



**Executive Committee Meeting**  
**6:30 p.m. - Thursday, October 13, 2022**  
**Third Floor Conference Room**  
**233 Middle Street, New Bern, NC**

## AGENDA

1. **Welcome, Invocation, and Call to Order**
2. **Adopt Agenda – Jay Bender, President**
3. **Consent Agenda – Jay Bender President**
  - a. **Minutes – Executive Committee Meeting – August 11, 2022**
  - b. **Contribution Based Benefit Cap Report**
  - c. **C.E.D.S. Update**
  - d. **Community Planning/Technical Assistance Update**
  - e. **Transportation Report**
4. **State's Workforce Development/Educational Attainment Goals Presentation – Toni Blount, myFuture NC**
5. **Budget & Audit Committee Report – Shane Turney, Treasurer**
  - a. **Check Register**
  - b. **Financial Statements**
  - c. **Committee Information & recommendations**
6. **AAA Presentation – Heather O'Connor, Area Agency on Aging Director**
7. **Letter to the NC Local Government Commission About the 20-21 Audit – David Bone, Executive Director**
8. **Audit Contract – David Bone, Executive Director**
9. **2022 & 2023 Meeting Schedules – David Bone, Executive Director**
10. **Executive Director's Report – David Bone, Executive Director**
11. **Member Comments**
12. **Adjournment**



***Executive Committee Meeting***  
***6:30 p.m. – Thursday, August 11, 2022***  
***Third Floor Conference Room***  
***233 Middle Street, New Bern, NC***

## Minutes

**Executive Committee Members in Attendance:**

Bob Cavanaugh  
Shane Turney, Treasurer  
Ed Riggs, 1<sup>st</sup> Vice President  
Jay Bender, President  
Arthur Robinson, 2<sup>nd</sup> Vice President  
Jesse Dowe, *via phone*  
Pat Prescott, *via phone*

**General Membership in Attendance:**

Patty Leonard

**ECC Staff Members in Attendance:**

David Bone, Executive Director  
January Brown, Deputy Aging Director  
Heather O'Connor, Area Agency on Aging Director  
Melinda McGuire, Finance Director  
Leighann Morgan, Deputy Finance Director, Transportation Director  
Jenny Miller, Finance Consultant

**Guest in Attendance:**

Knox Proctor, Attorney, Ward & Smith

**1. Welcome, Invocation, and Call to Order**

Jay Bender called the meeting to order at 6:34 p.m. Jay Bender said the invocation.

**2. Adopt Agenda – Jay Bender, President**

Jay Bender suggested to remove item #6 reason to be discussed in closed session and to move 7.c. to 5.c.

*Arthur Robinson moved to adopt amended agenda, seconded by Ed Riggs, and motion was unanimously approved.*



**3. Introduction of New Finance Director Melinda McGuire – David Bone, Executive Director**

David Bone introduced Melinda McGuire as ECC's new Finance Director. Melinda has recently moved to the area and will begin her new role on Monday. Melinda has twenty-eight years of progressive experience in Finance in the non-profit and private sectors. She served as Finance Director/HR Manager for the Alamance Partnership for Children in Burlington, NC, and she has good experience working with a Board, as well as grant management. David stated we are excited to work with her and look forward to her contributions. Melinda McGuire expressed her excitement to be working with ECC.

**4. Consent Agenda – Jay Bender, President**

- a. **Minutes** – Executive Committee – May 12, 2022
- b. **Contribution Based Benefit Cap Report**
- c. **New Member – Vandemere**

*Bob Cavanaugh motioned to approve consent agenda, seconded by Arthur Robinson, and motion was unanimously approved.*

**5. Budget & Audit Committee Report – Shane Turney, Treasurer**

- a. **Check Register**
- b. **Financial Statements**
- c. **Budget Amendment 1**
- d. **Committee Information & recommendations**

Shane Turney stated the Budget & Audit Committee met at 5:00 before the Executive Committee to discuss the check register and draft financials and saw nothing unusual. The Budget & Audit Committee recommends Budget Amendment 1 which is an increase in funds for the Disaster Recovery grant, American Rescue Plan Act, moving expenses, and the Economic Development Administration grant.

David Bone stated ECC will receive \$593,750 through October 1, 2026 to provide ARPA support to local governments in the region. This grant funding will support the funding of the Senior Community Planner.

*Shane Turney made the motion to approve Budget Amendment 1, seconded by Bob Cavanaugh, and motion was unanimously approved.*

David Bone stated in the Budget Amendment, ECC has been granted \$260,450 from EDA which will provide funding for an additional Planner position as well as a portion of the Executive Director's salary for 2.5 years. David asks authorization to hire a second planner. *Bob Cavanaugh motioned to authorize Executive Director to hire second planner, seconded by Ed Riggs, and motion was unanimously approved.*



**6. Executive Director's Report – *David Bone, Executive Director***

**a. C.E.D.S. Update**

David Bone stated the Comprehensive Economic Development Strategy (C.E.D.S.) is a 5-year plan for the regional economic development and should be tweaked annually and have major updates every 5 years. The 5-year update is due in December of 2022. David is beginning the process with an electronic survey that involves a SWOT Analysis of the regional economy to receive community feedback. David has met with Berkshire Hathaway about a natural gas solution, spoke with Hillary Sherman at EDA about a potential project, met with VP of the Federal Reserve Bank of Richmond along with NC East Alliance staff, met with Eastern Carolina Workforce Development Board and staff about a workforce development leadership grant application, met with City/County Managers in Pamlico County, and spoke with the Town Managers of Warsaw and Rose Hill.

**b. NCARCOG Disaster Recovery Technical Assistance Program**

David Bone stated the NC General Assembly appropriated \$6 million to support local governments effectively manage disaster recovery funding and build capacity to effectively recover from disasters. Each COG should get \$31,000 in funds to collaboratively develop a statewide training curriculum, and \$293,750 for implementation. Each COG has about \$293,000 to encumber by the end of this fiscal year and spend by the next of fiscal year 2024.

**c. Technical Assistance Update**

David Bone stated ECC worked with Colliers Engineering on assistance with Minnesott Beach and Pine Knoll Shores. He is currently working with Newport of its Town manager search. David is working with Colliers to help the Town of Richlands and Faison prep of the Rural Transformation Grant. He has met with the City of Havelock about a possible EDA grant to help plan for highest and best use of land around the by-pass.

**d. AAA Report**

David Bone stated the Area Agency on Aging hired a new staff member for the Ombudsman/Consultant position; Anita Douglas will start on August 26<sup>th</sup>. The Grocery Reimbursement program has helped 167 seniors in Duplin and Greene Counties, totaling \$59,818.94. As of July 2022, the Community Advisory Committee suspension has been lifted, and the committees can resume their duties to long-term care facilities, once they have training of protocol for Personal Protective Equipment.

**e. Transportation Report**

David Bone stated beginning in fiscal year 2023, a portion of state sales tax funds will be transferred from the General Fund to the Highway and Highway Trust Funds. David said the updated Draft STIP as been released from NCDOT,



have been working on updating their webpages. The RPO staff have also reaching out to communities to gain public interest and educate local staff, elected officials and the public on the functions of the RPOs within their communities.

**f. General Report**

David Bone stated ECC partnered with ncIMPACT Initiative at the UNC School of Government, East Carolina University, Eastern Carolina Workforce Development Board, Rivers East Workforce Development Board, Mid-East Commission, PBS NC, and UNC Health to host Town Hall event at ECU on August 11<sup>th</sup>. The focus was on economic development, workforce development and education. There were two panel discussions and questions from the audience. The event was recorded and will be broadcasted on UNC public TV later in August.

David Bone stated a notice was sent to all ECC member organizations to give official notification of the proposed by-law amendments and the General Membership Board meeting will be held on September 8<sup>th</sup>.

**7. Closed Session – N.C.G.S. 143-318.11(3) – Attorney-Client Privilege**

*Bob Cavanaugh motioned to go into closed session per N.C.G.S. 143-318.11(3), seconded by Arthur Robinson, and motion carried unanimously.*

Upon re-entering into public there was no action and nothing to report from closed session.

**8. Member Comments**

Arthur Robinson asked if there was a PEV plug-in map. Leighann Morgan sent him a link to [pluginnc.com](http://pluginnc.com).

**9. Adjournment**

*Arthur Robinson motioned to adjourn, seconded by Bob Cavanaugh, and meeting adjourned.*

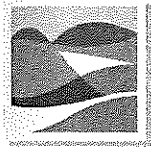
Respectfully submitted,

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Jay Bender, President

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David Bone, Executive Director



## North Carolina Total Retirement Plans



*Dale R. Folwell, CPA*  
STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

8/18/2022

92507 - NEUSE RIVER COUNCIL OF GOVERNMENTS  
ATTN: CHIEF FINANCIAL OFFICER OR BUDGET ADMINISTRATOR  
PO BOX 1717  
NEW BERN, NC 28560

Dear 92507 - NEUSE RIVER COUNCIL OF GOVERNMENTS:

During the 2014 General Assembly session, contribution-based benefit cap legislation was enacted effective January 1, 2015. This legislation was created to control the practice of "pension spiking," in which a member's compensation substantially increases, resulting in a monthly retirement benefit that is significantly greater than the member and employer contributions would fund. The Contribution-Based Benefit Cap (CBBC) approach was created to protect each system for current and future retirees and to prevent all employers in the Retirement Systems from absorbing the additional liabilities caused by compensation decisions made by other employers. This legislation applies to members who retire on and after January 1, 2015, with an average final compensation of \$100,000 or higher (adjusted annually for inflation), and will directly impact only a small number of those individuals. It requires the member's last employer to pay the additional contribution required to fund the member's benefit in excess of the cap. [G.S. 135-5(a3); 135-4(j); 128-27(a3); and 128-26(y)]

In order to assist employing agencies with planning and budgeting to comply with the CBBC provisions, we are required to report monthly to each employer a list of those members for whom the employer made a contribution to the Retirement System in the preceding month that are most likely to require an additional employer contribution should they elect to retire in the following 12 months. This letter and the attached report serve as our required monthly notification to your agency under this provision. [G.S. 135-8(f)(2)(f) and G.S.128-30(g)(2)(b)]

The chief financial officer of your agency is required to provide a copy of the attached report to the chief executive of your agency, as well as to the governing body, including any board which exercises financial oversight. Additionally, the chief financial officer of a public school system is required to provide a copy of the report to the local board of education and notify the board of county commissioners of the county in which the local administrative unit is located that the report was received and how many employees were listed in the report. [G.S. 115C-436(c); 135-8(j); and 128-30(j)]

For the purpose of determining the employees of your agency that are likely to require an additional employer contribution should they elect to retire in the following 12 months, the Retirement System modified the criteria used in the CBBC calculation. This allows for a broad list of potential employees, including those whose compensation average may approach the threshold and attempts to provide your agency with prior notification of a potential cost. The attached report

lists employees of your agency who may be eligible to retire in the next 13 months (at either a reduced or unreduced benefit), whose salary is \$100,000.00 or greater, and whose estimated monthly retirement benefit exceeds the CBBC based on information in the employee's most recent annual benefits statement. In addition, a lower CBBC Factor (i.e., TSERS is 4.2 and LGERS is 4.4) is applied.

