Agenda Packet - DRAFT
Village of Clemmons Council
Regular Meeting

April 24, 2023
AGENDA
REGULAR MEETING OF THE
VILLAGE OF CLEMMONS COUNCIL
APRIL 24, 2023 at 6:00 p.m.

I. Call to Order & Pledge of Allegiance – Mayor Rogers

II. Public Comments

III. Minutes - Approval of Minutes – April 10, 2023 Regular Meeting

IV. Changes and/or Approval of the Agenda

V. Announcements
A. Special Meeting – Village of Clemmons Council (Budget Workshop) – Monday, May 8, 2023 at 3:00pm

VI. Business – Action Items
A. Call for Public Hearings
1. Zoning Map Amendment of real property owned by AAA Storage Management #28, LLC from GB-S to GB-S (General Business – Special) addressed 2225 Lewisville-Clemmons Road, described by Forsyth County Register of Deeds in Book 3542 page 4034 containing a total of 2.768± acres (Zoning Docket C-252)

2. Zoning Map Amendment of real property owned by Bing-Merr Properties, LLC from LO-S to PB-S (Pedestrian Business – Special) addressed 3725 and 3729 Clemmons Road, described by Forsyth County Register of Deeds in Book 3336 page 2472 containing a total of 2.93± acres (Zoning Docket C-253)

3. Zoning Text Amendment to amend multiple sections in Chapter A and Chapter B of Unified Development Ordinances (Zoning Docket UDO-89)

B. Resolution 2023-R-2 Declaring May 2023 as Historic Preservation Month in Clemmons

C. Contracts & Agreements
1. Gibson & Company, P.A. for Audit Services
2. EB-5960 & EB-6040 Harper Road Sidewalk Projects Contract

Business – Information/Review Items for Future Action
D. Marketing & Communications Director’s Report / Events Update
- Opening Day of the Clemmons Farmers Market is Saturday, April 29th at Jerry Long YMCA from 8:30am – 2:00pm in conjunction with Clemmons Community Day
- Clemmons Community Cleanup will be held Saturday, May 6
- Coffee with a Cop will be held on Tuesday, May 16 from 9-10am at Village Hall

Details are available on the Village website and Facebook page regarding all our events.

E. Manager’s Report
1. FCSO’s Drone as a First Responder Presentation
2. Historic Resources Commission’s 2022 Annual Report Presentation
3. School Traffic Update
F. Stormwater Quarterly Update

G. Attorney’s Report
   1. Resolution 2023-R-1 Opposing SB 317 Proposed Legislation Amending Village Control Over
      Certain Subdivisions Styled “Workforce Housing” and Efforts to Weaken Local Zoning

H. Council Comments

VII. Adjournment

https://us02web.zoom.us/j/81638683169?pwd=bUtgb3p2NEdGV1ZiTVk4WGRNVHZsdz09
Meeting ID: 816 3868 3169       Passcode: 160614
The Village of Clemmons Council met on Monday, April 10, 2023, at 6 p.m. The meeting was held at the Village Hall, Clemmons, North Carolina. The following members were present: Mayor Pro Tempore Barson, Council Members Cameron, Combest, Taylor and Wrights. Attorney Al Benshoff was also present. Mayor Rogers was absent.

Call to Order & Pledge of Allegiance
Mayor Pro Tempore Barson called the meeting to order at 6:00 p.m. and led the Pledge of Allegiance.

Public Comments
There were 11 citizens in attendance. There were no individuals that spoke during public comments.

Approval of the Minutes
Council Member Cameron moved to approve the minutes of the March 27, 2023 regular meeting as presented. The motion was seconded by Council Member Taylor and unanimously approved.

Approval of the Agenda
Council Member Cameron moved to approve the agenda as presented. The motion was seconded by Council Member Taylor and unanimously approved.

Announcements
Mayor Pro Tempore Barson and Stormwater Tech II Harrison recognized the Clemmons Community Spring Cleanup T-shirt Design Winner, Miller Obyrne (5th grade student at Clemmons Elementary School) by presenting her with a certificate and a numbered Hattie Butner Stagecoach print. Her family along with her teacher and principal were in attendance.

