



Regular Council - Minutes Monday, August 2, 2021

COUNCIL PRESENT:

Mayor Mulhollem
Mayor Pro Tem Castleberry
Council Member Bruton (Remotely)
Council Member Jackson
Council Member Purvis
Council Member Wilson

STAFF PRESENT:

Mike Gordon, Town Administrator
Marcus Burrell, Town Attorney
Julie Maybee, Town Planner
Kim P. Batten, Finance Officer/Town Clerk

COUNCIL ABSENT:

GUEST PRESENT:

Bruce Naegelen, Community Eco. Dev. Planner
Grant Bazemore, Boy Scout Troop 421

1. WELCOME/CALL TO ORDER:

a) Invocation

Mayor Mulhollem called the meeting to order at 6:31 p.m. in the Jeffrey D. Barnes Council Chambers located at 14094 Buffalo Road, Archer Lodge, NC and declared a quorum present. Council Member Jackson offered the invocation.

b) Pledge of Allegiance

Grant Bazemore, Boy Scout Troop 421, led in the Pledge of Allegiance to the US Flag.

2. APPROVAL OF AGENDA:

a) No changes or additions.

Moved by: Council Member Wilson
Seconded by: Council Member Jackson

Approved Agenda.

CARRIED UNANIMOUSLY

3. OPEN FORUM/PUBLIC COMMENTS:

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

a) No Public Comments.

4. RECOGNITION/PRESENTATION:

- a) **Archer Lodge Retail Leakage Analysis ~ Bruce Naegelen, Community Economic Development Planner, NC Dept. of Commerce, Rural Economic Development**

Ms. Maybee introduced Mr. Bruce Naegelen, NC Dept. of Commerce, Rural Economic Development. She handed out copies of his presentation for Market & Retail Leakage Analysis.

The Market & Retail Leakage Analysis Presentation for the Town of Archer Lodge appears as follows:



The Rural Planning Center works with municipalities, county governments & other organizations in rural areas.

We help communities prepare for and respond to economic growth opportunities in ways that improve quality of life & prosperity, build community capacity & maintain rural character.

NORTH CAROLINA DEPARTMENT OF COMMERCE

2

Rural Planning Services & Assistance

Strategic Planning

- Assistance in creating local economic development strategies
- Identification of economic development opportunities

Implementation Services

- Assistance with implementing community economic development strategies
- Resource identification

Technical Support

- Assistance with a range of community and economic development needs
- Community specific assistance

Training and Education

- Research, training and information services
- Capacity building

NORTH CAROLINA DEPARTMENT OF COMMERCE

3

AUGUST 2, 2021

REGULAR COUNCIL MEETING

Page 2 of 22

Town of Archer Lodge

North Carolina



Market & Retail Leakage Analysis

2021





For the Town of Archer Lodge by the
North Carolina Department of Commerce
Rural Economic Division
NC Main Street and Rural Planning Center



Presentation: August 2, 2021

NORTH CAROLINA DEPARTMENT OF COMMERCE4

Introduction





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COMMERCE



NC MAIN STREET & RURAL PLANNING CENTER

Background

Trade Area Description

Demographics Summary

Retail Sales Leakage Analysis

Introduction





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NC MAIN STREET & RURAL PLANNING CENTER

Johnston County growth rate (24%)
twice of NC 2010-2019

Increasing development pressure
from all directions

"A commercial town center plays an
important & unique role in economic
and social development"

Lack of sewer infrastructure can be
the "greatest barrier to future
economic growth, creation of jobs
and expansion of tax base"



Primary Trade Area – Red

Secondary Trade Area - Green

Trade Areas are the contiguous geographic area around a site that generates most of the customers...

