



**Regular Council Meeting &
Public Hearing Minutes on:**
**1) Proposed NC Flood Damage Prevention
Ordinance for Non-Coastal Areas; and**
2) Proposed Annual Budget for FY 2019
Monday, June 4, 2018

COUNCIL PRESENT:

Mayor Mulhollem
Mayor Pro Tem Castleberry
Council Member Bruton
Council Member Jackson
Council Member Locklear
Council Member Wilson

STAFF PRESENT:

C.L. Gobble, Administrative Consultant
Chip Hewett, Town Attorney
Kim P. Batten, Finance Officer/Town Clerk
Bob Clark, Planning/Zoning Administrator

COUNCIL ABSENT:

MEDIA PRESENT:

None

1. WELCOME/CALL TO ORDER:

a) Invocation

Mayor Mulhollem called the meeting to order at 6:33 p.m. in the Jeffrey D. Barnes Council Chambers located at 14094 Buffalo Road, Clayton, NC and declared a quorum was present. Council Member Jackson offered the invocation.

b) Pledge of Allegiance

Mayor Mulhollem led in the Pledge of Allegiance to the US Flag.

2. OPEN FORUM/PUBLIC COMMENTS:

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

a) No Public Comments

3. APPROVAL OF AGENDA:

a) Amendment to Agenda

Mayor Mulhollem requested that the Agenda be amended as follows:

- Item #12 Change Adjournment to Closed Session to discuss the possibility of Land Acquisition
- Item #13 Recess meeting and Reconvene on Monday, June 25, 2018 at 6:30 p.m.

Moved by: Council Member Jackson

Seconded by: Mayor Pro Tem Castleberry

Approved Agenda with changes as noted above.

CARRIED UNANIMOUSLY

4. PUBLIC HEARINGS:

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

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

Mayor Mulhollem asked for motion to Open the Public Hearing.

There were no public comments.

Mayor Mulhollem asked for motion to Close the Public Hearing.

Moved by: Council Member Wilson

Seconded by: Council Member Jackson

Approved to Open Public Hearing.

CARRIED UNANIMOUSLY

Moved by: Council Member Wilson

Seconded by: Council Member Locklear

Approved to Close Public Hearing.

CARRIED UNANIMOUSLY

b) Proposed Annual Budget Ordinance for Fiscal Year 2019

Mayor Mulhollem asked for motion to Open Public Hearing.

There were no public comments.

Mayor Mulhollem asked for motion to Close Public Hearing.

Moved by: Council Member Jackson

Seconded by: Mayor Pro Tem Castleberry

Approved to Open Public Hearing.

CARRIED UNANIMOUSLY

Moved by: Mayor Pro Tem Castleberry

Seconded by: Council Member Jackson

Approved to Close Public Hearing.

CARRIED UNANIMOUSLY

5. DISCUSSION AND POSSIBLE ACTION ITEMS:

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

Mayor Mulhollem opened the floor for discussion. Council Member Wilson inquired if the proposed ordinance would replace the current ordinance. Bob Clark clarified that it is a replacement of the current ordinance and includes the required changes by FEMA.

The Approved 27-page Ordinance# AL2018-06-1 is on file in the clerk office. Page 1 and Adoption Certification page appears as follows:

Chapter 14
FLOOD DAMAGE PREVENTION ORDINANCE

Non-Coastal Phase

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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 Officer, Town Clerk, this the 4th day of June 2018.


Signature



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Moved by: Council Member Locklear

Seconded by: Council Member Jackson

Approved to Repeal Chapter 14 and Replace with Ordinance # AL2018-06-1 NC Flood Damage Prevention in Non-Coastal Areas.

CARRIED UNANIMOUSLY

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

Mayor Mulhollem open the floor for discussion. No discussion followed.

TJCOG's Amended Charter Resolution adopted on April 25, 2018 appears as follows:

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

DULY APPROVED THIS 4th DAY OF JUNE 2018
WHILE IN REGULAR SESSION.


Matthew B. Mulhollem, Mayor

ATTEST:


Kim P. Batten, Town Clerk



Moved by: Council Member Wilson

Seconded by: Mayor Pro Tem Castleberry

Adopted the Amended TJCOG's Charter Resolution as approved by the Triangle J Council of Government Board of Delegates on April 25, 2018.

CARRIED UNANIMOUSLY

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

Mayor Mulhollem began the discussion regarding the current contract expiring on June 30, 2018. He noted the two changes on the proposed contract were in the Section 6 (a) and Section 7. He mentioned the dates for the five-year contract begins July 1, 2018 and ends June 30, 2023. Council Member Bruton questioned placing an auto renewal clause in the proposed contract and Attorney Hewett advised that a five-year contract allows the Town a chance to evaluate the needs of the Fire Department every five years.