This list is not exhaustive, and members included on this list may or may not exceed the CBBC upon retirement, depending on a number of factors such as the member's average final compensation, the member's age at retirement, and membership service. This is merely a notification of a potential cost that your agency may be required to pay, in the form of a lump-sum payment, due after the member retires.

For those employees hired on or after January 1, 2015, the employer is not required to pay the additional contribution to fund the member's benefit in excess of the Contribution-Based Benefit Cap. The employer has the option to pay all or part of the contribution required in excess of the CBBC; the employee also has the option to pay all or part of the contribution. However, should neither of you choose to pay this additional contribution, the employee's retirement benefit will be capped.

You can calculate the likelihood of whether the retirement benefit of a member listed on the attached report will exceed the CBBC with information available on our website at <https://www.myncretirement.com/employers/employer-training/pension-spiking>.

If you have any questions or need assistance in calculating the likelihood of a potential CBBC liability, please contact us at the address or telephone number listed below.

Sincerely,

Retirement Systems Division  
N.C. Department of State Treasurer

623\_PENSPK



# North Carolina Total Retirement Plans

North Carolina Department of State Treasurer  
Retirement Systems Division  
3200 Atlantic Ave, Raleigh, NC 27604  
1-877-NCSECURE (1-877-627-3287) toll-free • Fax (919) 855-5800  
[www.myncretirement.com](http://www.myncretirement.com)



*DALE R. FOLWELL, CPA*  
STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

## CONTRIBUTION-BASED BENEFIT CAP REPORT

Agency		Member ID	Name
Members Hired Before Jan 1, 2015	92507-NEUSE RIVER COUNCIL OF GOVERNMENTS	1219755	BONE, DAVID B

\* PLEASE FORWARD TO YOUR CHIEF FINANCIAL OFFICER OR BUDGET ADMINISTRATOR





**Summary:**

The following is an update on our EDA grant activity for our Comprehensive Economic Development Strategy (CEDS) grant.

**CEDS plan update**

- CEDS survey online (77 responses received by October 4, 2022)
- Promoted the CEDS online survey through emails, social media
- Shared JPEG file with ECC members to post / promote survey on their social media accounts
- Regional SWOT Analysis meeting with economic developers and planners – will be held on October 17, 2022
- Will discuss with City-County Managers in meeting on October 18, 2022
- Will have update at General Membership Board meeting in November

**Board presentations**

- September 13<sup>th</sup> – Town of Richlands
- September 19<sup>th</sup> – Pamlico County
- September 20<sup>th</sup> – Wayne County
- October 3<sup>rd</sup> – Jones County

**Discussions about possible economic development grant projects**

- Ongoing discussion with EDA, the Kenan Center, and Craven County
- Ongoing discussion with EDA, the Kenan Center, and Havelock

**Additional recent CEDS work highlights**

- Planning / promoting ECC City-County Managers Meeting on October 18<sup>th</sup>
- Executive Director will participate in NC Workforce Development Leadership initiative training over the next few months

- Have had several conversations exploring opportunities to support military community / defense industry
- Made connection with NC Department of Military and Veterans Affairs, NC Military Summit
- Had several conversations with other COG directors, former COG directors
- Ongoing conversations with communities about grant opportunities
- Ongoing conversations with EDA staff about CEDS and brainstorming about possible initiatives
- Staff participation in a solar energy workshop
- Met with Coastal Carolina Riverwatch about possible partnership opportunities
- Continuing support of RISE program

## Consent Agenda Item – Community Planning / Technical Assistance Update

October 13, 2022

### **Summary:**

The following is an update on our Community Planning / Technical Assistance efforts:

#### Community Development Planning Staff

- Senior Community Planner Carlton Gideon started on September 12<sup>th</sup>
- Currently recruiting for a Community Planner

#### ARP Technical Assistance (through NCARCOG / State grant funding)

- Email / letter of introduction of Carlton sent to all members on September 29<sup>th</sup>
- Promoted ARP technical assistance service in October newsletter (send October 3<sup>rd</sup>)
- Carlton is starting to make contact with members
- Focusing on:
  - Answering questions about allowable uses, reporting, etc.
  - Do communities have proper policies in place
  - Are communities aware of audit requirements, internal control requirements
- NCLM ARP Seminar in Wallace – October 26<sup>th</sup>

#### Disaster Recovery Technical Assistance (through NCARCOG / State grant funding)

- Fremont – assisted with BRIC letter of interest – Capabilities and Capacity-Building Grant for stormwater; COMPLETED October 3, 2022
- Calypso – assisted with BRIC letter of interest – Capabilities and Capacity-Building Grant for stormwater; COMPLETED October 3, 2022

#### Ongoing projects in conjunction with Colliers

- Beulaville – Recreation Master Plan / PARTF Grant Appl. (with Colliers) – Beulaville approved contract on 8/22; Kick-off meeting to be scheduled soon
- Richlands – Rural Transformation Grant preparation – Kickoff Meeting to be held on October 7<sup>th</sup>
- Faison – Rural Transformation Grant preparation – Kickoff Meeting to be held on October 7<sup>th</sup>

#### Another possible project in conjunction with Colliers

- Minnesott Beach – Comprehensive Plan Update

#### Newport Town Manager Search

- Ongoing
- 26 applications received
- Meeting with Town Council on October 5<sup>th</sup> to review applications

**Summary:**

The following is a Transportation update from our RPO staff:

- **STIP** – Our transportation staff is working with communities and RPO Committees to review the draft State Transportation Improvement Plan (STIP). The update to the STIP is ongoing and should be wrapped up by the summer of next year.

Fiscal constraints did not allow for new projects to be added to the STIP through SPOT 6.0, which was cancelled. The 2024-33 STIP will be made up of projects currently on the STIP, but the money is not there to build everything in the Plan. Some projects will have to be decommitted and rescored for SPOT 7.0.

With the new money from the sales tax set-aside (2% now, 4% next FY, and 6% beyond that), fewer projects will have to be decommitted, but it was not enough revenue to completely close the gap. We can swap out some projects on the draft STIP for projects that are scheduled to be decommitted on a \$ for \$ basis.

The deadline for RPOs and MPOs to submit project “swaps” (and the related potential project funding) is March 17<sup>th</sup>, and there will be local discussions over the next few months to determine any opportunities for swaps.

SPOT 7.0 will begin this fall. There should be money available for new projects and to get some of those decommitted projects back on the STIP this go-round. Like all SPOT rounds/STIP updates, it’s a multi-year process.

ECRPO is coordinating meetings between MPOs and RPOs along the US 70 corridor to determine if the project can be taken on from a regional perspective. The first meeting was held on 10/6.

- **New RPO Webpages** – ECC staff has been working diligently to update the Down East Rural Transportation Planning Organization (DERPO) and Eastern Carolina Rural Transportation Planning Organization (ECRPO) webpages. They now have more information, pictures, links about major DOT projects, links to various County Transportation Plans, regional plans, bike and pedestrian plans, meeting information, Strategic Transportation Investment (STI) resources, and a lot more!
- **RPO Staff Visiting Local Jurisdictions** – Our RPO staff members are reaching out to communities to talk about their transportation priorities and how they can help the communities. Please contact them if you are interested in setting-up a meeting.
- **Craven County Comprehensive Transportation Plan (CTP)** – approved by the Craven County Board of Commissioners on October 3, 2022; will be considered for approval by various towns in the coming weeks.

- **Carteret County Comprehensive Transportation Plan (CTP)** – The next Carteret County CTP steering committee meeting will be on October 17<sup>th</sup> at 1pm. It'll be on Teams, and if anyone wants to sit in on the meeting, Becca Eversole can send them the link.
- **Greene County Transportation Committee** – The Greene County Transportation Committee CTP Subcommittee has had preliminary meetings to discuss future transportation priorities for the county. ECRPO staff is working with NCDOT to get express designs done for Kingold Boulevard, as well as working with proposed transportation needs to establish preliminary cost estimates and potential scores for SPOT.
- **Vehicle / Pedestrian Counters** – ECC has assisted NCDOT and Morehead City recently with vehicle and pedestrian counts at various intersections. ECC has this equipment and would be glad to assist other jurisdictions, as desired. Please contact RPO staff, if interested.