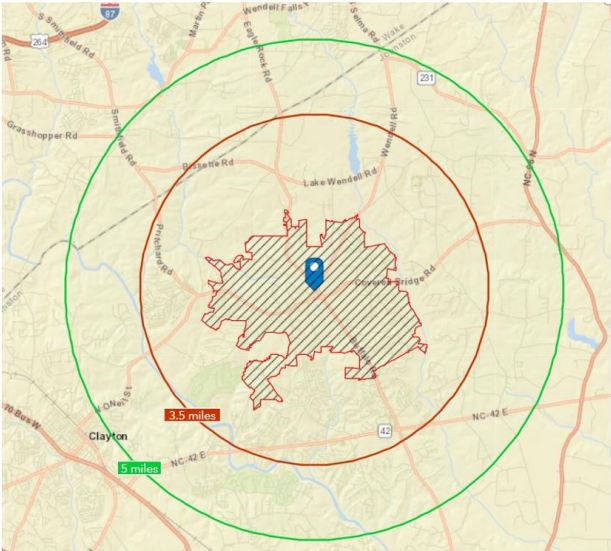


Table 1 Archer Lodge & Trade Areas¹

Archer Lodge	Johnston County	NC	Trade Areas	
			Primary (0-3.5 miles)	Secondary (0-5 miles)
4,717	213,644		Population	21,019
1,643	78,027	4,215,488	Households	7,313
2.87	2.72	2.48	Household Size (average)	2.87
			Income	
\$79,855	\$59,516	\$54,889	Median HH Income	\$81,088
\$93,772	77,482	\$78,915	Average HH Income	\$96,391
\$31,840	28,310	\$31,145	Per Capita Income	\$33,116
\$62,221	\$48,979	\$60,350	Disposable Income (median)	\$63,016
\$73,386	\$60,871	\$44,817	Disposable Income (average)	\$74,915
			Race	
80.8%	71.0%	65.8%	White	81.8%
10.3%	16.4%	21.7%	Black	10.2%
9.2%	14.5%	10.0%	Hispanic Origin	8.6%
44.7	60	60.5	Diversity Index ²	42.6
34.9	37.8	38.9	Median Age	36.2
			Housing	
\$200,313	\$173,943.00	\$187,915	Home Value (median)	\$217,741
89.8%	68.5%	55.7%	Owner Occupied Housing	86.9%
6.3%	22.9%	30.8%	Renter Occupied Housing	7.3%
3.9%	8.6%	13.6%	Vacant Housing	5.8%
			Education	
15.3%	23.8%	21.0%	High School Grad	19.8%
27.2%	16.9%	20.9%	Bachelor's degree	27.9%
9.4%	6.8%	11.7%	Graduate or Prof. degree	10.8%
			Employment	
61.7%	60.6%	60.3%	White-collar	65.1%
18.9%	15.2%	16.7%	Service	16.4%
19.4%	24.2%	23.0%	Blue-collar	18.4%

Retail Sales Leakage

NAICS	RETAIL LEAKAGE INDUSTRY GROUP	PRIMARY TRADE AREA	SECONDARY TRADE AREA
441	Motor Vehicles & Parts Dealers	\$41,758,832	\$53,281,086
442	Furniture & Home Furnishings Stores	\$3,408,341	\$4,982,081
443	Electronics & Appliance Stores	\$3,743,778	\$5,406,998
444	Bldg Materials, Garden Equip., & Supply Stores	\$11,500,922	\$13,259,361
445	Food & Beverage Stores	\$5,714,933	\$10,878,491
446	Health & Personal Care Stores	\$4,133,612	\$5,740,005
447	Gasoline Stations	\$20,935,258	\$31,784,555
448	Clothing & Clothing Accessories Stores	\$10,360,714	\$15,021,570
451	Sporting Goods, Hobby, Book & Music Stores	\$3,076,930	\$4,618,971
452	General Merchandise Stores	\$34,129,347	\$46,503,002
453	Miscellaneous Store Retailers	\$3,910,043	\$5,658,262
722	Food Services & Drinking Places	\$24,336,086	\$31,473,820
	Total Leakage	\$167,008,796	\$228,608,202
	Less Motor Vehicles	\$125,249,964	\$175,327,116



