trail, Southern Shores, NC 27949
Phone 252-261-3331 / Fax 252-261-4851
infopd@southernshores-nc.gov
www.southernshores-nc.gov



David M. Kole
Chief of Police

March 24, 2025

To: Town Manager Cliff Ogburn
From: Chief of Police David M. Kole
Subject: Police Dept. Surplus Property

The following list of police department property is no longer needed and/or usable by the police department. I request that said property be declared surplus in accordance with all General Statutes and Town Ordinances.

Description	Make	Model	Year	Condition	Est Value	Ser Vin No#
Police Vehicle	Ford	Taurus	2016	Fair	\$8000.00	0488
Police Vehicle	Ford	Explorer	2017	Fair	\$9000.00	8972

NOTE Police Vehicles may include emergency equipment (lights, siren, control console, in-car camera, push-bar, cage, rifle rack, etc.).

Respectfully submitted by,

David M. Kole
Chief of Police

The of and	Governing Board Town Council
	Primary Government Unit Town of Southern Shores
	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 Carr, Riggs & Ingram, P.L.L.C.
	Auditor Address P.O. Box 1547 New Bern, NC 28563

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/25	Date Audit Will Be Submitted to LGC 12/31/25

Must be within six 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. If the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period, the Auditor shall perform the audit in accordance with *Government Auditing Standards* (GAGAS). The Governmental Unit is subject to federal single audit requirements in accordance with Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F (*Uniform Guidance*) and the State Single Audit Implementation Act. Currently the threshold is \$750,000 for a federal single audit and \$500,000 for a State 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 requires a federal single audit in accordance with the Uniform Guidance (§200.501) the Auditor and Governmental Unit(s) should discuss, in advance of the execution of this contract, the responsibility for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512) to ensure proper submission.

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. 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 six 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). Preparing financial statements in their entirety shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, 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:**

Bonnie Swain

Finance Officer

bswain@southernshores-nc.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 Southern Shores
Audit Fee (financial and compliance if applicable)	\$ 23800
Fee per Major Program (if not included above)	\$ N/A
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	\$ N/A
All Other Non-Attest Services	\$ N/A
TOTAL AMOUNT NOT TO EXCEED	\$ 23,800

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

SIGNATURE PAGE

AUDIT FIRM

Audit Firm*	
Carr, Riggs & Ingram, P.L.L.C.	
Authorized Firm Representative (typed or printed)*	Signature*
Madonna Stafford, CPA	<i>Madonna Stafford, CPA</i>
Date*	Email Address*
03/24/25	mstafford@cricpa.com

GOVERNMENTAL UNIT

Governmental Unit*	
Town of Southern Shores	
Date Governing Board Approved Audit Contract* (Enter date in box to right)	
Mayor/Chairperson (typed or printed)*	Signature*
Elizabeth Morey, Mayor	
Date	Email Address*
	emorey@southernshores-nc.gov

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

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:	\$ 23,800
Primary Governmental Unit Finance Officer* (typed or printed)	Signature*
Bonnie Swain	
Date of Pre-Audit Certificate*	Email Address*
	bswain@southernshores-nc.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)* N/A	Signature*
Date*	Email Address* N/A

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

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* N/A

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

PRINT



Report on the Firm's System of Quality Control

To the Partners of
Carr, Riggs & Ingram LLC
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Carr, Riggs & Ingram, LLC (the "firm") applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2022. 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 and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of 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 the requirements of applicable 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 and compliance with the Firm's system of quality control 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, audits of employee benefit plans, an audit performed under FDICIA, and an examination of a service organization (SOC 2 engagement).

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 Carr, Riggs & Ingram, LLC, applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2022, 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. Carr, Riggs & Ingram, LLC has received a peer review rating of *pass*.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
September 15, 2022



MASTER SERVICES AGREEMENT

We are pleased that you have chosen to engage Carr, Riggs & Ingram to provide certain accounting, advisory, assurance, consulting, tax, and/or related services.

ALTERNATIVE PRACTICE STRUCTURE

"Carr, Riggs & Ingram" and "CRI" are the brand names under which Carr, Riggs & Ingram, P.L.L.C. ("CPA Firm") and CRI Advisors, PLLC ("CRI Advisors" or "Advisors") provide professional services. Carr, Riggs & Ingram, P.L.L.C., Carr, Riggs & Ingram Capital, LLC and their respective subsidiaries operate as an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. CPA Firm is a licensed independent CPA firm that provides attest services, as well as additional ancillary services, to its clients. CRI Advisors provides tax and business consulting services to its clients. CRI Advisors and its subsidiaries are not licensed CPA firms and will not provide any attest services. The entities falling under the Carr, Riggs & Ingram or CRI brand are independently owned and are not responsible or liable for the services and/or products provided, or engaged to be provided, by any other entity under the Carr, Riggs & Ingram or CRI brand. Our use of the terms "CRI," "we," "our," "us," and terms of similar import, denote the alternative practice structure conducted by CPA Firm and CRI Advisors, as appropriate.

This Master Services Agreement 2.0 ("MSA"), shall govern, throughout the entirety of our contractual relationship(s), including the provision of our services and deliverables as set forth in one or more Engagement Letters from CRI (the "services").

CLIENT

"Client" (collectively referred to as "Client", "you", or "your") for the purposes of this MSA, shall mean the party or parties specifically listed as the Client(s) on the applicable Engagement Letter. As examples, the Client might include {ONLY AS SPECIFICALLY IDENTIFIED OR LISTED IN THE ENGAGEMENT LETTER(S)}:

- For Individual Client(s): you, your spouse (if filing jointly), your dependent children, other dependents, any grantor trusts for which you act as trustee, and any investment partnership or limited liability company if all of the ownership interests are owned by the foregoing persons;
- and
- For Business Client(s) (e.g. for-profit, not-for profit, or governmental entities; fiduciary clients, etc.): the primary business and any subsidiaries or controlled affiliates.

With respect to each Engagement Letter, our Client(s) for a particular engagement will include only those individuals and entities made known to us by you and specifically identified and listed under the Client Acknowledgement section of an Engagement Letter. Neither this MSA nor any Engagement Letter will create any client relationship nor any service-related obligation between us and any natural person or entity unknown to us and/or not specifically listed or identified in an Engagement Letter.

AUTHORITY TO BIND

BY EXECUTING AN ENGAGEMENT LETTER THAT REFERENCES AND INCORPORATES THIS MSA, CLIENT ACCEPTS AND AGREES TO THE TERMS OF THIS MSA. ANY INDIVIDUAL EXECUTING OR ACCEPTING THIS MSA ON BEHALF OF ANY INDIVIDUAL, COMPANY, OR OTHER LEGAL ENTITY, REPRESENTS THAT THEY HAVE THE AUTHORITY TO BIND SUCH INDIVIDUAL, ENTITY, AND ITS AFFILIATES TO THESE TERMS AND CONDITIONS, WILL PROVIDE UPON REQUEST ANY INFORMATION OR DOCUMENTATION VERIFYING, IN CRI'S SOLE DISCRETION, SUCH AUTHORITY, IN WHICH CASE THE TERM "CLIENT" SHALL REFER TO EACH REPRESENTED INDIVIDUAL, ENTITY, OR AFFILIATES. IF THE EXECUTING INDIVIDUAL DOES NOT HAVE SUCH AUTHORITY, OR DOES NOT AGREE WITH THESE TERMS AND CONDITIONS, THEY MUST NOT EXECUTE OR ACCEPT THIS MSA AND MAY NOT USE THE SERVICES.

ENGAGEMENT LETTERS

All services to be performed by us must be described in an Engagement Letter executed by the applicable CRI entity and the Client(s). Each Engagement Letter will identify the applicable CRI entity executing the Engagement letter and performing the services; the Engagement letter will also provide details on the nature of the work and any expected deliverable. Our services will be limited to the services specifically described in that Engagement Letter. Our agreement to perform services under any particular Engagement Letter does not obligate us to perform any future services under any additional Engagement Letters.

Engagement Letters are subject to the terms and conditions outlined in this MSA. Upon execution of an Engagement Letter, this MSA is incorporated into each Engagement Letter executed by the parties.

OUR RESPONSIBILITIES

We will perform the services detailed in the Engagement Letter(s) in accordance with applicable professional standards. Our responsibility is limited to the period(s) covered by the service(s) detailed in the Engagement Letter(s) and does not extend to any later periods for which we are not engaged to provide applicable services, unless evidenced by a separate Engagement Letter.

We are available to provide you with business advice, but we are not obligated to do so unless you specifically engage us to do so via an Engagement Letter for this purpose. The parties agree that Client will only rely on written, not oral, statements or advice from CRI. We believe written advice is necessary to avoid confusion and to make clear the specific nature and limitations of our advice. You should not rely on any advice unless it has received a full supervisory review and is provided by us in writing directly to you.

Unless otherwise stipulated in the Engagement Letter:

1. we will not perform any procedures designed to:

- a. discover defalcations or other irregularities,
 - b. audit or otherwise verify the information you give us, or
 - c. detect immaterial misstatements or violations of laws or government regulations;
2. our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within your entity or noncompliance with laws and regulations; and our services are not designed to provide assurance on internal control or to identify deficiencies in internal control.

We are not investment counselors or brokers. Our advice concerning a particular investment shall be limited to advising you with regard to any applicable tax ramifications of the investment. It shall not include advising you regarding the economic viability or consequences of the investment or whether or not you should make, retain, or dispose of the investment. Our advice regarding any applicable tax ramifications of the investment shall be based on documents and information that you provide us regarding the investment. However, if you would like investment advice, we are happy to provide contact information for (a) qualified investment advisor(s).

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. Our services do not relieve you of your responsibilities.