- **Upcoming Meetings** (tentative) –

10/25	10:00 a.m.	DERPO Transportation Coordination Committee (TCC) Meeting
11/1	10:00 a.m.	DERPO Transportation Advisory Committee (TAC) Meeting
11/17	10:00 a.m.	Joint ECRPO Transportation Coordination Committee (TCC) and Technical Advisory (TAC) Meeting

**Payment Register from 9/01/2022 to 9/30/2022****01 General - FCB**

<b>EFT or Check #</b>	<b>Date</b>	<b>Vendor / Description</b>	<b>Payment Amount</b>
EFT	9/07/2022	[0316] LOCAL GOVERNMENT EMPLOYEES'	10,377.06
EFT	9/07/2022	[2009] zPrudential	4,357.73
99839858	9/07/2022	[0024] ALPHAGRAPHICS ( ECC Window Envelopes with logo)	413.14
99839859	9/07/2022	[2174] MICAHAH VAUGHAN ANDERSON ( Mileage 8/29/2022)	55.00
99839860	9/07/2022	[2213] KIMBERLY SUE BAKER ( Invoices 9/7/2022, 9/7/2022)	106.25
99839861	9/07/2022	[0873] JANUARY BROWN ( Advance - Travel 9/10/2022 - 09/14/2022 SE4A Conference)	281.00
99839862	9/07/2022	[2239] David Cauley ( FCSP Caregiver Respite Voucher - 8/19/2022 & 8/20/2022)	170.00
99839863	9/07/2022	[2266] Anita Maria Douglas ( Mileage 08/29/2022)	60.03
99839864	9/07/2022	[2188] HEATHER LYNN O'CONNOR ( Mileage 8/24/2022 - 08/25/2022)	310.65
99839865	9/07/2022	[0619] ANGELIA H PRIDGEN ( Mileage 08/30/2022 - 09/01/2022)	255.05
EFT	9/09/2022	Pay period ending 8/31/2022	43,261.14
EFT	9/09/2022	[2006] zEFTPS	14,591.80
99839866	9/09/2022	[0685] 1Time - LYNN EASON ( GROCERY REIMBURSEMENT PROGRAM)	219.34
99839867	9/09/2022	[0685] 1Time - JOANN WALKER ( GROCERY REIMBURSEMENT PROGRAM)	190.20
99839868	9/09/2022	[0685] 1Time - JAMES STOCKS ( GROCERY REIMBURSEMENT PROGRAM)	97.30
99839869	9/09/2022	[0685] 1Time - HELEN FORD ( GROCERY REIMBURSEMENT PROGRAM)	139.72
99839870	9/09/2022	[0685] 1Time - EDITH FAISON ( GROCERY REIMBURSEMENT PROGRAM)	102.44
99839871	9/09/2022	[0685] 1Time - ARON MCKIVER ( GROCERY REIMBURSEMENT PROGRAM)	350.16
99839872	9/09/2022	[0685] 1Time - LESIA JAMES ( GROCERY REIMBURSEMENT PROGRAM)	192.94
99839873	9/09/2022	[0685] 1Time - LOVELY GREEN ( GROCERY REIMBURSEMENT PROGRAM)	500.00
99839874	9/09/2022	[0685] 1Time - NETRA ADHIKARY ( GROCERY REIMBURSEMENT PROGRAM)	36.14
99839875	9/09/2022	[0685] 1Time - JESSE CHASTEN ( GROCERY REIMBURSEMENT PROGRAM)	500.00
99839876	9/09/2022	[0685] 1Time - EDNA HUNTER ( GROCERY REIMBURSEMENT PROGRAM)	316.95
99839877	9/09/2022	[0685] 1Time - MURPHY ELIJAH ( GROCERY REIMBURSEMENT PROGRAM)	14.97
99839878	9/14/2022	[0685] 1Time - FLORENCE BECTON ( GROCERY REIMBURSEMENT PROGRAM)	272.65
99839879	9/14/2022	[0685] 1Time - FRANCES MILLER ( GROCERY REIMBURSEMENT PROGRAM)	42.84
99839880	9/14/2022	[0685] 1Time - WILLIW MURRAY ( GROCERY REIMBURSEMENT PROGRAM)	44.60
99839881	9/14/2022	[0685] 1Time - JAMESZETTA LEACH ( GROCERY REIMBURSEMENT PROGRAM)	336.49
99839882	9/14/2022	[0685] 1Time - NETRA ADHIKARY ( GROCERY REIMBURSEMENT PROGRAM)	463.86
99839883	9/14/2022	[0685] 1Time - MARY SASSER ( GROCERY REIMBURSEMENT PROGRAM)	192.86
99839884	9/14/2022	[2259] DAVID BRITTAIN BONE ( Mileage 09/04/2022 - 09/10/2022)	123.76
99839885	9/14/2022	[0873] JANUARY BROWN ( Invoices 8/26/2022, 9/1/2022)	88.18
99839886	9/14/2022	[2169] BIGE EVERSOLE, JR ( Mileage 08/29/2022 - 09/08/2022)	135.01
99839887	9/14/2022	[2270] Joyce Frazier ( FCSP Caregiver Respite Voucher 8/15, 8/18, 8/29, 8/30)	200.00
99839888	9/14/2022	[2173] GFL ENVIRONMENTAL ( RECYCLING)	38.76
99839889	9/14/2022	[2264] Optimum Business ( Phone Provider)	801.49
99839890	9/14/2022	[0619] ANGELIA H PRIDGEN ( Mileage 09/06/2022 - 09/08/2022)	73.14
99839891	9/14/2022	[2269] Ann R Stansell ( FCSP Caregiver Respite Voucher - Craven County)	200.00
99839892	9/14/2022	[0982] THEE CATERING COMPANY ( Meal Board Meeting 09/08/2022)	292.44
99839893	9/14/2022	[0637] VERIZON WIRELESS ( Telephone - Cell Phones)	949.83
99839894	9/15/2022	[0685] 1Time - JOHN MORRISEY ( GROCERY REIMBURSEMENT PROGRAM)	245.48
99839895	9/15/2022	[0685] 1Time - RALPH BELLAMY ( GROCERY REIMBURSEMENT PROGRAM)	121.66
99839896	9/15/2022	[0685] 1Time - BOBY ROGERS ( GROCERY REIMBURSEMENT PROGRAM)	258.13
99839897	9/15/2022	[0685] 1Time - MARLIN SPOONEMORE ( GROCERY REIMBURSEMENT PROGRAM)	136.50
99839898	9/15/2022	[0685] 1Time - TAMMY JOYNER ( GROCERY REIMBURSEMENT PROGRAM)	153.50
99839899	9/15/2022	[0685] 1Time - LENNIE BERRY ( GROCERY REIMBURSEMENT PROGRAM)	35.07
99839900	9/15/2022	[0685] 1Time - JANICE CHASTEN ( GROCERY REIMBURSEMENT PROGRAM)	175.29
99839901	9/15/2022	[0685] 1Time - BETTY JONES FRAZELLE ( GROCERY REIMBURSEMENT PROGRAM)	318.34
99839902	9/15/2022	[0685] 1Time - MARY JOHNSON ( GROCERY REIMBURSEMENT PROGRAM)	419.19
EFT	9/16/2022	Pay period ending 9/16/2022	279.26

