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THE VILLAGE OF SUGAR MOUNTAIN

251 Dick Trundy Lane
Sugar Mountain, NC 28604

Manager's Monthly Report December 16, 2025

Street Repairs and Paving: Tri-County Paving has been in the Village and has begun a small portion of the scheduled repairs and paving on streets that were damaged from Helene as well as other budgeted street paving work in the past two weeks. Due to inclement weather, they do not anticipate being able to complete the remaining work until early Spring. The streets that will be reimbursed by FEMA include Grouse Moor Drive, Mossy Creek Road, Park Lane, Rock Spring Circle, Slope View Road, and Rough Ridge Road. The total for these projects will be \$139,999.

A Request for Bids for the Hurricane Helene repairs needed to Timber Ridge Road has been advertised, with a deadline to submit bids by January 6, 2026. Once a contractor has been selected and a contract agreement executed, work will commence, weather dependent.

Tourism Development Authority (TDA) Board Meeting: The TDA Board met on Wednesday, December 10, 2025. The Board approved \$2,100 for the TDA Administrator and a representative from Bramble Marketing to attend the NC Visit Conference in March at the Grove Park Inn in Asheville. Jeanine Hasty of Bramble Marketing submitted the attached November 2025 marketing update.

The October 2025 collections of the occupancy tax showed an increase of \$66,009 or 967% in comparison to October 2024. We have to consider that October 2024 was the month following Hurricane Helene. The occupancy tax collections for the period November 2024 through October 2025 (\$791,048) have shown a \$ 32,584 or 4.3% increase in comparison to the same period of 2024 (\$758,464).

FEMA Update:

Projects (Expenditures) Submitted for reimbursement:

• Village Hall HVAC unit replacement	\$ 12,240.
• Golf Course Pond Debris Cleanout	\$ 105,739.
• Village Staff labor/Equipment – Debris Removal	\$ 253,135.

• Tennis Courts	\$ 166,387.
• Pedestrian Bridge/Walking Path	\$ 106,698.
• Road Repairs Group 1	\$ 100,874.
• Road Repairs Group 2	\$ 444,169.
• Emergency Protective Measures – Labor/Equipment	\$ 46,897.
• Temporary/Emergency Road Repairs Group 1	\$ 271,999.
• Temporary/Emergency Road Repairs Group 2	\$ 435,547.
• Golf Course (expenditures to date \$932,217)	<u>\$ 39,324.</u>
Total submissions to date:	\$1,944,078.

Reimbursements received to date:

• Village Hall HVAC unit replacement	\$ 12,240.
• Golf Course Pond Debris Cleanout	\$ 105,739.
• Tennis Courts	\$ 166,387.
• Pedestrian Bridge/Walking Path	\$ 106,698.
• Road Repairs Group 1	\$ 100,874.
• Village Staff labor/Equipment – Debris Removal	\$ 253,135.
• Road Repairs Group 2	<u>\$ 444,169.</u>
	\$1,189,242.

We are expecting reimbursement from the State in the upcoming weeks for our Emergency Protective Measures project in the amount of \$46,897. Any projects that are over \$100,000 continue to be slow in the approval process by FEMA, causing a delay in approval of our Emergency Road Repairs Group 1 and 2 projects. These two projects total \$707,546 in reimbursement and they were submitted to FEMA in July.

FY 2024-25 Village Audit: Misty Watson, Village Auditor, has completed the field work to prepare the financial statements for the June 30, 2025 audit, but has not submitted the audit report to the NC Local Government Commission for approval. Anytime a non-federal entity spends \$1,000,000 or more in federal funds annually, a single audit is required. A single audit ensures the funds are spent legally and correctly, assessing financial statements, internal controls, and adherence to grant rules, and reducing duplicated audits by combining them into one annual report. With the expenditures the Village had in FY 2024-25 due to Hurricane Helene, receipt of other grant monies, a Single Audit will be required this year. Annual audits are required to be submitted within six months of fiscal year end. This year there has been a delay in the release of the Federal Compliance Supplement, needed for the single audit requirements, therefore we are required to amend the audit contract, and the Village will submit the June 30, 2025, annual financial statements by February 12, 2026.

Retaining Wall at Lot 143/144 Grouse Moor Drive: Following two plus years of legal proceedings to mandate that the property owner construct an engineered retaining wall to address the instability of Grouse Moor Drive caused by the construction of the driveway, the wall has been completed. The Village has received an engineer sealed report from Catawba Valley Engineering confirming that the wall was constructed in accordance with the design plans, specifications and

to NC Building Code, therefore, the wall is safe and appropriate to support Grouse Moor Drive. The Village also retained Villager Engineer, David Ramsey, to confirm the same.

Property Tax Collections: Of the \$1,452,638 total 2025 levy, \$932,278 or 64.17% has been collected with a balance of \$520,460 uncollected through December 10, 2025. A balance of \$5,038 remains uncollected for the 2016-2024 tax years.

Administrative Matters:

Advertisements for the Police Officer position vacancy, following the resignation of Madison Hicks, continue to run in the local newspapers as well as with the NC League of Municipalities job postings publication. To date, the Village has received no applications for the position.

Christmas Luncheon: Please join us for an employee Holiday luncheon on Thursday, December 18th at noon in the Village Hall. We will have a gift exchange; if you would like to participate everyone is asked to bring a small gift.

Christmas Holiday Schedule: The Village office will be closed Wednesday, December 24th, Thursday, December 25th, and Friday, December 26th for the Christmas Holiday. Residential trash pick-up will be on Monday and Friday both the week of Christmas and New Year's.

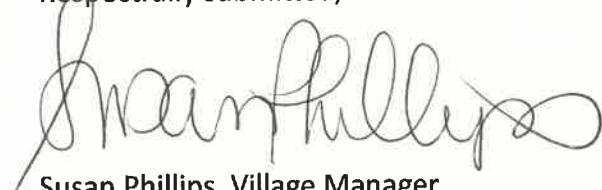
The Village offices will be closed Thursday, January 1st for New Years Day. Again, our residential trash pick-up will be on Monday and Friday this week.

The Police Department will be on a regular schedule throughout the holiday weeks. Available reserve officers will be staffed to provide additional coverage between Christmas and New Years.

The Public Works staff will also be scheduled as needed in the case of inclement weather.

The Village staff and I wish everyone a safe and Happy Holiday season!

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Susan Phillips".

Susan Phillips, Village Manager