The Adopted Contract for the Provision of Fire Protection Services with the ALVFD beginning July 1, 2018 and ending June 30, 2023 appears as follows:

**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 I 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
Michael Medlin, President

Jody Chamblee
Jody Chamblee, Secretary

Date of Adoption: 06/04/18

TOWN OF ARCHER LODGE

By: Matthew B. Mulhollem
Matthew B. Mulhollem, Mayor

ATTEST: Kim P. Batten
Kim P. Batten, Town Clerk

Date of Adoption: 6/4/2018



Moved by: Council Member Jackson

Seconded by: Mayor Pro Tem Castleberry

Adopted the Five-Year Contract for the Provision of Fire Protection Services between the Town of Archer Lodge and the Archer Lodge Volunteer Fire Department for period beginning July 1, 2018 and ending June 30, 2023.

CARRIED UNANIMOUSLY

d) Discussion and Consideration of Approving the Service Agreement between the Town of Archer Lodge and N-Focus for FY19

Mayor Mulhollem open the floor for discussion. No discussion followed.

The Approved N-Focus Service Agreement for Fiscal Year 2019 appears as follows:

THIS AGREEMENT made the 4th day of JUNE, 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.

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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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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

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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]
Signature

6/4/2018
Date

MATTHEW B. MULHOLLEN, MAYOR
Printed name of authorized person signed above



Seal of Local Government

ATTEST:

[Signature]
Clerk to the governing board/council of
Local Government

6/4/2018
Date

PRE-AUDIT:

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

[Signature]
Finance Officer

6/4/2018
Date

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"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	
2018					
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	
2019					
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)	

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Moved by: Council Member Jackson
Seconded by: Mayor Pro Tem Castleberry

Approved Service Agreement between the Town of Archer Lodge and N-Focus for FY19.

CARRIED UNANIMOUSLY

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**

Mayor Mulhollem open the floor for discussion. Ms. Batten offered an explanation of the audit services and audit contract and noted that this is done annually. Discussion followed.

The Approved Letter of Engagement for May & Place, PA to audit financial records for Fiscal Year ending June 30, 2018 appears as follows:

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: *Kim P. Batten*

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

Date: 6/4/2018

Governance signature: *Matthew B. Mulhollem*

Name/Title: Matthew B. Mulhollem, Mayor

Date: 6-7-18



The Approved Audit Contract for fiscal year ending June 30, 2018 appears as follows:

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.

Contract to Audit Accounts (cont.)

Town of Archer Lodge

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

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 6/31/2018. 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

Contract to Audit Accounts (cont.)

Town of Archer Lodge

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

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://ncetreasureslglfd.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.

Contract to Audit Accounts (cont.)

Town of Archer Lodge

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

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 the 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/slgc/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

Contract to Audit Accounts (cont.)

Town of Archer Lodge

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

FEES – PRIMARY GOVERNMENT

AUDIT: \$ 4,425.00

WRITING FINANCIAL STATEMENTS: \$ 1,000.00

ALL 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/A

WRITING FINANCIAL STATEMENTS: \$ N/A

ALL 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. Mulhollem, Mayor

Mayor / Chairperson: Type or print name and title

Signature of Mayor/Chairperson of governing board

Date 6/4/2018

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"

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

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

Kim Batten

Primary Government Finance Officer Signature

Date 6/4/2018

(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)

JUNE 4, 2018

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.
4. Item No. 8 – If the process for invoice approval instructions changed, the Auditor should make sure he and his administrative staff are familiar with the current process. Instructions for each process can be found at the following link. <https://www.nettreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx>
5. Item No. 9 – Please note that the new fee section has been moved to page 5.
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.nettreasurer.com/slg/fmv/audit_pact/Pages/default.aspx select "audit fees"

Please call or email Lorna Hodge at 919-814-4299 lorna.hodge@nettreasurer.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?