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Retail Sales Potential

RETAIL POTENTIAL*	PRIMARY TRADE AREA	SECONDARY TRADE AREA
Groceries	\$39,264,558	\$63,331,849
Vehicle Purchases	\$36,914,652	\$59,670,780
Meals	\$30,454,287	\$49,325,498
Automotive Fuels	\$21,688,731	\$34,898,794
Health Cosmetics	\$12,860,283	\$20,847,177
Automotive Aftermarket	\$8,184,499	\$13,228,571
Building Materials	\$7,285,842	\$11,829,564
Miscellaneous Goods	\$6,986,333	\$11,365,090
Women's Apparel	\$6,143,783	\$9,982,910
Pets and Pet Supplies	\$5,572,544	\$9,011,199
Furniture/Sleep	\$5,071,293	\$8,258,056
Sporting Goods	\$4,526,897	\$7,391,087
Footwear	\$3,860,850	\$6,247,376
Men's Apparel	\$3,651,678	\$5,934,243
Paper Goods	\$3,642,192	\$5,883,570
Misc. Housewares	\$3,502,896	\$5,675,801
Children's Apparel	\$3,500,280	\$5,656,793
Tobacco	\$2,889,470	\$4,626,183
Garden/Nursery	\$2,882,880	\$4,692,319
Package Liquor	\$2,741,521	\$4,461,406

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Retail Sales Potential

RETAIL POTENTIAL*	PRIMARY TRADE AREA	SECONDARY TRADE AREA
Major Appliances	\$2,660,641	\$4,316,478
Laundry / Cleaning	\$2,614,935	\$4,238,861
Alcoholic Beverages	\$2,258,543	\$3,674,912
Computer Hardware/Softw	\$2,106,041	\$3,415,606
Small Appliances	\$2,094,396	\$3,393,127
Television/Video Equipme	\$1,821,885	\$2,940,174
Jewelry	\$1,523,961	\$2,497,543
Toys/Games/Hobbies	\$1,420,377	\$2,293,260
Books	\$1,294,281	\$2,117,729
Audio Equipment	\$1,190,025	\$1,927,708
Home Fuels	\$1,159,549	\$1,880,526
Paint & Wallpaper	\$1,079,088	\$1,751,807
Household Textiles	\$1,069,340	\$1,731,905
Flooring/Carpeting	\$1,061,974	\$1,728,962
Photography	\$804,961	\$1,310,882
Optical	\$692,219	\$1,121,774
Tools	\$622,341	\$1,008,232
Sewing Materials/Notions	\$347,165	\$568,213
Automotive Lubricants	\$204,351	\$329,979
Total Potential	\$276,147,247	\$447,082,142



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Possible Next Steps



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NC MAIN STREET & RURAL PLANNING CENTER
DEPARTMENT OF COMMERCE

Determine if a commercial town center/downtown district is desired

Determine where it could be located

Determine infrastructure needs

Establish Design Guidelines for buildings and mixed use



Discussion followed.

Ms. Maybee thanked Mr. Naegelen for his presentation and noted that it was very informative, and shows great potential for the Town. She will be forwarding Council Members a detailed copy of the report which can assist with a five-year strategic plan with hopes to create jobs for Archer Lodge citizens.

Mayor Mulhollem thanked Ms. Maybee and Mr. Naegelen for the presentation. He added that the tremendous numbers in the analysis reminds everyone how important planning and sewer affects the Town.

5. DISCUSSION AND POSSIBLE ACTION ITEMS:

a) Discussion and Consideration of Scheduling a Groundbreaking for the Archer Lodge Town Park

Mr. Gordon shared that the Town Park Bid Opening will be held Thursday, August 12, 2021 at 2:00 p.m. with plans to move dirt within a 30-to-60-day period. He proposed holding a Park Groundbreaking on Sunday, September 12th, or 19th, 2021.