**Payment Register from 9/01/2022 to 9/30/2022****01 General - FCB**

<b>EFT or Check #</b>	<b>Date</b>	<b>Vendor / Description</b>	<b>Payment Amount</b>
EFT	9/20/2022	[2006] zEFTPS ( Smith, C Vacation Time)	49.48
EFT	9/20/2022	[2007] zNC Dept of Revenue	2,657.00
99839903	9/22/2022	[0846] AccuFund Inc ( Maintenance and Enhancements for 10/01/2022 - 09/30/2023)	4,296.60
99839904	9/22/2022	[2174] MICAJAH VAUGHAN ANDERSON ( Mileage 09/20/2022 - 09/21/2022)	82.94
99839905	9/22/2022	[2239] David Cauley ( FCSP Caregiver Respite Voucher - Craven County 8/19/2022, 8/20/2022)	170.00
99839906	9/22/2022	[0635] CITY OF NEW BERN ( Utilities)	1,145.74
99839907	9/22/2022	[2266] Anita Maria Douglas ( Mileage 09/12/2022 - 09/15/2022)	73.77
99839908	9/22/2022	[0018] MUNICIPAL INSURANCE ( DentalBenefit,Medical Benefit,VisionPT,DentalPT)	6,064.00
99839909	9/22/2022	[0619] ANGELIA H PRIDGEN ( Mileage 09/12/2022 - 09/15/2022)	151.27
99839910	9/22/2022	[0573] SUN JOURNAL ( Budget Advertisement)	71.90
99839911	9/26/2022	[0685] 1Time - HELEN HILL ( GROCERY REIMBURSEMENT PROGRAM)	277.27
99839912	9/26/2022	[0685] 1Time - RICHARD MORGAN ( GROCERY REIMBURSEMENT PROGRAM)	500.00
99839913	9/26/2022	[0685] 1Time - JANICE CHASTEN ( GROCERY REIMBURSEMENT PROGRAM)	71.22
99839914	9/26/2022	[0685] 1Time - JOANNA PICKETT ( GROCERY REIMBURSEMENT PROGRAM)	129.83
99839915	9/26/2022	[0685] 1Time - MARLIN SPOONEMORE ( GROCERY REIMBURSEMENT PROGRAM)	149.50
99839916	9/26/2022	[0685] 1Time - ERNESTINE MCDUFFIE ( GROCERY REIMBURSEMENT PROGRAM)	226.33
99839917	9/26/2022	[0685] 1Time - SANDRA MIDDLETON ( GROCERY REIMBURSEMENT PROGRAM)	195.47
99839918	9/26/2022	[0685] 1Time - JO WILSON ( GROCERY REIMBURSEMENT PROGRAM)	65.11
99839919	9/26/2022	[0685] 1Time - CONNIE BARFIELD ( GROCERY REIMBURSEMENT PROGRAM)	250.76
99839920	9/26/2022	[0685] 1Time - EDWARD SQUIRES ( GROCERY REIMBURSEMENT PROGRAM)	119.97
99839921	9/26/2022	[0685] 1Time - JANET PIERCE ( GROCERY REIMBURSEMENT PROGRAM)	40.52
99839922	9/26/2022	[0685] 1Time - ELLA RICH ( GROCERY REIMBURSEMENT PROGRAM)	500.00
99839923	9/26/2022	[0685] 1Time - BETTY JONES FRAZELLE ( GROCERY REIMBURSEMENT PROGRAM)	181.66
99839924	9/26/2022	[0685] 1Time - LENNIE BERRY ( GROCERY REIMBURSEMENT PROGRAM)	178.33
99839925	9/26/2022	[2213] KIMBERLY SUE BAKER ( Invoices 09/26/2022, 9/26/2022)	59.50
99839926	9/26/2022	[2259] DAVID BRITTAIN BONE ( Mileage 09/11/2022 - 09/23/2022)	148.13
99839927	9/26/2022	[0873] JANUARY BROWN ( Mileage 9/10/2022 - 09/22/2022)	44.77
99839928	9/26/2022	[2179] CASTLEBRANCH ( BACKGROUND CREDIT CHECKS)	103.50
99839929	9/26/2022	[2277] Donald Dumas ( FCSP Caregiver Respite Voucher - Craven County)	200.00
99839930	9/26/2022	[2169] BIGE EVERSOLE, JR ( Mileage 09/20/2022 - 09/21/2022)	70.63
99839931	9/26/2022	[0636] PIEDMONT NATURAL GAS ( Gas)	23.54
99839932	9/26/2022	[0619] ANGELIA H PRIDGEN ( Mileage 09/19/2022 - 09/23/2022)	186.89
99839933	9/26/2022	[0878] Wells Fargo Bank ( Copier Lease)	507.17
99839934	9/26/2022	[2266] Anita Maria Douglas ( Mileage 9/16/2022 - 09/23/2022)	76.88
EFT	9/28/2022	[0040] FIRST CITIZENS BANK	9,027.55
99839935	9/29/2022	[0018] MUNICIPAL INSURANCE ( Invoices 2022-10, 2022-11, 2022-12)	10,014.00
99839936	9/29/2022	[2257] Elliotte Ashburn ( Mileage 09/26/2022)	60.00
99839937	9/29/2022	[2157] WOODY BRINSON ( Mileage 09/26/2022)	77.50
99839938	9/29/2022	[2256] Sue H Carter ( Mileage)	80.00
99839939	9/29/2022	[0639] LAROQUE, IV WALTER D. ( Mileage 09/26/2022)	48.75
99839940	9/29/2022	[2280] Amy Lock ( Mileage 09/26/2022)	52.50
99839941	9/29/2022	[2278] John Carlton Gideon, III ( Mileage 09/20/2022 - 09/21/2022)	287.19

**Total Payments:****122,014.51**



**Summary:**

myFuture NC is a statewide nonprofit organization focused on educational attainment and is the result of cross-sector collaboration between NC leaders in education, business, and government. myFutureNC's mission is to prepare North Carolina for the future by empowering individuals, strengthening communities, and ensuring our economic viability in a global economy. myFutureNC is working across sectors and in communities throughout the state to:

- Close gaps in postsecondary attainment.
- Promote alignment between educational programming and business/industry needs.
- Ultimately improve the quality of educational opportunities for all North Carolinians.

On Feb. 20, 2019, myFutureNC unveiled its goal and bold vision for the future of education in our state – to ensure that **by 2030, 2 million North Carolinians have a high-quality credential or postsecondary degree.**

On July 28, 2022, the NCSU Institute for Emerging Issues and myFutureNC co-hosted and facilitated a regional meeting of local leaders to discuss the importance of educational attainment. The purpose of the event was to create future opportunities for collaboration among local leaders to increase educational attainment in their communities. Local elected officials and business leaders reviewed county-specific attainment data, learned about potential actions to improve the workforce, and heard updates about support from myFutureNC and successful efforts underway among our counties. We had good participation from our ECC region. Attendees identified potential areas for focused action in individual counties. myFutureNC staff is following-up with individual counties to help continue and expand the conversation.

Toni Blount is myFuture NC's Regional Impact Manager for our region. Toni will provide an overview of myFuture NC and its goal to have 2 million North Carolinians with a high-quality credential or postsecondary degree

**Action Requested:**

- The Executive Committee is asked to receive the presentation.

**Attachments:**

- Background information and PowerPoint slides from myFuture NC

## **Area Agency on Aging Update**

**October 13, 2022**

### **Summary:**

Area Agency on Aging Director Heather O'Connor will provide an update on the ECC Area Agency on Aging programs and operations.

### **Request:**

- The Executive Committee is asked to receive Ms. O'Connor's update.

### **Attachments:**

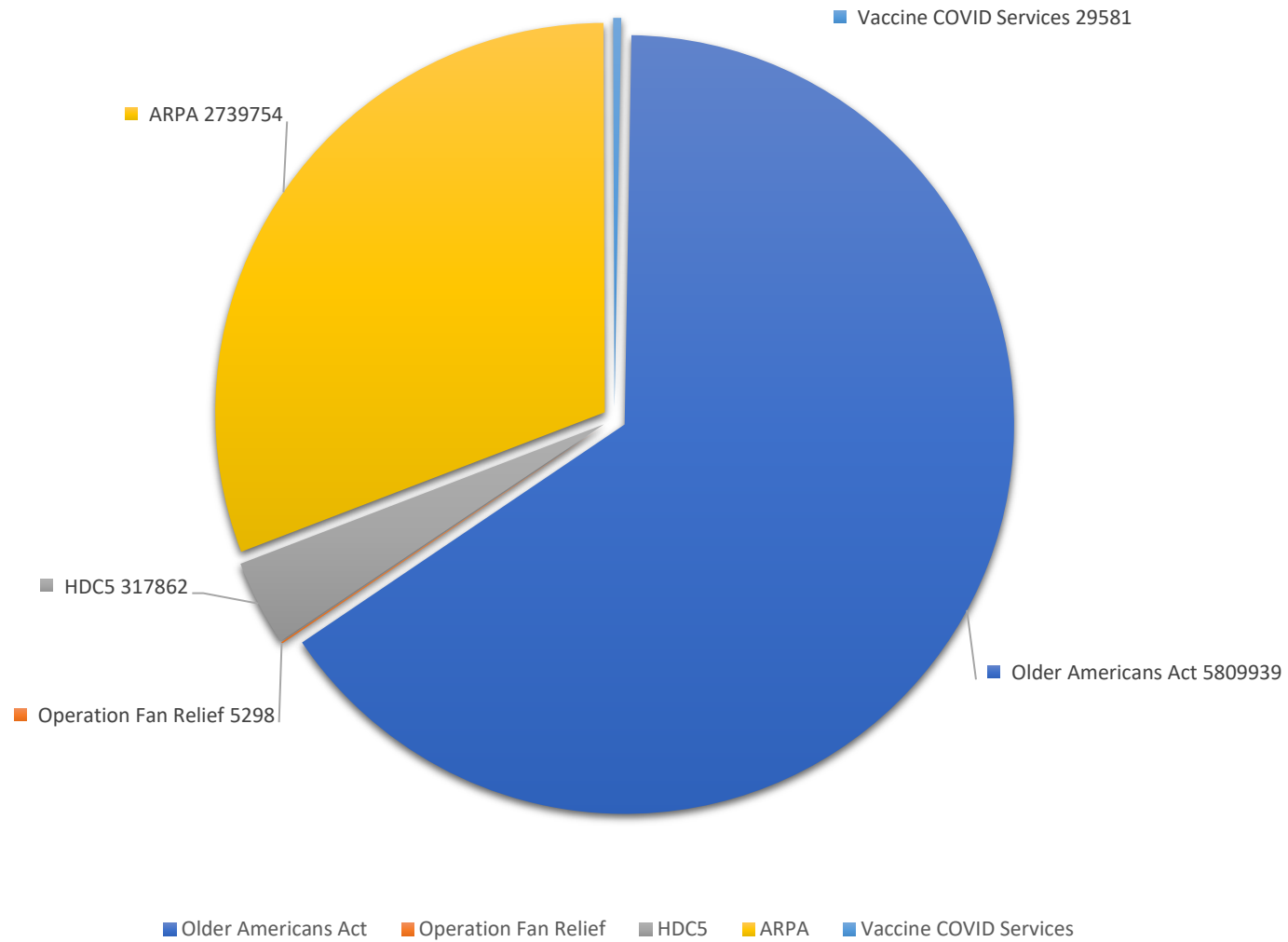
- FY 2022-23 AAA Budget Summary
- Project Updates – COVID-19 Funding Allocations

Regular Funding	REGIONAL FUNDING ALLOCATIONS for OLDER AMERICANS ACT						
		HCCBG	EBHP (IIID)	FCSP	SCGP	Operation Fan Relief	Legal Services
	County	Budget	Budget	Budget	Budget	Budget	Budget
	Carteret	555,618	7,445	9,000	14,535	724	2,778
	Craven	613,698	6,417	9,300	19,436	686	3,363
	Duplin	520,114	6,499	13,320	4,901	466	1,803
	ECC	0	9,271	196,584	0	0	0
	Greene	254,444	2,800	8,100	14,535	280	1,214
	Jones	170,334	0	5,400	4,901	262	793
	Lenoir	579,517	6,111	14,800	9,863	486	2,928
	Onslow	818,389	5,889	13,000	14,535	800	4,097
	Pamlico	216,541	2,222	7,369	9,863	280	1,074
	Wayne	928,249	8,528	26,000	14,535	1,314	4,199
	<b>Regional Totals</b>	<b>4,656,912</b>	<b>55,182</b>	<b>302,873</b>	<b>107,104</b>	<b>5,298</b>	<b>22,249</b>
	ALLOCATIONS for OLDER AMERICANS ACT						
	P&A	Ombudsman	Elder Abuse				
	Budget	Budget	Budget				
	423,509	232,954	9,156				