CLIENT RESPONSIBILITIES

Our services will be conducted on the basis that you acknowledge and understand your responsibility for (as and if applicable):

- assuming all management responsibilities; overseeing any services we provide by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience;
- evaluating the adequacy and results of services (including non-attest services) performed by us; and accepting responsibility for the results of such services; designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial information that is free from material misstatement, whether due to fraud or error, including monitoring ongoing activities;
- the selection and application of accounting principles and framework;
- the preparation and fair presentation of the financial information in conformity with the applicable accounting framework;
- making drafts of financial information or financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers);
- timely providing us with:
 1. access to all information of which you are aware or have in your possession, custody, or control that is relevant to the services for which we are engaged, including but not limited to items such as records, documentation, identification of all related parties and all related party relationships and transactions, and other matters;
 2. additional information that we may request;
- unrestricted access to persons within the entity from whom we determine it necessary to perform our services;

- the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting you or your entity involving:
 1. management,
 2. employees who have significant roles in internal control, and
 3. others where the fraud could have a material effect on the financial information or financial statements;
- informing us of your knowledge of any allegations of fraud or suspected fraud affecting you or your entity received in communications from employees, former employees, regulators, or others;
- identifying and ensuring compliance with applicable laws and regulations;
- the safeguarding of assets, the proper recording of transactions in the book(s) of accounts; and the substantial completeness and accuracy of the financial records, and the full and accurate disclosure of all relevant facts to us.
- informing, in writing, the engagement partner (or individual leading the engagement) before entering into any substantive employment discussions with any CPA Firm or CRI Advisor personnel, to ensure our independence is not impaired under the AICPA Code of Professional Conduct, if applicable

You represent that the information you are supplying to us is accurate and complete to the best of your knowledge and that you have disclosed to us all relevant facts affecting our services.

USE OF FOREIGN AFFILIATES AND THIRD-PARTY SERVICE PROVIDERS

By executing this MSA, and for so long as it remains in effect, you consent to the use of international service providers, including disclosure of your confidential financial information, if applicable, to our service providers located outside the United States. We maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. We also secure and require confidentiality agreements with these service providers to maintain the confidentiality of your information and take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. We remain responsible for the work provided by any such third-party service providers.

RECORD RETENTION

We retain records in accordance with our record retention policy. We do not keep any of your original records, so we will return those to you upon completion of the engagement. When records are returned to you, it is your responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies. You acknowledge and agree that upon the expiration of the applicable retention periods reflected within our record retention policy, available upon request, we are free to destroy our records related to the relevant or affected engagement(s).

REQUEST FOR DISCLOSURE

As part of the alternative practice structure both CPA Firm and CRI Advisors agree to comply with the AICPA Code of Professional Conduct, as applied to the alternative practice structure, and applicable federal, state and local rule with respect to confidentiality of client information. In the event that we are requested or required to disclose any confidential information by law, a subpoena or order issued by a court of competent jurisdiction, other governmental or regulatory authority, or professional standards

(each, an "Order") or are requested or required to disclose any of the confidential information by a non-governmental third party ("Third-Party Demand"), we shall, where legally permissible and reasonably practicable, give you reasonable notice of the Order or Third-Party Demand so that you may seek a protective order or other appropriate remedy at your sole expense, or waive our compliance with the applicable confidentiality provisions of this MSA. In the event you direct us not to make the disclosure, you agree to defend, reimburse, and hold us harmless from any costs or expenses incurred in defending the privilege, including, by way of illustration only, our attorney's fees, court costs, outside adviser's costs, out-of-pocket expenses of any kind, or penalties or fines imposed as a result of your asserting the privilege or your direction to us to assert the privilege or otherwise withhold production; provided, however, we retain the sole discretion, after consultation with our legal counsel, to determine whether or not, and to what extent, to comply with or otherwise address any Order or Third-Party Demand.

DATA SECURITY

In the interest of facilitating our services to you, we may send data over the Internet, securely store electronic data via computer software applications hosted remotely on the Internet or allow access to data through third-party vendors' secured portals or clouds. Electronic data that is confidential to you may be transmitted or stored using these methods. We may use third-party service providers to store or transmit this data, such as, but not limited to, providers of tax return preparation software. In using these data communication and storage methods, we employ measures designed to maintain data security. We use reasonable efforts to keep such communications and data access secure in accordance with our obligations under applicable laws and professional standards. We also require our third-party vendors to do the same.

You recognize and accept that we have no control over, and shall not be responsible for, the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third-party vendors. You consent to our use of these electronic devices and applications and submission of confidential client information to third-party service providers during this relationship.

To enhance our services to you, we will use a combination of remote access, secure file transfer, virtual private network, other collaborative virtual workspaces, or other online tools or environments. Access through any combination of these tools allows for on-demand and/or real-time collaboration across geographic boundaries and time zones and allows the parties hereto to share data, engagement information, knowledge, and deliverables in a protected environment. In order to use certain of these tools and in addition to execution of this MSA or any related Engagement Letter(s), you may be required to execute a separate client acknowledgement or agreement and agree to be bound by the terms, conditions, and limitations of such agreement. You agree that we have no responsibility for the activities of third-party vendors supplying these tools and agree to indemnify and hold us harmless with respect to any and all claims arising from or related to the operation of these tools. While we may back up your files to facilitate our services, you are solely responsible for the backup of your files and records. Therefore, we recommend that you also maintain your own backup files of these records. In the event you suffer a loss of any files or records due to accident, inadvertent mistake, or force majeure, copies of which you have provided to us pursuant to this MSA or any related Engagement Letter(s), we shall not be responsible or obligated to provide you a copy of any such file or record which we may retain in our possession.

DISPUTE RESOLUTION

In the event of a dispute between the parties, which arises out of or relates to this MSA or any related Engagement Letter(s), the breach thereof or the services provided or to be provided hereunder or in the related Engagement Letter(s), if the dispute cannot be settled through negotiation, the parties agree that before initiating arbitration, litigation, or other dispute resolution procedure, they will first try, in good faith, to resolve the dispute through non-binding mediation. All parties agree that an alternative form of dispute resolution shall not be undertaken by either party until the expiration of fifteen (15) calendar days following notice being provided to the other party indicating that the dispute cannot be settled through mediation. The mediation will be administered by the American Arbitration Association under its Dispute Resolution Rules for Professional Accounting and Related Services Disputes. The costs of any mediation proceedings shall be shared equally by all parties.

LIMITATION OF LIABILITY

EXCEPT AS PROVIDED IN THIS MSA, WE SHALL NOT BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, SPECIAL, PUNITIVE, OR ANCILLARY DAMAGES OF ANY KIND ALLEGED AS A RESULT OF ANY CAUSE OF ACTION ARISING FROM OR IN ANY WAY RELATED TO THIS MSA (WHICH INCLUDES, FOR CLARIFICATION, ALL RELEVANT AND AFFECTED ENGAGEMENT LETTER(S)), WHETHER FOR BREACH OF CONTRACT, TORT, OR OTHERWISE. UNLESS OTHERWISE STATED IN THIS MSA, THE PARTIES AGREE THAT OUR TOTAL CUMULATIVE LIABILITY (INCLUDING OUR EMPLOYEES, DIRECTORS, OFFICERS, OR AGENTS), SHALL NOT EXCEED THE AMOUNT OF FEES EARNED BY US RELATED TO THE RELEVANT SERVICE(S) (AS SPECIFIED IN THE AFFECTED ENGAGEMENT LETTER(S)) DURING THE TWELVE MONTHS PRECEDING THE EVENT GIVING RISE TO THE CLAIM, AS SUCH AMOUNT SHALL SERVE AS A REASONABLE PROSPECTIVE ESTIMATE OF ANY DAMAGES WHICH YOU MAY SUFFER THROUGH ANY BREACH BY US OF THE TERMS OF THIS MSA, AS SUCH DAMAGES MAY BE SPECULATIVE OR IMPOSSIBLE TO CALCULATE. IF THERE ARE UNPAID FEES OWED TO US, THIS CUMULATIVE LIABILITY WILL BE REDUCED BY THE VALUE OF THE UNPAID FEES WITH NO ADDITIONAL INTEREST OR CHARGES, AS WE RETAIN THE RIGHT TO OFFSET ANY SUMS CLAIMED AS DUE AND OWED BY YOU, BY ANY SUMS TO WHICH WE ARE LEGALLY ENTITLED. THIS LIMITATION SHALL APPLY WHETHER OR NOT FURTHER DAMAGES ARE FORESEEABLE, OR WHETHER EITHER PARTY (OR ITS EMPLOYEES, AGENTS, OFFICERS, OR DIRECTORS) HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. CLIENT(S) AGREE TO DEFEND, INDEMNIFY, AND HOLD CRI HARMLESS AGAINST ALL CLAIMS OF ANY KIND ARISING FROM IMPROPER THIRD-PARTY DISCLOSURE OF CRI REPORTS OR WORK PRODUCT.

GOVERNING LAW AND VENUE

This MSA and any underlying Engagement Letter(s), including but not limited to, any act or omission of CRI pursuant to the MSA and/or any work by CRI shall be governed by the laws of the State of Alabama, without reference to any conflict of laws rules or principles. Any claim, civil action, or legal proceeding arising out of, or in any way relating to, this MSA or any underlying Engagement Letter(s), any act or omission of CRI pursuant to the MSA, and/or any other agreement(s) with CRI, must be brought in a state court having jurisdiction in Coffee County, Alabama, Enterprise Division, and each party irrevocably submits to the jurisdiction and venue of any such court in any such action or proceeding and agrees to waive any defenses or objections to venue and jurisdiction within Coffee County, Alabama, including forum non conveniens.