Mayor Mulhollem noted that he was glad the Town is at the stage for a groundbreaking and would like to set a date that would work for Mr. and Ms. George Smith (prior landowners), so they are available to attend. He added that he would like to invite NC Representative Donna White and former Senator Rick Horner due to them being instrumental in helping the Town acquire the park land.

It was a consensus of the Council to hold the ceremony on Sunday, September 12, 2021, at 3:00 p.m. Discussion followed.

b) Discussion and Consideration of Engaging May & Place, PA to Audit Financial Records and Approving the Audit Contract for Fiscal Year June 30, 2021.

Ms. Batten reminded Council that this is an annual process to engage/approve an audit firm for an audit contract. Ms. Batten recommended approving May & Place, PA to continue with their five-year contract. Having no further discussion, Mayor Mulhollem called for a motion to approve the Letter of Engagement and Audit Contract with May & Place, PA for Fiscal Year ending June 30, 2021.

The Approved Letter of Engagement with May & Place, PA to Audit Financial Records for Fiscal Year ending June 30, 2021 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

July 16, 2021

To the Honorable Mayor and Town Council Members
14084 Buffalo Road
Archer Lodge, 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, 2021. 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, 2021. 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.
- 2) Local Government Employees' Retirement System's Schedule of the Proportionate Share of the Net Pension Liability and Contributions.

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 perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste and 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, an unavoidable risk exists that some 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. 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 25, 2021, and to issue our reports no later than October 31, 2021. 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 \$6,000.00 plus \$5,000 for each federal and/or State major programs as defined by Uniform Guidance and/or the NC Single Audit Implementation Act for the audit and \$4,500.00 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: *[Signature]*

Title: Town Administrator

Date: August 2, 2021

Governance signature: *[Signature]*

Title: Mayor

Date: August 2, 2021

The Approved Audit Contract with May & Place, PA for Fiscal Year ending June 30, 2021 appears as follows:

LGC-205

CONTRACT TO AUDIT ACCOUNTS

Rev. 11/2020

The

Governing Board

Town Council

of

Primary Government Unit (or charter holder)

Town of Archer Lodge

and

Discretely Presented Component Unit (DPCU) (if applicable)

N/A

Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)

and

Auditor Name

May & Place, PA

Auditor Address

PO Box 900 Louisburg, NC 27549

Hereinafter referred to as Auditor

for

Fiscal Year Ending

06/30/21

Audit Report Due Date

10/31/21

Must be within four months of FYE

hereby agree as follows:

1.

The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).

2.

At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with GAAS. 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 requires a federal single audit performed under the requirements found in Subpart F of the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

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).

Page 1

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.
5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.
- If the audit engagement is not subject to *Government Accounting Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.
6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC Staff within four months of fiscal year end. 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 GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.
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 (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.
9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.)(G.S. 159-34 and 115C-447) All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to

the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).

11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit Report Reissued Form (available on the Department of State Treasurer website). These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the

Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to charter schools or hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 28 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

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

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

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to charter schools or hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

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

22. **Retention of Client Records:** Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

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

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

27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and Governmental Auditing Standards, 2018 Revision (as applicable). 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. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The auditor shall present the audited financial statements including any compliance reports to the government unit's governing body or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary. The auditor's presentation to the government unit's governing body or audit committee shall include:

- a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;
- b) the status of the prior year audit findings;
- c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
- d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern.

30. Applicable to charter school contracts only: No indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions.

31. 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).

32. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit>

33. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

34. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

FEEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Governmental Auditing Standards, 2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor, contracts presented to the LGC without this information will be not be approved.

Financial statements were prepared by: ☒ Auditor ☐ Governmental Unit ☐ Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

Name:	Title and Unit / Company:	Email Address:
Kim P. Batten	Finance Officer/Town Clerk	kim.batten@archerlodgenc.gov

OR Not Applicable ☐ (Identification of SKE Individual not applicable for GAAS-only audit or audits with FYEs prior to June 30, 2020.)

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.

