

Town of Archer Lodge

AGENDA

Regular Council Meeting & Public Hearing on:

- 1) Proposed NC Flood Damage Prevention Ordinance for Non-Coastal Areas; and
- 2) Proposed Annual Budget for FY 2019

Monday, June 4, 2018 @ 6:30 PM
Jeffrey D. Barnes Council Chambers



Page

1. WELCOME/CALL TO ORDER:

- 1.a. Invocation
- 1.b. Pledge of Allegiance

2. OPEN FORUM/PUBLIC COMMENTS:

(Maximum of 30 minutes allowed, 3 minutes per person)

3. APPROVAL OF AGENDA:

4. PUBLIC HEARINGS:

(Maximum of 30 minutes allowed, 3 minutes per person)

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- 4.a. Proposed Ordinance on the NC Flood Damage Prevention in Non-Coastal Areas (Ordinance# AL2018-06-1)
[Proposed Ordinance on NC Flood Damage Prevention Non-Coastal Areas \(Ordinance# AL2018-06-1\)](#)

30 - 31

- 4.b. Proposed Annual Budget for FY19
[Proposed Budget Ordinance FY19](#)

5. DISCUSSION AND POSSIBLE ACTION ITEMS:

- 5.a. Discussion and Consideration of the Proposed Ordinance on the NC Flood Damage Prevention in Non-Coastal Areas
(Ordinance# AL2018-06-1)

- 32 - 43 5.b. Discussion and Consideration of Adopting Triangle J Council of Government's (TJCOG) Amended Charter Resolution which was adopted by TJCOG on April 25, 2018
[Triangle J Council of Governments Amended Charter Resolution 4.25.18](#)
- 44 - 46 5.c. Discussion and Consideration of a Contract for the Provision of Fire Protection Services between the Town of Archer Lodge and the Archer Lodge Volunteer Fire Department
[Contract for the Provision of Fire Protection Services 7.1.2018](#)
- 47 - 54 5.d. Discussion and Consideration of Approving the Service Agreement between the Town of Archer Lodge and N-Focus for FY19
[N-Focus Service Agreement FY19](#)
- 55 - 77 5.e. Discussion and Consideration of Engaging May & Place, PA to Audit Financial Records and Approving the Audit Contract for Fiscal Year ending June 30, 2018
[May & Place, PA - Engagement Letter FY 2018](#)
[May & Place, PA - Audit Contract FY 2018](#)
- 78 - 81 5.f. Discussion and Consideration of Establishing a Bicycle & Pedestrian Plan Steering Committee & Appointing Members to the Bicycle & Pedestrian Plan Steering Committee
[Bicycle Pedestrian Plan Steering Committee Memo](#)
[Archer Lodge Bike Ped List page 1](#)
[Archer Lodge Bike Ped List page 2](#)
[Archer Lodge Bike Ped List page 3](#)

6. TOWN ATTORNEY'S REPORT:

7. ADMINISTRATIVE CONSULTANT'S REPORT:

8. PLANNING/ZONING REPORT:

9. VETERAN'S COMMITTEE REPORT:

10. MAYOR'S REPORT:

11. COUNCIL MEMBERS' REMARKS:

(non-agenda items)

12. ADJOURNMENT:

Chapter 14
FLOOD DAMAGE PREVENTION ORDINANCE

Non-Coastal Phase

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FLOOD DAMAGE PREVENTION ORDINANCE

Non-Coastal Regular Phase

ARTICLE 1. STATUTORY AUTHORIZATION, FINDINGS OF FACT, PURPOSE AND OBJECTIVES.

Sec. 14-1. - Statutory authorization.

The Legislature of the State of North Carolina has in Part 6, Article 21 of Chapter 143; Parts 3, 5, and 8 of Article 19 of Chapter 160A; and Article 8 of Chapter 160A of the North Carolina General Statutes, delegated to local governmental units the responsibility to adopt regulations designed to promote the public health, safety, and general welfare.

Therefore, the town council of the Town of Archer Lodge, North Carolina, does ordain as follows:

Sec. 14-2. - Findings of fact.

- (1) The flood prone areas within the jurisdiction of Archer Lodge are subject to periodic inundation which results in loss of life, property, health and safety hazards, disruption of commerce and governmental services, extraordinary public expenditures of flood protection and relief, and impairment of the tax base, all of which adversely affect the public health, safety, and general welfare.
- (2) These flood losses are caused by the cumulative effect of obstructions in floodplains causing increases in flood heights and velocities and by the occupancy in flood prone areas of uses vulnerable to floods or other hazards.

Sec. 14-3. - Statement of purpose.

It is the purpose of this ordinance to promote public health, safety, and general welfare and to minimize public and private losses due to flood conditions within flood prone areas by provisions designed to:

- (1) Restrict or prohibit uses that are dangerous to health, safety, and property due to water or erosion hazards or that result in damaging increases in erosion, flood heights or velocities;
- (2) Require that uses vulnerable to floods, including facilities that serve such uses, be protected against flood damage at the time of initial construction;
- (3) Control the alteration of natural floodplains, stream channels, and natural protective barriers, which are involved in the accommodation of floodwaters;
- (4) Control filling, grading, dredging, and all other development that may increase erosion or flood damage; and
- (5) Prevent or regulate the construction of flood barriers that will unnaturally divert flood waters or which may increase flood hazards to other lands.

Sec. 14-4. - Objectives.

The objectives of this ordinance are to:

- (1) Protect human life, safety, and health;

- (2) Minimize expenditure of public money for costly flood control projects;
- (3) Minimize the need for rescue and relief efforts associated with flooding and generally undertaken at the expense of the general public;
- (4) Minimize prolonged business losses and interruptions;
- (5) Minimize damage to public facilities and utilities (i.e. water and gas mains, electric, telephone, cable and sewer lines, streets, and bridges) that are located in flood prone areas;
- (6) Minimize damage to private and public property due to flooding;
- (7) Make flood insurance available to the community through the National Flood Insurance Program;
- (8) Maintain the natural and beneficial functions of floodplains;
- (9) Help maintain a stable tax base by providing for the sound use and development of flood prone areas; and
- (10) Ensure that potential buyers are aware that property is in a Special Flood Hazard Area.

ARTICLE 2. DEFINITIONS.

Sec. 14-5. - Definitions.

Unless specifically defined below, words or phrases used in this ordinance shall be interpreted so as to give them the meaning they have in common usage and to give this ordinance it's most reasonable application.

"Accessory Structure (Appurtenant Structure)" means a structure located on the same parcel of property as the principal structure and the use of which is incidental to the use of the principal structure. Garages, carports and storage sheds are common urban accessory structures. Pole barns, hay sheds and the like qualify as accessory structures on farms, and may or may not be located on the same parcel as the farm dwelling or shop building.

"Addition (to an existing building)" means an extension or increase in the floor area or height of a building or structure.

"Alteration of a watercourse" means a dam, impoundment, channel relocation, change in channel alignment, channelization, or change in cross-sectional area of the channel or the channel capacity, or any other form of modification which may alter, impede, retard or change the direction and/or velocity of the riverine flow of water during conditions of the base flood.

"Appeal" means a request for a review of the Floodplain Administrator's interpretation of any provision of this ordinance.

"Area of Shallow Flooding" means a designated Zone AO or AH on a community's Flood Insurance Rate Map (FIRM) with base flood depths determined to be from one (1) to three (3) feet. These areas are located where a clearly defined channel does not exist, where the path of flooding is unpredictable and indeterminate, and where velocity flow may be evident.

"Area of Special Flood Hazard" see "Special Flood Hazard Area (SFHA)".

"Base Flood" means the flood having a one (1) percent chance of being equaled or exceeded in any given year.

"Base Flood Elevation (BFE)" means a determination of the water surface elevations of the base flood as published in the Flood Insurance Study. When the BFE has not been provided in a "Special Flood Hazard Area", it may be obtained from engineering studies available from a Federal, State, or other source using FEMA approved engineering methodologies. This elevation, when combined with the "Freeboard", establishes the "Regulatory Flood Protection Elevation".

"Basement" means any area of the building having its floor subgrade (below ground level) on all sides.

“Building” see “Structure”.

“Chemical Storage Facility” means a building, portion of a building, or exterior area adjacent to a building used for the storage of any chemical or chemically reactive products.

“Design Flood”: See “Regulatory Flood Protection Elevation.”

“Development” means any man-made change to improved or unimproved real estate, including, but not limited to, buildings or other structures, mining, dredging, filling, grading, paving, excavation or drilling operations, or storage of equipment or materials.

“Development Activity” means any activity defined as Development which will necessitate a Floodplain Development Permit. This includes buildings, structures, and non-structural items, including (but not limited to) fill, bulkheads, piers, pools, docks, landings, ramps, and erosion control/stabilization measures.

“Digital Flood Insurance Rate Map (DFIRM)” means the digital official map of a community, issued by the Federal Emergency Management Agency (FEMA), on which both the Special Flood Hazard Areas and the risk premium zones applicable to the community are delineated.

“Disposal” means, as defined in NCGS 130A-290(a)(6), the discharge, deposit, injection, dumping, spilling, leaking, or placing of any solid waste into or on any land or water so that the solid waste or any constituent part of the solid waste may enter the environment or be emitted into the air or discharged into any waters, including groundwaters.

“Elevated Building” means a non-basement building which has its lowest elevated floor raised above ground level by foundation walls, shear walls, posts, piers, pilings, or columns.

“Encroachment” means the advance or infringement of uses, fill, excavation, buildings, structures or development into a special flood hazard area, which may impede or alter the flow capacity of a floodplain.

“Existing building and existing structure” means any building and/or structure for which the “start of construction” commenced before November 8, 2010.

“Existing Manufactured Home Park or Manufactured Home Subdivision” means a manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including, at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) was completed before the initial effective date of the floodplain management regulations adopted by the community.

“Flood” or “Flooding” means a general and temporary condition of partial or complete inundation of normally dry land areas from:

- (a) The overflow of inland or tidal waters; and/or
- (b) The unusual and rapid accumulation or runoff of surface waters from any source.

“Flood Boundary and Floodway Map (FBFM)” means an official map of a community, issued by the FEMA, on which the Special Flood Hazard Areas and the floodways are delineated. This official map is a supplement to and shall be used in conjunction with the Flood Insurance Rate Map (FIRM).

“Flood Hazard Boundary Map (FHBM)” means an official map of a community, issued by the FEMA, where the boundaries of the Special Flood Hazard Areas have been defined as Zone A.

“Flood Insurance” means the insurance coverage provided under the National Flood Insurance Program.

“Flood Insurance Rate Map (FIRM)” means an official map of a community, issued by the FEMA, on which both the Special Flood Hazard Areas and the risk premium zones applicable to the community are delineated. (see also DFIRM)

“Flood Insurance Study (FIS)” means an examination, evaluation, and determination of flood hazards, corresponding water surface elevations (if appropriate), flood hazard risk zones, and other flood data in a community issued by the FEMA. The Flood Insurance Study report includes Flood Insurance Rate Maps (FIRMs) and Flood Boundary and Floodway Maps (FBFMs), if published.

“Flood Prone Area” see “Floodplain”

“Flood Zone” means a geographical area shown on a Flood Hazard Boundary Map or Flood Insurance Rate Map that reflects the severity or type of flooding in the area.

“Floodplain” means any land area susceptible to being inundated by water from any source.

“Floodplain Administrator” is the individual appointed to administer and enforce the floodplain management regulations.

“Floodplain Development Permit” means any type of permit that is required in conformance with the provisions of this ordinance, prior to the commencement of any development activity.

“Floodplain Management” means the operation of an overall program of corrective and preventive measures for reducing flood damage and preserving and enhancing, where possible, natural resources in the floodplain, including, but not limited to, emergency preparedness plans, flood control works, floodplain management regulations, and open space plans.

“Floodplain Management Regulations” means this ordinance and other zoning ordinances, subdivision regulations, building codes, health regulations, special purpose ordinances, and other applications of police power. This term describes federal, state or local regulations, in any combination thereof, which provide standards for preventing and reducing flood loss and damage.

“Floodproofing” means any combination of structural and nonstructural additions, changes, or adjustments to structures which reduce or eliminate flood damage to real estate or improved real property, water and sanitation facilities, structures, and their contents.

“Flood-resistant material” means any building product [material, component or system] capable of withstanding direct and prolonged contact (minimum 72 hours) with floodwaters without sustaining damage that requires more than low-cost cosmetic repair. Any material that is water-soluble or is not resistant to alkali or acid in water, including normal adhesives for above-grade use, is not flood-resistant. Pressure-treated lumber or naturally decay-resistant lumbars are acceptable flooring materials. Sheet-type flooring coverings that restrict evaporation from below and materials that are impervious, but dimensionally unstable are not acceptable. Materials that absorb or retain water excessively after submergence are not flood-resistant. Please refer to Technical Bulletin 2, *Flood Damage-Resistant Materials Requirements*, and available from the FEMA. Class 4 and 5 materials, referenced therein, are acceptable flood-resistant materials.

“Floodway” means the channel of a river or other watercourse, including the area above a bridge or culvert when applicable, and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than one (1) foot.

“Floodway encroachment analysis” means an engineering analysis of the impact that a proposed encroachment into a floodway or non-encroachment area is expected to have on the floodway boundaries and flood levels during the occurrence of the base flood discharge. The evaluation shall be prepared by a qualified North Carolina licensed engineer using standard engineering methods and models.

“Freeboard” means the height added to the BFE to account for the many unknown factors that could contribute to flood heights greater than the height calculated for a selected size flood and floodway conditions, such as wave action, blockage of bridge or culvert openings, and the hydrological effect of urbanization of the watershed. The BFE plus the freeboard establishes the “Regulatory Flood Protection Elevation”.

“Functionally Dependent Facility” means a facility which cannot be used for its intended purpose unless it is located in proximity to water, limited to a docking or port facility necessary for the loading and unloading of cargo or passengers, shipbuilding, or ship repair. The term does not include long-term storage, manufacture, sales, or service facilities.

“Hazardous Waste Management Facility” means, as defined in NCGS 130A, Article 9, a facility for the collection, storage, processing, treatment, recycling, recovery, or disposal of hazardous waste.

“Highest Adjacent Grade (HAG)” means the highest natural elevation of the ground surface, prior to construction, immediately next to the proposed walls of the structure.

“Historic Structure” means any structure that is:

- (a) Listed individually in the National Register of Historic Places (a listing maintained by the US Department of Interior) or preliminarily determined by the Secretary of Interior as meeting the requirements for individual listing on the National Register;
- (b) Certified or preliminarily determined by the Secretary of Interior as contributing to the historical significance of a registered historic district or a district preliminarily determined by the Secretary to qualify as a registered historic district;
- (c) Individually listed on a local inventory of historic landmarks in communities with a "Certified Local Government (CLG) Program"; or
- (d) Certified as contributing to the historical significance of a historic district designated by a community with a "Certified Local Government (CLG) Program."

Certified Local Government (CLG) Programs are approved by the US Department of the Interior in cooperation with the North Carolina Department of Cultural Resources through the State Historic Preservation Officer as having met the requirements of the National Historic Preservation Act of 1966 as amended in 1980.

"Letter of Map Change (LOMC)" means an official determination issued by FEMA that amends or revises an effective Flood Insurance Rate Map or Flood Insurance Study. Letters of Map Change include:

- (a) Letter of Map Amendment (LOMA): An official amendment, by letter, to an effective National Flood Insurance Program map. A LOMA is based on technical data showing that a property had been inadvertently mapped as being in the floodplain, but is actually on natural high ground above the base flood elevation. A LOMA amends the current effective Flood Insurance Rate Map and establishes that a specific property, portion of a property, or structure is not located in a special flood hazard area.
- (b) Letter of Map Revision (LOMR): A revision based on technical data that may show changes to flood zones, flood elevations, special flood hazard area boundaries and floodway delineations, and other planimetric features.
- (c) Letter of Map Revision Based on Fill (LOMR-F): A determination that a structure or parcel of land has been elevated by fill above the BFE and is, therefore, no longer located within the special flood hazard area. In order to qualify for this determination, the fill must have been permitted and placed in accordance with the community's floodplain management regulations.
- (d) Conditional Letter of Map Revision (CLOMR): A formal review and comment as to whether a proposed project complies with the minimum NFIP requirements for such projects with respect to delineation of special flood hazard areas. A CLOMR does not revise the effective Flood Insurance Rate Map or Flood Insurance Study; upon submission and approval of certified as-built documentation, a Letter of Map Revision may be issued by FEMA to revise the effective FIRM.

"Light Duty Truck" means any motor vehicle rated at 8,500 pounds Gross Vehicular Weight Rating or less which has a vehicular curb weight of 6,000 pounds or less and which has a basic vehicle frontal area of 45 square feet or less as defined in 40 CFR 86.082-2 and is:

- (a) Designed primarily for purposes of transportation of property or is a derivation of such a vehicle, or
- (b) Designed primarily for transportation of persons and has a capacity of more than 12 persons; or
- (c) Available with special features enabling off-street or off-highway operation and use.

"Lowest Adjacent Grade (LAG)" means the lowest elevation of the ground, sidewalk or patio slab immediately next to the building, or deck support, after completion of the building.

"Lowest Floor" means the lowest floor of the lowest enclosed area (including basement). An unfinished or flood resistant enclosure, usable solely for parking of vehicles, building access, or limited storage in an area other than a basement area is not considered a building's lowest floor, provided that such an enclosure is not built so as to render the structure in violation of the applicable non-elevation design requirements of this ordinance.

"Manufactured Home" means a structure, transportable in one or more sections, which is built on a permanent chassis and designed to be used with or without a permanent foundation when connected to the required utilities. The term "manufactured home" does not include a "recreational vehicle".