Business – Action Items
A. **Public Hearing – Zoning Text Amendment to amend multiple sections in Chapter B Zoning Ordinance of the Unified Development Ordinances (C-UDO-88)**
   Planner Moore advised Council this text amendment is a revamping of the former sign ordinance with added graphics to make it easier to read and understand. He stated Planning Board heard this text amendment as their March meeting and recommended denial as there were some portions not included as far as the definitions (which will be presented in C-UDO-89 at Planning Board’s upcoming April meeting).

   Mayor Pro Tempore Barson opened the public hearing.

   There were no Proponents or Opponents signed up to speak.
Council Member Taylor made a motion to Continue the Public Hearing on Zoning Text Amendment to amend multiple sections in Chapter B Zoning Ordinance of the "Unified Development Ordinances (C-UDO-88)" to Monday, May 8, 2023 at 6pm at Village Hall and remand it back to Planning Board for their April 18, 2023 meeting. The motion was seconded by Council Member Cameron and unanimously approved.

**Business – Review and Items for Future Action**

**B. Marketing & Communications Director’s Report/Events Update.**
- **Pedal and Metal Fest** will be held Saturday, April 15th from 11:30am–2:00pm at Morgan Elementary
- **Coffee with a Cop** will be held on Tuesday, April 18th from 9am-10am at Dog-Eared Coffee Co.
- **E-Recycle** will take place at the Public Works facility on Saturday, April 22nd from 9am-3pm
- Opening Day of the **Clemmons Farmers Market** is Saturday, April 29th at Jerry Long YMCA from 8:30am-2pm coinciding with Clemmons Community Day Details are available on the Village website and Facebook page regarding all our events.

**C. Manager’s Report.**
1. **Upcoming Citizen Board Openings** – Clerk Shortt advised Council of the upcoming citizen board openings which include three seats on the Planning Board and one regular and one alternate seat on the Zoning Board of Adjustment (all with terms expiring June 30, 2026). She advised that advertising has begun with the deadline for applications being May 31, 2023.

2. **NCLM Voting Delegate – Board of Directors** – Clerk Shortt advised of a voting delegate needed to cast a vote for the 2023-2024 League Board of Directors in advance of their annual business meeting which will be held April 25-27, 2023.

Council Member Taylor made a motion to nominate Mayor Mike Rogers as the NCLM Voting Delegate for their Board of Directors. The motion was seconded by Council Member Cameron and unanimously approved.

3. **FCSO Contract Discussion** – Manager Gunnell presented an incomplete draft of the FCSO contract for Council to begin to review for initial budget prep. There are a few pieces of the contract we are awaiting, and the complete contract will be presented once received.

**D. Attorney’s Report.**
1. **Resolution 2023-R-1 Opposing SB 317 Proposed Legislation Amending Village Control Over Certain Subdivisions Styled “Workforce Housing”**

Plan Update – Attorney Benshoff presented a draft resolution opposing SB 317 to Council for their review and consideration. Council Member Combest read a statement (attached hereto as Exhibit A and incorporated as a part of the minutes). He recommended the resolution be more hard
hitting and strident with the language conveying intense opposition. Council Member Cameron stated this proposed legislation usurps all authority and it is not about what is going to happen but how it’s going to happen. Council Member Taylor suggested sharing the resolution with other municipalities, public press, and media. Council Member Wrights agreed with what everyone stated.

Council consensus was to direct Attorney Benshoff draft another resolution and send it for review and consideration at the next meeting.

E. **Council Comments** – there were none.

F. **Closed Session for Discussion of Property Acquisition in accordance with NCGS 143-318.11(a)(5)** - Council Member Cameron moved to go into closed session for Discussion of Property Acquisition in accordance with NCGS 143-318.11(a)(5) at 6:35 p.m. The motion was seconded by Council Member Taylor and unanimously approved.

At 7:10 p.m., Mayor Pro Tempore Barson stated that by unanimous vote Council chose to reconvene the open session with no action taken.