Contract to Audit Accounts (cont.) Town of Archer Lodge

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

- For fees for services that are a combination of fixed and variable fees, are the services to be provided for the fixed portion of the fee clearly stated? Are the hourly rates or other rates clearly stated for the variable portion of the fee? (Note: See previous bullet point regarding variable fees.)
 - If there is to be no interim billing, please indicate N/A instead of leaving the line blank.
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.
9. Please place the date the Primary Government's Governing Board and the DPCU's Governing Board (if applicable) approved the audit contract in the space provided.
- a. Please make sure that you provide email addresses for the audit firm and finance officer as these will be used to communicate official approval of the contract.
 - b. Has the pre-audit certificate for the Primary Government (and the DPCU if applicable) been signed and dated by the appropriate party?
 - 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.
11. Has the most recently issued peer review report for the audit firm been included with the contract? This is required if the audit firm has received a new peer review report that has not yet been forwarded to us. The audit firm is only required to send the most current Peer Review report to us once – not multiple times.
12. After all the signatures have been obtained and the contract is complete, please convert the contract and all other supporting documentation to PDF. When submitting for approval send the documents as one PDF file to include the Audit contract, any applicable addendums, the engagement letter and Peer Review Report. Submit these documents using the most current submission process which can be obtained at the NC Treasurer's web site <https://www.nctreasurer.com/cg/Audit%20Form%20and%20Resources/Instructions%20for%20Contract%20Submission.pdf>
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.

Page 9 of 9

Moved by: Council Member Jackson
Seconded by: Council Member Bruton

Approved the Letter of Engagement for May & Place, PA to audit financial records for Fiscal Year ending June 30, 2018 and Approved the Audit Contract with May & Place, PA for Fiscal Year ending June 30, 2018.

CARRIED UNANIMOUSLY

f) Discussion and Consideration of Establishing a Bicycle & Pedestrian Plan Steering Committee & Appointing Members to the Bicycle & Pedestrian Plan Steering Committee

Bob Clark explained that a Steering Committee and a 10% match from the Town is required by NCDOT's agreement. The steering committee, which may meet 4 - 6 times, will consist of individuals from other agencies and organizations, people interested in parks and biking as well as people associated with the Town. Senior Planner Andy Thomas had contacted a list of supporters by asking for volunteers to serve on the Steering Committee, and he has had good responses. It's recommended that one or two Council and Planning Board members serve on the Steering Committee. He offered that the Planning Board had appointed Chairman Robert Davis and Member John Oglesby to serve on the committee, with Member Terry Barnes as an alternate.

Mr. Clark noted that the Town must submit a Contact Information form to NCDOT that includes a list of volunteers. Discussion followed.

Council Member Bruton and Council Member Jackson volunteered to serve on

the Steering Committee with Mayor Mulhollem serving as an alternate.

Moved by: Council Member Bruton

Seconded by: Council Member Jackson

Approved the following:

1. **Establish a Bicycle & Pedestrian Plan Steering Committee**
2. **Authorize Staff to submit the NCDOT Bicycle and Pedestrian Planning Grant Initiative 2018 - Contact Information form to NCDOT**
3. **Council Member Bruton and Council Member Jackson to serve on the Steering Committee with Mayor Mulhollem serving as an alternate.**

CARRIED UNANIMOUSLY

6. **TOWN ATTORNEY'S REPORT:**

- a) **Attorney Hewett advised Mayor and Council to be cautious when they text or email Town business on their personal devices due to public records laws in NC.**
-

7. **ADMINISTRATIVE CONSULTANT'S REPORT:**

- a) **Mr. Gobble advised Council Members of procedures that will need to be followed if the Town purchases land or expands Town Hall. They are as follows:**
- Loans are subject to approval by the Local Government Commission, which can be a long process.
 - Loans require Public Hearings.
 - Recommends the Public Hearing for Installment Financing of the Town Hall Expansion Project be held at the Council's Work Session scheduled for June 18, 2018.
 - Advised Council that the Town Hall Expansion Project was not critical if it interferes with the Archer Lodge Veteran's Memorial Site deadline of November 11, 2018 which also is Veteran's Day and the 100th Year Anniversary of the end of the First World War (Great War).

Attorney Hewett advised Council that he would not be in attendance at the June 18th meeting, but Attorney Marcus Burrell would attend in his absence.

Mayor Mulhollem asked for a motion to hold a Public Hearing on Installment Financing for the Town Hall Expansion Project at their Work Session on June 18, 2018. Discussion followed.

Moved by: Council Member Jackson

Seconded by: Mayor Pro Tem Castleberry

Approved to hold a Public Hearing on Installment Financing for the Town Hall Expansion Project at their Work Session on June 18, 2018.

CARRIED UNANIMOUSLY

8. **PLANNING/ZONING REPORT:**

- a) **Mr. Clark shared the following:**
- He commended the Town Council for repealing the current Chapter 14 Flood Damage Prevention Ordinance and replacing it with the updated NC Flood Plain Ordinance for Non-Coastal Areas.
 - He thanked the Planning Board for completing the Preliminary Plat Approval Procedures which are on the town's website.
 - He plans to inquire about drafting Non-Residential/Commercial Construction Guidelines for the Town of Archer Lodge.
 - He announced the next Planning Board Meeting is scheduled for Wednesday, July 18th unless otherwise notified.