"Manufactured Home Park or Subdivision" means a parcel (or contiguous parcels) of land divided into two or more manufactured home lots for rent or sale.

“Market Value” means the building value, not including the land value and that of any accessory structures or other improvements on the lot. Market value may be established by independent certified appraisal; replacement cost depreciated for age of building and quality of construction (Actual Cash Value); or adjusted tax assessed values.

“New Construction” means structures for which the “start of construction” commenced on or after the effective date of the initial floodplain management regulations and includes any subsequent improvements to such structures.

“Non-Conversion Agreement” means a document stating that the owner will not convert or alter what has been constructed and approved. Violation of the agreement is considered a violation of the ordinance and, therefore, subject to the same enforcement procedures and penalties. The agreement must be filed with the recorded deed for the property. The agreement must show the clerk’s or recorder’s stamps and/or notations that the filing has been completed.

“Non-Encroachment Area (NEA)” means the channel of a river or other watercourse, including the area above a bridge or culvert when applicable, and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than one (1) foot as designated in the Flood Insurance Study report.

“Post-FIRM” means construction or other development for which the “start of construction” occurred on or after, the effective date of the initial Flood Insurance Rate Map.

“Pre-FIRM” means construction or other development for which the “start of construction” occurred before the effective date of the initial Flood Insurance Rate Map.

“Principally Above Ground” means that at least 51% of the actual cash value of the structure is above ground.

“Public Safety” and/or “Nuisance” means anything which is injurious to the safety or health of an entire community or neighborhood, or any considerable number of persons, or unlawfully obstructs the free passage or use, in the customary manner, of any navigable lake, or river, bay, stream, canal, or basin.

“Recreational Vehicle (RV)” means a vehicle, which is:

- (a) Built on a single chassis;
 - (b) 400 square feet or less when measured at the largest horizontal projection;
 - (c) Designed to be self-propelled or permanently towable by a light duty truck;
 - (d) Designed primarily not for use as a permanent dwelling, but as temporary living quarters for recreational, camping, travel, or seasonal use, and
 - (e) Is fully licensed and ready for highway use.
- (for the purpose of this ordinance, “Tiny Homes/Houses” and Park Models that do not meet the items listed above are not considered Recreational Vehicles and should meet the standards of and be permitted as Residential Structures.)*

“Reference Level” is the top of the lowest floor for structures within Special Flood Hazard Areas designated as Zones A, AE, AH, AO, A99. The reference level is the bottom of the lowest horizontal structural member of the lowest floor for structures within Special Flood Hazard Areas designated as Zone VE.

“Regulatory Flood Protection Elevation” means the “Base Flood Elevation” plus the “Freeboard”. In “Special Flood Hazard Areas” where Base Flood Elevations (BFEs) have been determined, this elevation shall be the BFE plus two feet of freeboard. In “Special Flood Hazard Areas” where no BFE has been established, this elevation shall be at least two feet above the highest adjacent grade.

“Remedy a Violation” means to bring the structure or other development into compliance with state and community floodplain management regulations, or, if this is not possible, to reduce the impacts of its noncompliance. Ways that impacts may be reduced include protecting the structure or other affected development from flood damages, implementing the enforcement provisions of the ordinance or otherwise deterring future similar violations, or reducing federal financial exposure with regard to the structure or other development.

“Riverine” means relating to, formed by, or resembling a river (including tributaries), stream, brook, etc.

“Salvage Yard” means any non-residential property used for the storage, collection, and/or recycling of any type of equipment,

and including but not limited to vehicles, appliances and related machinery.

“Solid Waste Disposal Facility” means any facility involved in the disposal of solid waste, as defined in NCGS 130A-290(a)(35).

“Solid Waste Disposal Site” means, as defined in NCGS 130A-290(a)(36), any place at which solid wastes are disposed of by incineration, sanitary landfill, or any other method.

“Special Flood Hazard Area (SFHA)” means the land in the floodplain subject to a one percent (1%) or greater chance of being flooded in any given year, as determined in section 14-7 of this ordinance.

“Start of Construction” includes substantial improvement, and means the date the building permit was issued provided the actual start of construction, repair, reconstruction, rehabilitation, addition placement, or other improvement was within 180 days of the permit date. The actual start means either the first placement of permanent construction of a structure on a site, such as the pouring of slab or footings, the installation of piles, the construction of columns, or any work beyond the stage of excavation; or the placement of a manufactured home on a foundation. Permanent construction does not include land preparation, such as clearing, grading, and filling; nor does it include the installation of streets and/or walkways; nor does it include excavation for a basement, footings, piers, or foundations or the erection of temporary forms; nor does it include the installation on the property of accessory buildings, such as garages or sheds not occupied as dwelling units or not part of the main structure. For a substantial improvement, the actual start of construction means the first alteration of any wall, ceiling, floor, or other structural part of the building, whether or not that alteration affects the external dimensions of the building.

“Structure” means a walled and roofed building, a manufactured home, or a gas, liquid, or liquefied gas storage tank that is principally above ground.

“Substantial Damage” means damage of any origin sustained by a structure during any one-year period whereby the cost of restoring the structure to it's before damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred. See definition of “substantial improvement”.

“Substantial Improvement” means any combination of repairs, reconstruction, rehabilitation, addition, or other improvement of a structure, taking place during any one-year period for which the cost equals or exceeds 50 percent of the market value of the structure before the “start of construction” of the improvement. This term includes structures which have incurred “substantial damage”, regardless of the actual repair work performed. The term does not, however, include either:

- (a) Any correction of existing violations of state or community health, sanitary, or safety code specifications which have been identified by the community code enforcement official and which are the minimum necessary to assure safe living conditions; or
- (b) Any alteration of a historic structure, provided that the alteration will not preclude the structure's continued designation as a historic structure and the alteration is approved by variance issued pursuant to Article 4, Section 14-49 of this ordinance.

“Technical Bulletin and Technical Fact Sheet” means a FEMA publication that provides guidance concerning the building performance standards of the NFIP, which are contained in Title 44 of the U.S. Code of Federal Regulations at Section 60.3. The bulletins and fact sheets are intended for use primarily by State and local officials responsible for interpreting and enforcing NFIP regulations and by members of the development community, such as design professionals and builders. New bulletins, as well as updates of existing bulletins, are issued periodically as needed. The bulletins do not create regulations; rather they provide specific guidance for complying with the minimum requirements of existing NFIP regulations.

It should be noted that Technical Bulletins and Technical Fact Sheets provide guidance on the minimum requirements of the NFIP regulations. State or community requirements that exceed those of the NFIP take precedence. Design professionals should contact the community officials to determine whether more restrictive State or local regulations apply to the building or site in question. All applicable standards of the State or local building code must also be met for any building in a flood hazard area.

“Temperature Controlled” means having the temperature regulated by a heating and/or cooling system, built-in or appliance.

“Variance” is a grant of relief from the requirements of this ordinance.

“Violation” means the failure of a structure or other development to be fully compliant with the community's floodplain management regulations. A structure or other development without the elevation certificate, other certifications, or other evidence of compliance required in Articles 4 and 5 is presumed to be in violation until that documentation is provided.

“Water Surface Elevation (WSE)” means the height, in relation to NAVD 1988, of floods of various magnitudes and frequencies in the floodplains of riverine areas.

“Watercourse” means a lake, river, creek, stream, wash, channel or other topographic feature on or over which waters flow at least periodically. Watercourse includes specifically designated areas in which substantial flood damage may occur.

ARTICLE 3. GENERAL PROVISIONS.

Sec. 14-6. - Lands to which this chapter applies.

This ordinance shall apply to all Special Flood Hazard Areas within the jurisdiction, including Extra-Territorial Jurisdictions (ETJs), [if applicable] of Archer Lodge.

Sec. 14-7. - Basis for establishing the special flood hazard areas.

The Special Flood Hazard Areas are those identified under the Cooperating Technical State (CTS) agreement between the State of North Carolina and FEMA in its FIS dated December 5, 2005 for Johnston County and associated DFIRM panels, including any digital data developed as part of the FIS, which are adopted by reference and declared a part of this ordinance. Future revisions to the FIS and DFIRM panels that do not change flood hazard data within the jurisdictional authority of Archer Lodge are also adopted by reference and declared a part of this ordinance. Subsequent Letter of Map Revisions (LOMRs) and/or Physical Map Revisions (PMRs) shall be adopted within 3 months.

Sec. 14-8. - Establishment of floodplain development permit.

A Floodplain Development Permit shall be required in conformance with the provisions of this ordinance prior to the commencement of any development activities within Special Flood Hazard Areas determined in accordance with the provisions of Article 3, Section 14-7 of this ordinance.

Sec. 14-9. - Compliance.

No structure or land shall hereafter be located, extended, converted, altered, or developed in any way without full compliance with the terms of this ordinance and other applicable regulations.

Sec. 14-10. - Abrogation and greater restrictions.

This ordinance is not intended to repeal, abrogate, or impair any existing easements, covenants, or deed restrictions. However, where this ordinance and another conflict or overlap, whichever imposes the more stringent restrictions shall prevail.

Sec. 14-11. - Interpretation.

In the interpretation and application of this ordinance, all provisions shall be:

- (a) Considered as minimum requirements;
- (b) Liberally construed in favor of the governing body; and
- (c) Deemed neither to limit nor repeal any other powers granted under State statutes.

Sec. 14-12. - Warning and disclaimer of liability.

The degree of flood protection required by this ordinance is considered reasonable for regulatory purposes and is based on scientific and engineering consideration. Larger floods can and will occur. Actual flood heights may be increased by man-made or natural causes. This ordinance does not imply that land outside the Special Flood Hazard Areas or uses permitted within such areas will be free from flooding or flood damages. This ordinance shall not create liability on the part of the Town of Archer Lodge or by any officer or employee thereof for any flood damages that result from reliance on this ordinance or any administrative decision lawfully made hereunder.

Sec. 14-13. - Penalties for violation.

Violation of the provisions of this ordinance or failure to comply with any of its requirements, including violation of conditions and safeguards established about grants of variance or special exceptions, shall constitute a Class 1 misdemeanor pursuant to NC G.S. § 143-215.58. Any person who violates this ordinance or fails to comply with any of its requirements shall, upon conviction thereof, be fined not more than \$100.00 or imprisoned for not more than thirty (30) days, or both. Each day such violation continues shall be considered a separate offense. Nothing herein contained shall prevent the Town of Archer Lodge from taking such other lawful action as is necessary to prevent or remedy any violation.

Secs. 14-14—14-44. - Reserved.**ARTICLE II. - ADMINISTRATION****Sec. 14-45. - Designation of floodplain administrator.**

The zoning officer, hereinafter referred to as the “Floodplain Administrator”, is hereby appointed to administer and implement the provisions of this ordinance. In instances where the Floodplain Administrator receives assistance from others to complete tasks to administer and implement this ordinance, the Floodplain Administrator shall be responsible for the coordination and community’s overall compliance with the National Flood Insurance Program and the provisions of this ordinance.

Sec. 14-46. - Floodplain development application, permit and certification requirements.

- (1) **Application Requirements.** Application for a Floodplain Development Permit shall be made to the Floodplain Administrator prior to any development activities located within Special Flood Hazard Areas. The following items shall be presented to the Floodplain Administrator to apply for a floodplain development permit:
 - (a) A plot plan drawn to scale which shall include, but shall not be limited to, the following specific details of the proposed floodplain development:
 - (I) The nature, location, dimensions, and elevations of the area of development/disturbance; existing and proposed structures, utility systems, grading/pavement areas, fill materials, storage areas, drainage facilities, and other development;
 - (ii) The boundary of the Special Flood Hazard Area as delineated on the FIRM or other flood map as determined in Article 3, Section 14-7, or a statement that the entire lot is within the Special Flood Hazard Area;
 - (iii) Flood zone(s) designation of the proposed development area as determined on the FIRM or other flood map as determined in Article 3, Section 14-7;

- (iv) The boundary of the floodway(s) or non-encroachment area(s) as determined in Article 3, Section 14-7;
 - (v) The Base Flood Elevation (BFE) where provided as set forth in Article 3, Section 14-7, Article 4, Section 14-47 (11) and (12) or Article 4, Sections 14-47-74;
 - (vi) The old and new location of any watercourse that will be altered or relocated because of proposed development; and
 - (vii) The certification of the plot plan by a registered land surveyor or professional engineer.
- (b) Proposed elevation, and method thereof, of all development within a Special Flood Hazard Area including but not limited to:
- (I) Elevation in relation to NAVD 1988 of the proposed reference level (including basement) of all structures;
 - (ii) Elevation in relation to NAVD 1988 to which any non-residential structure in Zones A, AE, AH, AO, A99 will be floodproofed; and
 - (iii) Elevation in relation to NAVD 1988 to which any proposed utility systems will be elevated or floodproofed.
- (c) If floodproofing, a Floodproofing Certificate (FEMA Form 086-0-34) with supporting data, an operational plan, and an inspection and maintenance plan that include, but are not limited to, installation, exercise, and maintenance of floodproofing measures.
- (d) A Foundation Plan, drawn to scale, which shall include details of the proposed foundation system to ensure all provisions of this ordinance are met. These details include but are not limited to:
- (I) The proposed method of elevation, if applicable (i.e., fill, solid foundation perimeter wall, solid backfilled foundation, open foundation on columns/posts/piers/piles/shear walls); and
 - (ii) Openings to facilitate automatic equalization of hydrostatic flood forces on walls in accordance with Article 5, Section 14-73 (4) (c) when solid foundation perimeter walls are used in Zones A, AE, AH, AO, A99.
- (e) Usage details of any enclosed areas below the lowest floor.
- (f) Plans and/or details for the protection of public utilities and facilities such as sewer, gas, electrical, and water systems to be located and constructed to minimize flood damage.
- (g) Certification that all other Local, State and Federal permits required prior to floodplain development permit issuance have been received.
- (h) Documentation for placement of Recreational Vehicles and/or Temporary Structures, when applicable, to ensure that the provisions of Article 5, Section 14-73 (6) and (7) of this ordinance are met.
- (I) A description of proposed watercourse alteration or relocation, when applicable, including an engineering report on the effects of the proposed project on the flood-carrying capacity of the watercourse and the effects to properties located both upstream and downstream; and a map (if not shown on plot plan) showing the location of the proposed watercourse alteration or relocation.
- (2) **Permit Requirements.** The Floodplain Development Permit shall include, but not be limited to:
- (a) A complete description of all the development to be permitted under the floodplain development permit (e.g. house, garage, pool, septic, bulkhead, cabana, pier, bridge, mining, dredging, filling, grading, paving, excavation or drilling operations, or storage of equipment or materials, etc.).
 - (b) The Special Flood Hazard Area determination for the proposed development in accordance with available data

specified in Article 3, Section 14-7.

- (c) The Regulatory Flood Protection Elevation required for the reference level and all attendant utilities.
- (d) The Regulatory Flood Protection Elevation required for the protection of all public utilities.
- (e) All certification submittal requirements with timelines.
- (f) A statement that no fill material or other development shall encroach into the floodway or non-encroachment area of any watercourse unless the requirements of Article 5, Section F have been met.
- (g) The flood openings requirements, if in Zones A, AE, AH, AO, A99.
- (h) Limitations of below BFE enclosure uses (if applicable). (i.e., parking, building access and limited storage only).
- (I) All materials below BFE/RFPE must be flood resistant materials.

(3) **Certification Requirements.**

(a) Elevation Certificates

- (I) An Elevation Certificate (FEMA Form 086-0-33) is required prior to the actual start of any new construction. It shall be the duty of the permit holder to submit to the Floodplain Administrator a certification of the elevation of the reference level, in relation to NAVD 1988. The Floodplain Administrator shall review the certificate data submitted. Deficiencies detected by such review shall be corrected by the permit holder prior to the beginning of construction. Failure to submit the certification or failure to make required corrections shall be causing to deny a floodplain development permit.
- (ii) An Elevation Certificate (FEMA Form 086-0-33) is required after the reference level is established. Within seven (7) calendar days of establishment of the reference level elevation, it shall be the duty of the permit holder to submit to the Floodplain Administrator a certification of the elevation of the reference level, in relation to NAVD 1988. Any work done within the seven (7) day calendar period and prior to submission of the certification shall be at the permit holder's risk. The Floodplain Administrator shall review the certificate data submitted. Deficiencies detected by such review shall be corrected by the permit holder immediately and prior to further work being permitted to proceed. Failure to submit the certification or failure to make required corrections shall be causing to issue a stop-work order for the project.
- (iii) A final Finished Construction Elevation Certificate (FEMA Form 086-0-33) is required after construction is completed and prior to Certificate of Compliance/Occupancy issuance. It shall be the duty of the permit holder to submit to the Floodplain Administrator a certification of final as-built construction of the elevation of the reference level and all attendant utilities. The Floodplain Administrator shall review the certificate data submitted. Deficiencies detected by such review shall be corrected by the permit holder immediately and prior to Certificate of Compliance/Occupancy issuance. In some instances, another certification may be required to certify corrected as-built construction. Failure to submit the certification or failure to make required corrections shall be causing to withhold the issuance of a Certificate of Compliance/Occupancy

(b) Floodproofing Certificate

- (i) If non-residential floodproofing is used to meet the Regulatory Flood Protection Elevation requirements, a Floodproofing Certificate (FEMA Form 086-0-34), with supporting data, an operational plan, and an inspection and maintenance plan are required prior to the actual start of any new construction. It shall be the duty of the permit holder to submit to the Floodplain Administrator a certification of the floodproofed design elevation of the reference level and all attendant utilities, in relation to NAVD 1988. Floodproofing certification shall be prepared by or under the direct supervision of a professional engineer or architect and certified by same. The Floodplain Administrator shall review the certificate data, the operational plan, and the inspection and maintenance plan. Deficiencies detected by such review shall be corrected by the

applicant prior to permit approval. Failure to submit the certification or failure to make required corrections shall be causing to deny a Floodplain Development Permit. Failure to construct in accordance with the certified design shall be causing to withhold the issuance of a Certificate of Compliance/Occupancy.