3. 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 billings for the last annual audit of the unit submitted to the Secretary of the LGC. Should the 75% cap provided below conflict with the cap calculated by LGC Staff based on the billings on file with the LGC, the LGC calculation prevails. All invoices for services rendered in an audit engagement as defined in 20 NCAC .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

PRIMARY GOVERNMENT FEES

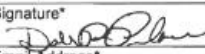
Primary Government Unit	Town of Archer Lodge
Audit Fee	\$ 6,000.00
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$ 5,000.00
Writing Financial Statements	\$ 4,500.00
All Other Non-Attest Services	\$
75% Cap for Interim Invoice Approval (not applicable to hospital contracts)	\$ 7,875.00

DPCU FEES (if applicable)

Discretely Presented Component Unit	N/A
Audit Fee	\$
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$
75% Cap for Interim Invoice Approval (not applicable to hospital contracts)	\$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm*	
May & Place, PA	
Authorized Firm Representative (typed or printed)*	Signature*
Dale Place	
Date*	Email Address*
07/16/21	dale@mayandplace.com

GOVERNMENTAL UNIT

Governmental Unit*	
Town of Archer Lodge	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S. 159-34(a) or G.S. 115C-447(a))	
Mayor/Chairperson (typed or printed)*	Signature*
Matthew B. Mulhollem	
Date	Email Address
8-2-2021	matt.muhollem@archerlodgenc.gov

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

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).
Not applicable to hospital contracts.

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

Primary Governmental Unit Finance Officer* (typed or printed)	Signature*
Kim P. Batten	
Date of Pre-Audit Certificate*	Email Address*
8/2/2021	kim.batten@archerlodgenc.gov

LGC-205

CONTRACT TO AUDIT ACCOUNTS

Rev. 11/2020

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

DPCU*	
N/A	
Date DPCU Governing Board Approved Audit Contract* (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

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

DPCU – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).
Not applicable to hospital contracts.

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

DPCU Finance Officer (typed or printed)*	Signature*
Date of Pre-Audit Certificate*	Email Address*

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



Page 9

Moved by: Council Member Jackson
Seconded by: Council Member Purvis
Approved Letter of Engagement and Audit Contract with May & Place, PA to Audit Financial Records for Fiscal Year Ending June 30, 2021.
CARRIED UNANIMOUSLY

c) Discussion and Consideration of Adopting Resolution# AL2021-08-02 Authorizing the Town Administrator to Award an Informal Construction Contract for the Archer Lodge Town Park