9. VETERAN'S COMMITTEE REPORT:

- a) **No Report**
-

10. MAYOR'S REPORT:

- a) **Mayor Mulhollem announced that the Johnston County Board of Commissioners would be meeting June 20, 2018 regarding the County Budget as well as the Archer Lodge Fire District Tax and he anticipates hearing the outcome for the Archer Lodge Fire Department soon thereafter.**
-

11. COUNCIL MEMBERS' REMARKS:
(non-agenda items)

- a) **Council Member Wilson expressed his appreciation of the Town's budget consideration for the Archer Lodge Veteran's Memorial site. On April 12, 2015, the Archer Lodge Veteran's Committee established a dream to have the Veteran's Memorial in place by November 11, 2018, to commemorate the 100th Anniversary of the end of World War I. Mr. Wilson praised the ALVM Committee for raising over \$60,000 with the support of many. In closing, he commended all men and women who serve, have served, and made sacrifices for our country and further emphasized that the dollar amount donated to the memorial doesn't matter, but it does matter that you gave it with the intent to honor Veteran's.**
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- b) **Council Member Jackson commended Council Member Wilson for his tribute.**

Mr. Jackson shared information that he received at the NC Rural Day Event held on May 29, 2018, regarding broadband for rural areas, health in rural areas, economic development and other benefits. He enjoyed attending on behalf of the Town.

- c) **Council Member Locklear had no remarks.**
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- d) **Mayor Pro Tem Castleberry thanked the Archer Lodge Community Center for hosting the NCDOT Public Meeting held on May 14th which provided an update on the Covered Bridge Road and Buffalo Road Projects to all those attending. He further shared that the Johnston County Economic Development Board is working on getting a new website and their projects to date in 2018 exceed all the projects in 2017.**
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- e) **Council Member Bruton shared that she was not able to attend the NC Rural Day Event due to other obligations. She enjoyed Clayton's Town Hall Event on May 23, 2018 which provides the opportunity to fellowship with other counterparts. She recommended that all board members make plans to attend future events.**
-

12. CLOSED SESSION:

- a) **Per the Amended Agenda, Attorney Hewett advised Council to enter**

into Closed Session to discuss the acquisition of real property as permitted by § 143-318.11(a)(5). He further noted the property being discussed was the Smith parcel located on Castleberry Road for a potential Public Park and Recreational use.

Moved by: Council Member Wilson

Seconded by: Council Member Jackson

Approved to enter into Closed Session.

CARRIED UNANIMOUSLY

Moved by: Council Member Wilson

Seconded by: Council Member Jackson

Approved to return to Open Session.

CARRIED UNANIMOUSLY

13. RECONVENED OPEN SESSION:

- a) **Mayor Mulhollem called a Special Meeting scheduled for Monday, June 11, 2018 for the Purpose of Discussion and Possible Consideration of Land Acquisition.**

No further discussion.

Moved by: Council Member Jackson

Seconded by: Council Member Locklear

Approved to hold a Special Meeting on Monday, June 11, 2018 at 6:30 p.m. for the Purpose of Discussion and Possible Consideration of Land Acquisition.

CARRIED UNANIMOUSLY

14. RECESSED MEETING:

- a) **Mayor Mulhollem asked for a motion to Recess the meeting until Monday, June 25, 2018 at 6:30 p.m.**

No Further Business

Moved by: Mayor Pro Tem Castleberry

Seconded by: Council Member Jackson

Approved to Recess Meeting at 9:31 p.m.

CARRIED UNANIMOUSLY

15. MEETING RECONVENED JUNE 25, 2018

Council Present: Mayor Mulhollem, Mayor Pro Tem Castleberry, Council Member Bruton, Council Member Jackson, Council Member Locklear, Council Member Wilson

Staff Present: Administrative Consultant C. L. Gobble, Attorney Chip Hewett, Finance Officer/Town Clerk Kim P. Batten

- a) **Mayor Mulhollem called the June 4, 2018 reconvened meeting to order at 6:32 p.m. in the Jeffrey D. Barnes Council Chambers and declared a quorum was present.**

Upon reconvening, Mayor Mulhollem noted that the next item of business on the June 4th Agenda was **ADJOURNMENT** since no business item was added following the CLOSED SESSION when the Agenda was Amended in item #3.

16. ADJOURNMENT:

- a) **No Further Business**

Moved by: Council Member Wilson
Seconded by: Council Member Locklear

**Adjourned the June 4, 2018 Regular Council meeting at 6:34 p.m. on
Monday, June 25, 2018.**

CARRIED UNANIMOUSLY



Matthew B. Mulhollem, Mayor



Kim P. Batten, Town Clerk