- (ii) A final Finished Construction Floodproofing Certificate (FEMA Form 086-0-34), with supporting data, an operational plan, and an inspection and maintenance plan are required prior to the issuance of a Certificate of Compliance/Occupancy. It shall be the duty of the permit holder to submit to the Floodplain Administrator a certification of the floodproofed design elevation of the reference level and all attendant utilities, in relation to NAVD 1988. Floodproofing certificate shall be prepared by or under the direct supervision of a professional engineer or architect and certified by same. The Floodplain Administrator shall review the certificate data, the operational plan, and the inspection and maintenance plan. Deficiencies detected by such review shall be corrected by the applicant prior to Certificate of Occupancy. Failure to submit the certification or failure to make required corrections shall be causing to deny a Floodplain Development Permit. Failure to construct in accordance with the certified design shall be causing to deny a Certificate of Compliance/Occupancy.
- (c) If a manufactured home is placed within Zones A, AE, AH, AO, A99 and the elevation of the chassis is more than 36 inches in height above grade, an engineered foundation certification is required in accordance with the provisions of Article 5, Section 14-73(3).
- (d) If a watercourse is to be altered or relocated, a description of the extent of watercourse alteration or relocation; a professional engineer's certified report on the effects of the proposed project on the flood-carrying capacity of the watercourse and the effects to properties located both upstream and downstream; and a map showing the location of the proposed watercourse alteration or relocation shall all be submitted by the permit applicant prior to issuance of a floodplain development permit.
- (e) Certification Exemptions. The following structures, if located within Zones A, AE, AH, AO, A99, are exempt from the elevation/floodproofing certification requirements specified in items (a) and (b) of this subsection:
 - (I) Recreational Vehicles meeting requirements of Article 5, Section 14-73(6)(a);
 - (ii) Temporary Structures meeting requirements of Article 5, Section 14-73(7) and
 - (iii) Accessory Structures that are 150 square feet or less or \$3000 or less and meeting requirements of Article 5, Section 14-73(8).

(4) **Determinations for existing buildings and structures.**

For applications for building permits to improve buildings and structures, including alterations, movement, enlargement, replacement, repair, change of occupancy, additions, rehabilitations, renovations, substantial improvements, repairs of substantial damage, and any other improvement of or work on such buildings and structures, the Floodplain Administrator, in coordination with the Building Official, shall:

- (a) Estimate the market value, or require the applicant to obtain an appraisal of the market value prepared by a qualified independent appraiser, of the building or structure before the start of construction of the proposed work; in the case of repair, the market value of the building or structure shall be the market value before the damage occurred and before any repairs are made;
- (b) Compare the cost to perform the improvement, the cost to repair a damaged building to its pre-damaged condition, or the combined costs of improvements and repairs, if applicable, to the market value of the building or structure;
- (c) Determine and document whether the proposed work constitutes substantial improvement or repair of substantial damage; and
- (d) Notify the applicant if it is determined that the work constitutes substantial improvement or repair of substantial damage and that compliance with the flood resistant construction requirements of the NC Building Code and this ordinance is required.

Sec. 14-47. - Duties and responsibilities of the floodplain administrator.

The Floodplain Administrator shall perform, but not be limited to, the following duties:

- (1) Review all floodplain development applications and issue permits for all proposed development within Special Flood Hazard Areas to assure that the requirements of this ordinance have been satisfied.
- (2) Review all proposed development within Special Flood Hazard Areas to assure that all necessary local, state and federal permits have been received, including Section 404 of the Federal Water Pollution Control Act Amendments of 1972, 33 U.S.C. 1334.
- (3) Notify adjacent communities and the North Carolina Department of Public Safety, Division of Emergency Management, State Coordinator for the National Flood Insurance Program prior to any alteration or relocation of a watercourse, and submit evidence of such notification to the Federal Emergency Management Agency (FEMA).
- (4) Assure that maintenance is provided within the altered or relocated portion of said watercourse so that the flood-carrying capacity is maintained.
- (5) Prevent encroachments into floodways and non-encroachment areas unless the certification and flood hazard reduction provisions of Article 5, Section 14-75 are met.
- (6) Obtain actual elevation (in relation to NAVD 1988) of the reference level (including basement) and all attendant utilities of all new and substantially improved structures, in accordance with the provisions of Article 4, Section 14-46(c).
- (7) Obtain actual elevation (in relation to NAVD 1988) to which all new and substantially improved structures and utilities have been floodproofed, in accordance with the provisions of Article 4, Section 14-46(c).
- (8) Obtain actual elevation (in relation to NAVD 1988) of all public utilities in accordance with the provisions of Article 4, Section 14-46(c).
- (9) When floodproofing is utilized for a structure, obtain certifications from a registered professional engineer or architect in accordance with the provisions of Article 4, Section 14-46(c) and Article 5, Section 14-73(2).
- (10) Where interpretation is needed as to the exact location of boundaries of the Special Flood Hazard Areas, floodways, or non-encroachment areas (for example, where there appears to be a conflict between a mapped boundary and actual field conditions), make the necessary interpretation. The person contesting the location of the boundary shall be given a reasonable opportunity to appeal the interpretation as provided in this article.
- (11) When BFE data has not been provided in accordance with the provisions of Article 3, Section 14-7, obtain, review, and reasonably utilize any BFE data, along with floodway data or non-encroachment area data available from a federal, state, or other source, including data developed pursuant to Article 5, Section 14-74(2)(b), to administer the provisions of this ordinance.
- (12) When BFE data is provided but no floodway or non-encroachment area data has been provided in accordance with the provisions of Article 3, Section 14-7, obtain, review, and reasonably utilize any floodway data or non-encroachment area data available from a federal, state, or other source to administer the provisions of this ordinance.
- (13) When the lowest floor and the lowest adjacent grade of a structure or the lowest ground elevation of a parcel in a Special Flood Hazard Area is above the BFE, advise the property owner of the option to apply for a Letter of Map Amendment (LOMA) from FEMA. Maintain a copy of the LOMA issued by FEMA in the floodplain development permit file.
- (14) Permanently maintain all records that pertain to the administration of this ordinance and make these records available for public inspection, recognizing that such information may be subject to the Privacy Act of 1974, as amended.
- (15) Make on-site inspections of work in progress. As the work pursuant to a floodplain development permit progresses, the Floodplain Administrator shall make as many inspections of the work as may be necessary to ensure that the work

is being done according to the provisions of the local ordinance and the terms of the permit. In exercising this power, the Floodplain Administrator has a right, upon presentation of proper credentials, to enter on any premises within the jurisdiction of the community at any reasonable hour for the purposes of inspection or other enforcement action.

- (16) Issue stop-work orders as required. Whenever a building or part thereof is being constructed, reconstructed, altered, or repaired in violation of this ordinance, the Floodplain Administrator may order the work to be immediately stopped. The stop-work order shall be in writing and directed to the person doing or in charge of the work. The stop-work order shall state the specific work to be stopped, the specific reason(s) for the stoppage, and the condition(s) under which the work may be resumed. Violation of a stop-work order constitutes a misdemeanor.
- (17) Revoke floodplain development permits as required. The Floodplain Administrator may revoke and require the return of the floodplain development permit by notifying the permit holder in writing stating the reason(s) for the revocation. Permits shall be revoked for any substantial departure from the approved application, plans, and specifications; for refusal or failure to comply with the requirements of State or local laws; or for false statements or misrepresentations made in securing the permit. Any floodplain development permit mistakenly issued in violation of an applicable State or local law may also be revoked.
- (18) Make periodic inspections throughout the Special Flood Hazard Areas within the jurisdiction of the community. The Floodplain Administrator and each member of his or her inspections department shall have a right, upon presentation of proper credentials, to enter on any premises within the territorial jurisdiction of the department at any reasonable hour for the purposes of inspection or other enforcement action.
- (19) Follow through with corrective procedures of Article 4, Section 14-48.
- (20) Review, provide input, and make recommendations for variance requests.
- (21) Maintain a current map repository to include, but not limited to, historical and effective FIS Report, historical and effective FIRM and other official flood maps and studies adopted in accordance with the provisions of Article 3, Section 14-7 of this ordinance, including any revisions thereto including Letters of Map Change, issued by FEMA. Notify State and FEMA of mapping needs.
- (22) Coordinate revisions to FIS reports and FIRMs, including Letters of Map Revision Based on Fill (LOMR-Fs) and Letters of Map Revision (LOMRs).

Sec. 14-48. - Corrective procedures.

- (1) Violations to be corrected: When the Floodplain Administrator finds violations of applicable state and local laws; it shall be his or her duty to notify the owner or occupant of the building of the violation. The owner or occupant shall immediately remedy each of the violations of law cited in such notification.
- (2) Actions in Event of Failure to Take Corrective Action: If the owner of a building or property shall fail to take prompt corrective action, the Floodplain Administrator shall give the owner written notice, by certified or registered mail to the owner's last known address or by personal service, stating:
 - (a) That the building or property is in violation of the floodplain management regulations;
 - (b) That a hearing will be held before the Floodplain Administrator at a designated place and time, not later than ten (10) days after the date of the notice, at which time the owner shall be entitled to be heard in person or by counsel and to present arguments and evidence pertaining to the matter; and
 - (c) That following the hearing, the Floodplain Administrator may issue an order to alter, vacate, or demolish the building; or to remove fill as applicable.
- (3) Order to Take Corrective Action: If, upon a hearing held pursuant to the notice prescribed above, the Floodplain Administrator shall find that the building or development is in violation of the Flood Damage Prevention Ordinance,

he or she shall issue an order in writing to the owner, requiring the owner to remedy the violation within a specified time, not less than sixty (60) calendar days, nor more than least 180 calendar days. Where the Floodplain Administrator finds that there is imminent danger to life or other property, he or she may order that corrective action be taken in such lesser period as may be feasible.

- (4) **Appeal:** Any owner who has received an order to take corrective action may appeal the order to the local elected governing body by giving notice of appeal in writing to the Floodplain Administrator and the clerk within ten (10) days following issuance of the final order. In the absence of an appeal, the order of the Floodplain Administrator shall be final. The local governing body shall hear an appeal within a reasonable time and may affirm, modify and affirm, or revoke the order.
- (5) **Failure to Comply with Order:** If the owner of a building or property fails to comply with an order to take corrective action for which no appeal has been made or fails to comply with an order of the governing body following an appeal, the owner shall be guilty of a Class 1 misdemeanor pursuant to NC G.S. § 143-215.58 and shall be punished at the discretion of the court.

Sec. 14-49. - Variance procedures.

- (1) The board of adjustment as established by the Town of Archer Lodge, hereinafter referred to as the “appeal board”, shall hear and decide requests for variances from the requirements of this ordinance.
- (2) Any person aggrieved by the decision of the appeal board may appeal such decision to the Court, as provided in Chapter 7A of the North Carolina General Statutes.
- (3) Variances may be issued for:
 - (a) The repair or rehabilitation of historic structures upon the determination that the proposed repair or rehabilitation will not preclude the structure's continued designation as a historic structure and that the variance is the minimum necessary to preserve the historic character and design of the structure;
 - (b) Functionally dependent facilities if determined to meet the definition as stated in Article 2, Section 14-5 of this ordinance, provided provisions of Article 4, Section 14-49 (9)(b), (c), and (e) have been satisfied, and such facilities are protected by methods that minimize flood damages during the base flood and create no additional threats to public safety; or
 - (c) Any other type of development provided it meets the requirements of this Section.
- (4) In passing upon variances, the appeal board shall consider all technical evaluations, all relevant factors, all standards specified in other sections of this ordinance, and:
 - (a) The danger that materials may be swept onto other lands to the injury of others;
 - (b) The danger to life and property due to flooding or erosion damage;
 - (c) The susceptibility of the proposed facility and its contents to flood damage and the effect of such damage on the individual owner;
 - (d) The importance of the services provided by the proposed facility to the community;
 - (e) The necessity to the facility of a waterfront location as defined under Article 2, Section 14-5. of this ordinance as a functionally dependent facility, where applicable;
 - (f) The availability of alternative locations, not subject to flooding or erosion damage, for the proposed use;
 - (g) The compatibility of the proposed use with existing and anticipated development;

- (h) The relationship of the proposed use to the comprehensive plan and floodplain management program for that area;
 - (I) The safety of access to the property in times of flood for ordinary and emergency vehicles;
 - (j) The expected heights, velocity, duration, rate of rise, and sediment transport of the floodwaters and the effects of wave action, if applicable, expected at the site; and
 - (k) The costs of providing governmental services during and after flood conditions including maintenance and repair of public utilities and facilities such as sewer, gas, electrical and water systems, and streets and bridges.
- (5) A written report addressing each of the above factors shall be submitted with the application for a variance.
- (6) Upon consideration of the factors listed above and the purposes of this ordinance, the appeal board may attach such conditions to the granting of variances as it deems necessary to further the purposes and objectives of this ordinance.
- (7) Any applicant to whom a variance is granted shall be given written notice specifying the difference between the BFE and the elevation to which the structure is to be built and that such construction below the BFE increases risks to life and property, and that the issuance of a variance to construct a structure below the BFE may result in increased premium rates for flood insurance up to \$25 per \$100 of insurance coverage. Such notification shall be maintained with a record of all variance actions, including justification for their issuance.
- (8) The Floodplain Administrator shall maintain the records of all appeal actions and report any variances to the FEMA and the State of North Carolina upon request.
- (9) Conditions for Variances:
- (a) Variances shall not be issued when the variance will make the structure in violation of other federal, state, or local laws, regulations, or ordinances.
 - (b) Variances shall not be issued within any designated floodway or non-encroachment area if the variance would result in any increase in flood levels during the base flood discharge.
 - (c) Variances shall only be issued upon a determination that the variance is the minimum necessary, considering the flood hazard, to afford relief.
 - (d) Variances shall only be issued prior to development permit approval.
 - (e) Variances shall only be issued upon:
 - (I) A showing of good and sufficient cause;
 - (ii) A determination that failure to grant the variance would result in exceptional hardship; and
 - (iii) A determination that the granting of a variance will not result in increased flood heights, additional threats to public safety, or extraordinary public expense, create nuisance, cause fraud on or victimization of the public, or conflict with existing local laws or ordinances.
- (10) A variance may be issued for solid waste disposal facilities or sites, hazardous waste management facilities, salvage yards, and chemical storage facilities that are in Special Flood Hazard Areas if all the following conditions are met.
- (a) The use serves a critical need in the community.
 - (b) No feasible location exists for the use outside the Special Flood Hazard Area.
 - (c) The reference level of any structure is elevated or floodproofed to at least the Regulatory Flood Protection Elevation.

- (d) The use complies with all other applicable federal, state and local laws.
- (e) The Town of Archer Lodge has notified the Secretary of the North Carolina Department of Public Safety of its intention to grant a variance at least thirty (30) calendar days prior to granting the variance.

Secs. 14-50—14-71. - Reserved.

ARTICLE III. - PROVISIONS FOR FLOOD HAZARD REDUCTION

Sec. 14-72. - General standards.

In all Special Flood Hazard Areas, the following provisions are required:

- (1) All new construction and substantial improvements shall be designed (or modified) and adequately anchored to prevent flotation, collapse, and lateral movement of the structure.
- (2) All new construction and substantial improvements shall be constructed with materials and utility equipment resistant to flood damage in accordance with the FEMA Technical Bulletin 2, *Flood Damage-Resistant Materials Requirements*.
- (3) All new construction and substantial improvements shall be constructed by methods and practices that minimize flood damages.
- (4) All new electrical, heating, ventilation, plumbing, air conditioning equipment, and other service equipment shall be located at or above the RFPE or designed and installed to prevent water from entering or accumulating within the components during the occurrence of the base flood. These include, but are not limited to, HVAC equipment, water softener units, bath/kitchen fixtures, ductwork, electric/gas meter panels/boxes, utility/cable boxes, water heaters, and electric outlets/switches.
 - (a) Replacements part of a substantial improvement, electrical, heating, ventilation, plumbing, air conditioning equipment, and other service equipment shall also meet the above provisions.
 - (b) Replacements that are for maintenance and not part of a substantial improvement, may be installed at the original location provided the addition and/or improvements only comply with the standards for new construction consistent with the code and requirements for the original structure.
- (5) All new and replacement water supply systems shall be designed to minimize or eliminate infiltration of floodwaters into the system.
- (6) New and replacement sanitary sewage systems shall be designed to minimize or eliminate infiltration of floodwaters into the systems and discharges from the systems into flood waters.
- (7) On-site waste disposal systems shall be located and constructed to avoid impairment to them or contamination from them during flooding.
- (8) Nothing in this ordinance shall prevent the repair, reconstruction, or replacement of a building or structure existing on the effective date of this ordinance and located totally or partially within the floodway, non-encroachment area, or stream setback, provided there is no additional encroachment below the Regulatory Flood Protection Elevation in the floodway, non-encroachment area, or stream setback, and provided that such repair, reconstruction, or replacement meets all of the other requirements of this ordinance.
- (9) New solid waste disposal facilities and sites, hazardous waste management facilities, salvage yards, and chemical storage facilities shall not be permitted, except by variance as specified in Article 4, Section 14-49 (j). A structure or tank for chemical or fuel storage incidental to an allowed use or to the operation of a water treatment plant or wastewater treatment facility may be in a Special Flood Hazard Area only if the structure or tank is either elevated or floodproofed to at least the Regulatory Flood Protection Elevation and certified in accordance with the provisions of Article 4, Section 14-46 (9)(c).