**Adjournment**
Council Member Cameron moved to adjourn the meeting at 7:10 p.m. The motion was seconded by Council Member Taylor and unanimously approved.

__________________________________
Michelle Barson
Mayor Pro Tempore

ATTEST:

__________________________________
Lisa Shortt, NCCMC
Village Clerk
RESOLUTION DECLARING HISTORIC PRESERVATION MONTH IN CLEMMONS, NORTH CAROLINA
MAY 2023

WHEREAS, the Village of Clemmons joins cities and counties across the United States in a nationwide celebration of Historic Preservation Month, and;

WHEREAS, historic preservation is an effective tool for economic development, tourism promotion, revitalizing neighborhoods, fostering local pride, and maintaining community character while enhancing livability; and

WHEREAS, historic preservation is relevant for all communities across the nation, both urban and rural, and for all neighborhoods and citizens all over the Village of Clemmons; and

WHEREAS, it is important to celebrate the role of history in our lives and the contributions made by dedicated individuals in helping to preserve the tangible aspects of the heritage that has shaped us as a people; and

WHEREAS, Historic Preservation Month is co-sponsored by the Forsyth County Historic Resources Commission and other local preservation and neighborhood organizations throughout Forsyth County, and

WHEREAS, these organizations encourage members of the community to participate in creative and fun events related to historic preservation as a way to celebrate Preservation Month 2023, and

WHEREAS, there are over thirty events scheduled in Forsyth County for citizens to attend.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and Village Council of Clemmons do hereby declare the month of May 2023 as Historic Preservation Month and call upon the people of Clemmons to join their fellow citizens across the United States in recognizing and participating in this special observance.

BE IT FURTHER RESOLVED that this resolution be spread upon the minutes of the Village Council and that a copy be furnished to the Forsyth County Historic Resources Commission.

Adopted this 24th day of April, 2023.

__________________________
Michael K. Rogers
Mayor

ATTEST:

_________________________
Lisa M. Shortt, Village Clerk
The Governing Board
Village Council

of Primary Government Unit
Village of Clemmons

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)

Auditor Name
Gibson & Company, P.A.

Auditor Address
1411 Old Mill Circle Winston-Salem, NC 27103

Hereinafter referred to as Auditor

for Fiscal Year Ending
06/30/23
Date Audit Will Be Submitted to LGC
10/31/23

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). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.

2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with Government Auditing Standards (GAGAS) if the Governmental Unit expended $100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F (Uniform Guidance) or the State Single Audit Implementation Act. 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 in accordance with 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).

Effective for audits of fiscal years beginning after June 30, 2023, the LGC will allow auditors to consider whether a unit qualifies as a State low-risk auditee based upon federal criteria in the Uniform Guidance §200.520(a), and (b) through (e) as it applies to State awards. In addition to the federal criteria in the Uniform Guidance, audits must have been submitted timely to the LGC. If in the reporting year, or in either of the two previous years, the unit reported a Financial Performance Indicator of Concern that the audit was late, then
the report was not submitted timely for State low-risk auditee status. Please refer to "Discussion of Single Audits in North Carolina" on the LGC's website for more information.

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).

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 Auditing 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 the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change 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.

For GAAS or Government Auditing Standards audits, if an auditor issues an AU-C §260 report, commonly referred to as “Governance Letter,” LGC staff does not require the report to be submitted unless the auditor cites significant findings or issues from the audit, as defined in AU-C §260.12 - .14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious reviewed with those charged with governance, and other significant matters.
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. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit 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. 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 and/or the compliance section, 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 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 30 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 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 Government 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. See 20 NCAC 03 .0502(c)(6).
30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 17 for clarification).
None

31. 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

32. 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.

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

<table>
<thead>
<tr>
<th>Name:</th>
<th>Title and Unit / Company:</th>
<th>Email Address:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ann Stroud</td>
<td>Fin. Officer/Village of Clemmons</td>
<td><a href="mailto:astroud@clemmons.org">astroud@clemmons.org</a></td>
</tr>
</tbody>
</table>

OR Not Applicable □ (Identification of SKE Individual on the LGC-205 Contract is not applicable for GAAS-only audits 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. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit form for correction.