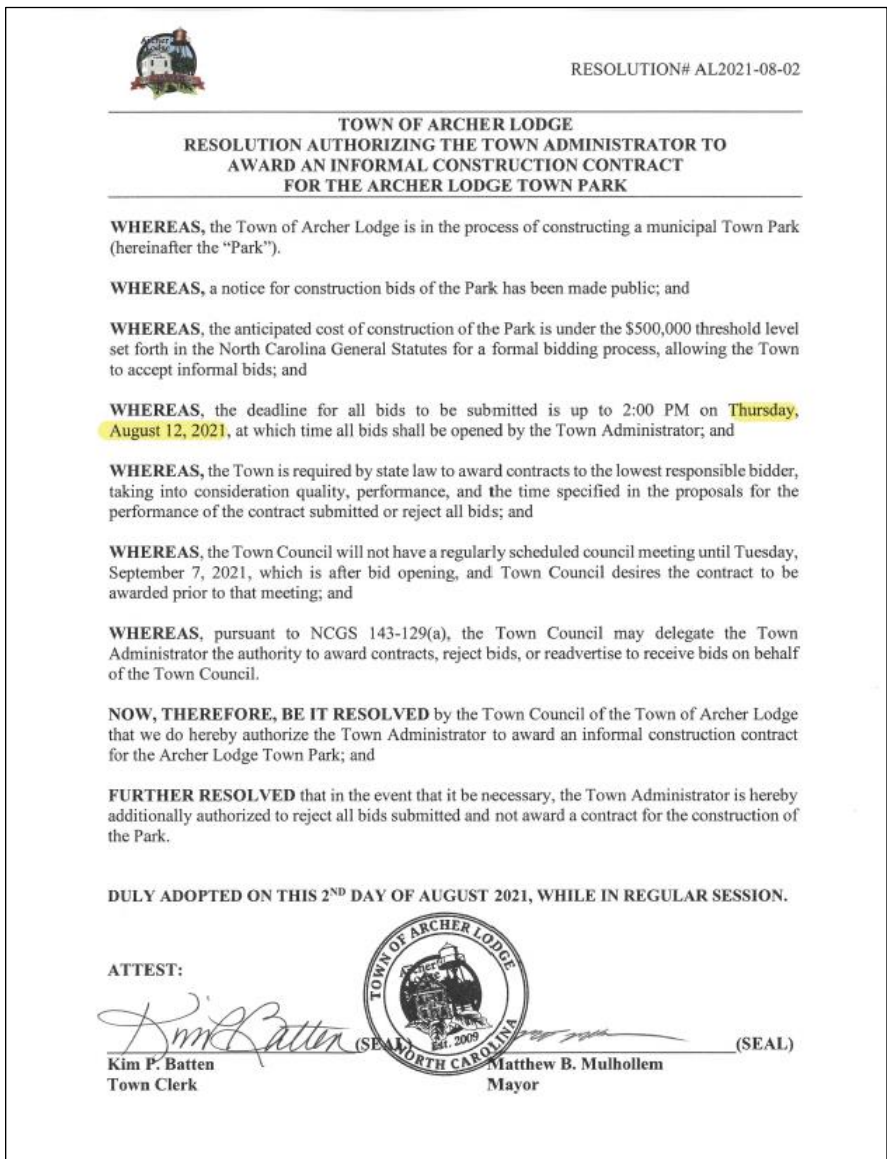
- Mr. Gordon discussed the following:
- Explained the definition of an informal bid versus a formal bid and noted that this bid is only for grading the Town Park as related to the PARTF Grant.
 - Informed that the Bid Opening will be held Thursday, August 12, 2021, at 2:00 p.m. and is opened to the public and he invited everyone to attend.
 - This Resolution will eliminate a delay of getting the grading project underway by allowing the Town Administrator the authority to approve a contract without having to wait until the next Town Council Meeting for approval.
 - The ballfield construction will be on the next bids that will be sent out.

The Mayor read the proposed Resolution# AL2021-08-02.

Mayor Mulhollem opened the floor for questions or comments. Correction was noted on the Resolution from Monday, August 12, 2021, to Thursday, August 12, 2021.

Mayor Mulhollem called for a motion.

The adopted/corrected Resolution# AL2021-08-02 Authorizing the Town Administrator to Award an Informal Construction Contract for the Archer Lodge Town Park appears as follows:



Moved by: Council Member Wilson
Seconded by: Mayor Pro Tem Castleberry
Adopted Resolution# AL2021-08-02 Authorizing the Town Administrator to Award an Informal Construction Contract for the Archer Lodge Town Park to include changing the day on the Resolution for bids to be submitted from Monday, August 12, 2021 to Thursday, August 12, 2021.
CARRIED UNANIMOUSLY

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

a) **Attorney Burrell shared the following:**

- Ms. Maybee and himself have been reviewing the UNC School of Government ***"Rules of Procedure,"*** that was shared with Council at the July 12, 2021 Regular Town Council Meeting.
- Encouraged Council to provide changes/recommendations and share those with Ms. Batten or Ms. Maybee.
- Informed that Staff prefers adoption of the ***"Rules of Procedure"*** by the November 1, 2021, Regular Town Council Meeting.
- Advised that if adopted, the procedures would be for all Town Boards and any new incoming members.