- (10) All subdivision proposals and other development proposals shall be consistent with the need to minimize flood damage.
- (11) All subdivision proposals and other development proposals shall have public utilities and facilities such as sewer, gas, electrical, and water systems located and constructed to minimize flood damage.
- (12) All subdivision proposals and other development proposals shall have adequate drainage provided to reduce exposure to flood hazards.
- (13) All subdivision proposals and other development proposals shall have received all necessary permits from those governmental agencies for which approval is required by federal or state law, including Section 404 of the Federal Water Pollution Control Act Amendments of 1972, 33 U.S.C. 1334.
- (14) When a structure is partially located in a Special Flood Hazard Area, the entire structure shall meet the requirements for new construction and substantial improvements.
- (15) When a structure is in multiple flood hazard zones or in a flood hazard risk zone with multiple base flood elevations, the provisions for the more restrictive flood hazard risk zone and the highest BFE shall apply.
- (16) Fill is prohibited in the SFHA, including construction of buildings on fill. This includes not approving Conditional Letters or Letters of Map Revision - Based on Fill (CLOMR-F or LOMR-F).

Sec. 14-73. - Specific standards.

In all Special Flood Hazard Areas where BFE data has been provided, as set forth in Article 3, Section 14-7 or Article 4, Section 14-47 or Article 4, Section 14-72, the following provisions, in addition to the provisions of Article 5, Section 14-72, are required:

- (1) Residential Construction. New construction and substantial improvement of any residential structure (including manufactured homes) shall have the reference level, including basement, elevated no lower than the Regulatory Flood Protection Elevation, as defined in Article 3, Section 14-5 of this ordinance.
- (2) Non-Residential Construction. New construction and substantial improvement of any commercial, industrial, or other non-residential structure shall have the reference level, including basement, elevated no lower than the Regulatory Flood Protection Elevation, as defined in Article 2, Section 14-5 of this ordinance. Structures located in Zones A, AE, AH, AO, A99 may be floodproofed to the Regulatory Flood Protection Elevation in lieu of elevation provided that all areas of the structure, together with attendant utility and sanitary facilities, below the Regulatory Flood Protection Elevation are watertight with walls substantially impermeable to the passage of water, using structural components having the capability of resisting hydrostatic and hydrodynamic loads and the effect of buoyancy. For AO Zones, the floodproofing elevation shall be in accordance with section 14-77(3). A registered professional engineer or architect shall certify that the floodproofing standards of this subsection are satisfied. Such certification shall be provided to the Floodplain Administrator as set forth in section 14-46(c), along with the operational plan and the inspection and maintenance plan.
- (3) Manufactured Homes.
 - (a) New and replacement manufactured homes shall be elevated so that the reference level of the manufactured home is no lower than the Regulatory Flood Protection Elevation, as defined in section Article 2, Section 14-5 of this ordinance.
 - (b) Manufactured homes shall be securely anchored to an adequately anchored foundation to resist flotation, collapse, and lateral movement, either by certified engineered foundation system, or in accordance with the most current edition of the State of North Carolina Regulations for Manufactured Homes adopted by the Commissioner of Insurance pursuant to NCGS 143-143.15. Additionally, when the elevation would be met by an elevation of the chassis thirty-six (36) inches or less above the grade at the site, the chassis shall be supported by reinforced piers or engineered foundation. When the elevation of the chassis is above thirty-six (36) inches in height, an engineering certification is required.
 - (c) All enclosures or skirting below the lowest floor shall meet the requirements of Article 5, Section 73 (4).

- (d) An evacuation plan must be developed for evacuation of all residents of all new, substantially improved or substantially damaged manufactured home parks or subdivisions located within flood prone areas. This plan shall be filed with and approved by the Floodplain Administrator and the local Emergency Management Coordinator.
- (4) Elevated Buildings. Fully enclosed area, of new construction and substantially improved structures, which is below the lowest floor:
 - (a) Shall not be designed or used for human habitation, but shall only be used for parking of vehicles, building access, or limited storage of maintenance equipment used in connection with the premises. Access to the enclosed area shall be the minimum necessary to allow for parking of vehicles (garage door) or limited storage of maintenance equipment (standard exterior door), or entry to the living area (stairway or elevator). The interior portion of such enclosed area shall not be finished or partitioned into separate rooms, except to enclose storage areas;
 - (b) Shall not be temperature-controlled or conditioned;
 - (c) Shall be constructed entirely of flood resistant materials at least to the Regulatory Flood Protection Elevation; and
 - (d) Shall include, in Zones A, AE, AH, AO, A99 flood openings to automatically equalize hydrostatic flood forces on walls by allowing for the entry and exit of floodwaters. To meet this requirement, the openings must either be certified by a professional engineer or architect or meet or exceed the following minimum design criteria:
 - (i) A minimum of two flood openings on different sides of each enclosed area subject to flooding;
 - (ii) The total net area of all flood openings must be at least one (1) square inch for each square foot of enclosed area subject to flooding;
 - (iii) If a building has more than one enclosed area, each enclosed area must have flood openings to allow floodwaters to automatically enter and exit;
 - (iv) The bottom of all required flood openings shall be no higher than one (1) foot above the higher of the interior or exterior adjacent grade;
 - (v) Flood openings may be equipped with screens, louvers, or other coverings or devices, provided they permit the automatic flow of floodwaters in both directions; and
 - (vi) Enclosures made of flexible skirting are not considered enclosures for regulatory purposes, and, therefore, do not require flood openings. Masonry or wood underpinning, regardless of structural status, is considered an enclosure and requires flood openings as outlined above.
 - (e) Fill/Grading
 - (i) Fill is prohibited in the SFHA
 - (f) Property owners shall be required to execute and record a non-conversion agreement prior to issuance of a building permit declaring that the area below the lowest floor shall not be improved, finished or otherwise converted to habitable space; Archer Lodge will have the right to inspect the enclosed area. Archer Lodge will conduct annual inspections. This agreement shall be recorded with the Johnston County Register of Deeds and shall transfer with the property in perpetuity.
 - (g) Release of restrictive covenant. If a property which is bound by a non-conversion agreement is modified to remove enclosed areas below BFE, then the owner may request release of restrictive covenant after staff inspection and submittal of confirming documentation.
- (5) Additions/Improvements.
 - (a) Additions and/or improvements to pre-FIRM structures when the addition and/or improvements in combination

with any interior modifications to the existing structure are:

- (i) Not a substantial improvement, the addition and/or improvements must be designed to minimize flood damages and must not be any more non-conforming than the existing structure.
 - (ii) A substantial improvement, with modifications/rehabilitations/improvements to the existing structure or the common wall is structurally modified more than installing a doorway, both the existing structure and the addition must comply with the standards for new construction.
- (b) Additions to pre-FIRM or post-FIRM structures that are a substantial improvement with no modifications/rehabilitations/improvements to the existing structure other than a standard door in the common wall, shall require only the addition to comply with the standards for new construction.
- (c) Additions and/or improvements to post-FIRM structures when the addition and/or improvements in combination with any interior modifications to the existing structure are:
- (i) Not a substantial improvement, the addition and/or improvements only must comply with the standards for new construction consistent with the code and requirements for the original structure.
 - (ii) A substantial improvement, both the existing structure and the addition and/or improvements must comply with the standards for new construction.
- (d) Any combination of repair, reconstruction, rehabilitation, addition or improvement of a building or structure taking place during a one-year period, the cumulative cost of which equals or exceeds 50 percent of the market value of the structure before the improvement or repair is started must comply with the standards for new construction. For each building or structure, the one-year period begins on the date of the first improvement or repair of that building or structure subsequent to the effective date of this ordinance. Substantial damage also means flood-related damage sustained by a structure on two separate occasions during a 10-year period for which the cost of repairs at the time of each such flood event, on the average, equals or exceeds 25 percent of the market value of the structure before the damage occurred. If the structure has sustained substantial damage, any repairs are considered substantial improvement regardless of the actual repair work performed. The requirement does not, however, include either:
- (i) Any project for improvement of a building required to correct existing health, sanitary or safety code violations identified by the building official and that are the minimum necessary to assume safe living conditions.
 - (ii) Any alteration of a historic structure provided that the alteration will not preclude the structure's continued designation as a historic structure.
- (6) Recreational Vehicles. Recreational vehicles shall either:
- (a) Temporary Placement
 - (i) Be on site for fewer than 180 consecutive days; or
 - (ii) Be fully licensed and ready for highway use. (A recreational vehicle is ready for highway use if it is on its wheels or jacking system, is attached to the site only by quick disconnect type utilities, and has no permanently attached additions.)
 - (b) Permanent Placement. Recreational vehicles that do not meet the limitations of Temporary Placement shall meet all the requirements for new construction.
- (7) Temporary Non-Residential Structures. Prior to the issuance of a floodplain development permit for a temporary structure, the applicant must submit to the Floodplain Administrator a plan for the removal of such structure(s) in the event of a hurricane, flash flood or other type of flood warning notification. The following information shall be submitted in writing to the Floodplain Administrator for review and written approval:

- (a) A specified time for which the temporary use will be permitted. Time specified may not exceed three (3) months, renewable up to one (1) year;
 - (b) The name, address, and phone number of the individual responsible for the removal of the temporary structure;
 - (c) The time frame prior to the event at which a structure will be removed (i.e., minimum of 72 hours before landfall of a hurricane or immediately upon flood warning notification);
 - (d) A copy of the contract or other suitable instrument with the entity responsible for physical removal of the structure; and
 - (e) Designation, accompanied by documentation, of a location outside the Special Flood Hazard Area, to which the temporary structure will be moved.
- (8) Accessory Structures. When accessory structures (sheds, detached garages, etc.) are to be placed within a Special Flood Hazard Area, the following criteria shall be met:
- (a) Accessory structures shall not be used for human habitation (including working, sleeping, living, cooking or restroom areas);
 - (b) Accessory structures shall not be temperature-controlled;
 - (c) Accessory structures shall be designed to have low flood damage potential;
 - (d) Accessory structures shall be constructed and placed on the building site so as to offer the minimum resistance to the flow of floodwaters;
 - (e) Accessory structures shall be firmly anchored in accordance with the provisions of Article 5, Section 14-72(1);
 - (f) All service facilities such as electrical shall be installed in accordance with the provisions of Article 5, Section 14-72(4); and
 - (g) Flood openings to facilitate automatic equalization of hydrostatic flood forces shall be provided below Regulatory Flood Protection Elevation in conformance with the provisions of Article 5, Section 14-73 (4)(d).

An accessory structure with footprint less than 150 square feet or that is a minimal investment of \$3000 or less and satisfies the criteria outlined above is not required to meet the elevation or floodproofing standards of Article 5, Section 14-74 (2). Elevation or floodproofing certifications are required for all other accessory structures in accordance with section 14-46 (B) 3.

- (9) Tanks. When gas and liquid storage tanks are to be placed within a Special Flood Hazard Area, the following criteria shall be met:
- (a) Underground tanks. Underground tanks in flood hazard areas shall be anchored to prevent flotation, collapse or lateral movement resulting from hydrodynamic and hydrostatic loads during conditions of the design flood, including the effects of buoyancy assuming the tank is empty;
 - (b) Above-ground tanks, elevated. Above-ground tanks in flood hazard areas shall be elevated to or above the Regulatory Flood Protection Elevation on a supporting structure that is designed to prevent flotation, collapse or lateral movement during conditions of the design flood. Tank-supporting structures shall meet the foundation requirements of the applicable flood hazard area;
 - (c) Above-ground tanks, not elevated. Above-ground tanks that do not meet the elevation requirements of Article 5, Section 14-73(2) of this ordinance shall be permitted in flood hazard areas provided the tanks are designed, constructed, installed, and anchored to resist all flood-related and other loads, including the effects of buoyancy, during conditions of the design flood and without release of contents in the floodwaters or infiltration by floodwaters into the tanks. Tanks shall be designed, constructed, installed, and anchored to resist the potential

buoyant and other flood forces acting on an empty tank during design flood conditions.

(d) Tank inlets and vents. Tank inlets, fill openings, outlets and vents shall be:

- (i) At or above the Regulatory Flood Protection Elevation or fitted with covers designed to prevent the inflow of floodwater or outflow of the contents of the tanks during conditions of the design flood; and
- (ii) Anchored to prevent lateral movement resulting from hydrodynamic and hydrostatic loads, including the effects of buoyancy, during conditions of the design flood.

(10) Other Development.

- (a) Fences in regulated floodways and NEAs that have the potential to block the passage of floodwaters, such as stockade fences and wire mesh fences, shall meet the limitations of Article 5, Section 14-76 of this ordinance.
- (b) Retaining walls, sidewalks and driveways in regulated floodways and NEAs. Retaining walls and sidewalks and driveways that involve the placement of fill in regulated floodways shall meet the limitations of Article 5, Section 14-76 of this ordinance.
- (c) Roads and watercourse crossings in regulated floodways and NEAs. Roads and watercourse crossings, including roads, bridges, culverts, low-water crossings and similar means for vehicles or pedestrians to travel from one side of a watercourse to the other side, that encroach into regulated floodways shall meet the limitations of Article 5, Section 14-76 of this ordinance.

Sec. 14-74. - Standards for floodplains without established base flood elevations.

Within the Special Flood Hazard Areas designated as Approximate Zone A and established in Article 3, Section 14-7, where no BFE data has been provided by FEMA, the following provisions, in addition to the provisions of Article 5, Sections 14-72 and sections 14-73 shall apply:

- (1) No encroachments, including fill, new construction, substantial improvements or new development shall be permitted within a distance of twenty (20) feet each side from top of bank or five times the width of the stream, whichever is greater, unless certification with supporting technical data by a registered professional engineer is provided demonstrating that such encroachments shall not result in any increase in flood levels during the occurrence of the base flood discharge.
- (2) The BFE used in determining the Regulatory Flood Protection Elevation shall be determined based on the following criteria:
 - (a) When BFE data is available from other sources, all new construction and substantial improvements within such areas shall also comply with all applicable provisions of this ordinance and shall be elevated or floodproofed in accordance with standards in Article 4, Sections 14-47(11) and (12).
 - (b) When floodway or non-encroachment data is available from a Federal, State, or other source, all new construction and substantial improvements within floodway and non-encroachment areas shall also comply with the requirements of Article 3, Section 14-7.
 - (c) All subdivision, manufactured home park and other development proposals shall provide BFE data if development is greater than five (5) acres or has more than fifty (50) lots/manufactured home sites. Such BFE data shall be adopted by reference in accordance with Article 2, Section 14-5 and utilized in implementing this ordinance.
 - (d) When BFE data is not available from a Federal, State, or other source as outlined above, the reference level shall be elevated or floodproofed (nonresidential) to or above the Regulatory Flood Protection Elevation, as defined in Article 2. All other applicable provisions of Article 5, Section 14-73 shall also apply.

Sec. 14-75. - Standards for riverine floodplains with BFE but without established floodways or non-encroachment areas.

Along rivers and streams where BFE data is provided by FEMA or is available from another source but neither floodway nor non-encroachment areas are identified for a Special Flood Hazard Area on the FIRM or in the FIS report, the following requirements shall apply to all development within such areas:

- (1) Standards of Article 5, Sections 14-72 and 14-73; and
- (2) Until a regulatory floodway or non-encroachment area is designated, no encroachments, including fill, new construction, substantial improvements, or other development, shall be permitted unless certification with supporting technical data by a registered professional engineer is provided demonstrating that the cumulative effect of the proposed development, when combined with all other existing and anticipated development, will not increase the water surface elevation of the base flood more than one (1) foot at any point within the community.

Sec. 14-76. - Floodways and non-encroachment areas.

Areas designated as floodways or non-encroachment areas are located within the Special Flood Hazard Areas established in Article 3, Section 14-7. The floodways and non-encroachment areas are extremely hazardous areas due to the velocity of floodwaters that have erosion potential and carry debris and potential projectiles. The following provisions, in addition to standards outlined in Article 5, Sections 14-72 and 14-73, shall apply to all development within such areas:

- (1) No encroachments, including fill, new construction, substantial improvements and other developments shall be permitted unless:
 - (a) It is demonstrated that the proposed encroachment would not result in any increase in the flood levels during the occurrence of the base flood discharge, based on hydrologic and hydraulic analyses performed in accordance with standard engineering practice and presented to the Floodplain Administrator prior to issuance of floodplain development permit; or
 - (b) A Conditional Letter of Map Revision (CLOMR) has been approved by FEMA. A Letter of Map Revision (LOMR) must also be obtained within six months of completion of the proposed encroachment.
- (2) If Article 5, Section 14-76(1) is satisfied, all development shall comply with all applicable flood hazard reduction provisions of this ordinance.
- (3) Manufactured homes may be permitted provided the following provisions are met:
 - (a) The anchoring and the elevation standards of Article 5, Section 14-72 (3); and
 - (b) The encroachment standards of Article 5, Section 14-76(1).

Sec. 14-77. - Standards for areas of shallow flooding (Zone AO).