4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the unit’s last annual audit that was submitted to the Secretary of the LGC. 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

<table>
<thead>
<tr>
<th>Primary Government Unit</th>
<th>Village of Clemmons</th>
</tr>
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<tbody>
<tr>
<td>Audit Fee</td>
<td>$14,700 (If Single Audit required, see addendum)</td>
</tr>
</tbody>
</table>

**Additional Fees Not Included in Audit Fee:**

- Fee per Major Program: $-0-
- Writing Financial Statements: $-0-
- All Other Non-Attest Services: $-0-

### DPCU FEES (if applicable)

<table>
<thead>
<tr>
<th>Discretely Presented Component Unit</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit Fee</td>
<td>$</td>
</tr>
</tbody>
</table>

**Additional Fees Not Included in Audit Fee:**

- Fee per Major Program: $   
- Writing Financial Statements: $   
- All Other Non-Attest Services: $   

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## SIGNATURE PAGE

### AUDIT FIRM

<table>
<thead>
<tr>
<th>Audit Firm*</th>
<th>Gibson &amp; Company, P.A.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorized Firm Representative (typed or printed)*</td>
<td>R. Harold Gibson, Managing Partner/Principal</td>
</tr>
<tr>
<td>Signature*</td>
<td>[Signature]</td>
</tr>
<tr>
<td>Date*</td>
<td>4-18-23</td>
</tr>
<tr>
<td>Email Address*</td>
<td><a href="mailto:harold@gibcocpa.com">harold@gibcocpa.com</a></td>
</tr>
</tbody>
</table>

### GOVERNMENTAL UNIT

<table>
<thead>
<tr>
<th>Governmental Unit*</th>
<th>Village of Clemmons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date Primary Government Unit Governing Board Approved Audit Contract*</td>
<td>(G.S.159-34(a) or G.S.115C-447(a))</td>
</tr>
<tr>
<td>Mayor/Chairperson (typed or printed)*</td>
<td>Michael Rogers, Mayor</td>
</tr>
<tr>
<td>Signature*</td>
<td>[Signature]</td>
</tr>
<tr>
<td>Email Address</td>
<td><a href="mailto:mrogers@clemmons.org">mrogers@clemmons.org</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chair of Audit Committee (typed or printed, or &quot;NA&quot;)</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>[Signature]</td>
</tr>
<tr>
<td>Date</td>
<td>Email Address</td>
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</tbody>
</table>

### 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.

<table>
<thead>
<tr>
<th>Primary Governmental Unit Finance Officer* (typed or printed)</th>
<th>Signature*</th>
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</thead>
<tbody>
<tr>
<td>Ann Stroud, Finance Officer</td>
<td>[Signature]</td>
</tr>
<tr>
<td>Date of Pre-Audit Certificate*</td>
<td>Email Address*</td>
</tr>
<tr>
<td></td>
<td><a href="mailto:astroud@clemmons.org">astroud@clemmons.org</a></td>
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</table>
DISCRETELY PRESENTED COMPONENT UNIT

<table>
<thead>
<tr>
<th><strong>DPCU</strong>*</th>
<th><strong>N/A</strong></th>
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</thead>
<tbody>
<tr>
<td>Date DPCU Governing Board Approved Audit Contract* (Ref: G.S. 159-34(a) or G.S. 115C-447(a))</td>
<td></td>
</tr>
<tr>
<td>DPCU Chairperson (typed or printed)*</td>
<td>Signature*</td>
</tr>
<tr>
<td>Date*</td>
<td>Email Address*</td>
</tr>
<tr>
<td>Chair of Audit Committee (typed or printed, or &quot;NA&quot;)</td>
<td>Signature</td>
</tr>
<tr>
<td>Date</td>
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</tr>
</tbody>
</table>

**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.*

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<tr>
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</thead>
<tbody>
<tr>
<td>Date of Pre-Audit Certificate*</td>
<td>Email Address*</td>
</tr>
</tbody>
</table>