7. TOWN ADMINISTRATOR'S REPORT:

a) Mr. Gordon reported the following:

- Ms. Batten and himself met with Rich Cappola, Clayton Interim Town Manager, and was advise that the Town of Clayton is still working on the possibility for the Town to have access to sewer capacity.
 - The Archer Lodge Community Center has planned a Christmas Parade and Celebration to be held on Saturday, December 4, 2021 and noted that he will be securing a Christmas Float for the Town.
 - Ms. Batten added to the discussion regarding the meeting with Mr. Cappola with the following comments:
 - Regarding the July 4, 2020 Celebration Event, Mr. Cappola shared that the Town of Clayton would like to piggy-back with the Town of Archer Lodge in providing an all-day July 4th Celebration, with the Town of Clayton holding a daytime event and the Town of Archer Lodge providing the Fireworks Celebration in the evening, which would help with limited parking in Archer Lodge.
 - She expressed appreciation to Mr. Cappola for the Town of Clayton providing an Animal Control Officer for the Town of Archer Lodge.
 - She added that she informed Mr. Cappola that the Animal Control fees were contracted to be reviewed by the Town of Clayton annually and advised him that she did not think that it was being reviewed. Ms. Batten informed him that the Town of Archer Lodge wants to pay its' fair share of the animal control expenses.
-
-

8. PLANNING/ZONING REPORT:

a) Planning | Zoning | Projects | Updates

Ms. Maybee shared the following:

- Continuing to issue permits electronically and it is streamlining the customer service process very well.
 - Ms. Lawhorn is entering past Zoning Permits into the permitting software database, which will help in getting accurate reports.
 - Issued a couple of exempt subdivision plats in July 2021.
 - Working with a developer on residential development located in a watershed area and complies with the ordinance provisions.
 - Continuing to work on updating the Comprehensive Land Use Plan.
 - Reviewing the Rules of Procedure with Attorney Burrell.
-

b) Code Enforcement

Ms. Maybee reported the following for July 2021:

- Shared the Animal Control Report for July 2021 reported by Kerry Barnes, Animal Control Officer.
- Tall grass, contamination, and trees obstructing view violations were addressed.

c) CAMPO Update

Ms. Maybee reported the following:

- The next NC Capital Area Metropolitan Planning Organization (CAMPO) meeting will be held Thursday, August 5, 2021, at 10:00 a.m. virtually.
 - Looking to update the Southeast Area Study (SEAS).
 - Audited by the Federal Government.
-

9. MAYOR'S REPORT:

- a) **Mayor Mulhollem thanked Mayor Pro Tem Castleberry for presiding over the Monday, July 12, 2021 Regular Town Council Meeting in his absence.**
-

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

- a) **Council Member Wilson had no remarks.**
-
- b) **Council Member Jackson had no remarks.**
-
- c) **Mayor Pro Tem Castleberry shared that there is two large potholes on the highway near his Mother's home and Lee Heating & Air Conditioning that could cause a serious accident. He asked Ms. Maybee for a NCDOT contact to report them.**
-
- d) **Council Member Purvis had no remarks.**
-
- e) **Council Member Bruton shared that current bids for NCDOT are at 70% above the estimates. She hopes that the Town Park bids will come in good, if not, she hopes that an extension with the PARTIF Grant will be allowed due to the COVID Pandemic. She encouraged everyone to stay abreast of the situation.**
-

11. ADJOURNMENT:

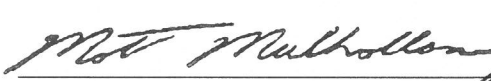
- a) Having no further business, Mayor Mulhollem asked for a motion to adjourn meeting.

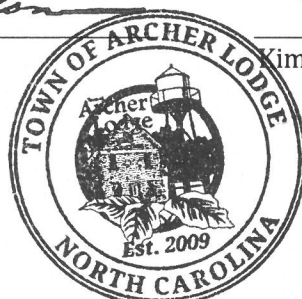
Moved by: Council Member Wilson

Seconded by: Council Member Jackson

Adjourned meeting at 7:39 p.m.

CARRIED UNANIMOUSLY


Matthew B. Mulhollem, Mayor




Kim P. Batten, Town Clerk