Located within the Special Flood Hazard Areas established in Article 3, Sections 14-7, are areas designated as shallow flooding areas. These areas have special flood hazards associated with base flood depths of one (1) to three (3) feet where a clearly defined channel does not exist and where the path of flooding is unpredictable and indeterminate. In addition to Article 5, Sections 14-72 and 14-73, all new construction and substantial improvements shall meet the following requirements:

- (1) The reference level shall be elevated at least as high as the depth number specified on the Flood Insurance Rate Map (FIRM), in feet, plus a freeboard of two feet, above the highest adjacent grade; or at least two feet above the highest adjacent grade if no depth number is specified.
- (2) Non-residential structures may, in lieu of elevation, be floodproofed to the same level as required in Article 5, Section 14-77 so that the structure, together with attendant utility and sanitary facilities, below that level shall be watertight with

walls substantially impermeable to the passage of water and with structural components having the capability of resisting hydrostatic and hydrodynamic loads and effects of buoyancy. Certification is required in accordance with Article 4, Section 14-46(3) and Section 14-73(2).

- (3) Adequate drainage paths shall be provided around structures on slopes, to guide floodwaters around and away from proposed structures.

Sec. 14-78. - Standards for areas of shallow flooding (Zone AH).

Located within the Special Flood Hazard Areas established in Article 3, Section 14-7, are areas designated as shallow flooding areas. These areas are subject to inundation by 1-percent-annual-chance shallow flooding (usually areas of ponding) where average depths are one (1) to three (3) feet. Base Flood Elevations are derived from detailed hydraulic analyses are shown in this zone. In addition to Article 5, Sections 14-72 and 14-73, all new construction and substantial improvements shall meet the following requirements:

- (1) Adequate drainage paths shall be provided around structures on slopes, to guide floodwaters around and away from proposed structures.

Secs. 14-79—14-85. - Reserved.

Article 6. LEGAL STATUS PROVISIONS.

Sec. 14-86. EFFECTS ON RIGHTS AND LIABILITIES UNDER THE EXISTING FLOOD DAMAGE

This ordinance in part comes forward by re-enactment of some of the provisions of the Flood Damage Prevention Ordinance enacted November 8, 2010 as amended, and it is not the intention to repeal but rather to re-enact and continue to enforce without interruption of such existing provisions, so that all rights and liabilities that have accrued thereunder are reserved and may be enforced. The enactment of this ordinance shall not affect any action, suit or proceeding instituted or pending. All provisions of the Flood Damage Prevention Ordinance of the Town of Archer Lodge enacted on November 8, 2010, as amended, which are not reenacted herein are repealed.

The date of the initial Flood Damage Prevention Ordinance for Archer Lodge is November 8, 2010

Sec. 14-87. EFFECT UPON OUTSTANDING FLOODPLAIN DEVELOPMENT PERMITS

Nothing herein contained shall require any change in the plans, construction, size, or designated use of any development or any part thereof for which a floodplain development permit has been granted by the Floodplain Administrator or his or her authorized agents before the time of passage of this ordinance; provided, however, that when construction is not begun under such outstanding permit within a period of six (6) months subsequent to the date of issuance of the outstanding permit, construction or use shall be in conformity with the provisions of this ordinance.

Sec. 14-88. SEVERABILITY

If any section, clause, sentence, or phrase of the Ordinance is held to be invalid or unconstitutional by any court of competent jurisdiction, then said holding shall in no way effect the validity of the remaining portions of this Ordinance.

Sec. 14-89. EFFECTIVE DATE

This ordinance shall become effective June 4, 2018.

Sec. 14-90. ADOPTION CERTIFICATION

I hereby certify that this is a true and correct copy of the Flood Damage Prevention Ordinance as adopted by the town council of the town of Archer Lodge, North Carolina, on the 4th day of June, 2018.

WITNESS my hand and the official seal of Kim P. Batten, Finance Manager, Town Clerk, this the 4th day of June, 2018.

(signature)

TOWN OF ARCHER LODGE

Proposed Annual Budget Ordinance

FY 2018~2019

Pursuant to G.S. 159-17, be it ordained by the Town Council of the Town of Archer Lodge that: (1) Departmental Expenditures for the Fiscal Year shall not exceed the estimated departmental totals as depicted on the following pages, the total being \$ 1,076,760 and (2) Revenues for Fiscal Year 2018~2019 shall equal total Expenditures; and (3) Revenues from the Ad Valorem property tax shall be levied in the amount of \$0.20 per \$100 evaluation.

Adopted this _____ day of June 2018

Matthew B. Mulhollem, Mayor

Teresa M. Bruton, Budget Officer

ATTEST:

Kim P. Batten, Town Clerk

Town of Archer Lodge, North Carolina
PROPOSED ANNUAL BUDGET ORDINANCE
For the Fiscal Year July 1, 2018 to June 30, 2019

Revenues and Expenditures

	<u>Amount</u>
General Fund Revenues:	
Ad-Valorem Property Taxes	\$ 590,600
State Sales Tax Distributions	154,010
Unrestricted Intergovernmental Revenues	195,000
Restricted Intergovernmental Revenues (PEG Media)	52,000
Permits and Fees	3,000
Fee in Lieu of Recreation	20,000
Investment Earnings	12,000
Miscellaneous Revenues	<u>150</u>
Total Revenues	<u>\$ 1,026,760</u>
General Fund Expenditures:	
General Government	
Governing Body	\$ 37,320
Administration	248,730
Tax Collections	17,000
Legal	15,000
Property Tax	100
Public Buildings	74,040
PEG Media Partners	52,000
Public Safety	
Law Enforcement Designation	25,000
Animal Control	3,500
Archer Lodge Fire Department	205,000
Transporation - Public Works	
Streets	66,500
Planning and Zoning	98,905
Parks and Recreation	70,000
Debt Service	
Principal and Interest	<u>48,665</u>
Total Expenditures	<u>961,760</u>
Revenues Over (Under) Expenditures	<u>65,000</u>
Interfund Transfers	
General Fund Balance Appropriation	25,000
Transfer from Capital Reserve Fund	25,000
Interfund Transfers to Cap Res Fund & Park Res Fund	<u>(115,000)</u>
Total Other Financing Sources (Uses):	<u>(65,000)</u>
Total Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>



TRIANGLE J COUNCIL OF GOVERNMENTS

World Class Region

May 2018

Dear Mayor Muhlolle,

Recently, Triangle J Council of Government leadership and legal counsel reviewed the organization's Charter Resolution and recommended updates to reflect current practice and the revised boundaries of our region. The document was last updated in 1996.

The Charter Resolution is the organization's governing document and must be endorsed by each member government. Your governing board approved the Charter Resolution when your local government joined Triangle J Council of Governments as a member.

On March 28, 2018, the Triangle J Board of Delegates reviewed and endorsed these updates. Now, your governing board must review and adopt the updated Charter Resolution. This adoption process is critical as it ensures that each member government recognize Triangle J's role in the success of the region.

At your upcoming June meeting, I ask that you include the attached, updated resolution on your consent agenda. You have also received a "red-line" version of the Charter Resolution, so that you can review the proposed edits. TJCOG staff are available if you have any questions about the document or process.

Thank you for your continued involvement and support of TJCOG- it is critical to ensure the organization is representative of our regional needs and challenges.

Sincerely,

Ronnie Currin

Ronnie Currin

Chair, Triangle J Council of Governments Board of Delegates

Mayor Pro Tempore, Town of Rolesville

Triangle J Council of Governments Charter Resolution

WHEREAS, together with the other county and municipal governmental units adopting concurrent Resolutions identical hereto, recognize that there is a need for such governmental units to consult among themselves and to act in concert with reference to regional matters affecting health, safety, welfare, education, recreation, economic conditions, regional planning or planning development; now, therefore, be it

RESOLVED, that pursuant to the General Statutes of North Carolina, Chapter 160A, Article 20, Part 2, the following Resolution is adopted for the establishment of a regional council of governments.

ARTICLE I

Short Title - Binding Effect. This Resolution is the "Charter" of this Regional Council; and said Charter, together with all amendments thereto, is binding upon and shall ensure the benefit of all governmental units adopting it.

ARTICLE II

Name. The name of the regional council of governments hereby established is the Triangle J Council of Governments.

ARTICLE III

Purpose. The purposes of the Council are:

- 1) To serve as a forum for discussion of governmental problems of mutual interest and concern;
- 2) To develop and formalize policy recommendations concerning specific matters having an areawide significance which may include but are not limited to the following:
 - a) human resource development and human relations.
 - b) housing, public and private.

- c) health care and hospital services.
 - d) recreation.
 - e) sanitation and refuse disposal.
 - f) communications.
 - g) transportation.
 - h) water, sanitary sewer, electric power and other utility services.
 - i) air, water and other environmental development.
 - j) commercial and industrial development.
 - k) law enforcement.
 - l) welfare.
 - m) fire protection and prevention.
 - n) regional land use planning.
 - o) workforce development and training, and
 - p) conservation and development of natural resources.
- 3) To promote inter-governmental cooperation;
 - 4) To provide organizational machinery to insure effective communication and coordination among the participating governmental units and other governmental units.
 - 5) To serve as a vehicle for the collection and distribution of information concerning matters of areawide interest;
 - 6) To review, upon request of any governmental unit within the Triangle J Region, applications of that unit for any grant in aid, federal, state or private; and
 - 7) To provide services to local governments and residents in the area known as the Triangle J Region where appropriate and authorized.

The Council shall strive to promote harmony and cooperation among its members. It shall seek to deal with regional problems in a manner that is mutually satisfactory and shall respect the autonomy of all local governments within the Triangle J Region.

ARTICLE IV

Membership

- 1) The initial membership of the Council of Governments shall consist of the general purpose governmental units of and in the counties of Chatham, Durham, Johnston,

Lee, Orange, and Wake, known as the Triangle J Region, which adopted a resolution pursuant to N.C.G.S. 160A-470 on or before June 30, 1972.

- 2) Any municipality or county in the Triangle J Region that is not an initial member of the Council may join this Council by ratifying or adopting this Charter and upon a majority vote of approval by the Board of Delegates. Notice of such application for admission shall be given to existing members of the Council at least ten (10) days prior to the date of the meeting at which the vote is to be taken.
- 3) All rights and privileges of membership in the Council shall be exercised on behalf of the member governments by their delegates to the Council.
- 4) Any special purpose governmental agency in the Triangle J region involved in matters affecting the health, safety, natural resources, welfare or education of the citizens of North Carolina, such as school boards, sanitary districts, and soil and water conservation districts, is eligible to apply for an affiliate membership in the Council. The application may be approved and an affiliate membership granted to such special purpose governmental unit upon the affirmative vote of the Board of Delegates. The affiliate member shall pay no assessment, but the Council may charge each affiliate member a reasonable sum to cover its proportionate share of the direct costs of providing services to the affiliate members, provided such payments are authorized by law. The affiliate member shall have no vote in the Council, but its designated representative may serve on any technical or advisory committee and may otherwise participate in the deliberations of the Council.

ARTICLE V

Withdrawal. Any member may withdraw from the Council at the end of any fiscal year, provided written notice of intent to withdraw is given to each of the other members at least sixty (60) days prior to the end of the fiscal year.

ARTICLE VI

Governing Board.

- 1) The governing board of the Council of Governments shall be known as the Board of Delegates, which shall be constituted as described below.
- 2) The Board of Delegates shall consist of one delegate from each member governmental unit. Each governmental unit may designate any number of alternate delegates. All

delegates and alternates shall be elected members of the governing bodies of the member governmental units they represent. The delegates and alternates, as well as their successors, shall be selected by the member governing bodies in any manner consistent with law and the regulations governing such body, and their names shall be certified to the Council in the manner described by the Bylaws of the Council.

- 3) The term of office of each delegate shall commence upon the date of his/her appointment and certification to the Council by the governing body of the member governmental unit he or she represents; and such terms shall expire when the appointing body has appointed his or her successor and certified such successor to the Council, unless he or she shall sooner resign, or cease to be an elected member of said governing body, in which case his or her term shall expire on the effective date of such event. Each member shall certify to the Council the name of its delegate and any alternate(s) prior to the first Board of Delegates meeting of the calendar year. Only an individual who has been duly appointed and certified to the Council as a delegate or alternate may serve as a voting member of the Board of Delegates.
- 4) The delegates shall be compensated, upon submittal of proper receipts, for direct expenses incurred in connection with discharging their duties as delegates to the Triangle J Council of Governments.
- 5) It is the intent of this Charter that all delegates to the Council shall have demonstrated an interest in the sound development of Region J.

ARTICLE VII

Meeting. Regular meetings of the Board of Delegates shall be held, as provided in the Bylaws to receive reports from its standing committees and to conduct necessary business. The Chair may cancel the regular meeting if he or she determines that there is no need for the meeting. Special meetings of the Board of Delegates may be called by the Chair, or by any three members thereof. All meetings shall be open to the public.

At least 48 hours written notice of any meeting shall be given to all delegates of the Board of Delegates. It shall state the time, place, and purpose of the meeting, and may be sent by electronic means. At least twenty-four (24) hours written notice shall be given of any committee meeting to all committee members. Any member may waive notice of this requirement for himself/herself.

ARTICLE VIII

Quorum and Voting Requirements.

- 1) Except as provided in Paragraph 4 of this Article, each member governmental unit shall be entitled to one vote on all matters coming before the Board of Delegates or before any committee to which such member unit is duly appointed. All votes shall be cast by the delegate, or in his or her absence, by an alternate delegate of the member government.
- 2) The quorum shall be established in the Bylaws. The affirmative vote of a simple majority of members present at any meeting at which a quorum is present shall be required for any action or recommendation of the Board or any Committee, unless this Charter or the Bylaws of the Council require a larger affirmative vote on particular matters.
- 3) Voting shall be by voice, by show of hands, or, upon the request of any three delegates, by a poll of the delegates.
- 4) At the request of any delegate present, any questions shall be determined by weighted voting. Weighted voting shall mean that each participating member local government shall have one vote for each 5,000 units of population, as determined by the most recent decennial census, and for any remaining fraction of 5,000 units within the geographical boundaries of the participating government, except that any participating government whose jurisdiction has a population of less than 5,000 shall have one vote. In the case of any weighted voting question delegates representing local governments with at least two thirds of the aggregate votes of member local governments shall be present and participating. An affirmative vote of at least two thirds of the votes cast shall be required to decide any weighted voting question.
- 5) Proxy voting is not allowed.
- 6) The provisions in this Article VIII apply to all committees and boards of the Council except to the extent such committee or board has adopted different measures.

ARTICLE IX

Board of Delegates

- 1) At the first regular meeting of the Board of Delegates, and annually thereafter as provided by the Bylaws, the Board of Delegates shall elect a Chair, a First Vice Chair, a Second Vice Chair and a Secretary-Treasurer to serve as officers for one year or until their successors have been duly elected. The Board of Delegates may also elect such

additional officers as the Board of Delegates finds to be necessary in the proper performance of its duties.

- 2) The Chair shall preside at all meetings of the Board of Delegates and shall conduct said meeting in an orderly and impartial manner so as to permit a free and full discussion by the membership of such matters as may be brought to the Board of Delegates. The Chair shall have the same voting rights as other members.
- 3) The Chair may appoint such advisory committees as he or she finds necessary or desirable.
- 4) The First Vice Chair shall perform all of the duties of the Chair in the absence of the Chair, or in the event of the inability of the Chair to act, and shall perform such other duties as the Board of Delegates may delegate to him or her. The Second Vice Chair shall perform all of the duties of the First Vice Chair in the absence of the First Vice Chair or in the event of the inability of the First Vice Chair to act.
- 5) All other officers elected by the Board of Delegates shall perform such duties as may be prescribed by the Board of Delegates.

ARTICLE X

Finance Matters:

- 1) On or before the 15th day of April each year, the Council shall prepare and submit to each participating governmental unit its proposed general budget for the next fiscal year.
- 2) The general budget shall set out the proportionate share of the budget to be borne by each member governmental unit by a method established in the By-laws and reviewed periodically by the Board of Delegates.
- 3) A special budget providing for cooperative arrangements or coordinated action for two or more members may be adopted at the request of members participating in special functions. The share of the special budget to be borne by each participating member shall be determined by the participating members.
- 4) Upon approval of its share of each budget by a member local government, such member shall appropriate its share of the budget, and after adoption of its own budget, shall forward to the budget officer its share of the budget.

- 5) All local appropriations to the Council shall be made in accordance with the Local Government Budget and Fiscal Control Act, as may be appropriate.
- 6) The finance officer shall have authority to collect, deposit, and disburse funds made available to the Council from any source whatsoever, and also perform other duties as prescribed by G.S. 159-25. Finance officers shall be bonded as required by G.S. 159.29. All monies received for the Council shall be deposited into an official depository of the Council for the exclusive use of the Council, and shall be paid out only by check signed by the finance officer and countersigned by the Executive Director or another official designated by the Council. Funds shall be disbursed only when they are within the amount of appropriations made according to the budget of the Council.
- 7) The Board of Delegates may designate a Council employee or, with the agreement of the governing body involved, designate one of the city or county accountants as the finance officer to perform the duties as described in the Local Government Budget and Fiscal Control Act insofar as post-budget approval of expenditures is concerned.
- 8) It shall be the duty of the Board of Delegates to require that all financial records and accounts of the Council be audited annually by a certified public accountant or by an accountant certified by the Local Government Commission as qualified to audit local governmental accounts. A copy of the annual audit shall be forwarded to each member county and municipality and to the secretary of the Local Government Commission.

ARTICLE XI

Committee Structure.

- 1) The Board of Delegates may establish an Executive Committee, other committees of the Board itself, and technical and advisory committees.
- 2) Executive Committee. The Executive Committee shall consist of two delegates from each county in the Region. The officers of the Council and the immediate past Chair shall automatically be members, and will thereby occupy that number of the two seats allotted to their county. Each county government will occupy one seat on the committee. The other seat from each county will be occupied by a municipal delegate from that county. The municipal delegate will be chosen by a vote of all the municipal delegates from that county unless that seat is automatically assigned as provided above. If there are more eligible delegates than available seats for those delegates to serve on the Executive Committee due to the automatic assignments provided above,

then the number of Executive Committee members shall be temporarily increased to allow all eligible delegates to serve on the Executive Committee. .