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

**PRINT**
ADDENDUM TO CONTRACT TO AUDIT ACCOUNTS AND ENGAGEMENT LETTER  
JUNE 30, 2023

The audit fees quoted above are for a Generally Accepted Auditing Standards (GAAS) audit, or a Generally Accepted Government Auditing Standards (GAGAS) audit. If a Single Audit is required, the fees will be increased as follows:

A) If the total of Federal and State expenditures as listed on the Schedule of Expenditures of Federal Awards (SEFA) are between $0 and $4,000,000, an additional fee of $4,000 will be added. There will also be an additional fee of $2,500 for each major program in excess of the first major program.

B) Further, if the total of the Federal and State expenditures as listed on the SEFA schedule exceeds $4,000,000, an additional fee of $1,000 per $1,000,000 (i.e 1/10th of 1%) of the excess expenditures over $4,000,000 will be added. Also, $2,500 for each major program will be added.

Signature: ______________________
Mayor
Date: ______________________

Signature: ______________________
Finance Officer
Date: ______________________
Report on the Firm’s System of Quality Control

July 24, 2020

To: Gibson & Company, P.A. and the Peer Review Committee of the North Carolina Association of CPAs

I have reviewed the system of quality control for the accounting and auditing practice of Gibson & Company, P.A. (the firm) in effect for the year ended March 31, 2020. My peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firms Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer’s Responsibility

My responsibility is to express an opinion on the design of the system of quality control and the firm’s compliance therewith based on my review.
Required Selections and Considerations

Engagements selected for review included an engagement performed under Governmental Auditing Standards, including a compliance audit under the Single Audit Act and an audit of an employee benefit plan.

As part of my peer review, I considered reviews by regulatory entities communicated by the firm, if applicable, in determining the nature and extent of my procedures.

Opinion

In my opinion, the system of quality control for the accounting and auditing practice of Gibson & Company, P.A. in effect for the year ended March 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Gibson & Company, P.A. has received a peer review rating of pass.

Sheila Gahagan, CPA
April 18, 2023

To the Village Council
Village of Clemmons
3715 Clemmons Road
Clemmons, NC 27012

We are pleased to confirm our understanding of the services we are to provide the Village of Clemmons for the year ended June 30, 2023. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, 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 Village of Clemmons as of and for the year ended June 30, 2023. 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 Village of Clemmons’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 Village of Clemmons’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 U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management’s Discussion and Analysis.
2) Required Supplementary Information

We have also been engaged to report on supplementary information other than RSI that accompanies the Village of Clemmons’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) Schedule of expenditures of federal and state awards.
2) Combining and individual non-major or fund financial statements.
3) 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. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

The Government Auditing Standards report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) 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 or on compliance, and (2) 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 Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Village Council of the Village of Clemmons. 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 we may withdraw from this engagement.

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 waste and 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 or 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 or noncompliance 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 or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come 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. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any 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; schedule of expenditures of federal awards; federal award programs; 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.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. 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, Government Auditing Standards, and the Uniform Guidance.

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 Village of Clemmons’s compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures 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.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the Village of Clemmons’s major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the Village of Clemmons’s compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the Village of Clemmons in conformity with U.S. generally accepted accounting principles and the Uniform Guidance 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 statements, schedule of expenditures of federal awards, and related notes 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 (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) 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, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

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, including identification of all related parties and all related-party relationships and transactions, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) 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 confirming to us in the management 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 of each opinion unit 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. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management’s responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (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 schedule of expenditures of federal awards.

You are also responsible for the preparation of the other 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 OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with 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 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, schedule of expenditures of federal awards, 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, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, 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.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management’s responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor’s reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor’s reports or nine months after the end of the audit period.

We will provide copies of our reports to the Village of Clemmons; 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 Gibson & Company, P.A. 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 to the North Carolina Local Government Commission or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Gibson & Company, P.A. 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 or for any additional period requested by the North Carolina Local Government Commission. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit at your earliest convenience and to issue our reports no later than October 31, 2023. R. Harold Gibson 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 at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed $14,700 (this fee is for a GAAS or GAGAS audit; see addendum if Single Audit is required). Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes significantly overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. 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. The cost included for the basic audit services are “not-to-exceed”.