STATUTE OF LIMITATIONS

The parties agree that there shall be a one-year statute of limitation (from the earlier of delivery of the service or termination of the MSA or Engagement Letter(s)) for the filing of any requests for arbitration, lawsuit, or proceeding related to this MSA. If such a claim is filed more than one year, or the minimum durational period having been determined as permissible by applicable statutory law or by a court of competent jurisdiction, subsequent to the delivery of the service or termination of the MSA or Engagement Letter(s), whichever occurs first in time, then it shall be precluded by this provision, regardless of whether or not the claim has accrued at that time.

TERMINATION

The MSA shall continue in full force and effect until terminated in accordance with this section. We have the right and sole discretion to terminate and withdraw from this MSA immediately upon written notice to you for any reason including, but not limited to, if you do not provide us with requested information in a timely manner, refuse to cooperate with our reasonable requests, fail to timely pay, or misrepresent any facts. Withdrawal or termination of this MSA constitutes withdrawal and termination from any and all related Engagement Letter(s).

We also have the right and sole discretion to withdraw for any reason from any specific engagement covered by an Engagement Letter immediately upon written notice to you. Our withdrawal will release us from any obligation to complete the services covered by that Engagement Letter and will constitute completion of that engagement. You agree to compensate us for our time and out-of-pocket expenses through the date of any termination and withdrawal of this MSA or any Engagement Letter(s).

RELATIONSHIP AND DISCLOSURE BETWEEN AFFILIATES

As indicated, CPA Firm and CRI Advisors operate as an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. CPA Firm provides attest services to its clients. CRI Advisors is not a licensed CPA firm and does not provide audit or attest services. CRI Advisors has a contractual arrangement with CPA Firm whereby CRI Advisors provides CPA Firm with professional and support personnel and other support services to allow CPA Firm to perform its professional services and performs all services in connection with our engagements for which licensure as a CPA firm is not required. From time to time, CRI Advisors may consult with CPA Firm in the provision of services pursuant to this MSA or an underlying Engagement Letter. In order to avoid duplication of efforts arising out of this arrangement, you consent to our sharing among and between CRI Advisors and CPA firm the information that we may obtain from you in the course of an engagement performed or services provided in any and all Engagement Letter(s).

You consent to CRI Advisors and CPA Firm sharing your Client information with one another and their respective subsidiaries and affiliates, in support of the services to be provided under an Engagement Letter. Unless you indicate otherwise, your acceptance of the terms of this MSA shall be understood by us as your consent to make disclosures among and between CPA Firm and CRI Advisors and their respective subsidiaries, affiliates, and employees of confidential information that we may obtain in the course of our engagement.

You consent to the transfer by CPA Firm of all Client files, work papers and work product, for services other than attest services, if any, which includes confidential client information to CRI Advisors. Please let us know immediately if you have any objection to such transfer of your files.

You consent to us using your financial, tax, and personal information to send to you by any medium: firm newsletters, surveys, press releases, invitations to our seminars, information regarding related services from affiliated companies and/or portfolio companies, and any other communication sent to some or all of our clients. You also consent to us sharing your financial, tax, and personal or confidential information with our affiliated companies and/or portfolio companies. This consent is not conditioned upon our providing services to you.

CORPORATE TRANSPARENCY ACT/BENEFICIAL OWNERSHIP INFORMATION REPORTING

Assisting you with your compliance with the Corporate Transparency Act ("CTA"), including beneficial ownership information ("BOI") reporting, is not within the scope of this MSA. You have sole responsibility for your compliance with the CTA, including its BOI reporting requirements and the collection of relevant ownership information. We shall have no liability resulting from your failure to comply with CTA. Information regarding the BOI reporting requirements can be found at <https://www.fincen.gov/boi>. Consider consulting with legal counsel if you have questions regarding the applicability of the CTA's reporting requirements and issues surrounding the collection of relevant ownership information.

SEVERABILITY

If any provision of this MSA or any underlying Engagement Letter(s) is found by any court to be void or otherwise unenforceable, the remainder of this MSA and any underlying Engagement Letter(s) will remain valid and enforceable as though such void or unenforceable provision were absent upon the date of its execution.

COUNTERPARTS

This MSA may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument and shall become a binding agreement when one or more of the counterparts have been signed by each of the parties and delivered to the other party. Signatures provided by facsimile or electronically shall be valid and binding. If we do not receive signed client acknowledgement(s)/authorization from you within ninety (90) days from the date hereof and you continue to interact with us related to your engagement(s) in or after that timeframe, then your continued interaction will signify and represent your agreement.

MODIFICATION

This MSA may be amended, modified, or supplemented only by written agreement executed by all parties. In the event of a conflict between the terms of this MSA and any Engagement Letter(s), the terms of this MSA shall supersede, unless the applicable Engagement Letter(s) specifically states otherwise and references this MSA.

LATE FEES AND INTEREST

Client agrees to pay all services, fees, and costs of any underlying engagement, and payment is due upon receipt of our invoice. We reserve the right, in our sole discretion, to impose late fees or interest on any balance that is past due. Failure to make timely payments may, upon notice, result in our termination of this MSA and any Engagement Letter(s).

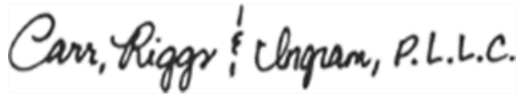
ENTIRE AGREEMENT

This Agreement, including all Engagement Letter(s) and all attachments, schedules, and exhibits hereto or thereto, all of which are incorporated herein by reference, constitutes the full and complete agreement between the parties, including all predecessors of CRI, concerning the subject matter hereof and supersedes all prior and contemporaneous understandings and writings with respect thereto. No additional terms contained in any purchase order, order acknowledgement, confirmation, delivery acknowledgement, similar document, other correspondence, or written or oral communication between the parties will be valid and such additional or conflicting terms are deemed rejected by the parties.

CLIENT ACKNOWLEDGEMENT(S)

If you acknowledge and agree with the terms of our agreement as described in this MSA, please indicate by executing.

Very truly yours,



CARR, RIGGS & INGRAM, P.L.L.C.



CRI ADVISORS, PLLC

Signature

Bonnie Swain

Town of Southern Shores

<signature>

<sign date>

Authorized Signer on behalf of Town of Southern Shores



To Management and Those Charged with Governance
of Town of Southern Shores

This Engagement Letter and its attachments, if any, are governed by the Master Services Agreement 2.0 ("MSA") between Carr, Riggs & Ingram, P.L.L.C. ("CPA Firm", "we", "us", or "our") and the Client; the terms of which are hereby incorporated into this Engagement Letter by reference. By executing this Engagement Letter, the parties agree to and intend to be bound by the terms of the MSA.

"Carr, Riggs & Ingram" and "CRI" are the brand names under which CPA Firm and CRI Advisors, PLLC ("CRI Advisors" or "Advisors") provide professional services. Carr, Riggs & Ingram, P.L.L.C., Carr, Riggs & Ingram Capital, LLC and their respective subsidiaries operate as an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. CPA Firm is a licensed independent CPA firm that provides attest services, as well as additional ancillary services, to its clients. CRI Advisors provides tax and business consulting services to its clients. CRI Advisors and its subsidiaries are not licensed CPA firms and will not provide any attest services. The entities falling under the Carr, Riggs & Ingram or CRI brand are independently owned and are not responsible or liable for the services and/or products provided, or engaged to be provided, by any other entity under the Carr, Riggs & Ingram or CRI brand. Our use of the term "CRI," and terms of similar import, denote the alternative practice structure conducted by CPA Firm, CRI Advisors, their subsidiaries and affiliates, as appropriate.

This Engagement Letter confirms and specifies the terms of our engagement and clarifies the nature and extent of the services we will provide for Town of Southern Shores ("Client", "Entity", "you", or "your") as of and for the year ended June 30, 2025 (the "Selected Period(s)"). Except as otherwise expressly set forth herein, this Engagement Letter only governs attest services, provided to you by CPA Firm. Except as otherwise expressly set forth herein, any non-attest services, including any non-attest services provided by CRI Advisors or any other entities within the Carr, Riggs & Ingram alternative practice structure, will be governed by (a) separate Engagement Letter(s) between such entity and the Client.

In connection with the alternative practice structure, CRI Advisors maintains custody of client files for CPA Firm and CRI Advisors. By executing this engagement letter, you hereby consent to the transfer to CRI Advisors of all your client files, work papers and work product. Unless you indicate otherwise, your acceptance of the terms of this engagement shall be understood by us as your consent to transfer such files and records.

SCOPE AND OBJECTIVES

We will audit the financial statements and the disclosures, which collectively comprise the basic financial statement(s) of the Entity for the Selected Period(s) ended for the following: governmental activities, each major fund, aggregate remaining fund information and the related disclosures to the financial statements, otherwise known as the notes to the financial statements (collectively, the "Financial Statements").

The Financial Statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") (the "Selected Basis").

We will perform an audit engagement with respect to the Financial Statements of the Entity. As and if applicable and indicated in the following paragraphs, we will also perform the appropriate procedures related to either supplementary information ("Supplementary Information") and/or required supplementary information ("RSI").

The objectives of our audit are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion about whether your Financial Statements are fairly presented, in all material respects, in conformity with the Selected Basis and report on the fairness of the Supplementary Information referred to below when considered in relation to the Financial Statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States ("GAGAS") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the Financial Statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the Financial Statements in accordance with GAGAS.

The Selected Basis provides for certain RSI, such as management's discussion and analysis ("MD&A"), to supplement Entity's Financial Statements. Such information, although not a part of the Financial Statements, is required by the Governmental Accounting Standards Board ("GASB") who considers it to be an essential part of the financial reporting for placing the Financial Statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Entity's RSI in accordance with GAAS. These limited procedures will consist of inquires of management regarding methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the Financial Statements, and other knowledge we obtained during our audit of the 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 appropriate evidence to express an opinion or provide any assurance. This RSI is required by the Selected Basis and will be subjected to certain limited procedures, but will not be audited: MD&A,

Required Pension Supplementary Information, and Required Other Postemployment Benefit Supplementary Information.