- 3) Technical and Advisory Committees. The Chair may appoint technical or advisory committees with broadly representative membership for any of the planning studies and work elements in the Program of Work. These Committees should work directly with the Council staff and its consultants and make periodic reports to the Council. In addition to reviewing periodic progress reports, these advisory committees should directly participate in the planning process.

ARTICLE XII

Annual Report. The Council shall prepare and submit an annual written report of its activities, including a financial statement, to the participating governmental units.

ARTICLE XIII

Powers, Duties and Functions of the Council. Within the limits of funds and personnel available, the Council:

- 1) Shall have and may exercise, in accordance with its Charter and Bylaws, all of the powers which the General Assembly of North Carolina has authorized, and may hereafter from time to time authorize, this Charter to confer upon the Council, including, but not limited to, all of the specific powers enumerated in Section 160A-475 (any amendments thereto) of the General Statutes of North Carolina, which powers are incorporated herein by reference.
- 2) Shall have, and may exercise, in addition to and not in limitation of the foregoing, the following powers:
 - (a) To create such committees as it deems necessary to exercise the powers granted to the Council herein in dealing with problems or problem areas that do not involve all the members of the Council. At least one delegate from each member governmental unit affected by the problem or problem area to be dealt with by the committee is entitled to be a member of that committee. Any two or more member governmental units shall have the right to have a Council committee formed to exercise the powers of the Council with reference to any problem which affects the petitioning governmental units, unless the Council shall reasonably determine that the problem or problem area in question should be assigned to an existing committee, in which case the petitioning

member shall be entitled to be represented on said committee. The subject matter over which any committee has jurisdiction to exercise the powers of the Council shall be specifically defined, but may be enlarged or restricted by the Council from time to time. Unless the right of a member of representation on any particular committee granted herein above is asserted, the Chair of the Council shall designate the membership of all committees.

- (b) To accept, receive and disburse in furtherance of the duties, purposes, powers, and functions specified in the Charter all member assessments, funds, grants, and services made available by the State of North Carolina, any other municipality or county or other governmental or quasi-governmental unit or agency, (whether or not a member of such Council) and private and civic sources. The Council may provide matching funds, grants or services, received from any source, to or from any governmental or quasi-governmental agencies established by the Council or any two or more member governmental units in furtherance of the duties, purposes, powers, and functions herein contained. None of the powers contained in this subparagraph may be exercised by any committee except with respect to funds budgeted or appropriated for their use by the Council.
- (c) To meet with, consult with, and act in concert with any county or municipality, any agency of the State or Federal government, any civic organization, or any private organization in the furtherance of the purposes and objects within its jurisdiction.
- (d) To participate, as a unit of local government, in any undertaking with any other unit of local government, whether or not a member of the Council, for the joint exercise of governmental powers in accordance with the provisions of Chapter 160A, Article 20, Part 1 of the General Statutes of North Carolina (and any amendments thereto).
- (e) To contract with any person, firm or corporation for goods and/or services when same have been authorized by budget appropriations or by special resolution of the Council appropriating available funds.
- (f) To adopt Bylaws containing such rules and regulations for the conduct of its business as it may deem necessary for the proper discharge of its duties and the performance of its functions, not inconsistent with the Charter of the laws of North Carolina.
- (g) To create agencies of the Council to act for and on behalf of the Council in the planning and development of particular programs which affect the health,

safety, welfare, housing, education, economic conditions or regional development of two or more member governmental units. Such agencies shall have such membership, staff, powers, duties and responsibilities as may be specified in the Council Resolutions establishing such agencies, consistent with powers herein granted to the Council. Provided, however, such agency shall at all times be acting for and on behalf of, and shall be responsible to the Council. The Council may appropriate funds for the use of agency programs which it has received from any source, including member assessments, provided such appropriation is made in accordance with the Charter.

- (h) To contract with and provide services to local governmental units within Region J.
- (i) To serve as an informational clearinghouse and, as a reviewing agency with respect to Federal, State and local services or resources available to assist in the solution of problems.
- (j) To request and receive contributions of research assistance from its own agencies, private research organizations, civil foundations, institutions of higher learning, and other organizations.
- (k) To purchase, lease, rent or otherwise acquire real and personal property to the extent necessary to discharge the other powers, duties and functions set forth herein and to the extent such purchases are authorized by general or special budgets and are within the limits of funds appropriated for or provided to the Council by the participating governmental units and others for such purposes.
- (l) To act as the official reviewing agency of the participating governmental units for all programs, Federal, State, or private, requiring regional review.

It is the desire of the membership of this Council to avoid duplication of governmental functions, particularly in the planning and development of future programs in areas of governmental responsibility, and to that end this Council is created, should function, and these powers are given.

ARTICLE XIV

Amendments. Amendments to this Charter shall become effective when adopted by resolution of two-thirds (2/3rds) of the participating governmental units in the Council of Governments.

ARTICLE XV

Dissolution. The Council may be dissolved at the end of any fiscal year only (1) upon the adoption of a dissolution resolution by the governing bodies of all member governmental units, or (2) the withdrawal from the Council of all but one (1) of the member governmental units. If such dissolution is affected by resolution of all member governments, such resolutions shall specify the method of liquidating the Council's assets and liabilities. If such dissolution is occasioned by withdrawal of all but one member, the remaining governmental unit shall have the power to liquidate all assets and liabilities and it shall then distribute the net proceeds, if any, to those members who paid the latest annual assessment and in the same proportion. Any deficit shall be the responsibility of those member governments who would have received the net proceeds, and in the same proportions.

Amended: July 1, 1975
 February 18, 1976
 April 28, 1982
 February 14, 1985
 March 27, 1996
 April 25, 2018

**STATE OF NORTH CAROLINA
COUNTY OF JOHNSTON**

CONTRACT FOR THE PROVISION OF FIRE PROTECTION SERVICES

THIS AGREEMENT made and entered into by and between The Town of Archer Lodge, party of the first part, also referred to as "the Town", and the Archer Lodge Volunteer Fire Department, Inc., party of the second part, also referred to as the "Fire Department:"

WITNESSETH

WHEREAS, N.C.G.S. § 160A-1 1 provides that the Town may enter into continuing contracts and, pursuant to this authority, the Town may enter into a continuing contract with a volunteer fire department and may make annual appropriations of such funds as may be provided for in this contract; and

WHEREAS, the Town is a North Carolina municipal corporation; and

WHEREAS, the Fire Department provides fire protection services to the Archer Lodge Fire District, within which the Town lies.

NOW, THEREFORE, in consideration of the mutual promises and agreements herein contained and pursuant to the general power and authority of the Fire Department to furnish fire protection services and the general power and authority of the Town to provide fire protection services for its inhabitants and owners of property within the town limits, the parties hereto agree and contract as follows:

1. The Fire Department will diligently and competently furnish and provide services as enumerated in its corporate charter as amended. The Fire Department will provide the same services to the residents and properties within the Town as it provides to the area of the Archer Lodge Fire District outside the Town's limits.
2. The Fire Department shall, at its sole cost and expense, procure and maintain sufficient and adequate equipment, materials, and personnel to provide fire protection services to the Town, in a manner and to a level of service equal to that level of service provided to the area of the Fire District outside the Town's limits.
3. The Fire Department, in providing the said services, shall use its own means and methods which shall not be subject to control, direction, or supervision by the Town. The Town shall not have or exercise any authority with respect to the employment, control, direction, supervision, suspension or discharge of any person employed by or acting on behalf of the Fire Department.
4. The Town will adopt such rules and regulations, by ordinance or otherwise, as may be necessary and proper to prohibit interference with personnel of the Fire Department in the discharge of their duties within the Town, to prohibit damage to and interference with fire-fighting equipment and apparatus of the Fire Department.

5. The Fire Department agrees to comply with the rules and regulations of the North Carolina Insurance Rating Bureau for fire protection standards and procedures.
6. As full compensation for the services to be rendered by the Fire Department, the following terms shall apply:
 - a. Rate Calculation. The amount payable by the Town to the Fire Department will be equal to the Town's ad valorem tax valuation multiplied by the fire tax rate set by Johnston County within the Archer Lodge Fire District which is collected by the County. The parties acknowledge that the exact figure cannot be calculated due to such variables as fluctuations in valuations, defaults, foreclosures, and collection rates.
 - b. Collection and Payment. Consistent with state law, the County shall collect the tax and make payment to the Town monthly as collected in the ordinary course of business. The Town, upon receipt of the funds from the County, will remit the appropriate amount to the Fire Department monthly. Prior to the Fire Department requesting a change from the County in the fire tax rate, the Fire Department will meet with the Town to discuss the rate.
7. This contract shall extend for a term of five (5) years beginning on July 1, 2018, and ending on June 30, 2023.
8. Upon breach of this contract by either party, the non-breaching party, in addition to any other remedy available to it, may terminate this contract upon one hundred and eighty (180) days' notice, setting out in detail the grounds for termination, unless the breaching party cures such breach within said one hundred and eighty (180) day period.
9. No later than March 1 of each year, each party will separately and independently identify and appoint two (2) members of their respective boards who will meet and engage in a good faith discussion of budgetary issues for the coming fiscal year as soon as practicable after their appointment. At this meeting the Fire Department will present to the Town Council a complete and accurate copy of its budget and of any audit or financial report otherwise provided by the Fire Department to the County.
10. The Fire Department acknowledges that in the event of a breach of this contract, such a breach is likely to result in danger to life and property and that the Town has no legal remedy at law, and as a result the Town may seek and obtain an injunction to enforce the performance of this contract or to enjoin the breach thereof.
11. The parties agree and acknowledge that the relationship between the Town and the Fire Department is contractual and that no agency relationship is created hereby. The Town shall be free from any and all claims and liability for any act, omission, damages, injuries or accidents arising out of the actions or omissions of the Fire Department, whether arising in tort, contract, or otherwise. The Fire Department will indemnify and hold the Town harmless from any and all such claims or liability.

12. It is understood and agreed by the parties hereto that the terms of this contract are separable and that in the event any provision of this contract is determined by a court of competent jurisdiction to be invalid, such determination shall not be deemed to render other provisions hereof invalid and this contract shall otherwise continue in full force and effect. In the event, for reasons beyond the control of either party, this contract becomes unenforceable or ineffective under state or federal law, the parties shall cooperate in good faith and use best efforts to protect the lives, interests, and property of the Town's citizens until appropriate alternative arrangements can be made.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed by their appropriate officers, all being so authorized by their governing bodies, as of the day and year first above written. This Agreement has been adopted and approved by the Archer Lodge Town Council and the Archer Lodge Volunteer Fire Department, Inc.

ARCHER LODGE VOLUNTEER FIRE DEPARTMENT, INC.

By: _____
Michael Medlin, President Jody Chamblee, Secretary

Date of Adoption: _____

TOWN OF ARCHER LODGE

ATTEST:

By: _____
Matthew B. Mulhollem, Mayor Kim P. Batten, Town Clerk

Date of Adoption: _____

STATE OF NORTH CAROLINA
COUNTY OF JOHNSTON

AGREEMENT WITH
LOCAL GOVERNMENT

THIS AGREEMENT made the ____ day of _____, 2018 by and between **Town of Archer Lodge**, a North Carolina unit of Local Government (hereinafter known as "Local Government"); and, **N-Focus, Inc.**; a North Carolina corporation (hereafter known as "Contractor"), by signatures below, enter into the following Agreement:

WITNESSETH:

WHEREAS, Contractor has expertise in local government functions and Local Government has a need for such functions; and

WHEREAS, Local Government and Contractor desire to enter into this Agreement;

NOW THEREFORE, Local Government and Contractor agree as follows:

Section A. SCOPE OF FUNCTIONS

Contractor will provide Contractor personnel to perform the following specialized Functions for Local Government:

1. Planning & Implementation Functions include:

- a) Conduct comprehensive field studies of land use and development patterns throughout Local Government jurisdiction;
- b) Conduct comprehensive review of adopted policies applicable to land use and development throughout Local Government jurisdiction;
- c) Conduct comprehensive review of Local Government programs and policies to serve existing and future development within Local Government jurisdiction;
- d) Prepare plans and policy documents to achieve stated goals of Local Government through information gathering techniques to be determined and agreed upon with Local Government;
- e) Preparation of governing and/or advisory board/council/commission reporting materials;
- f) Presentations of governing and/or advisory board/council/commission reporting materials;
- g) Conduct review of applications for land development permits and approvals in accordance with applicable policies and ordinances; and
- h) Coordinate with Local Government staff for the proper filing of records within the official record of Local Government.

N-Focus

Initials: PAR Date: 05.29.18

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2. Code Enforcement Functions include:

- a) Investigations of complaints and/or reports of violations;
- b) Preparation of materials for distribution and notifications to owners of record and/or occupants of violation activities;
- c) Meeting and/or hearing with owners of record and/or occupants of violation activities;
- d) Field inspections to determine progress and/or compliance;
- e) Preparation of governing and/or advisory board/council/commission reporting materials;
- f) Presentations of governing and/or advisory board/council/commission reporting materials;
- g) Assisting owners of record and/or occupants of violation activities and advising said to achieve compliance;
- h) Coordination with Local Government legal counsel, when necessary, to provide supporting materials as may be required for the filing of actions and/or liens; and
- i) Updating and submitting summary reports on periodic activities and accomplishments.

Section B. TERMS AND CONDITIONS

1. **Contractor Personnel:** To ensure performance of Functions defined in "Section A." herein above meet the expectations of Local Government, Contractor shall assign a primary professional, an employee of the Contractor, to Local Government. The primary professional shall be responsible for Contractor employees performing the agreed upon Functions. Contractor personnel performing the Functions shall be either certified or licensed in their respective fields or apprentice under direct supervision of the primary professional. Contractor personnel performing these Functions shall have considerable knowledge in the principles and practices of local government. The primary professional, supporting personnel and subordinate person(s), if applicable, assigned to perform these Functions shall be skilled in the use of work related computer software packages and other technology used to perform position Functions.
2. **E-Verify:** Contractor represents and warrants that it is in compliance with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes. Further, Contractor warrants that any subcontractors used by Contractor will be in compliance with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes.
3. **Certification:** Contractor certifies that, as of the Effective Date of this Agreement, Contractor is not on the Final Divestment List as created by the State Treasurer pursuant to N.C.G.S. § 147-86.58. In compliance with the Iran Divestment Act and N.C.G.S. § 147-86.58, Contractor shall not utilize in the performance of the contract any subcontractor that is identified on the Final Divestment List.
4. **Status of Contractor:** Contractor and Local Government agree that in the performance of the Functions defined in "Section A." herein above, Contractor personnel shall not be deemed to be an employee(s) of Local Government for any purpose whatsoever, nor act under Color of State Law.

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5. **Work Products:** All materials produced by Contractor personnel assigned to Local Government shall be the property of Local Government and shall be filed on-site in the offices of Local Government, unless otherwise authorized for purposes and intent of the performance of Functions. Contractor shall be entitled to retain copies, both electronic and paper, of any work products prepared for the benefit of Local Government. Contractor shall not copyright any work products on behalf of Local Government; however, Contractor shall retain the right to utilize work products, such as improved administrative forms, plans, etc., or any portion thereof, for the purpose of performing similar Functions to other jurisdictions.
6. **Progress Reporting:** Contractor shall communicate progress of work performed to Local Government's administrative officer and/or department head periodically or as determined by Local Government.
7. **Period of Service (POS):** Functions defined in "Section A." herein above shall be performed routinely based upon a mutually agreeable schedule during the period July 1, 2018 and ending June 30, 2019. POS as defined herein may be amended through either Termination, as set forth in "Section B.13." herein, or, Extension, as set forth in "Section B.15." herein.
8. **Level of Service (LOS):** Functions defined in "Section A." herein above shall be performed at a LOS of approximately 1,040 hours during the POS as defined in "Section B.7." herein or 50% Full Time Equivalency (FTE) and shall be delivered at approximately 20 hours per calendar week on average. The LOS may increase or decrease by not more than five (5%) percent without affect upon Compensation as defined in "Sections B.9." herein and/or Payments as defined in "Section B.10." herein; thereafter, the amount of compensation due shall be adjusted by a pro-rata amount proportional to the basic LOS. LOS will be monitored monthly, with quarterly invoicing for overages. LOS may be amended by either separate agreement, subsequent addendum hereto, or written/e-mail authorization with Compensation as defined in "Section B.9." herein, and Payments as defined in "Section B.10." herein, adjusted accordingly.
9. **Compensation:** The fee for Functions to be performed as defined in "Section A." herein above shall be Seventy Thousand Four Hundred Thirty-Eight and 68/100's (\$70,438.68) dollars for the POS as noted in "Section B.7." herein. The fee is inclusive of all personnel costs including but not limited to:
- a. Base Salary plus:
 - i. Social Security & Medicare (FICA)
 - ii. State Unemployment Insurance (SUTA)
 - iii. Federal Unemployment Insurance (FUTA)
 - iv. Worker's Compensation Insurance
 - b. Benefits:
 - i. Health & Life Insurance
 - ii. Paid Vacation & Personal Time
 - iii. Paid Holidays
 - iv. Paid Travel Time
 - c. Professional Development & Certifications;
 - d. Cellular Communications;

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- e. Company Vehicle with
 - i. Vehicle Insurance
 - ii. Vehicle Operations & Maintenance
- f. Meals & Lodging; and
- g. Management cost

Printing and reproduction shall be provided by Local Government. Any direct expenses (i.e. printing, postage, etc.) provided by Contractor on behalf of Local Government, shall be reimbursed at actual cost plus seven (7%) percent. Travel cost to and from Local Government by Contractor personnel is included in the fee above. Travel by Contractor personnel on behalf of Local Government to perform inspections within Local Government, or attend meetings outside Local Government, shall be reimbursed at the current IRS Standard Mileage Rate.