Our fees for other services, if any, (reconciliations, consultation, etc that are not related to or required by the basic audit) tend to be on an “as needed” basis and are therefore not subject to a fixed fee. We propose that these services, if any, be billed at our standard rate based on the actual time spent as needed or requested by you and you staff. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your engagement. These standard rates range from $64 to $256 which includes a 20% discount that we offer to municipals. (Please note that this paragraph will not be imposed for “routine questions” with a duration of 30 minutes or less.) This paragraph is intended to apply to “special projects” or requests by you that would require significant time and involvement by us. Further we would advise you of any potential additional fees before they were incurred.

This service engagement arrangement may be terminated by you or by Gibson & Company, P.A. upon written notification.

We appreciate the opportunity to be of service to the Village of Clemmons 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,

Gibson & Company, P.A.

[Signature]

R. Harold Gibson
Managing Partner/Principal
RESPONSE:
This letter correctly sets forth the understanding of the Village of Clemmons

Signature: ______________________

Title: ______________________

Date: ______________________
ADDENDUM TO CONTRACT TO AUDIT ACCOUNTS AND ENGAGEMENT LETTER

JUNE 30, 2023

The audit fees quoted above are for a Generally Accepted Auditing Standards (GAAS) audit, or a Generally Accepted Government Auditing Standards (GAGAS) audit. If a Single Audit is required, the fees will be increased as follows:

A) If the total of Federal and State expenditures as listed on the Schedule of Expenditures of Federal Awards (SEFA) are between $0 and $4,000,000, an additional fee of $4,000 will be added. There will also be an additional fee of $2,500 for each major program in excess of the first major program.

B) Further, if the total of the Federal and State expenditures as listed on the SEFA schedule exceeds $4,000,000, an additional fee of $1,000 per $1,000,000 (i.e. 1/10th of 1%) of the excess expenditures over $4,000,000 will be added. Also, $2,500 for each major program will be added.

Signature: __________________________
Mayor
Date: __________________________

Signature: __________________________
Finance Officer
Date: __________________________
April 19, 2023

Mike Gunnell  
Village of Clemmons  
3715 Clemmons Road  
Clemmons, NC 27012

Re: Letter Agreement for Professional Services for  
EB-5960 & EB-6040 Harper Road Sidewalks

Dear Mr. Gunnell:

Kimley-Horn and Associates, Inc. (“Kimley-Horn” or “Consultant”) is pleased to submit this Letter Agreement (the “Agreement”) to Village of Clemmons (“Client”) for providing preliminary engineering, right-of-way services, and construction documents for EB-5960 & EB-6040 Harper Road Sidewalk projects

Project Understanding

The EB-5960 & EB-6040 Harper Road Sidewalk projects will include preliminary engineering and design for the construction of sidewalk with pedestrian safety features for two projects within the municipal limits of the Village of Clemmons. EB-6040 project shall extend along Harper Road from Fair Oaks Drive to Morgan Elementary School. EB-5960 shall continue the sidewalk along Harper Road from Morgan Elementary School to the Intersection of South Peace Haven Road, then east along South Peace Haven Road from the intersection with Harper Road to the existing sidewalk at the Jerry Long Family YMCA.

Scope of Services

Kimley-Horn will provide the services specifically set forth below.

Task 1 – Preliminary Design Plans (30% Design)

Kimley-Horn anticipates the typical section of the sidewalk to be 6-foot wide (5-foot minimum), adjacent to the back curb along the roadway. It is anticipated that the Client will provide survey and environmental information for the site. Kimley-Horn will conduct one site visit to perform general site reconnaissance during the preliminary design phase.

Kimley-Horn will conduct an in-person Kickoff meeting with the Village and NCDOT and conduct an initial field visit with two Kimley-Horn employees.