We have also been engaged to report on Supplementary Information other than RSI that accompanies the Entity's Financial Statements. We will subject the following Supplementary Information to the auditing procedures applied in our audit of the Financial Statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Financial Statements or to the Financial Statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the Financial Statements as a whole in a separate written report accompanying our auditor's report on the Financial Statements or in a report combined with our auditor's report on the Financial Statements: Budgetary Comparison Schedules, Non major fund schedules, and the following other schedules.

OUR RESPONSIBILITIES

We will conduct our audit in accordance with GAAS and GAGAS. We will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS and GAGAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the Financial Statements and determine whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) 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 waste and abuse is subjective, GAGAS do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or 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 some material misstatements or may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and GAGAS. 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. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. 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.

We will obtain an understanding of the Entity and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the Financial Statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls

may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the Financial Statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the Financial Statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to GAGAS. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

We have identified the following significant risks of material misstatement as part of our audit planning: management override of controls and improper revenue recognition due to fraud.

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

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 Entity's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit 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 GAGAS.

Our audit does not relieve you of your responsibilities.

OTHER SERVICES

For any non-attest services provided by CRI, you agree to assume all management responsibilities for these non-attest services and any other non-attest services we provide; oversee the services by designating an individual with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

The non-attest services, if any, are limited to those previously defined in this letter, or as identified in a separate Engagement Letter. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

CLIENT RESPONSIBILITIES

In addition to your responsibilities identified in the MSA, our engagement will be conducted on the basis that you acknowledge and understand your responsibility for:

- designing, implementing, establishing and maintaining effective internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met
- following laws and regulations
- ensuring that management and financial information is reliable and properly reported
- implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements
- the selection and application of accounting principles; for the preparation and fair presentation of the Financial Statements and all accompanying information in conformity with the Selected Basis, and for compliance with applicable laws and regulations rules, and the provisions of contracts and grant agreements
- the preparation and fair presentation of the Financial Statements in conformity with the Selected Basis
- making drafts of Financial Statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers)
- evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern within one year after the date that the financial statements are available to be issued
- providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the Financial Statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the Entity from whom we determine it necessary to obtain audit evidence (4) if applicable, you will provide us with the final version of all documents comprising the annual report which includes other information, prior to the date of our auditor's report. If the final version of these documents are not available prior to the date of our auditor's report, they will be provided as soon as practical and the Entity will not issue the annual report prior to providing them to the auditor
- required written representations from you about the Financial Statements and related matters, at the conclusion of our audit
- required written representations that (1) you are responsible for presentation of the Supplementary Information in accordance with GAAP; (2) you believe the Supplementary Information, including its form and content, is fairly presented in accordance with GAAP; (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) you have disclosed to us any

significant assumptions or interpretations underlying the measurement or presentation of the Supplementary Information.

- required written representations from you about compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and GAGAS, at the conclusion of our audit
- 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
- the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the Financial Statements
- informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants
- identifying and ensuring that the government complies with applicable contracts, agreements, and grants
- taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report
- preparation of the Supplementary Information, as applicable, in conformity with the Selected Basis. You agree to include our report on the Supplementary Information in any document that contains, and indicates that we have reported on, the Supplementary Information and to include the audited Financial Statements with any presentation of the Supplementary Information that includes our report thereon
- if publishing Financial Statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document
- disclosing the date through which subsequent events have been evaluated and whether that date is the date the Financial Statements were issued or were available to be issued
- informing, in writing, the engagement partner before entering into any substantive employment discussions with any CPA Firm or CRI Advisors personnel, to ensure our independence is not impaired under the AICPA Code of Professional Conduct
- informing us on a timely basis of the name of any single investor in you that owns 20% or more of your equity at any point in time

- informing us on a timely basis of any investments held by you which constitutes 20% or more of the equity/capital of the investee entity at any point in time
- establishing and maintaining a process for tracking the status of audit findings and recommendations
- identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Scope and 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 other studies
- 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

ENGAGEMENT ADMINISTRATION

Madonna Stafford, CPA is the engagement partner and is responsible for supervising the engagement and signing the report(s) or authorizing another individual to sign it (them).

We understand that your employees will prepare all confirmations and schedules we request and will locate any documents selected by us for testing. A request list of information we expect to need for our audit will be provided to you. Your prompt attention to and timely return of the requested items will significantly contribute to the efficiency of our audit process.

We will provide copies of our reports to the Entity; however, management is responsible for distribution of the reports and the Financial Statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

In accordance with certain regulations, we, as your auditors, are required to make the following commitments:

- The documentation for this engagement is the property of CRI and constitutes confidential information. However, we may be requested to make certain documentation available to regulators, federal or state agencies, governmental agencies, etc. ("regulators" or "agencies") pursuant to authority given to it by law or regulation. If requested, access to such documentation will be provided under the supervision of CPA Firm personnel. Furthermore, upon request, we may provide copies of selected documentation to these regulators or agencies. These regulators or agencies may intend, or decide, to distribute the copies or information contained therein to others.

- We will file a copy of our most recent peer review report with any applicable regulators or agencies.
- As appropriate, we may meet with those charged with governance before the audit report(s) are filed with any required regulators or agencies.

The information that we obtain in auditing is confidential, as required by the AICPA Code of Professional Conduct. Therefore, your acceptance of this Engagement Letter will serve as your advance consent to our compliance with above commitments.

REPORTING

As part of our engagement, we will issue a written report upon completion of our audit of the Entity's Financial Statements. Our report will be addressed to management, those charged with governance, or both, as appropriate, of the Entity. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance.

We will also provide a report (that does not include an opinion) on internal control related to the Financial Statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the Financial Statements as required by GAGAS. The report on internal control and on compliance and other matters will state: (1) that 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 on compliance, and (2) that the report is an integral part of an audit performed in accordance with GAGAS in considering the entity's internal control and compliance. The report(s) will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Entity 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 GAAS and the standards for financial audits contained in GAGAS may not satisfy the relevant legal, regulatory, or contractual requirements.

TERMINATION

If for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

We reserve the right and sole discretion to withdraw for any reason from this engagement immediately upon written notice to you. Our withdrawal will release us from any obligation to complete the services covered by this Engagement Letter and will constitute completion of this engagement.

Our engagement with you will terminate upon the earlier of our delivery of your report or withdrawal. In either case, you agree to compensate us for our services, fees, and costs to the date of withdrawal.

CORPORATE TRANSPARENCY ACT/BENEFICIAL OWNERSHIP INFORMATION REPORTING

Assisting you with your compliance with the Corporate Transparency Act (“CTA”), including beneficial ownership information (“BOI”) reporting, is not within the scope of this engagement. You have sole responsibility for your compliance with the CTA, including its BOI reporting requirements and the collection of relevant ownership information. We shall have no liability resulting from your failure to comply with CTA. Information regarding the BOI reporting requirements can be found at <https://www.fincen.gov/boi>. Consider consulting with legal counsel if you have questions regarding the applicability of the CTA’s reporting requirements and issues surrounding the collection of relevant ownership information.

OUR FEES

Our fees for these services will be as defined in our Local Government Commission contract with Town of Southern Shores for the year July 1, 2024 through June 30, 2025.

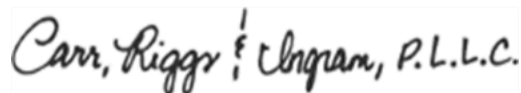
We will also charge you for applicable out-of-pocket expenses incurred in the course of our engagement, including, but not limited to: technology costs, travel expenses (meals, lodging, transportation, etc.), third party technical resources, administrative costs (courier services, report preparation, copying), and any other direct engagement expenses. We may also charge a fee for applications, subscriptions, hosting, or technology we utilize in providing services to you.

The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances (such as, but not limited to, difficulty or delays in obtaining requisite responses to necessary or required procedures, significant changes to promulgated standards, time incurred for financial statement adjustment(s) and the related procedures required, or significant changes to your organization or its internal control structure) will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

CLIENT ACKNOWLEDGEMENT(S)

If you acknowledge and agree with the terms of our agreement as described in this Engagement Letter, please indicate by executing.

Very truly yours,



CARR, RIGGS & INGRAM, P.L.L.C.

Signature
Bonnie Swain
Town of Southern Shores

<signature>

<sign date>

Authorized Signer(s)



Agenda Item Summary Sheet

Date: **4/1/25**

Item #: **consent agenda #6**

Item Title: Amendment to Rules of Procedure-Public Comment

Item Summary: Staff is requesting the Council include language in their Rules of Procedure to address citizen incivility and speaker decorum during public comment periods at Town Council regular meetings.

Staff Recommendation and Requested Action: Approval of revised Section 17 of the Council's Rules of Procedure.

Attachments: Amended Rules of Procedure

As provided under the NC Laws and the Town Charter, the Town of Southern Shores operates under the Council-Manager form of government. This means that the Town Council is responsible for the development and oversight of a general framework under which the Town government can meet the needs of the community. The Town Manager reports to, and receives direction from, the entire Town Council and is responsible for managing all functions of the Town government on a day-to-day basis. A key element for success of a Council-Manager government is acceptance of, and adherence to, the principle that individual council members have no direct management, administrative, or supervisory power over any member of staff...management of staff is solely in the hands of the Town Manager. The following Rules of Procedure govern how the Town Council of Southern Shores conducts the public's business in public session.

Section 1. Applicability.

These Rules of Procedure shall apply to all meetings of the Town Council at which the Council is empowered to exercise any of the executive, quasi-judicial, administrative, or legislative powers conferred on it by law.

Section 2. Open meeting policy.