Pandemic	COVID-19 FUNDING ALLOCATIONS			
		Vaccine	HDC5	ARPA
		Budget	Budget	Budget
		29,581	317,862	2,739,754
	<b>Totals</b>	<b>29,581</b>	<b>317,862</b>	<b>2,739,754</b>

Total Funding	TOTAL AGING Funds		
	Fund	Budget	Time Frame
	Older Americans Act	5,809,939	7/1/22 - 6/30/23
	Operation Fan Relief	5,298	FY 2022
	HDC5	317,862	12/27/20 - 9/30/23
	ARPA	2,739,754	10/1/21 - 9/30/24
	Vaccine COVID Services	29,581	12/27/20 - 9/30/23
	<b>Total AAA Funds</b>	<b>8,902,434</b>	

## TOTAL AGING Funds 22-23



## COVID-19 FUNDING ALLOCATIONS

### Grocery Program (HDC5)

Pilot Counties: Duplin, Greene, Jones, and Pamlico

Totals thru 9/30/22

Amount Spent 81,792

Number served 208

Expansion to full Region November 2022

### Vaccine COVID

Region-wide billboards promoting

COVID Vaccines Amount Spent FY

21/22 70,000

Amount remaining FY 22/23 29,581

### ARPA (American Rescue Plan Act of 2021)

#### Projected Plans

Obie Interactive System for all Senior Centers

Consumer Directed Transportation Reimbursement for Region

Building Generators - Emergency Hubs in Onslow and Wayne

Nutrition Services - expand program for Region

McGruff Wandering kits

Project Lifesaver expansion to Region

**Summary:**

Mr. Robert Bittner, of PB Mares, presented the FY 2020-21 Audit at the September 8, 2022 meeting of the ECC General Membership Board. In the FY 2020-21 Audit report, there were a number of performance indicators of concerns highlighted.

Under [20 NCAC 20 03 .0508](#), if a unit is notified by its independent auditor that the unit's audited financial statements included one or more significant deficiencies, material weaknesses, or other findings, or if Financial Performance Indicators of Concern were identified, the governing body must develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters" signed by a majority of the members of the governing body and submitted to the LGC within 60 days of the auditor's presentation.

[20 NCAC 20 03 .0508](#) specifically requires:

**For Audit Findings:**

- A. A written description of the procedure, process, or action plan developed by the government unit to address each finding, including all material weaknesses and significant deficiencies, 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 successors.
- B. The description shall provide specific and detailed steps with measurable results that allow the governing body to conclude that the procedure, process, or action plan as implemented and followed by the staff of the government unit, will address the specific audit finding. The description may include such information as the date for implementation, position titles responsible for implementation, positions performing the procedures or processes, frequency of performance, and other matters necessary to evaluate the success of the procedure or process.

Attached is a draft response to the LGC for the Executive Committee's consideration.

**Request:**

- The Executive Committee is asked to approve the attached letter to the NC Local Government Commission and authorize ECC President Jay Bender to sign the letter on ECC's behalf.

**Attachment:**

- Proposed Letter

October 14, 2022

Ms. Sharon Edmondson  
Local Government Commission  
NC Department of State Treasurer  
325 North Salisbury Street  
Raleigh, NC 27603-1385

Re.: Response to Audit for FY 20-21

Dear Ms. Edmondson,

Our auditors, PB Mares, LLP, completed their review of our financial statements as of June 30, 2021, and presented their report to the ECC Board on September 8, 2022, at which time, they informed us of several findings. We appreciate the Local Government Commission's interest concerning the Eastern Carolina Council's (ECC) audited financial statements, and through this letter, we address these findings.

**2021-001** – Late filing of Audit – We are aware the audited financial statements for fiscal year 20-21 were not received by your office until September 6, 2022, and we share your concern over this matter. We understand current financial information is needed by our Board, the public, and federal and state agencies.

The board has worked diligently to ensure these problems are resolved and information can be gathered and presented in a timely manner. Two key positions, Executive Director and Finance Director, have been filled. We will also be reviewing data prior to year-end in order to determine proper reporting. We believe this will expedite the process, moving forward.

**2021-002** – Internal Controls, Cash Cutoff – The Council has put a process in place that the Deputy Finance Director prepares the bank reconciliation, and the Finance Director performs the detailed review. This will ensure no additional oversights regarding cash cut off happen in the future.

**2021-003** – Internal Controls, Payroll – The Council has moved from a bi-weekly payroll to a monthly payroll process. The Deputy Finance Director will enter payroll and submit to the Finance Director for final review before payroll upload to ensure that it is accurate.

**2021-004** – Internal Controls, Revenue and Accounts Receivable – The process for receiving HCCBG fund through DHHS has been changed as of July 1, 2021. The funds are coming to ECC directly and then forwarded to the appropriate counties. Staff has been assigned to balance

the reports in the ARMS system and general ledger to the reports received from controller's office before payments to the counties are made.

**2021-005, 2021-007, 2021-009** – Internal Controls, Purchase Orders – The staff at ECC was trained and/or refreshed on the purchase order process at the September 21, 2022, staff meeting. The training was complete with handouts including a flowchart of the purchase order process, requirements of bid process on purchases over \$500 and a copy of the purchase order form to complete prior to purchases.

**2021-006** – Internal Controls, Delegation of Authority – The Council is working on a clear delegation of authority policy for each position. This will ensure there are no questions as to which position is responsible for the duties required of each grant.

ECC takes these concerns very seriously. This response was taken to the ECC Executive Committee and approved at its October 13, 2022, meeting.

If you need any additional information, please let us know.

Sincerely,

Jay Bender  
President  
Eastern Carolina Council of Government

David Bone  
Executive Director



**Summary:**

NC General Statute §159-34 requires that each unit of local government have its accounts audited as soon as possible after the close of each fiscal year by a certified public accountant or by an accountant certified by the Local Government Commission as qualified to audit local government accounts.

The audit contract or agreement shall:

- (i) be in writing,
- (ii) include the entire entity in the scope of the audit, except that an audit for purposes other than the annual audit required by this section should include an accurate description of the scope of the audit,
- (iii) require that a typewritten or printed report on the audit be prepared as set forth herein,
- (iv) include all of its terms and conditions, and
- (v) be submitted to the secretary for his approval as to form, terms, conditions, and compliance with the rules of the Commission.

The audit shall be performed in conformity with generally accepted auditing standards, and the audit report must be presented directly to the governing board.

Attached is a copy of the proposed audit contract with PB Mares to audit ECC's accounts for the year ending June 30, 2022. This contract is for \$51,200.

**Recommendation:**

- Staff recommends approval of the contract and engagement letter for the financial audit. The contract will then be forwarded to the Local Government Commission for its approval.

**Attachments:**

- Audit Contract
- Engagement letter for audit



October 4, 2022

Executive Committee  
Neuse River Council of Governments d/b/a Eastern Carolina Council  
Post Office Box 1717  
New Bern, North Carolina 28563

Attention: Executive Committee Chairman

### **The Objective and Scope of the Audit of the Financial Statements**

You have requested that PB Mares, LLP (“PB Mares”, “we”, “us”, or “our”), audit the Neuse River Council of Governments d/b/a Eastern Carolina Council’s (Council) governmental activities, each major fund and aggregate remaining fund information as of and for the year ending June 30, 2022, which collectively comprise the basic financial statements. In addition, the other supplementary information and the Schedule of Expenditures of Federal and State Awards presented in relation to the financial statements taken as a whole will be subjected to the auditing procedures applied in our audit of the basic financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter (“Arrangement Letter”).

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 to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards* issued by the Comptroller General of the United States (GAS) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

You have also requested that PB Mares perform the audit of the Council as of June 30, 2022 to satisfy the audit requirements imposed by the Single Audit Act and Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act.

### **The Responsibilities of the Auditor**

We will conduct our audit in accordance with GAAS; GAS; the Uniform Guidance; the U.S. Office of Management and Budget's (OMB) Compliance Supplement; and the State Single Audit Implementation Act. Those standards, regulations, supplement, and Act require that we comply with applicable ethical requirements. As part of an audit in accordance with those standards, regulations, supplement and Act, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
4. Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and GAS. Because the determination of waste or abuse is subjective, GAS does not require auditors to perform specific procedures to detect waste or abuse in financial statement audits.

We will communicate to the Executive Committee (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

We are responsible for the compliance audit of major programs under the Uniform Guidance and State Single Audit Implementation Act, including the determination of major programs, the consideration of internal control over compliance, and reporting responsibilities.

Our reports on internal control will include any significant deficiencies and material weaknesses in controls of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with requirements of the standards, regulations, supplement and Act identified above. Our report(s) on compliance matters will address material errors, fraud, violations of compliance obligations, and other responsibilities imposed by state and federal statutes and regulations or assumed by contracts; and any state or federal grant, entitlement or loan program questioned costs of which we become aware, consistent with requirements of the standards, regulations, supplement and Act identified above.

We will maintain our independence in accordance with the standards of the American Institute of Certified Public Accountants (AICPA) and GAS.

### **The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework**

Management is responsible for:

1. Identifying and ensuring that the Council complies with the laws and regulations applicable to its activities, and for informing us about all known violations of such laws or regulations, other than those that are clearly inconsequential;
2. 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 Council involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements; and
3. Informing us of its knowledge of any allegations of fraud or suspected fraud affecting the Council received in communications from employees, former employees, analysts, regulators, short sellers, vendors, customers or others.