10. **Payments:** Local Government shall provide twenty-six (26) equal bi-weekly payments per "Exhibit A" attached herewith in the amount of Two Thousand Seven Hundred Nine and 18/100's (\$2,709.18) dollars without invoice. Bi-weekly payments shall be made during the bi-weekly POS with the first payment due and payable within ten (10) days of the beginning of the POS defined in "Section B.7." herein. Monthly invoicing for travel & direct expenses as noted in "Section B.9." herein and quarterly invoicing for LOS overages as noted in "Section B.8." herein shall be due and payable within ten (10) days of invoice. A late payment penalty equal to 1.5% of the unpaid balance of either bi-weekly payments or monthly invoicing may be assessed.
11. **Access:** Local Government shall provide Contractor personnel with legal access to the primary work area during normal operating hours.
12. **Liability:** Contractor personnel assigned to Local Government are acting as contracted agents of Local Government in accordance with NCGS 160A-20.1 and no liability is implied or assumed for actions on behalf of Local Government, its administration, appointed officials and/or elected officials. General liability insurance shall be maintained by Contractor throughout the POS as defined in "Section B.7." herein for the Functions to be performed under this Agreement. Contractor shall provide Local Government with a Certificate of Insurance prior to beginning Functions defined in "Section A." herein above. This certificate will become a part of this Agreement upon execution of this Agreement. Contractor shall further indemnify and hold Local Government harmless from any/all worker compensation claims by Contractor personnel and any other claims arising out of Contractor personnel's conduct.
13. **Termination:** Contractor or Local Government may terminate this Agreement for any reason with sixty (60) days written notification. In the event of early termination by Contractor or Local Government, compensation for all Functions actually provided by Contractor through the date of termination will be due and payable at the unit costs in effect at the time of termination. Compensation for any part of a billing cycle based upon the days within said cycle shall be prorated through the date of termination. In the event Contractor personnel currently employed, recently separated/terminated or retired from Contractor become employed directly by Local Government either during the POS as defined in "Section B.7" herein or within one-hundred-eighty (180) days of the effective date of Agreement termination and/or expiration, Contractor shall be entitled to

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supplemental compensation by Local Government equal to three (3) months of said employee's full time gross salary equivalent in effect at the time of Agreement Termination and or/Expiration; furthermore, the supplemental compensation shall be due and payable within ten (10) calendar days of the date Contractor personnel begins employment with Local Government.

14. **Expiration:** This Agreement shall expire at 11:59 pm on June 30, 2019, unless extended, as defined in "Section B.15." herein.
15. **Extension:** This Agreement may be extended by either separate agreement, subsequent addendum hereto, or written/e-mail authorization. Upon extension of this Agreement, POS as defined in "Section B.7." herein, LOS as defined in "Section B.8." herein, Compensation as defined in "Section B.9." herein, and Payments as defined in "Section B.10." herein, are subject to change. All other Terms & Conditions defined herein shall remain the same.
16. **Certifications:** Contractor personnel shall not be required to sign any documents, no matter by whom requested, that would result in Contractor personnel having to certify, guarantee or warrant the existence of conditions whose existence Contractor personnel cannot ascertain. Local Government agrees not to make resolution of any dispute with Contractor or payment of any amount due to Contractor in any way contingent upon Contractor's personnel signing any such certification or document.
17. **Force Majeure:** Contractor shall not be responsible for any delays, damages, costs, expenses, liabilities or other problems that may arise as a result of a force majeure. A "Force Majeure" is defined as any event arising from causes beyond the reasonable control of Contractor, including but not limited to fire, flood, unusual inclement weather, acts of God, civil strikes or labor disputes, riots, acts or failures of Local Government or others
18. **Conflicting Terms and Provisions:** In the event of conflict among this Agreement and any hereto attached exhibits, this Agreement shall govern.
19. **Dispute Resolution:** It is acknowledged this Agreement shall be governed by the laws of the State of North Carolina in the event of dispute. Any dispute, controversy or claim arising out of or relating to this Agreement, in particular its conclusion, interpretation, performance, breach, termination or invalidity, shall be finally settled by the courts having exclusive jurisdiction within the county of Local Government.
20. **Counterparts:** This Agreement may be executed in two or more counterparts, each of which together shall be deemed an original, but all of which together shall constitute one and the same instrument. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

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Initials: PAR Date: 05.29.18

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Initials: _____ Date: _____

21. **Entire Agreement:** Local Government and Contractor acknowledge this Agreement and any Attachments hereto constitute the entire agreement between Local Government and Contractor concerning the subject matter hereof. All prior agreements, discussions, representations, warranties and covenants are merged herein. There are no warranties, representations, covenants or agreements, expressed or implied, between Local Government and Contractor except those expressly set forth in this Agreement. Any amendments or modifications of this Agreement shall be in writing and executed by Local Government and Contractor. Unless stated otherwise in this Agreement, this Agreement may not be modified.

22. **Representatives:** On behalf of Contractor, only the following individuals have authority to modify or alter the terms and conditions of this Agreement:

F. Richard Flowe, President & CEO
Patricia A. Rader, Secretary/Treasurer & COO

23. **Notification:** All correspondence shall be directed to:

Patti Rader, Manager
N·Focus, Inc.
3135 South Main Street, Suite 200
Kannapolis, NC 28081
704.933.0772
prader@nfocusplanning.org

(This space left blank intentionally)

N·Focus

Initials: PAR Date: 05.29.18

Archer Lodge – FY 19 Planning & Code Agreement

Initials: _____ Date: _____

Section C. ACCEPTANCE:

Patricia A. Rader

May 29, 2018

Patricia A. Rader, Manager
N-Focus Planning & Design, Inc.

Date

ACCEPTED on behalf of Local Government by:

Signature

Date

Printed name of authorized person signed above

Seal of Local Government

ATTEST:

Clerk to the governing board/council of
Local Government

Date

PRE-AUDIT:

This document has been pre-audited in accordance with applicable North Carolina General Statute.

Finance Officer

Date

N-Focus

Initials: PAR Date: 05.29.18

Archer Lodge – FY 19 Planning & Code Agreement

Initials: _____ Date: _____

N-Focus, Inc.

- Town of Archer Lodge
- FY 19 CS Planning & Code Agreement

"Exhibit A"
Payment Schedule

Contract Payment Due Dates	Payment Dates	Check Number	(26) Bi-Weekly Payments of	Contract Balance	Notes
			\$ 2,709.18	\$ 70,438.68	
<u>2018</u>					
1 July 10th		1	\$ 2,709.18	\$ 67,729.50	
2 July 24th		2	\$ 2,709.18	\$ 65,020.32	
3 August 7th		3	\$ 2,709.18	\$ 62,311.14	
4 August 21st		4	\$ 2,709.18	\$ 59,601.96	
5 Sept. 4th		5	\$ 2,709.18	\$ 56,892.78	
6 Sept. 18th		6	\$ 2,709.18	\$ 54,183.60	
7 Oct. 2nd		7	\$ 2,709.18	\$ 51,474.42	
8 Oct. 16th		8	\$ 2,709.18	\$ 48,765.24	
9 Oct. 30th		9	\$ 2,709.18	\$ 46,056.06	
10 Nov. 13th		10	\$ 2,709.18	\$ 43,346.88	
11 Nov. 27th		11	\$ 2,709.18	\$ 40,637.70	
12 Dec. 11th		12	\$ 2,709.18	\$ 37,928.52	
13 Dec. 25th		13	\$ 2,709.18	\$ 35,219.34	
<u>2019</u>					
14 Jan. 8th		14	\$ 2,709.18	\$ 32,510.16	
15 Jan. 22nd		15	\$ 2,709.18	\$ 29,800.98	
16 Feb. 5th		16	\$ 2,709.18	\$ 27,091.80	
17 Feb. 19th		17	\$ 2,709.18	\$ 24,382.62	
18 March 5th		18	\$ 2,709.18	\$ 21,673.44	
19 March 19th		19	\$ 2,709.18	\$ 18,964.26	
20 April 2nd		20	\$ 2,709.18	\$ 16,255.08	
21 April 16th		21	\$ 2,709.18	\$ 13,545.90	
22 April 30th		22	\$ 2,709.18	\$ 10,836.72	
23 May 14th		23	\$ 2,709.18	\$ 8,127.54	
24 May 28th		24	\$ 2,709.18	\$ 5,418.36	
25 June 11th		25	\$ 2,709.18	\$ 2,709.18	
26 June 25th		26	\$ 2,709.18	\$ (0.00)	

N-Focus

Initials: PAR Date: 05.29.18

Archer Lodge – FY 19 Planning & Code Agreement

Initials: _____ Date: _____

May & Place, PA

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 900
LOUISBURG, NC 27549
Bus: 919-496-3041
Fax: 919-496-6342

SCOTT H. MAY, CPA
DALE R. PLACE, CPA, CFE

June 1, 2018

To the Honorable Mayor and Town Council Members
14094 Buffalo Road
Clayton, NC 27527

We are pleased to confirm our understanding of the services we are to provide the Town of Archer Lodge for the year ended June 30, 2018. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Town of Archer Lodge as of and for the year ended June 30, 2018. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Town of Archer Lodge's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Town of Archer Lodge's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis.

We have also been engaged to report on supplementary information other than RSI that accompanies the Town of Archer Lodge's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole:

- 1) Combining and individual fund statements
- 2) Budgetary schedules and other schedules

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Town of Archer Lodge and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Town of Archer Lodge's financial statements. Our report will be addressed to the Honorable Mayor and Town Council of the Town of Archer Lodge. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons

with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Town of Archer Lodge is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and,

accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

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

Other Services

We will also assist in preparing the financial statements and related notes of the Town of Archer Lodge in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for 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 government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include

acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

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

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

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

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

The audit documentation for this engagement is the property of May & Place, PA and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of May & Place, PA personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

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

We expect to begin our audit on approximately July 1, 2018 and to issue our reports no later than October 31, 2018. Dale Place is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be \$4,425.00 for the audit and \$1,000.00 for the financial statement preparation. Our invoices for these fees will be rendered in accordance with the North Carolina Local Government Commission instructions as detailed in the contract. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the Town of Archer Lodge and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

May & Place, PA

May & Place, PA

RESPONSE:

This letter correctly sets forth the understanding of the Town of Archer Lodge.

Management signature: _____

Name/Title: Kim P. Batten, Finance Officer/Town Clerk

Date: _____

Governance signature: _____

Name/Title: Matthew B. Mulhollem, Mayor

Date: _____

CONTRACT TO AUDIT ACCOUNTS

Of Town of Archer Lodge
Primary Government Unit

N/A
Discretely Presented Component Unit (DPCU) if applicable

On this 1st day of June, 2018,

Auditor: May & Place, PA Auditor Mailing Address: PO Box 900, Louisburg, NC 27549

Hereinafter referred to as The Auditor

and Town Council (Governing Board(s)) of Town of Archer Lodge
(Primary Government)

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

1. The Auditor shall audit all statements and disclosures required by accounting principles generally accepted in the United States of America (GAAP) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit (s) for the period beginning July 01, 2017, and ending June 30, 2018. The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).
2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with auditing standards generally accepted in the United States of America. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board). **County and Multi-County Health Departments:** The Office of State Auditor will require Auditors of these Governmental Units to perform agreed upon procedures (AUPs) on eligibility determination on certain programs. Both Auditor and Governmental Unit agree that Auditor shall complete and report on these AUPs on Eligibility Determination as required by Office of the State Auditor (OSA) and in accordance with the instructions and timeline provided by OSA.
3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's Auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the SLGFD staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of their most recent peer review report regardless of the date of the prior peer review report to the Governmental Unit and the Secretary of the LGC prior to the execution of the audit contract. **If the audit firm received a peer review rating other than pass**, the Auditor shall not contract with the Governmental Unit without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to Government Accounting Standards or if financial statements are not prepared in accordance with GAAP and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to the SLGFD within four months of fiscal year end. Audit report is due on: 10/31/2018. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.
7. It is agreed that generally accepted auditing standards include a review of the Governmental Unit's systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.
8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. **Invoices for services rendered under these contracts shall not be paid by the Governmental Unit until the invoice has been approved by the Secretary of the LGC.** (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoices shall be sent via upload through the current portal address: <https://nctreasurerslgfd.leapfile.net>. Subject line should read "Invoice – [Unit Name]. The PDF invoice marked 'approved' with approval date shall be returned by email to the Auditor to present to the Governmental Unit for payment. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.
9. In consideration of the satisfactory performance of the provisions of this contract, the Primary Government shall pay to the Auditor, upon approval by the Secretary of the LGC, the fee, which includes any cost the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (Federal and State grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. **(Note: Fees listed on Fees page.)** This does not include fees for any Pre-Issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item #12).
10. If the Governmental Unit has outstanding revenue bonds, the Auditor shall submit to the SLGFD either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to the SLGFD simultaneously with the

Governmental Unit's audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

11. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board as soon as practical after the close of the fiscal year end.
12. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit shall not be billed for the pre-issuance review. The pre-issuance review shall be performed **prior** to the completed audit being submitted to the SLGFD. The pre-issuance review report shall accompany the audit report upon submission to the SLGFD.
13. The Auditor shall electronically submit the report of audit to the SLGFD as a text-based PDF file when (or prior to) submitting the invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the SLGFD by any interested parties. **Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit report Reissuance form.** These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings, by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit without subsequent consent of the Auditor. If the SLGFD determines that corrections need to be made to the Governmental Unit's financial statements, those corrections shall be provided within three days of notification unless another deadline is agreed to by the SLGFD.

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

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

14. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be varied or changed to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.
15. If an approved contract needs to be amended for any reason, the change shall be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee. This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted through the audit contract portal to the Secretary of the LGC for approval. The portal address to upload the amended contract is <https://nctreasurerslgfd.leapfile.net>. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

16. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit shall be attached to the contract, and by reference here becomes part of the contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item #23 of this contract. Engagement letters containing indemnification clauses shall not be accepted by the SLGFD.
17. Special provisions should be limited. Please list any special provisions in an attachment.
18. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the parent government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.
19. The contract shall be executed, pre-audited, physically signed by all parties including Governmental Unit and t h e Auditor and then submitted in PDF format to the Secretary of the LGC. The current portal address to upload the contractual documents is <https://nctreasurerslgfd.leapfile.net>. Electronic signatures are not accepted at this time. Included with this contract are instructions to submit contracts and invoices for approval as of November 2017. These instructions are subject to change. Please check the NC Treasurer’s web site at <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx> for the most recent instructions.
20. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. **The audit should not be started before the contract is approved.**
21. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.
22. **E-Verify.** Auditor **shall comply** with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor **shall require** such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.
23. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted: (See Item 16 for clarification).

SIGNATURE PAGES FOLLOW FEES PAGE

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

FEES – PRIMARY GOVERNMENTAUDIT: \$ 4,425.00WRITING FINANCIAL STATEMENTS: \$ 1,000.00ALL OTHER NON-ATTEST SERVICES: \$ N/A

For all non-attest services the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Governmental Auditing Standards* (as applicable). Bookkeeping and other non-attest services necessary to perform the audit shall be included under this contract. However, bookkeeping assistance shall be limited to the extent that the Auditor is not auditing his or her own work or making management decisions. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience necessary to oversee the services and accept responsibility for the results of the services. Financial statement preparation assistance shall be deemed a “significant threat” requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. The Auditor shall maintain written documentation of his or her compliance with these standards in the audit work papers.

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

The 75% cap for interim invoice approval for this audit contract is \$ 4,068.75

** NA if there is to be no interim billing

FEES 2 DPCU (IF APPLICABLE)AUDIT: \$ N/AWRITING FINANCIAL STATEMENTS: \$ N/AALL OTHER NON-ATTEST SERVICES: \$ N/A

For all non-attest services the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Governmental Auditing Standards* (as applicable). Bookkeeping and other non-attest services necessary to perform the audit shall be included under this contract. However, bookkeeping assistance shall be limited to the extent that the Auditor is not auditing his or her own work or making management decisions. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience necessary to oversee the services and accept responsibility for the results of the services. Financial statement preparation assistance shall be deemed a “significant threat” requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. The Auditor shall maintain written documentation of his or her compliance with these standards in the audit work papers.