- (a) The public policy of the state and of the town is that the hearings, deliberations, and actions of the Council and its committees be conducted openly.
- (b) Except as otherwise provided in this policy and in accordance with applicable state law, each official meeting of the Town Council shall be open to the public, and any person may attend.
- (c) For the purposes of the provisions of this policy concerning open meetings, an official meeting of the Council is defined as any gathering together at any time or place or the simultaneous communication by conference telephone or other electronic means of a majority of council members for the purpose of conducting hearings, participating in deliberations, or voting upon or otherwise transacting public business within the jurisdiction, real or apparent, of the Council.

Section 3. Location of meetings.

All meetings shall be held within the boundaries of the Town except as otherwise provided in this section.

- (a) A joint meeting with the governing board of any other political subdivision of this or any other state may be held within the boundaries of either subdivision as may be specified in the call of the meeting. At any such joint meeting, the Council reserves the right to vote separately on all matters coming before the joint meeting.
- (b) A special meeting called for considering and acting on an order or resolution requesting members of the General Assembly representing all or any portion of the Town to support or oppose any bill pending in the General Assembly or proposed for introduction therein may be held in the City of Raleigh or other such place as stated in the call of the meeting.
- (c) Retreats, work sessions, or other special meetings may be held outside of the Town provided that the meetings are advertised in accordance with North Carolina General Statutes.

Section 4. Quorum generally.

A majority of the Council membership shall constitute a quorum. The number required for a quorum shall not be affected by vacancies. If a member has withdrawn from a meeting without being excused by majority vote of the remaining members, he shall be counted as present for the purposes of determining whether a quorum is present.

Section 5. Organizational meeting.

Item 6.

On the date and at the time of the first regular meeting in December following a general election in which Town Council members are elected, the newly elected members of the Council shall take and subscribe the oath of office as the first order of business.

The retiring Mayor will preside until the new Mayor is sworn in. As the second order of business, the Council shall elect a Mayor pro tempore from among its members.

Section 6. Meetings.

- (a) Regular meetings. The Council shall hold a regular meeting on the first Tuesday of each month, except that if a regular meeting day is a legal holiday, the meeting shall be held on the next business day. In addition to the regular meeting, the Council may hold a work session on the third Tuesday of the month.
- (b) Special meetings. The Mayor, the Mayor pro tempore or any two members of the Council may at any time call a special meeting of the Council by signing a notice stating the time and place of the meeting and the subjects to be considered. At least 48 hours before a special meeting is called in this manner, written notice of the meeting stating its time and place and the subjects to be considered shall be (a) delivered to the Mayor and each Council member or left at the usual dwelling place of each Council member; (b) posted on the Council's principal bulletin board, or if none, at the door of the Council's usual meeting room; and (c) mailed, emailed, or delivered to each newspaper, wire service, radio station, television station, and person who has filed a written request for notice with the Town Clerk. Only those items of business specified in the notice may be transacted at a special meeting.
- (c) Emergency meetings. The Mayor, the Mayor pro tempore or any two members of the Council may at any time call an emergency meeting of the Council due to generally unexpected circumstances that require immediate consideration by the Council. An emergency meeting may be initiated by the signing of a notice stating the time and place of the meeting, a general description of the circumstances giving rise to the emergency and the subjects to be considered at the emergency meeting. The person or persons calling an emergency meeting, or their designees shall take reasonable steps to notify the remaining members of the Council of the emergency meeting using any appropriate method including, but not limited to, e-mail, telephone or instant messaging. In accordance with NCGS §143-318.12(b)(3), the Town shall cause public notice of an emergency meeting to be given to each local newspaper, local wire service, local radio station, and local television station that has filed a written request, which includes the newspaper's, wire services, or station's telephone number, for emergency notice with the Town Clerk. This public notice shall be given either by e-mail, by telephone, or by the same method used to notify the members of the Council and shall be given immediately after notice has been given to those members. This public notice shall be given at the expense of the party notified. Town Staff and/or the person or persons calling the emergency meeting may provide additional public notice. Only business connected with the emergency may be considered at an emergency meeting.
- (d) Work sessions and informal meetings. The Council may schedule work sessions, committee meetings, or other informal meetings of the Council or of a majority of its members at such times and concerning such subjects as may be established by resolution or order of the Council. A schedule of any such meetings held regularly shall be filed in the same place and manner as the schedule of regular meetings. Work sessions and other informal official meetings not held regularly are subject to the same notice requirements as special Council meetings.
- (e) Sunshine list. Any individual and any newspaper, wire service, radio station, and television station may file a written request with the Town Clerk for notice of all regular and special meetings of the Council. Requests by individuals and news organizations must be renewed annually by December 31.

Section 7. Recessed & Cancelled Meetings

(a) Calling Recessed Meetings. When conducting a properly called regular, special, or emergency meeting, the Council may recess the meeting to another date, time, or place by a procedural motion made and adopted, in open session. The motion must state the time (including the date, if the meeting will resume on a different day) and place at which the meeting will reconvene.

(b) Notice of Recessed Meetings. If the Council has a website maintained by one or more city employees, notice of the recessed meeting's date, time, and place must appear on the website prior to the meeting. No further notice of a properly called recessed meeting is required.

(c) Cancelling Meetings due to Declared Emergencies. The Mayor, the Mayor pro tempore or any two members of the Council may cancel or reschedule any regular, special, or emergency meeting during declared emergencies. Notice is to be provided (a) to the Mayor and each Council member; (b) posted on the Council's principal bulletin board, or if none, at the door of the Council's usual meeting room; (c) posted on the Town website; and (d) emailed to each newspaper, radio station, television station, and person who has filed a written request for notice with the Town Clerk.

(d) Cancellation of Meetings. The Mayor, the Mayor pro tem or any two Council Members may cancel a regular, special, or emergency meeting due to unforeseen emergencies. Whenever there is no pending business before the Council, or whenever the Mayor is notified by the clerk that a quorum will not be present, the Mayor or Mayor pro tem may dispense with a regular or special meeting by instructing the clerk to give written or oral notice to all members not less than twenty-four (24) hours prior to the time set for the meeting and having a notice of cancellation posted at the meeting place declaring such.

Section 8. Electronic Participation in Town Council Meetings & Electronic Meetings of Town Council

The Town of Southern Shores Town Council (the "Council") is committed to conducting its meetings in compliance with Article 33C of Chapter 143 of the North Carolina General Statutes ("the North Carolina Open Meetings Law"). To enable all Council members to participate fully in Council meetings, the following requirements shall apply whenever Council member(s) are unable to be physically present and are only able to participate in a Council meeting through electronic means:

1. Where a quorum of the Council members are physically present in the Council chambers for the meeting:
 - A. A remote Council member must be able to hear the Council's discussion and any presentations made to the Council during the meeting.
 - B. Technical arrangements must be made so that a remote Council member's comments can be heard by all present for the meeting, including the public.
 - C. A remote Council member must notify the Town Clerk sufficiently in advance of the meeting to ensure that all requirements for remote participation, including technical and equipment needs can be addressed in advance of the meeting.
 - D. A remote Council member may not vote on any matter.
 - E. A remote Council member will not be included in determining whether a quorum is present for the meeting.
 - F. A remote Council member may not participate in a closed session.

- G. A remote Council member may not participate in any quasi-judicial proceeding.
 - H. The Council minutes must reflect that a remote Council member was not physically present.
 - I. A Council member is discouraged from participating remotely in more than 3 regular Town Council meetings in a 12-month period.
2. In the event of a declared State of Emergency and/or when health or safety of the public, the Town Council members and Town staff may be adversely affected by the presence of Town Council members in the Council chamber or same meeting room the following rules apply:
- A. The Council may meet electronically pursuant to these requirements without a quorum physically present in the Council chambers so long as a quorum of the Council is participating whether the Council members are acting remotely or present in the Council chambers. A remote Council member must be able to hear the Council's discussion and any presentations made to the Council during the meeting.
 - B. A remote Council member must notify the Town Clerk sufficiently in advance of the meeting to ensure that all requirements for remote participation, including technical and equipment needs can be addressed in advance of the meeting. Technical arrangements must be made so that a remote Council member's comments can be heard by all present for the meeting, including the public.
 - C. Remote Council members may vote on matters before the Council as if they are present in the Council chambers.
 - D. The Council may hold a closed session if otherwise allowed by law when it would be unreasonable to wait until a future in-person meeting to hold the closed session, and when the Council can confirm that the technology being used does not allow anyone who would not be allowed to participate in the closed session to intercept or participate in the closed session.
 - E. The Council should take reasonable precautions to limit voting actions to those items which must be voted on at that time or within the time that an in-person meeting could safely and conscientiously occur. Except for exigent circumstances and then only with the applicant's consent, quasi-judicial proceedings should be rescheduled, postponed or continued to the time when an in-person meeting can safely and conscientiously occur.
 - F. The Council shall comply with N.C. Gen. Stat. Sec. 143-318.13 as same may be amended from time to time, including providing a location and means whereby members of the public may listen to the meeting and the notice of the meeting required by law shall specify that location. A fee of up to twenty-five dollars (\$25.00) may be charged to each listening member of the public to defray in part the cost of providing the necessary location and equipment. In addition, Council shall make a reasonable attempt to allow for:
 - i. Real time transmission of audio of the meeting to the public, and if such transmission is not possible, then a reasonable attempt to publish the audio and video, if any, on the Town's website as soon as reasonably possible;
 - ii. Public participation during a public comment period if the meeting is a regular meeting and the only regular meeting of the Council that month; and
 - iii. Public participation for any public hearings required by law for the decisions being made during the meeting.
 - G. The Council should also consider taking action at the next meeting having an in-person quorum to ratify any actions taken electronically under this provision which occurred without a physically present quorum and without all the necessary votes for the action physically present in the Council chambers.

Section 9. Closed sessions.