Management is responsible for the preparation of the other supplementary information, Schedule of Expenditures of Federal and State Awards, and supporting schedules in accordance with U.S. GAAP. Management agrees to include the auditor's report on the other supplementary information, Schedule of Expenditures of Federal and State Awards, and supporting schedules in any document that contains the supplementary information and indicates that the auditor has reported on such other supplementary information, Schedule of Expenditures of Federal and State Awards, and supporting schedules. Management also agrees to present the other supplementary information, Schedule of Expenditures of Federal and State Awards, and supporting schedules with the audited financial statements or, if the other supplementary information, Schedule of Expenditures of Federal and State Awards, and supporting schedules will not be presented with audited financial statements, to make the audited financial statements readily available to the intended users of the other supplementary information, Schedule of Expenditures of Federal and State Awards, and supporting schedules no later than the date of issuance of the other supplementary information, Schedule of Expenditures of Federal and State Awards, and supporting schedules and the auditor's report thereon.

The Executive Committee is responsible for informing us of its views about the risks of fraud within the Council, and its knowledge of any fraud or suspected fraud affecting the Council.

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

1. For the preparation and fair presentation of the financial statements in accordance with U.S. GAAP;
2. To evaluate subsequent events through the date the financial statements are issued or available to be issued, and to disclose the date through which subsequent events were evaluated in the financial statements. Management also agrees that it will not conclude on subsequent events earlier than the date of the management representation letter referred to below;
3. For the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
4. For establishing and maintaining effective internal control over financial reporting, and for informing us of all significant deficiencies and material weaknesses in the design or operation of such controls of which it has knowledge;
5. For report distribution; and
6. To provide us with:
  - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, including information relevant to disclosures;
  - b. Draft financial statements, including information relevant to their preparation and fair presentation, when needed, to allow for the completion of the audit in accordance with the proposed timeline;
  - c. Additional information that we may request from management for the purpose of the audit; and
  - d. Unrestricted access to persons within the Council from whom we determine it necessary to obtain audit evidence.

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

1. That management has fulfilled its responsibilities as set out in the terms of this Arrangement Letter; and
2. That it believes 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.

Because the audit will be performed in accordance with the Single Audit Act, the Uniform Guidance, and State Single Audit Implementation Act, management is responsible for (a) identifying all federal and state awards received and expended; (b) preparing and the fair presentation of the schedule of expenditures of federal and state awards (including notes and noncash assistance received) in accordance with Uniform Guidance requirements; (c) internal control over compliance; (d) compliance with federal statutes, regulations, and the terms and conditions of federal awards; (e) making us aware of significant vendor relationships where the vendor is responsible for program compliance; (f) following up and taking corrective action on audit findings, including the preparation of a summary schedule of prior audit findings and a corrective action plan; (g) timely and accurate completion of the data collection form and (h) submitting the reporting package and data collection form.

## **Reporting**

We will issue a written report upon completion of our audit of the Council's financial statements. Our report will be addressed to the Executive Committee of the Council. 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, or add an emphasis-of-matter paragraph or other-matter paragraph to our auditor's report.

If circumstances arise relating to the condition of the Council's records, the availability of appropriate audit evidence or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting or misappropriation of assets which, in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including, but not limited to, declining to express an opinion or issue a report, or withdrawing from the engagement.

In addition to our report on the Council's financial statements, we will also issue the following types of reports:

1. A report on the fairness of the presentation of the Council's Schedule of Expenditures of Federal and State Awards for the year ending June 30, 2022;
2. Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with GAS;
3. Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance;
4. Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance in Accordance with the State Single Audit Implementation Act; and
5. An accompanying schedule of findings and questioned costs.

## **Records and Assistance**

During the course of our engagement, we may accumulate records containing data that should be reflected in the Council's books and records. The Council will determine that all such data, if necessary, will be so reflected. Accordingly, the Council will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by Council personnel, including the preparation of schedules and analyses of accounts, has been discussed and coordinated with Melinda McGuire, Finance Director. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

## **Nonaudit Services**

In connection with our audit, you have requested us to perform certain nonaudit services:

1. Drafting the financial statements.

GAS independence standards require that the auditor maintain independence so that opinions, findings, conclusions, judgments and recommendations will be impartial and viewed as impartial by reasonable and informed third parties. Before we agree to provide a non-audit service to the Council, we determine whether providing such a service would create a significant threat to our independence for GAS audit purposes, either by itself or in aggregate with other non-audit services provided. A critical component of our determination is consideration of management's ability to effectively oversee the non-audit services to be performed. The Council has agreed that Melinda McGuire, Finance Director, possesses suitable skill, knowledge or experience and that the individual understands the nonaudit services to be performed sufficiently to oversee them. Accordingly, the management of Neuse River Council of Governments d/b/a Eastern Carolina Council agrees to the following:

1. Neuse River Council of Governments d/b/a Eastern Carolina Council has designated Melinda McGuire, Finance Director, as a senior member of management who possesses suitable skill, knowledge and experience to oversee the services;
2. Melinda McGuire, Finance Director will assume all management responsibilities for subject matter and scope of the nonaudit services;
3. The Council will evaluate the adequacy and results of the services performed; and
4. The Council accepts responsibility for the results and ultimate use of the services.

GAS further requires that we establish an understanding with the Council's management and those charged with governance of the objectives of the non-audit services, the services to be performed, the Council's acceptance of its responsibilities, the auditor's responsibilities and any limitations of the non-audit services. We believe this Arrangement Letter documents that understanding.

### **Parties' Understandings Concerning Situation Around COVID-19**

PBMares and the Council acknowledge that, at the time of the execution of this arrangement letter, federal, state and local governments, both domestic and foreign, have imposed certain restrictions on travel and/or the movement of their citizens due to the ongoing and evolving situation around COVID-19. In addition, like many organizations and companies in the United States and around the globe, PBMares may restrict its employees from certain travel and onsite work, whether at a client facility or PBMares facility, to protect the health of both PBMares' and its clients' employees. Accordingly, to the extent that any of the services described in this arrangement letter requires or relies on PBMares or the Council personnel to travel and/or perform work onsite, either at the Council's or PBMares' facilities, including, but not limited to, maintaining business operations and/or IT infrastructure, PBMares and the Council acknowledge and agree that the performance of such work may be delayed, significantly or indefinitely, and thus certain services described herein may need to be rescheduled and/or suspended at either PBMares' or the Council's sole discretion. PBMares and the Council agree to provide the other with prompt written notice (email will be sufficient) in the event any of the services described herein will need to be rescheduled and/or suspended. PBMares and the Council also acknowledge and agree that any delays or workarounds due to the situation surrounding COVID-19 may increase the cost of the services described herein. Costs also may increase if services provided include matters such as consideration of going concern, impairment analysis, debt forgiveness or lease concessions, not already considered within the stated fees. PBMares will obtain the Council's prior written approval (email will be sufficient) for any increase in the cost of PBMares services that may result from the situation surrounding COVID-19.

### **Other Relevant Information**

In accordance with GAS, a copy of our most recent peer review report is attached.

### **Fees, Costs, and Access to Workpapers**

Our fees for the audit services described above are not expected to exceed \$51,200, which includes the testing of one major compliance program for the year ending June 30, 2022. Our fee estimate and completion of our work are based upon the following criteria:

1. Anticipated cooperation from Council personnel.
2. Timely responses to our inquiries.
3. Timely completion and delivery of client assistance requests.
4. Timely communication of all significant accounting and financial reporting matters.
5. The assumption unexpected circumstances will not be encountered during the engagement.



If any of the aforementioned criteria are not met, then fees may increase. Additional major programs above the planned one program will be billed at \$5,000 each. Interim billings will be submitted as work progresses and as expenses are incurred. Billings are due upon submission. Amounts not paid within thirty days from the invoice date(s) will be subject to a late payment charge of 1.5% per month (18% per year).

### **Use of Subcontractors and Third-Party Products**

From time to time and depending upon the circumstances, we may, in our sole discretion, use qualified third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose Personal Information or Confidential Information (as both terms are defined below) to them. You hereby consent to us sharing your information, including Confidential Information and Personal Information, with these third-party service providers on the same basis as we would be permitted to share information with one of our employees; provided that such recipients are bound by written obligations of confidentiality that are as protective of your Confidential Information as the confidentiality terms set forth herein. You acknowledge and agree that our use of third-party service providers may involve the processing, input, disclosure, movement, transfer, and storage of your information and data outside of our technology infrastructure.

We also may provide services to you using certain third-party hardware, software, software services, managed services (including, but not limited to, web hosting, data security, data back-up, email security, or similar services subject to direct end-user or subscription agreements), applications, and equipment (collectively, "Third-Party Products"). You acknowledge that your or our use of a Third-Party Product may involve the processing, input, disclosure, movement, transfer, and storage of information provided by you to us, including Personal Information and Confidential Information, within the Third-Party Product's infrastructure and not ours, and that the terms of use and service set forth in the end-user license, subscription, or other agreement with the licensor of such Third-Party Product, including, but not limited to, applicable laws, will govern all obligations of such licensor relating to data privacy, storage, recovery, security, and processing within such Third-Party Product's infrastructure, as well as, the service levels associated with such Third-Party Product. You hereby consent to the disclosure of your information, including your Confidential Information and Personal Information, to the licensors of such Third-Party Products for the purpose described herein.

You acknowledge that your or our use of Third-Party Products may be subject to limitations, delays, interruptions, errors, and other problems which are beyond our control, including, without limitation, internet outage or lack of availability related to updates, upgrades, patches, fixes, maintenance, or other issues. We will not be liable for any delays, delivery failures, or other losses or damages resulting from such issues. Nor will we be held responsible or liable for any loss, or unauthorized use or disclosure, of any information or data provided by you, including, without limitation, Personal Information provided by you, resulting from your or our use of a Third-Party Product.