Kimley-Horn will prepare 30% Preliminary Plans which will consist of:

- Title Sheet
- Typical Sections
- Plan Sheets (1-inch = 20-feet horizontal)
  - Horizontal curve data
  - Superelevation
Preliminary slope stake lines
- Profile Sheets (1-inch = 10-feet vertical)
  - Vertical profile will match existing roadway
- Cross Sections (1-inch = 10-feet)
  - Cross Sections every 50’ along sidewalk
  - Station labels, cross slope labels and existing ground labels for each cross section
- Preliminary Opinion of Probable Construction Costs (OPCC)

Kimley-Horn will use the GEOPAK V8i Corridor Modeler to create design cross-sections. All plans, designs, specifications, and estimates shall conform to the latest edition of AASHTO and NCDOT standards and practices for highway construction. Prior to submitting the 30% Plans, Kimley-Horn will conduct a 30% Plans-In-Hand Field Review with two Kimley-Horn employees.

Kimley-Horn will submit the 30% Plans in electronic (PDF) format to the Village. The Village will submit the 30% Plans in electronic (PDF) format to the NCDOT for review. Kimley-Horn will provide a Quality Control/Quality Assurance review of the 30% Plans prior to submittal. After submitting the 30% Plans, Kimley-Horn will conduct a virtual meeting with the Village and NCDOT to discuss their comments with two Kimley-Horn employees.

Kimley-Horn has no control over the cost of labor, materials, equipment, or over the Contractor’s methods of determining prices or over competitive bidding or market conditions. All provided opinions of probable costs are based on the information known to Kimley-Horn at the time and represent only Kimley-Horn's judgment as a design professional familiar with the construction industry. Kimley-Horn cannot and does not guarantee that proposals, bids, or actual construction costs will not vary from its opinions of probable costs.

Task 2 – Right of Way Plans (75% Design)
Task 2.1 Drainage Design
The Consultant will perform preliminary hydraulic analysis for drainage pipe crossings and linear ditches along the proposed alignment for incorporation into the 75% plans. This analysis will be based upon the topographical information included in the survey and base mapping and supplemented with; GIS contour information, USGS Quad maps, FEMA information, and Village provided topography mapping. The anticipated tasks associated with the drainage evaluation concurrent with the permit plans include:

- Conduct field reconnaissance of existing and proposed drainage features and patterns associated with proposed pipe crossings and existing ditches. Supplemental hydraulic surveys will be performed in addition to the provided survey, to be used to set proposed culvert inverts.
- Size all cross pipes along sidewalk alignment and determine critical path profile minimums to allow for the proposed cross pipes. Incorporate these critical profile control points to establishing the vertical alignment.
- Proposed curb & gutter is assumed along Harper Road and South Peace Haven Road
Spread calculations will be completed for both roadways.

- Proposed drainage inlets and pipes will be designed to NCDOT standard.
- Design proposed ditches necessary to appropriately drain low areas adjacent to proposed Sidewalk, overland flow, and to replace existing ditches impacted by the proposed Sidewalk.
- Evaluate and design necessary revisions to existing hydraulic structures (drop inlets, cross pipes, headwalls) that may be impacted by the proposed sidewalk.
- Finalize hydraulic designs for ditches, storm drainage systems, drop inlet locations, outfall analyses, and final cross pipe designs.
- Draft the proposed drainage features (ditches, cross pipes, inlets, etc.) and all associated labeling.

**Task 2.2 75% Real Estate Plans**

Kimley-Horn will prepare Permit and Real Estate Plans consisting of sidewalk plans, centerline, vertical alignment, cross sections, construction limits, retaining wall plan and preliminary profiles, proposed easements, and pavement marking and signing plans. The designs will be performed in accordance with applicable Village, NCDOT, AASHTO and NACTO (National Association of Village Transportation Officials) standards and guidelines. Kimley-Horn will reference appropriate NCDOT Roadway Standard Drawings to indicate how vehicular and pedestrian traffic is to be maintained during construction of the project.