The Council may hold closed sessions as provided by law. The Council shall only commence a closed session after a motion to go into closed session has been made and adopted during an open meeting. The motion shall state the purpose of the closed session. If the motion is based on G. S. §143-318.11(a) (1) (closed session to prevent the disclosure of privileged or confidential information or information that is not considered a public record), it must also state the name or citation of the law that renders the information to be discussed privileged or confidential.

If the motion is based on G. S. §143-318.11(a) (3) (consultation with an attorney; handling or settlement of claims, judicial actions, or administrative procedures), it must identify the parties in any existing lawsuits concerning which the public body expects to receive advice during the closed session.

The motion to go into closed session must be approved by the vote of a majority of those present and voting. The Council shall terminate the closed session by a majority vote. Only those actions authorized by statute may be taken in closed session. A motion to adjourn or recess shall not be in order during a closed session.

Section 10. Public hearings – Generally.

Public hearings required by law shall be scheduled on a meeting agenda as directed by the Mayor in accordance with Section 13, or may otherwise be scheduled by the Clerk pursuant to action by the Council. In giving notice, of such a public hearing, the Town Clerk shall set forth the subject, date, place and time of the hearing as well as any rules regarding the length of time of each speaker as may be set by the Mayor or Council. At the appointed time, the Mayor or Mayor's designee shall call the hearing to order and preside over it. When the allotted time expires or no one who has not yet spoken wishes to do so, the presiding officer shall declare the hearing ended.

Section 11. Quorum at public hearings.

A quorum of the Council shall be required at all public hearings required by law. If a quorum is not present at such a hearing, the hearing shall be continued until the next regular Council meeting without further advertising.

Section 12. Minutes.

Full and accurate minutes of the Council, including closed sessions, shall be kept. The minutes shall be open to public inspection, except as otherwise provided in this rule. The exact wording of each motion and the results of each vote shall be recorded in the minutes, and on the request of any member of the council, the "ayes" and "no's" upon any question shall be taken.

Minutes of closed sessions may be sealed by action of the council. Sealed minutes may be withheld from public inspection so long as public inspection would frustrate the purpose of the closed session.

Section 13. Office of Mayor.

The Mayor shall preside at all meetings of the Council and may vote in all cases and make motions. A member must be recognized by the Mayor in order to address the Council. The Mayor shall have the power to:

- (a) Rule motions in or out of order, including the right to rule out of order any motion patently offered for obstructive or dilatory purpose;

- (b) Determine whether a speaker has gone beyond reasonable standards of courtesy in his remarks and entertain and rule on objections from other members on this ground;

Item 6.

- (c) Entertain and answer questions of parliamentary law or procedure;

- (d) Call a brief recess at any time;

- (e) Adjourn in an emergency.

A decision by the presiding officer under (a), (b), or (c) may be appealed to the Council upon motion by any member. Such a motion is in order immediately after a decision under (a), (b), or (c) is announced and at no other time.

The member making the motion need not be recognized by the presiding officer, and the motion if timely made may not be ruled out of order.

Section 14. Office of Mayor Pro Tempore.

At the organizational meeting, the Council shall elect from among its members a Mayor pro tempore to serve at the Council's pleasure for a term of two years. A Council member who serves as Mayor pro tempore shall be entitled to vote on all matters and shall be considered a Council member for all purposes, including the determination of whether a quorum is present. In the Mayor's absence, the Council may confer on the Mayor pro tempore any of the Mayor's powers and duties. If the Mayor should become physically or mentally unable to perform the duties of his or her office, the Council may by unanimous vote declare that he or she is incapacitated and confer any of his or her duties on the Mayor pro tempore. When a Mayor declares that he or she is no longer incapacitated and a majority of the Council concurs, the Mayor shall resume the exercise of his or her powers and duties. If both the Mayor and Mayor pro tempore are absent from a meeting, the Council shall elect from among its members a temporary chair to preside at the meeting.

Section 15. Agenda generally.

- (a) The Town Clerk shall prepare a proposed agenda for each meeting. The Mayor shall approve the proposed agenda before it is made available to Council members and the public. The Town Clerk shall make a diligent effort to make the proposed agenda available to Council members and the public, including electronically to the extent possible, at least five (5) business days before the meeting to which the proposed agenda applies. A request to have an item of business placed on the proposed agenda must be received at least ten (10) business days before the meeting. Any Council member, the Town Manager and the Town Attorney may, by a timely request, have an item placed on the proposed agenda.
- (b) The Town Clerk shall make a diligent effort to make the agenda package available to each Council member and to the public, including electronically to the extent possible, no more than two (2) business days following date of proposed agenda release. The agenda package shall include, for each item of business placed on it, as much background information on the subject as is available and feasible to reproduce at the time of the release of the agenda package. A copy of all proposed ordinances shall be included within the agenda package.
- (c) The Council may, by majority vote, add items to or subtract items from the proposed agenda.

Section 16. Appointments.

When advised of potential vacancies on boards and committees, the Council will direct the Town Manager to seek applications from interested residents of the Town. The list of applicants will be presented to the Council for discussion, nomination and a vote.

The Town Council may establish and appoint members for such temporary town committees as are needed to help carry on the work of the town government.

Item 6.

Section 17. Public address to the Council.

The council shall provide at least one period for public comment per month at a regular meeting of the council, consistent with North Carolina General Statute §160A-81.1, for anyone to address the Council on any matter not on the agenda for public hearing. The mayor may set and enforce appropriate time limits for such comments.

The Council will take under advisement the comments made by a member of the public but will not respond during this period.

Section 17. Public address to the Council.

The council shall provide at least one period for public comment per month at a regular meeting of the council, consistent with North Carolina General Statute §160A-81.1, for anyone to address the Council on any matter not on the agenda for public hearing. The mayor may set and enforce appropriate time limits for such comments.

The Council will take under advisement the comments made by a member of the public but will not respond during this period.

The following Rules of Decorum shall be followed throughout all public comment periods to ensure this part of the agenda is conducted in a civil and orderly manner:

1. A speaker may not share or relinquish any remaining time they have not used to another speaker.

2. Speakers are only allowed to speak one (1) time during the public comment period.

3. Persons who wish to speak must register on the sign-up sheet located on the information desk inside the meeting room. Sign-up sheets will be available one hour prior to the start of each meeting.

4. Speakers who have prepared written remarks or supporting documents are encouraged to leave a copy of such remarks and documents with the Clerk. It is recommended that groups or delegations select their spokespersons in advance of the meeting.

5. Those unable to attend a council meeting can submit their comments to the Town Clerk, who will copy it and provide the statement to the Council or they may submit written comment at any time to the council by emailing council@southernshores-nc.gov. Comments must meet the Rules of Decorum.

6. Speakers shall provide their name and address at the start of their comments.

7. Speakers shall refrain from personal attacks and/or threats directed towards town staff, elected officials, or members of the public. Speakers shall be civil and courteous in their language and presentation. Insults, accusations, profanity, use of vulgar language or gestures, or other inappropriate behavior are not allowed. False statements made with knowledge that the statement is false or with reckless disregard of whether it was false or not shall not be allowed.

8. The mayor, or presiding officer, has the authority to enforce the Rules of Decorum. Failure to obey these Rules may result in the forfeiture of the remaining speaking time and possible criminal charges. Individuals who engage in egregious or repeated violations may be asked to leave the

Section 18. Action by the Council.

The Council shall proceed primarily by motion. Any member may make a motion. Each motion shall have a second. The Council may proceed by consensus for matters including: direction to staff, information received with no action taken, ratify action already taken. The Mayor shall state the consensus reached and the minutes shall reflect the consensus.

Section 19. Motions generally.

- (a) One motion at a time. A member may make only one motion at a time.
- (b) Adoption by majority vote. A motion shall be adopted by a majority of the votes cast, unless otherwise required by this division or state law.
- (c) Renewal. A motion that is defeated may be renewed at any subsequent meeting unless a motion to prevent reconsideration has been adopted.
- (d) Withdrawal. A motion may be withdrawn by the introducer at any time before the vote.

Section 20. Substantive motion.

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

Section 21. Procedural motions.

In addition to substantive motions, the following procedural motions, and no others, shall be in order. Unless otherwise noted, each motion is debatable, may be amended, and requires a majority vote for adoption. In order or priority, if applicable, the procedural motions are:

- (1) To appeal a procedural ruling of the presiding officer. The decision of the presiding officer ruling a motion in or out of order, determining whether a speaker has gone beyond reasonable standards of courtesy in his or her remarks, or entertaining and answering a question of parliamentary law or procedure may be appealed to the Council, as specified in Section 11. This appeal is in order immediately after such a decision is announced and at no other time. The member making the motion need not be recognized by the presiding officer and the motion, if timely made, may not be ruled out of order.
- (2) To adjourn. The motion may be made only at the conclusion of action on a pending matter; it may not interrupt deliberation of a pending matter.
- (3) To recess.
- (4) To call to follow the agenda. The motion must be made at the first reasonable opportunity or it is waived.
- (5) To suspend the rules. The motion requires a vote equal to a quorum.
- (6) To go into closed session.
- (7) To leave closed session.
- (8) To divide a complex motion and consider it by paragraph.

- (9) To defer consideration or table. A substantive motion whose consideration has been deferred or tabled expires 100 days thereafter unless a motion to revive consideration is adopted.
- (10) To call the previous question. The motion is not in order until there has been at least 20 minutes of debate and every member has had one opportunity to speak.
- (11) To postpone to a certain time or day.
- (12) To refer to committee. Sixty days after a motion has been referred to a committee, the introducer may compel consideration of the measure by the entire Council, regardless of whether the committee has reported the matter back to the Council.
- (13) To amend.
 - (a) An amendment to a motion must be germane to the subject matter of the motion, but it may achieve the opposite effect of the motion.
 - (b) There may be an amendment to the motion and an amendment to an amendment, but no further amendments.
 - (c) Any amendment to a proposed ordinance shall be reduced to writing before the vote on the amendment.
- (14) To revive consideration. The motion is in order at any time 100 days after a vote to defer consideration of it. A substantive motion on which consideration has been deferred expires 100 days after the deferral, unless a motion to revive consideration is adopted.
- (15) To reconsider. The motion must be made by a member who voted with the prevailing side. The motion must be made at the same meeting at which the original vote was taken. The motion cannot interrupt deliberation on a pending matter, but is in order at any time before adjournment.
- (16) To prevent reconsideration for six months. The motion shall be in order immediately following the defeat of a substantive motion and at no other time. The motion requires a vote equal to a quorum and is valid for six months or until the next regular election of Council members, whichever occurs first.