### **Use and Ownership; Access to Audit Documentation**

The Audit Documentation for this engagement is the property of PBMares. For the purposes of this Arrangement Letter, the term “Audit Documentation” shall mean the confidential and proprietary records of PBMares’ audit procedures performed, relevant audit evidence obtained, other audit-related workpapers, and conclusions reached. Audit Documentation shall not include custom-developed documents, data, reports, analyses, recommendations, and deliverables authored or prepared by PBMares for the Council under this Arrangement Letter, or any documents belonging to the Council or furnished to PBMares by the Council.

Review of Audit Documentation by a successor auditor or as part of due diligence is subject to applicable PBMares policies, and will be agreed to, accounted for and billed separately. Any such access to our Audit Documentation is subject to a successor auditor signing an Access & Release Letter substantially in PBMares’ form. PBMares reserves the right to decline a successor auditor’s request to review our workpapers.

In the event we are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the Council, the Council will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

You acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs, and the U.S. Government Accountability Office shall have access to the Audit Documentation upon their request and that we shall maintain the Audit Documentation for a period of at least three years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to the requested Audit Documentation will be provided under the supervision of PBMares audit personnel and at a location designated by our firm.

## **Dispute Resolution**

If any dispute other than fees arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties. You and we consent to personal jurisdiction, both for mediation and/or litigation, of the Federal District Court, Eastern District of Virginia, sitting in Newport News, Virginia, or the Newport News Circuit Court. Participation in such mediation shall be a condition to either of us initiating litigation. In order to allow time for the mediation, any applicable statute of limitations shall be tolled for a period not to exceed 120 days from the date either of us first requests in writing to mediate the dispute. The mediation shall be confidential in all respects, as allowed or required by law, except our final settlement positions at mediation shall be admissible in litigation solely to determine the prevailing party's identity for purposes of the award of attorneys' fees.

The parties hereto both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. The arbitration shall take place in Newport News, Virginia. Any award rendered by the Arbitrator pursuant to this Agreement may be filed and entered and shall be enforceable in the Superior Court of the County in which the arbitration proceeds. In agreeing to arbitration, we both acknowledge that, in the event of a dispute over fees charged by the accountant, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury, and instead we are accepting the use of arbitration for resolution.

## **Confidentiality**

PBMares and the Council may, from time to time, disclose Confidential Information (as defined below) to one another. Accordingly, PBMares and the Council agree as the recipient of such Confidential Information (the "Receiving Party") to keep strictly confidential all Confidential Information provided to it by the disclosing party (the "Disclosing Party") and use, modify, store, and copy such Confidential Information only as necessary to perform its obligations and exercise its rights under this Arrangement Letter and for no other purpose or use. Except as otherwise set forth herein, the Receiving Party may only disclose the Confidential Information of the Disclosing Party to its personnel, agents, and representatives who are subject to obligations of confidentiality at least as restrictive as those set forth herein and only for the purpose of exercising its rights and fulfilling its obligations hereunder. To avoid any doubt, PBMares is permitted to disclose the Council's Confidential Information to PBMares' personnel, agents, and representatives for the purpose of maintaining compliance with applicable laws and professional, regulatory, and/or ethical standards.

As used herein, "Confidential Information" means, information in any form, oral, graphic, written, electronic, machine-readable or hard copy consisting of: (i) any nonpublic information provided by the Disclosing Party, including, but not limited to, all of its inventions, designs, data, source and object code, programs, program interfaces, know-how, trade secrets, techniques, ideas, discoveries, marketing and business plans, pricing, profit margins and/or similar information; (ii) any information that the Disclosing Party identifies as confidential; or (iii) any information that, by its very nature, a person in the same or similar circumstances would understand should be treated as confidential, including, but not limited to, this Arrangement Letter.

As used herein, the term “Confidential Information” will not include information that: (i) is publicly available at the time of disclosure by the Disclosing Party; (ii) becomes publicly available by publication or otherwise after disclosure by the Disclosing Party, other than by breach of the confidentiality obligations set forth herein by the Receiving Party; (iii) was lawfully in the Receiving Party’s possession, without restriction as to confidentiality or use, at the time of disclosure by the Disclosing Party; (iv) is provided to the Receiving Party without restriction as to confidentiality or use by a third party without violation of any obligation to the Disclosing Party; or (v) is independently developed by employees or agents of the Receiving Party who did not access or use the Confidential Information.

The Receiving Party will treat the Disclosing Party’s Confidential Information with the same degree of care as the Receiving Party treats its own confidential and proprietary information, but in no event will such standard of care be less than a reasonable standard of care. The Receiving Party will promptly notify the Disclosing Party if it becomes aware that any of the Confidential Information of the Disclosing Party has been used or disclosed in violation of this Arrangement Letter.

Notwithstanding the foregoing, in the event that the Receiving Party becomes legally compelled to disclose any of the Confidential Information of the Disclosing Party, or as may be required by applicable regulations or professional standards, the Receiving Party will use commercially reasonable efforts to provide the Disclosing Party with notice prior to disclosure, to the extent permitted by law.

#### **Preexisting Nondisclosure Agreements**

In the event that the parties have executed a separate nondisclosure agreement and such agreement does not automatically terminate or expire upon execution of this Arrangement Letter, such agreement shall be terminated as of the effective date of this Arrangement Letter.

#### **Data Protection Compliance**

Our Privacy Policy (“Privacy Policy”) is located on our website at <https://www.pbmares.com/-are/privacy-policy>. Our Privacy Policy may be amended from time to time in our sole discretion and without prior notice, and is hereby incorporated by reference into this Arrangement Letter. You acknowledge that you have read and understand the Privacy Policy and agree to the practices as described therein.

We take reasonable steps to comply with all applicable privacy, cybersecurity, and data protection laws that may apply to Personal Information and Confidential Information we process on behalf of our clients. Upon written request, but not more than annually during the term of this Arrangement Letter, we will deliver to you a copy of our data security report evidencing the operating effectiveness of our Information Technology (“IT”) control environment. We will also provide summaries of our IT security and disaster recovery policies and make our senior IT personnel reasonably available for discussion upon request. Our data security report and any information we disclose to you concerning our IT control environment shall constitute Confidential Information of PBMAres and shall be subject to the confidentiality obligations set forth in this Arrangement Letter.

Prior to disclosing to us or our Subcontractors or granting us or our Subcontractors with access to your data, you will identify in writing any personal, technical, or other data provided or made accessible to us or our Subcontractors pursuant to this Arrangement Letter that may be subject to heightened protections under applicable privacy, cybersecurity, export control, and/or data protection laws, including, but not limited to, protected health information pursuant to the Health Information Portability and Accountability Act of 1996 ("HIPAA"), classified or controlled unclassified information subject to the National Industrial Security Program, the National Industrial Security Program Operating Manual, or the Defense Federal Acquisition Regulation Supplement ("DFARS"), data subject to Export Administration Regulations ("EAR"), or International Traffic in Arms Regulations ("ITAR") controlled data. Unless otherwise expressly agreed upon and specified in writing by PBMAres and the Council, you shall not provide us or any of our Subcontractors with access to such data and you shall be responsible for the handling of all such data in connection with the performance of the services requested hereunder, including, but not limited to, the scrubbing, de-identification, de-aggregation, protection, encryption, transfer, movement, input, storage, migration, deletion, copying, processing, and modification of such data.

PBMAres and the Council acknowledge and agree that they may correspond or convey information and documentation, including Confidential Information and Personal Information, via various forms of electronic transmission, including, but not limited to, Third-Party Products, such as, email, FTP and cloud-based sharing and hosting applications (e.g., portals, data analytics tools, and helpdesk and support ticketing applications), and that neither party has control over the performance, operation, reliability, availability, or security of these electronic transmissions methods. Therefore, neither party will be liable for any loss, damage, expense, harm, disclosure or inconvenience resulting from the loss, delay, interception, corruption, unauthorized disclosure, or alteration of any electronic transmission where the party has used commercially reasonable efforts to protect such information. We offer our clients various platforms for the exchange of information. You hereby agree that you shall be bound by and comply with any and all user terms and conditions made available (whether by link, click-through, or otherwise) with respect to such platforms.

### **Personal Information**

As used herein, the term "Personal Information" means any personal information that directly or indirectly identifies a natural person as may be defined by applicable privacy, data protection or cybersecurity laws, and includes, but is not limited to, nonpublic, personally identifiable information such as Social Security numbers, Social Insurance numbers, driver's license numbers or state- or province-issued identification card numbers, credit or debit card numbers with or without any required security code, number or passwords, health information, and other personal information as defined by applicable laws, whether of the Council or the Council's customers or other third parties.

Each party agrees that it will not transmit to the other, in any manner, (i) Personal Information that is not needed to render the services hereunder, and (ii) Personal Information that has not been encrypted. In the event you transmit to us Personal Information in an unencrypted format or via unencrypted means, you agree that we have no obligation to notify you of the foregoing.

You represent and warrant that you have provided all notices and obtained all consents required under applicable data protection laws prior to your collection, use and disclosure to us or our Subcontractors of such Personal Information and shall take reasonable steps to ensure that such Personal Information does not include irrelevant or unnecessary information about individuals.

In the event the services provided hereunder involve Personal Information collected in Canada, you acknowledge that we or our Subcontractors performing services hereunder on our behalf may store, transfer, and/or process such Personal Information in locations and on servers located outside of Canada, including jurisdictions such as the United States whose data protection laws differ from those of Canada. As a result, such Personal Information may be subject to access requests from governments, courts, or law enforcement in those jurisdictions, including the United States, according to the laws in those jurisdictions. Subject to applicable laws in such other jurisdictions, we will use reasonable efforts to require that appropriate protections are in place to require our Subcontractors maintain protections on Personal Information collected in Canada that are equivalent to those that apply in Canada.