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

The 75% cap for interim invoice approval for this audit contract is \$ N/A

** NA if there is to be no interim billing

Contract to Audit Accounts (cont.) Town of Archer Lodge
Primary Government Unit
N/A
Discretely Presented Component Unit (DPCU) if applicable

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

Audit Firm Signature:

May & Place, PA

Name of Audit Firm

By Dale R. Place

Authorized Audit firm representative name: Type or print

Signature of authorized audit firm representative

Date 6/1/2018

dpmayandplace@aol.com

Email Address of Audit Firm

Governmental Unit Signatures:

Town of Archer Lodge

Name of Primary Government

By Matthew B. Mahaffey, Mayor

Mayor / Chairperson: Type or print name and title

Signature of Mayor/Chairperson of governing board

Date _____

By N/A

Chair of Audit Committee - Type or print name

_____*

Signature of Audit Committee Chairperson

Date N/A

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

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

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

By Kim P. Batten, Finance Officer/Town Clerk

Primary Government Unit Finance Officer:

Type or print name

Primary Government Finance Officer Signature

Date _____

(Pre-audit Certificate must be dated.)

kim.batten@townofarcherlodge.com

Email Address of Finance Officer

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

*****Please provide us the most current email addresses available as we use this information to update our contact database*****

Contract to Audit Accounts (cont.) Town of Archer Lodge
Primary Government Unit
N/A
 Discretely Presented Component Unit (DPCU) if applicable

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

N/A

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

DPCU Governmental Unit Signatures:

N/A

Name of Discretely Presented Component Unit

By N/A

DPCU Board Chairperson: Type or print name and title

Signature of Chairperson of DPCU governing board

Date N/A

By N/A

Chair of Audit Committee - Type or print name

Signature of Audit Committee Chairperson

Date N/A

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

N/A

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

(a)

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

By N/A

DPCU Finance Officer:

Type or print name

DPCU Finance Officer Signature

Date N/A

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

N/A

Email Address of Finance Officer

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

*****Please provide us the most current email addresses available as we use this information to update our contact database*****

Contract to Audit Accounts (cont.)	Town of Archer Lodge
	Primary Government Unit
	N/A
	Discretely Presented Component Unit (DPCU) if applicable

Steps to Completing the Audit Contract

1. Complete the header information – If a DPCU is subject to the audit requirements found in the Local Government Budget and Fiscal Control Act and a separate report is being issued for that DPCU, a separate audit contract for the DPCU is required. If a separate report is not being issued for the DPCU – it is being included in the Primary Government’s audit – the DPCU shall be named with the Primary Government on the audit contract for the Primary Government. The Board Chairperson of the DPCU shall sign the audit contract in addition to the elected leader of the Primary Government.
2. Item No. 1 – Complete the period covered by the audit
3. Item No. 6 – Fill in the audit due date. For Governmental Unit (s), the contract due date can be no later than 4 months after the end of the fiscal year, even though amended contracts may not be required until a later date.
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6. Item No. 16 – Has the engagement letter been attached to the contract that is being submitted to SLGFD?
 - a. Do the terms and fees specified in the engagement letter agree with the Audit contract? *“In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence.”*
 - b. Does the engagement letter contain an indemnification clause? **The audit contract shall not be approved if there is an indemnification clause – refer to LGC Memo # 986.**
7. Complete the fee section for BOTH the Primary Government and the DPCU (if applicable) on the fees page; please note:
 - The cap on interim payments is 75% of the current audit fee for services rendered if the contracted fee amount is a fixed amount. If any part of the fee is variable, interim payments are limited to 75% of the prior year’s total audit fee. If the contract fee is partially variable, we shall compare the authorized interim payment on the contract to 75% of last year’s actual approved total audit fee amount according to our records. There is a report of audit fees paid by each governmental unit on our web site: https://www.nctreasurer.com/slg/lfm/audit_acct/Pages/default.aspx select “audit fees”

Please call or email Lorna Hodge at 919-814-4299 lorna.hodge@nctreasurer.com if you have any questions about the fees on this list.

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

Discretely Presented Component Unit (DPCU) if applicable

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8. Signature Area – There are now 2 Signature Pages: one for the Primary Government and one for the DPCU. Please only send the page(s) that are applicable to your Unit of Government and do not include the instructions pages. Make sure all signatures have been obtained, and properly dated. **The contract shall be approved by Governing Boards pursuant to G.S. 159-34(a).** If this contract includes the audit for a DPCU that is a Public Authority that falls under the Local Government Budget and Fiscal Control Act, it shall be named in this contract and the Board Chairperson of the DPCU also shall sign the contract in the area indicated. If the DPCU is filing a separate audit, a separate audit contract is required for that DPCU.
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 - c. Has the name and title of the Mayor or Chairperson of the Unit’s Governing Board and the DPCU’s Chairperson (if applicable) been typed or printed on the contract and has he/she signed in the correct area directly under the Auditor’s signature?
10. If the Auditor is performing an audit under the yellow book or single audit rules, has year-end bookkeeping assistance been limited to those areas permitted under the revised GAO Independence Standards? Although not required, we encourage Governmental Units and Auditors to disclose the nature of these services in the contract or an engagement letter. Fees for these services should be shown in the space indicated on the fees page.
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13. If an audit cannot be completed by the due date, the Auditor or Governmental Unit shall file an Amended Contract form (Amended LGC-205). This form shall be signed by the Governmental Unit representative and the Auditor. The explanation for the delay in completing the audit is part of this contract amendment form and shall be provided. The parties that signed the original audit contract shall sign the amended contract form as well. If the signing representatives are unable to sign the amended contract, please include an explanation for this in the submitted amended contract form.

CONTRACT TO AUDIT ACCOUNTS

Of Town of Archer Lodge
Primary Government Unit

N/A
Discretely Presented Component Unit (DPCU) if applicable

On this 1st day of June, 2018,

Auditor: May & Place, PA Auditor Mailing Address: PO Box 900, Louisburg, NC 27549

Hereinafter referred to as The Auditor

and Town Council (Governing Board(s)) of Town of Archer Lodge
(Primary Government)

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

1. The Auditor shall audit all statements and disclosures required by accounting principles generally accepted in the United States of America (GAAP) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit (s) for the period beginning July 01, 2017, and ending June 30, 2018. The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).
2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with auditing standards generally accepted in the United States of America. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board). **County and Multi-County Health Departments:** The Office of State Auditor will require Auditors of these Governmental Units to perform agreed upon procedures (AUPs) on eligibility determination on certain programs. Both Auditor and Governmental Unit agree that Auditor shall complete and report on these AUPs on Eligibility Determination as required by Office of the State Auditor (OSA) and in accordance with the instructions and timeline provided by OSA.
3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's Auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the SLGFD staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of their most recent peer review report regardless of the date of the prior peer review report to the Governmental Unit and the Secretary of the LGC prior to the execution of the audit contract. **If the audit firm received a peer review rating other than pass**, the Auditor shall not contract with the Governmental Unit without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to Government Accounting Standards or if financial statements are not prepared in accordance with GAAP and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to the SLGFD within four months of fiscal year end. Audit report is due on: 10/31/2018. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.
7. It is agreed that generally accepted auditing standards include a review of the Governmental Unit's systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.
8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. **Invoices for services rendered under these contracts shall not be paid by the Governmental Unit until the invoice has been approved by the Secretary of the LGC.** (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoices shall be sent via upload through the current portal address: <https://nctreasurerslgfd.leapfile.net>. Subject line should read "Invoice – [Unit Name]. The PDF invoice marked 'approved' with approval date shall be returned by email to the Auditor to present to the Governmental Unit for payment. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.
9. In consideration of the satisfactory performance of the provisions of this contract, the Primary Government shall pay to the Auditor, upon approval by the Secretary of the LGC, the fee, which includes any cost the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (Federal and State grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. (**Note: Fees listed on Fees page.**) This does not include fees for any Pre-Issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item #12).
10. If the Governmental Unit has outstanding revenue bonds, the Auditor shall submit to the SLGFD either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to the SLGFD simultaneously with the

Governmental Unit's audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

11. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board as soon as practical after the close of the fiscal year end.
12. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit shall not be billed for the pre-issuance review. The pre-issuance review shall be performed **prior** to the completed audit being submitted to the SLGFD. The pre-issuance review report shall accompany the audit report upon submission to the SLGFD.
13. The Auditor shall electronically submit the report of audit to the SLGFD as a text-based PDF file when (or prior to) submitting the invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the SLGFD by any interested parties. **Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit report Reissuance form.** These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings, by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit without subsequent consent of the Auditor. If the SLGFD determines that corrections need to be made to the Governmental Unit's financial statements, those corrections shall be provided within three days of notification unless another deadline is agreed to by the SLGFD.

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

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

14. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be varied or changed to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.
15. If an approved contract needs to be amended for any reason, the change shall be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee. This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted through the audit contract portal to the Secretary of the LGC for approval. The portal address to upload the amended contract is <https://nctreasurerslgfd.leapfile.net>. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

16. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit shall be attached to the contract, and by reference here becomes part of the contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item #23 of this contract. Engagement letters containing indemnification clauses shall not be accepted by the SLGFD.

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

18. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the parent government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

19. The contract shall be executed, pre-audited, physically signed by all parties including Governmental Unit and t h e Auditor and then submitted in PDF format to the Secretary of the LGC. The current portal address to upload the contractual documents is <https://nctreasurerslgfd.leapfile.net>. Electronic signatures are not accepted at this time. Included with this contract are instructions to submit contracts and invoices for approval as of November 2017. These instructions are subject to change. Please check the NC Treasurer’s web site at <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx> for the most recent instructions.

20. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. **The audit should not be started before the contract is approved.**

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

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

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

SIGNATURE PAGES FOLLOW FEES PAGE

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

FEES – PRIMARY GOVERNMENTAUDIT: \$ 4,425.00WRITING FINANCIAL STATEMENTS: \$ 1,000.00ALL OTHER NON-ATTEST SERVICES: \$ N/A

For all non-attest services the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Governmental Auditing Standards* (as applicable). Bookkeeping and other non-attest services necessary to perform the audit shall be included under this contract. However, bookkeeping assistance shall be limited to the extent that the Auditor is not auditing his or her own work or making management decisions. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience necessary to oversee the services and accept responsibility for the results of the services. Financial statement preparation assistance shall be deemed a “significant threat” requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. The Auditor shall maintain written documentation of his or her compliance with these standards in the audit work papers.

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

The 75% cap for interim invoice approval for this audit contract is \$ 4,068.75

** NA if there is to be no interim billing

FEES – DPCU (IF APPLICABLE)AUDIT: \$ N/AWRITING FINANCIAL STATEMENTS: \$ N/AALL OTHER NON-ATTEST SERVICES: \$ N/A

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The 75% cap for interim invoice approval for this audit contract is \$ N/A

** NA if there is to be no interim billing

Contract to Audit Accounts (cont.) Town of Archer Lodge
Primary Government Unit
N/A
Discretely Presented Component Unit (DPCU) if applicable

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

Audit Firm Signature:

May & Place, PA

Name of Audit Firm

By Dale R. Place

Authorized Audit firm representative name: Type or print

Signature of authorized audit firm representative

Date 6/1/2018

dpmayandplace@aol.com

Email Address of Audit Firm

Governmental Unit Signatures:

Town of Archer Lodge

Name of Primary Government

By Matthew B. Mulhollem, Mayor

Mayor / Chairperson: Type or print name and title

Signature of Mayor/Chairperson of governing board

Date

By N/A

Chair of Audit Committee - Type or print name

**

Signature of Audit Committee Chairperson

Date N/A

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

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

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

By Kim P. Batten, Finance Officer/Town Clerk

Primary Government Unit Finance Officer:

Type or print name

Primary Government Finance Officer Signature

Date

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

kim.batten@townofarcherlodge.com

Email Address of Finance Officer

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

*****Please provide us the most current email addresses available as we use this information to update our contact database*****

Contract to Audit Accounts (cont.)	Town of Archer Lodge
	Primary Government Unit
	N/A
Discretely Presented Component Unit (DPCU) if applicable	

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

N/A

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DPCU Governmental Unit Signatures:

N/A

Name of Discretely Presented Component Unit

By N/A

DPCU Board Chairperson: Type or print name and title

Signature of Chairperson of DPCU governing board

Date N/A

By N/A

Chair of Audit Committee - Type or print name

Signature of Audit Committee Chairperson **

Date N/A

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

N/A

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

(a)

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

By N/A

DPCU Finance Officer:

Type or print name

DPCU Finance Officer Signature

Date N/A

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

N/A

Email Address of Finance Officer

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

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Contract to Audit Accounts (cont.)	Town of Archer Lodge
	Primary Government Unit
	N/A
	Discretely Presented Component Unit (DPCU) if applicable

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Discretely Presented Component Unit (DPCU) if applicable

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10. If the Auditor is performing an audit under the yellow book or single audit rules, has year-end bookkeeping assistance been limited to those areas permitted under the revised GAO Independence Standards? Although not required, we encourage Governmental Units and Auditors to disclose the nature of these services in the contract or an engagement letter. Fees for these services should be shown in the space indicated on the fees page.
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TOWN OF ARCHER LODGE
14094 Buffalo Road
Clayton, NC 27527
919-359-9727
919-359-3333 fax
Mayor:
Matthew B. Mulhollem

Town Council:
Clyde B. Castleberry
Mayor Pro-Tem
Teresa M. Bruton
J. Mark Jackson
Hearbert Locklear
Mark B. Wilson

TO: Mayor Matthew B. Mulhollem
Town Board of Commissioners
C.L. Gobble, Administrative Consultant
Kim Batten, Town Clerk

FROM: Bob Clark, AICP
Planning, Zoning, and Subdivision Administrator

SUBJECT: Appointment of Bicycle & Pedestrian Plan Steering Committee

DATE: June 1, 2018

Action Requested: Consider establishing a Bicycle and Pedestrian Plan Steering Committee and appointing a slate of candidates to serve on the Committee

Background: The Town was recently awarded a grant from the NC Department of Transportation to develop a Comprehensive Bicycle and Pedestrian Plan. A Steering Committee is required to oversee development of the plan. This advisory group should represent a diverse group of stakeholders, including representatives from Town government, local schools, churches, bicycling enthusiasts and pedestrian advocates, health professionals, law enforcement, and citizens-at-large with a desire to improve their community. We anticipate that the Committee will meet 4-6 times during the yearlong plan development period. The following individuals or their department/agency representatives have expressed interest in serving. We anticipate they will contribute to the effective oversight and provide input to the consultant in preparation of the plan.

We have a number of organizations that we are reaching out but they have not named a representative. The organization could be approved with the member to be established later.

The staff recommends establishment of the Steering Committee and appointment of the listed individuals/agencies to serve in this important project.

Town of Archer Lodge Bike/Ped Steering Committee						
Primary Contact						
Department	Name	Title	Address	Zip Code	Phone Number	Email
Planning	Andrew Thomas, Jr.	Senior Planner	14094 Buffalo Road, Clayton, NC	27527	919-359-9727	andy.thomas@townofarcherlodge.com
Municipality Contact						
Department	Name	Title	Address	Zip Code	Phone Number	Email
Administration	Kim Batten	Town Clerk	14094 Buffalo Road, Clayton, NC	27527	919-359-9727	kim.batten@townofarcherlodge.com
Other Municipal Staff						
Department	Name	Title	Address	Zip Code	Phone Number	Email
Planning	Bob Clark, AICP	Planning Director	14094 Buffalo Road, Clayton, NC	27527	919-359-9727	bob.clark@townofarcherlodge.com
Administration	Joyce Lawhorn	Deputy Clerk	14094 Buffalo Road, Clayton, NC	27527	919-359-9727	joyce.lawhorn@townofarcherlodge.com
Other Municipal Staff						
Department	Name	Title	Address	Zip Code	Phone Number	Email
Planning	Bob Clark, AICP	Planning Director	14094 Buffalo Road, Clayton, NC	27527	919-359-9727	bob.clark@townofarcherlodge.com
Administration	Joyce Lawhorn	Deputy Clerk	14094 Buffalo Road, Clayton, NC	27527	919-359-9727	joyce.lawhorn@townofarcherlodge.com

Town of Archer Lodge Bike/Ped Steering Committee						
Other Agency Organization						
Department	Name	Title	Address	Zip Code	Phone Number	Email
Archer Lodge Planning Board	Robert Davis	Planning Board Chair	111 Carrie Drive, Clayton, NC	27527	919-946-2463	bob.davis@oxfordnc.org
Archer Lodge Planning Board	John Oglesby	Planning Board	535 Barnette Lane, Clayton, NC	27527	910-791-4441	john@csd-engineering.com
Archer Lodge Planning Board	Terry Barnes	Planning Board Alternate	14236 Buffalo Road, Clayton, NC	27527	919-553-4026	tbarnes725@gmail.com
Johnston County Public Health Dept.	Nicole Westley	Routes to School Regional Coordinator	517 North Bright Leaf Blvd., Smithfield, NC	27577	919-989-5202	nicole.westley@johnstonnc.com
Johnston County Public Schools	Michael R. Taylor	Transportation and Growth Planning	P.O. Box 1336, Smithfield, NC	27577	919-934-8340 Ext. 3000	michaeltaylor@johnston.k12.nc.us
Fat Johnny's Bike Repair	John E. Goldman	Owner	700 West Main Street, Clayton, NC	27520	919-243-0004	fatjohnnysbikerepair@gmail.com
Johnston County Visitor's Bureau	Donna Bailey- Taylor	President & CEO	234 Venture Drive, Smithfield, NC	27577	919-989-8687	info@johnstoncountync.org
Johnston County Sports Council	Sarah Campbell	Sports & Leisure Sales Manager	234 Venture Drive, Smithfield, NC	27577	919-989-8687	info@johnstoncountync.org
Clayton Planning Department	Samantha Wullenwaber	Planning Director	111 East Second Street, Clayton, NC	27528	919-553-5002	swullenwaber@townofclaytonnc.org
HealthQuest	Erica Johnson	Sales and Marketing Representative	514 N. BrightLeaf Drive, Smithfield, NC	27577	919-938-7581	Erica.Johnson2@unchealth.unc.edu
Archer Lodge Community Center	Dene Castleberry	President	14009 Buffalo Road, Clayton, NC	27528	919-550-1738	dcastleberry@toddandscarboro.com
Town Council	Member (s)					

Town of Archer Lodge Bike/Ped Steering Committee						
Organizations That We Are Asking For Representation						
Local Bicycle Club						
Archer Lodge Middle School						
Community and Senior Services Of Johnston County						
Johnston County						
Archer Lodge Fire Department						
Johnston County Planning						
Johnston County Economic Development						
NCDOT						
Clayton Chamber of Commerce						
Johnston County Sheriff's Office						
Triangle J Council of Governments						
MPO Representative						
Flowers Plantation Recreation						