Section 22. Debate.

The Mayor shall state the motion and then open the floor to debate according to the following general principles:

- (a) The introducer, i.e., the member who made the motion, is entitled to speak first;
- (b) A member who has not spoken on the issue shall be recognized before someone who has spoken;
- (c) To the extent possible, the debate shall alternate between opponents and proponents of the measure.

Section 23. Duty to vote.

It is the duty of each member to vote unless excused by a majority vote according to law. The Council may excuse members from voting on matters involving their own financial interest or personal conduct. A member who wishes to be excused from voting shall so inform the Mayor, who shall take a vote of the remaining members. A member who fails to vote, not having been excused, shall be recorded as voting in the affirmative.

Section 24. Secret voting prohibited.

No vote may be taken by secret ballot. If the Council decides to vote by written ballot, each member shall sign his or her ballot and the minutes shall record the vote of each member. These ballots shall be retained and made available for public inspection until the minutes of that meeting have been approved, when they may be destroyed.

Section 25. Action by reference.

The Council shall not deliberate, vote, or otherwise act on any matter by reference to an agenda or document number unless copies of the agenda or documents being referenced are available for public inspection at the meeting and are so worded that people at the meeting can understand what is being discussed or acted on.

Section 26. Introduction of ordinances, resolutions, orders.

A proposed ordinance shall be deemed introduced on the date the subject matter is first voted on by the Council.

Section 27. Adoption of ordinances generally.

To be adopted at the meeting at which it is first introduced, an ordinance or any action with the effect of an ordinance must receive an affirmative vote equal to or greater than two thirds of the membership of the Council, including the Mayor, excluding vacant seats.

Section 28. Adoption of budget ordinance.

(a) Notwithstanding the provision of any general law or local act:

- (1) Any action with respect to the adoption or amendment of the budget ordinance may be taken at any regular or special meeting of the Council by a simple majority of those present and voting, a quorum being present;
 - (2) No action taken with respect to the adoption or amendment of the budget ordinance may be published or is subject to any other procedural requirement governing the adoption of ordinances or resolutions by the Council;
 - (3) The adoption and amendment of the budget ordinance and the levy of taxes in the budget ordinance are not subject to the provisions of any local act concerning initiative or referendum.
- (b) During the period beginning with the submission of the budget to the Council and ending with the adoption of the budget ordinance, the Council may hold any special meetings that may be necessary to complete its work on the budget ordinance. Except for the notice requirements of G.S. 143-318.12, which continue to apply, provisions of law concerning the call of a special meeting do not apply during the period so long as (1) each member of the Council has actual notice of each special meeting called for the purpose of considering the budget; and (2) no business other than consideration of the budget is taken up. This section does not allow the holding of closed meetings or closed sessions by the Council otherwise prohibited by law from holding such a meeting or session, and may not be construed to do so.

Approved the 8th day of November 2006.

* Amended May 1, 2007 Section 13. Order of Business to allow Council members to follow Mayor and Town Manager.

*Amended January 5, 2010 Section 6. Meetings (a) Regular Meetings changing the work session from the 4th Tuesday to the 3rd Tuesday of the month.

*Amended September 7, 2010 Section 13. Order of Business deleted in its entirety. Remaining Sections re-numbered

*Amended March 6, 2012 Sections: 6. (a) & (b) Meetings, 8. Public hearings – Generally and 15. Public address to the Council.

*Amended September 3, 2013 Sections: Preamble, Section 14. Appointments, Section 15. Public address to the Council

* Amended March 3, 2015 Section 14. Appointments

*Amended June 2, 2015 Section 6. (c) Emergency Meetings

*Amended April 5, 2016 Section 14. Appointments

*Amended September 6, 2016 Section 13 Agenda Generally

*Amended October 4, 2016 Section 15. Public address to the Council.

*Amended December 6, 2016 Section 14. Appointments.

*Amended January 3, 2017 Section 6. Meetings.

*Amended March 20, 2020 Section 7. Recessed & Cancelled Meetings & Section 8. Electronic Participation in Town Council Meetings (addition of new Section 7 & 8, remaining sections re-numbered)

*Amended April 7, 2020 Section 8. Electronic Participation in Town Council Meetings

*Amended September 1, 2020 Section 7. Recessed & Cancelled Meetings (addition of subsection (d))

*Amended February 4, 2025 Section 17 Public address to the Council.

*Amended April 1, 2025 Section 17. Public address to the Council.



Agenda Item Summary Sheet

Date: **4/1/25**

Item #: 7

Item Title: Consideration of Bid Award- Town Hall Building Renovation

Item Summary:

The low bid for the Town Hall Building Renovation was higher than the budgeted amount. NC General Statutes allow for negotiations with the low bidder to bring the project to within the budgeted amount. The removal of the additional square footage for file storage from the project resulted in significant savings. However, the project still meets the other intended purposes of employee safety and security, and better use of existing space. Work included in the project consists of remodeling and converting the conference room into a receptionist area, and the remodeling of the planning and administration entrances. Also included are three new interior doors and a new front door equipped with recently replaced electronic access equipment.

The funding for the project in this year's budget is \$380,000. The cost for the negotiated work is \$231,690.05 which includes a 10% contingency. Other elements of the project addressed separately include a new front porch at Town Hall and replacement of all existing door electronic access control equipment, leaving unspent \$16,389.95

Staff Recommendation and Requested Action: Authorize Town Manager to enter into contracts with Sussex Development and KDH Fire and Security to make renovations to Town Hall in a total amount not to exceed \$231,690.05.



Agenda Item Summary Sheet

Date: **4/1/25**

Item #: 8

Item Title: MOA Relating to the SSVFD Becoming a Town Municipal Fire Department

Item Summary: At its March 4, 2025 regular Town Council meeting, the Council heard a presentation from NC Fire Chiefs Consulting regarding the feasibility of the Southern Shores Volunteer Fire Department becoming a municipal department. The report recommended that the parties meet and confer with one another to jointly set a course of action for the transition. This working group consists of two Councilmembers, the SSVFD Fire Chief and a representative of the SSVFD volunteers, the town's Finance/HR Director and Town Manager. The attached MOA signifies both parties' commitment to a plan for a smooth transition.

An update on the progress will be provided with an opportunity for the Council to ask any questions.

Staff Recommendation and Requested Action: Approval of the attached MOA.

Attachments: Memorandum of agreement relating to the transition of the SSVFD to a Municipal Department.



MEMORANDUM OF AGREEMENT
AMONG THE TOWN COUNCIL OF THE TOWN OF SOUTHERN SHORES (TOWN), SOUTHERN SHORES
VOLUNTEER FIRE DEPARTMENT, INC. (SSVFD) AND THE FIRE SERVICE REAL ESTATE, INC. (FSRE)
RELATING TO THE SSVFD BECOMING A TOWN MUNICIPAL FIRE DEPARTMENT

WHEREAS, currently the SSVFD provides the TOWN services to prevent, limit, and reduce damage or personal injury caused by fire or other emergencies as outlined by a Memorandum of Contract dated February 26, 2019, by and between the Town, SSVFD, and FSRE; and

WHEREAS, the Real Property is provided by FSRE to SSVFD to assist SSVFD in fulfilling the services to the Town required under the 2019 Fire Department Contract; and

WHEREAS, - Across the Country securing Volunteer Firefighters to meet the service requirements of providing fire protection are becoming increasingly more difficult; and

WHEREAS, the Boards of the SSVFD and FSRE and the TOWN mutually desire to create a shared vision to continue to provide the highest level of fire protection and emergency services feasible to the residents of the Town of Southern Shores; and

WHEREAS, SSVFD, FSRE, and the TOWN created a Working Group to meet collaboratively together to discuss the benefits, opportunities, concerns, and challenges related to merging SSVFD within the Town's governance structure; and

NOW, THEREFORE, in consideration of these premises, the Town Council, SSVFD and FSRE Boards find and resolve the following:

The Town Council, the SSVFD and FSRE Boards hereby authorize Town and Fire staff, and the Town Attorney, to prepare an agreement between the Town and SSVFD to finalize the terms and conditions of a merger into the Town's municipal structure.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

TOWN: Town of Southern Shores

SSVFD: Southern Shores Volunteer Fire Department, Inc.

BY: _____
Elizabeth Morey, Mayor

BY: _____
Board Chairman

Date: _____

Date: _____

ATTEST _____

ATTEST _____

FSRE: Fire Service Real Estate, Inc.

By: _____
Board Chairman

ATTEST _____

Date: _____



AGENDA ITEM SUMMARY FORM

MEETING DATE: April 1, 2025

ITEM TITLE: TCA-25-02

ITEM SUMMARY:

At the February 6, 2024 Town Council meeting, the Town Council directed Town Staff to draft Town Code amendments to modernize the Town Code. As a result, Town Staff has drafted TCA-25-02 which proposes amendments to multiple Chapters of the Town Code that specify that violations of some existing ordinances shall be a class 3 misdemeanor and punishable by a fine of not more than \$500.00 within the applicable ordinances. All of the applicable ordinances, except for Chapter 22, Article III Camping, are currently enforceable as class 3 misdemeanors and a fine of not more than \$500.00 but the enforcement provisions are established in Town Code Chapter 1, instead of the applicable ordinances.