Upon your written request, we will enter into a mutually agreed upon agreement relating to the lawful cross-border transfer and processing of Personal Information.

We will use all such Council-provided Personal Information, if at all, only for the purposes described in this Arrangement Letter. The parties agree that as part of the performance of the services as described in this Arrangement Letter, and as part of the direct business relationship between the parties, we may, at our election, use the Personal Information to improve the services and for other similar internal and business purposes. We agree to maintain appropriate security measures to protect such Personal Information in accordance with applicable laws.

If we become aware of an unauthorized acquisition or use of Council-provided Personal Information, we will promptly inform you of such unauthorized acquisition or use as required by applicable laws and, upon your written request, reasonably cooperate with you at your sole cost in support of any breach notification requirements as imposed upon you by applicable laws.

### **Retention of Records**

We will return to you all original records you provide to us in connection with this engagement. Further, in addition to providing you with those deliverables set forth in this Arrangement Letter, we will provide to you a copy of any records we prepare or accumulate in connection with such deliverables which are not otherwise reflected in your books and records without which your books and records would be incomplete. You have the sole responsibility for retaining and maintaining in your possession or custody all of your financial and nonfinancial records related to this engagement. We will not host, and will not accept responsibility to host, any of your records. We, however, may maintain a copy of any records of yours necessary for us to comply with applicable law and/or professional standards. Any such records retained by us will be subject to the confidentiality obligations set forth herein and destroyed in accordance with our record retention policies.

### **Termination**

Your failure to make full payment of any and all undisputed amounts invoiced in a timely manner constitutes a material breach for which we may refuse to provide deliverables and/or, upon written notice, suspend or terminate our services under this Arrangement Letter. We will not be liable to you for any resulting loss, damage or expense connected with the suspension or termination of our services due to your failure to make full payment of undisputed amounts invoiced in a timely manner.



In the event you terminate this engagement, you will pay us for all services rendered (including deliverables and products delivered), expenses incurred, and noncancelable commitments made by us on your behalf through the effective date of termination.

We will not be responsible for any delay or failure in our performance resulting from acts beyond our reasonable control or unforeseen or unexpected circumstances, such as, but not limited to, acts of God, government or war, riots or strikes, disasters, fires, floods, epidemics, pandemics or outbreaks of communicable disease, cyberattacks, and internet or other system or network outages. At your option, you may terminate this Arrangement Letter where our services are delayed more than 120 days; however, you are not excused from paying us for all amounts owed for services rendered and deliverables provided prior to the termination of this Arrangement Letter.

When an engagement has been suspended at the request of management or those charged with governance and work on that engagement has not recommenced within 120 days of the request to suspend our work, we may, at our sole discretion, terminate this Arrangement Letter without further obligation to you. Resumption of our work following termination may be subject to our client acceptance procedures and, if resumed, will require additional procedures not contemplated in this Arrangement Letter. Accordingly, the scope, timing and fee arrangement discussed in this Arrangement Letter will no longer apply. In order for us to recommence work, the execution of a new Arrangement Letter will be required.

We may terminate this Arrangement Letter upon written notice if: (i) we determine that our continued performance would result in a violation of law, regulatory requirements, applicable professional or ethical standards, or our client acceptance or retention standards; or (ii) you are placed on a verified sanctioned entity list or if any director or executive of, or other person closely associated with, you or any of your affiliates is placed on a verified sanctioned person list, in each case, including, but not limited to, lists promulgated by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, the United Nations Security Council, the European Union, or any other relevant sanctioning authority.

The parties agree that those provisions of this Arrangement Letter which, by their context, are intended to survive, including, but not limited to, payment, dispute resolution, use and ownership, and confidentiality obligations, shall survive the termination of this Arrangement Letter.

### **Miscellaneous**

We may mention your name and provide a general description of the engagement in our client lists and marketing materials.

The Council agrees that it will not include our reports, or otherwise make reference to us, in any public or private securities offering without first obtaining our written permission. Any such request is also a matter for which separate arrangements may be necessary. After obtaining our permission, the Council also agrees to provide us with printer's proofs or masters of such offering documents for our review and approval before printing, and with a copy of the final reproduced material for our approval before it is distributed.

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. Accordingly, you agree to compensate us for any additional costs incurred as a result of your employment of one of our partners, principals or employees.

## **Notices**

Unless otherwise expressly agreed upon by the parties in this Arrangement Letter, all notices required to be given hereunder will be in writing and addressed to the party at the business address provided in this Arrangement Letter, or such other address as such party may indicate by a notice delivered to the other party. A copy of any legal notice (e.g., any claimed breach or termination of this Arrangement Letter) sent by the Council to PBMAres shall also be sent to the following address: Office of the General Counsel, PBMAres, LLP, 701 Town Center Drive, Suite 900, Newport News, VA 23606. Except as otherwise expressly provided in this Arrangement Letter, notices hereunder will be deemed given and effective: (i) if personally delivered, upon delivery; (ii) if sent by registered or certified mail or by overnight courier service with tracking capabilities, upon receipt; and, (iii) if sent by electronic mail (without indication of delivery failure), at such time as the party that sent the notice receives confirmation of receipt, whether by read-receipt confirmation or otherwise.

## **Entire Agreement**

This Arrangement Letter constitutes the complete and exclusive statement of agreement between PBMAres and the Council and supersedes all prior agreements, understandings, and proposals, whether oral or written, relating to the subject matter of this Arrangement Letter.

If any term or provision of this Arrangement Letter is determined to be invalid or unenforceable, such term or provision will be deemed stricken, and all other terms and provisions will remain in full force and effect.

This Arrangement Letter may be amended or modified only by a written instrument executed by both parties.

## **Electronic Signatures and Counterparts**

Each party hereto agrees that any electronic signature of a party to this Arrangement Letter or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (a) to be "written" or "in writing," (b) to have been signed and (c) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to, (a) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (b) an electronic copy of a traditional signature affixed to a document, (c) a signature incorporated into a document utilizing touchscreen capabilities or (d) a digital signature. This Arrangement Letter may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement. Paper copies or "printouts," of such documents if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.



Please sign and return a copy of this Arrangement Letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements, including our respective responsibilities.

### **Acknowledgement and Acceptance**

Each party acknowledges that it has read and agrees to all of the terms and conditions contained herein. Each party and its signatory below represents that said signatory is a duly authorized representative of such party and has the requisite power and authority to bind such party to the undertakings and obligations contained herein.

### **AGREED TO AND ACKNOWLEDGED BY:**

PBMares, LLP



Robert E. Bittner III, CPA, MBA

Confirmed on behalf of the Neuse River Council of Governments d/b/a Eastern Carolina Council:

\_\_\_\_\_  
Executive Committee Chairman

\_\_\_\_\_  
Date

\_\_\_\_\_  
Executive Director

\_\_\_\_\_  
Date

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

\_\_\_\_\_  
Date

**Summary:**

One of the amendments to the bylaws approved at the September 8<sup>th</sup> General Membership Board meeting involves the meeting schedule for General Membership Board and Executive Committee meetings. The bylaws state the annual General Membership meeting will ordinarily take place in June, and the General Membership Board will ordinarily meet quarterly. The bylaws further state the Executive Committee will ordinarily meet in the months the General Membership Board does not.

The revised 2022 and proposed 2023 meeting schedules are attached.

**Request:**

- The Executive Committee is asked to approve:
  - Amendments to the 2022 Meeting Calendar, and
  - The proposed 2023 Meeting Calendar.

**Attachments:**

- Amendments to the 2022 Meeting Calendar
- Proposed 2023 Meeting Calendar



## 2022 Meeting Schedule

Meetings are held on the **second Thursday of the month** and are held in the **third floor conference room of the O. Marks Building 233 Middle Street, New Bern.**

### **SCHEDULE**

### **Year 2022**

<b>General Membership Board</b>	<b>January 13, 2022</b>
Committee meetings (if needed)	*February 10, 2022
<b>Executive Committee</b>	<b>March 10, 2022</b>
Committee Meetings (if needed)	*April 14, 2022
<b>Executive Committee</b>	<b>May 12, 2022</b>
<b>General Membership Board</b>	<b>June 9, 2022</b>
<b>Executive Committee</b>	<b>August 11, 2022</b>
Committee Meetings (if needed)	*September 8, 2022
<b>Executive Committee</b>	<b>October 13, 2022</b>
<b>General Membership Board</b>	<b>November 10, 2022</b>
<b>No meeting</b>	<b>December 2022</b>
<b>Annual Celebration</b>	<b>TBD</b>

**\*The specific committees will be notified as necessary (Nomination Committee, Budget and Audit Committee, etc.)**



## 2023 Meeting Schedule

Meetings are held on the **second Thursday of the month** and are held in the **third floor conference room of the O. Marks Building 233 Middle Street, New Bern.**

<b><u>SCHEDULE</u></b>	<b><u>Year 2023</u></b>
<b>General Membership Board</b>	<b>January 12, 2023</b>
<b>Executive Committee</b>	<b>February 9, 2023</b>
<b>General Membership Board</b>	<b>March 19, 2023</b>
<b>Executive Committee</b>	<b>April 13, 2023</b>
<b>Executive Committee</b>	<b>May 11, 2023</b>
<b>General Membership Board</b>	<b>June 8, 2023</b>
<b>Executive Committee</b>	<b>July 13, 2023</b>
<b>Executive Committee</b>	<b>August 10, 2023</b>
<b>Executive Committee</b>	<b>September 14, 2023</b>
<b>General Membership Board</b>	<b>October 12, 2023</b>
<b>Executive Committee</b>	<b>November 9, 2023</b>
<b>No meeting</b>	<b>December 2023</b>
<b>Annual Celebration</b>	<b>TBD</b>

\*The specific committees will be notified as necessary (Nomination Committee, Budget and Audit Committee, etc.)