Town of Southern Shores
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TCA-25-XX

3-26-2025

Ordinance 2025-XX-XX

AN ORDINANCE AMENDING THE CODE OF ORDINANCES
 OF THE TOWN OF SOUTHERN SHORES, NORTH CAROLINA

ARTICLE I. Purpose(s) and Authority.

WHEREAS, pursuant to N.C.G.S. Chap. 160A, the Town has duly codified the Town's Code of Ordinances (the "Town Code"); and

WHEREAS, pursuant to North Carolina General Statutes § 160A-174 the Town may enact and amend ordinances that define, prohibit, regulate, or abate acts, omissions, or conditions, detrimental to the health, safety, or welfare of its citizens and the peace and dignity of the Town, and may define and abate nuisances; and

WHEREAS, the Town wishes to specify that violations of some existing ordinances shall be a class 3 misdemeanor and punishable by a fine of not more than \$500.00 as provided in G.S. 14-4(a) within the applicable ordinances;

WHEREAS, the Town further finds that in accordance with the findings above it is in the interest of and not contrary to the public's health, safety and general welfare for the Town to amend the Town Code of Ordinances as stated below.

ARTICLE II. Construction.

For purposes of this ordinance amendment, underlined words (underline) shall be considered as additions to existing Town Code language and strikethrough words (~~strikethrough~~) shall be considered deletions to existing language. Any portions of the adopted Town Code which are not repeated herein, but are instead replaced by an ellipses ("...") shall remain as they currently exist within the Town Code.

ARTICLE III. Amendment of Zoning Ordinance.

NOW, THEREFORE, BE IT ORDAINED by the Town Council of the Town of Southern Shores, North Carolina, that the Town Code shall be amended as follows:

PART I. That **Sec. 1-6. General penalty; enforcement of ordinances; continuing violations.** Be amended as follows:

Sec. 1-6. General penalty; enforcement of ordinances; continuing violations.

(a) Unless otherwise specifically provided, violation of any provision of this Code or any other town ordinance that exists on the effective date of this Code or is thereafter adopted shall subject the offender to the remedies hereinafter provided, except that where the statutes of the state provide specific civil remedies for violations of provisions of this Code adopted pursuant to said statutes, said remedies available to the town for enforcement of this Code shall be in addition to the remedies hereinafter stated. However, no criminal penalties shall be applicable to this Code unless stated ~~in this section~~ as being applicable to specific chapters or provisions of this Code.

(b) ~~Violation of any provision of the following chapters and sections of this Code shall be a class 3 misdemeanor and punishable by a fine of not more than \$500.00 as provided in G.S. 14-4(a):~~ Violations that constitute a class 3 misdemeanor that are punishable by a fine of not more than \$500.00 as provided in G.S. 14-4(a) are specified throughout this Code.

~~(1) Chapter 18, section 18-10; chapter 28, section 28-1.~~

~~(2) Chapter 10, section 10-5.~~

~~(3) Chapter 14, sections 14-37(c), 14-38 and 14-67 through 14-70.~~

~~(4) Chapter 20, section 20-70.~~

~~(5) Chapter 4, sections 4-22 through 4-27; chapter 22, sections 22-1 through 22-10 and sections 22-81 through 22-90.~~

~~(6) Chapter 34, sections 34-51 through 34-54, excepting section 34-53(c).~~

~~(7) Chapter 12, sections 12-35 through 12-42.~~

...

PART II. That **Sec. 4-23. Enforcement.** Be amended as follows:

Sec. 4-23. Enforcement.

It shall be the duty of the police department to enforce the provisions of this chapter. Violation of any provision of section 4-22 through 4-27 of this chapter shall be a class 3 misdemeanor and punishable by a fine of not more than \$500.00 as provided in G.S. 14-4(a).

PART III. That **Sec. 10-1. Municipal cemetery established; cemetery fund; monitoring of operations.** Be amended as follows:

Sec. 10-1. Municipal cemetery established; cemetery fund; monitoring of operations.

- ...
- (e) The council may establish further regulations regarding the management or maintenance of the cemetery.
- ...

- (13) No loitering shall be allowed in the cemetery. Violation of this provision shall be a class 3 misdemeanor and punishable by a fine of not more than \$500.00 as provided in G.S. 14-4(a).

PART IV. That **Sec. 12-38. Enforcement.** Be added as follows:

Sec. 12-38. Enforcement.

Violation of any provision of this article shall be a class 3 misdemeanor and punishable by a fine of not more than \$500.00 as provided in G.S. 14-4(a).

PART V. That **Chapter 14. Fire prevention and protection.** Be amended as follows:

...

Sec. 14-32. Violations.

Any person who shall violate or fail to comply with any provision of this chapter or of the North Carolina State Building Code: Fire Prevention Code, as adopted, amended, or augmented by this chapter, or who shall violate or fail to comply with any order made under this chapter or the North Carolina State Building Code, or who shall build in violation of any detailed statement of specifications or plans submitted under this chapter or the North Carolina State Building Code: Fire Prevention Code, or any certificate or permit issued thereunder, shall subject the violator to civil penalties in accordance with section 1-6(d) ~~and other applicable penalties as provided in section 1-6 of the Town Code of Ordinances, or as provided in this chapter.~~

...

Sec. 14-37. General regulations.

...

- (c) *Fire hydrants.* The developer and/or builder of any residential dwelling and/or development other than one- and two-family dwellings, as defined in the town's zoning ordinance must provide a water and fire hydrant system for the dwelling or development as approved by the fire inspector. Violation of this provision shall be a

class 3 misdemeanor and punishable by a fine of not more than \$500.00 as provided in G.S. 14-4(a).

Sec. 14-38. Required permits and certificates of fitness.

(d) Violation of any provision of this section shall be a class 3 misdemeanor and punishable by a fine of not more than \$500.00 as provided in G.S. 14-4(a).

Sec. 14-71. Enforcement.

(a) Violation of any provision of this division shall be a class 3 misdemeanor and punishable by a fine of not more than \$500.00 as provided in G.S. 14-4(a).

PART VI. That **Sec. 18-10. Interference with a police officer.** Be amended as follows:

It shall be unlawful for any person to interfere with, hamper, molest, resist or hinder a police officer in the lawful discharge of his duty. Violation of this provision shall be a class 3 misdemeanor and punishable by a fine of not more than \$500.00 as provided in G.S. 14-4(a).

PART VII. That **Sec. 20-70. Installation, unauthorized removal or theft.** Be amended as follows:

Sec. 20-70. Installation, unauthorized removal or theft.

(a) Traffic control devices of the town shall be placed, erected, installed, changed or removed only in accordance with this Code and entered upon the official town traffic map.

(b) Any unauthorized removal or theft of a traffic control device or sign is unlawful ~~and punishable as a misdemeanor.~~ Violation of this provision shall be a class 3 misdemeanor and punishable by a fine of not more than \$500.00 as provided in G.S. 14-4(a).

PART VIII. That **Chapter 22. Article I. In general.** Be amended as follows:

Sec. 22-13. Enforcement.

Violation of any provision of this article shall be a class 3 misdemeanor and punishable by a fine of not more than \$500.00 as provided in G.S. 14-4(a).

PART IX. That **Chapter 22. Article III. Camping.** Be amended as follows:

Sec. 22-65. Enforcement.

Violation of any provision of this article shall be a class 3 misdemeanor and punishable by a fine of not more than \$500.00 as provided in G.S. 14-4(a).

PART X. That **Chapter 22. Article IV. Public assemblies.** Be amended as follows:

Sec. 22-91. Enforcement.

Violation of any provision of this article shall be a class 3 misdemeanor and punishable by a fine of not more than \$500.00 as provided in G.S. 14-4(a).

PART XI. That **Sec. 28-1. Smoking in municipal buildings.** Be amended as follows:

Sec. 28-1. Smoking in municipal buildings.

...

- (c) ~~Penalty. Violation of this section shall constitute a misdemeanor punishable in accordance with G.S. 14-4~~ provision shall be a class 3 misdemeanor and punishable by a fine of not more than \$500.00 as provided in G.S. 14-4(a).

PART XII. That **Chapter 34. Article III. BEACH AND WATERWAY USAGE.** Be amended as follows:

Sec. 34-56. Enforcement.

With the exception of sections 34-53(c) and 34-55, violation of any provision of this article shall be a class 3 misdemeanor and punishable by a fine of not more than \$500.00 as provided in G.S. 14-4(a).

ARTICLE IV. Severability.

All Town ordinances or parts of ordinances in conflict with this ordinance amendment are hereby repealed. Should a court of competent jurisdiction declare this ordinance amendment or any part thereof to be invalid, such decision shall not affect the remaining

provisions of this ordinance amendment nor the Zoning Ordinance or Town Code of the Town of Southern Shores, North Carolina which shall remain in full force and effect.

ARTICLE V. Effective Date.

This ordinance amendment shall be in full force and effect from and after the ____ day of _____, 2025.

Elizabeth Morey, Mayor

ATTEST:

Town Clerk

APPROVED AS TO FORM:

Town Attorney

Date adopted:

Motion to adopt by Councilmember:

Motion seconded by Councilmember:

Vote: __AYES__NAYS



Agenda Item Summary Sheet

Date: 4/1/25

Item #: 10____

Item Title: Consideration of Change Order for work at Trinitie Bridge

Item Summary:

At this time, we have not received a final cost for a change order to add additional paving work as part of the Trinitie Trail Bridge Project. The work associated with the change order would extend the paving from the bridge to the intersection.

Funds remain within the project budget in excess of the cost for the change order.

The change order will be forwarded once received.

Staff Recommendation and Requested Action: Once received, authorize Town Manager to sign a change order to add additional street paving