Engineer will prepare the sidewalk plans on combined plan and profile sheets at a scale of 1” = 20’ horizontal and 1” = 2’ vertical. Engineer will prepare preliminary sidewalk cross sections every 50’ at a scale of 1” = 10’. This submittal will include an opinion of probable construction cost. Kimley-Horn will submit one (1) set of Permit and Real Estate Plans to the Village and one (1) set to NCDOT for review. Engineer will provide a Quality Control/Quality Assurance review of the plans prior to submittal.

Kimley-Horn shall provide a list (in 8-1/2” x 11” format) of all staff review comments with a written response for each, indicating how each comment was addressed. One (1) round of comment responses to each agency are anticipated in this task. Additional responses to rounds of comments will be considered an additional service.

**Erosion and Sediment Control Design**

Engineer will design and specify erosion control measures which minimize erosion and limit off-site sedimentation during construction. The design will be in accordance with the requirements of the NCDEQ and the Village. Kimley-Horn will submit the necessary application, calculations, and erosion control plans to the NCDEQ Division of Land Quality Regional Engineer to apply for a grading permit.

**Work Zone Traffic Control**

Kimley-Horn will develop Transportation Management Plans in accordance with the Guidelines for Transportation Management Plan Development, dated January 2010. The Transportation Management Plans and quantities will be submitted to the Village and NCDOT for review at the 75%, 90% and 100% submittals.
Deliverables:
1. 75% Design Plans
2. Opinion of Probable Construction Cost (OPCC)

Task 3 – Permitting & Coordination
- NCDOT Encroachment
  - Kimley-Horn will submit a third-party encroachment agreement between the Village and NCDOT to the Local District Office for the sidewalk within or adjacent to, NCDOT Right-of-Way. Environmental form, NPDES, will be included and filled out by Kimley-Horn.
  - Kimley-Horn assumes reviews at milestones outlined in this scope will be reviewed at the Division. Kimley-Horn assumes there will be one (1) review at the Division level. Any additional reviews outside of Division 9 by NCDOT will be an additional service.
  - Kimley-Horn assumes any additional review elevated to State Level in Raleigh for permitting will be an additional service.
- NCDEQ
  - Sedimentation and Erosion Control Permit - Engineer will prepare and submit a sediment and erosion control permit to the Mooresville Regional Office of NCDEQ. The permit application package will include: NCDEQ E&SC checklist, Financial Responsibility Form (Signed by the Village), calculations package, Construction Plans, and application fee.

Normal and reasonable meetings (one per agency) are included in this task with each of the above agencies during the course of preparing appropriate permit applications.

Up to two (2) rounds of drawing revisions due to reasonable regulatory review are included in this Scope.

*Kimley-Horn and Associates, Inc. has no control over the actions of jurisdictional agencies or other parties. Accordingly, professional opinions as to the status of permits and professional opinions as to the probability and timeframe for approvals are made solely on the basis of professional experience and past experiences.*

Task 4 – Utility Coordination
Kimley-Horn shall not be or become responsible for design or construction by utility companies as a result of performing the work of this section.

Kimley-Horn shall provide coordination with privately owned utilities which may be affected by the design of the Project and whose respective owners are responsible for the design and adjustments to these utilities (if any). Coordination of utilities and utility plans shall include the following tasks:

- **A. Utility Analysis**
  - (a) Identify Utility Agencies and/or Owners - Kimley-Horn will utilize all available resources, including but not necessarily limited to the NC One Call, previous projects and on-site visits to identify utility facilities within the project limits.
  - (b) Develop Utility Contact List - Kimley-Horn will make contact with utilities and/or agencies to establish appropriate contact personnel. Information collected includes: type of utility
(c) Distribute Plans - Engineer will distribute plans in formats provided by designer to utilities (hardcopy, PDF, Microstation).

B. Utility Owner Concurrence:

(a) Preliminary Utility Meeting - Engineer will conduct preliminary utility meetings with the utilities and Client to review project plans and schedules. Utilities will be requested to verify existing facilities, provide as-built information and propose resolutions to conflicts with roadway construction. Engineer will secure venue, send meeting notices, conduct meeting and record meeting minutes.

(b) Individual/Field Meetings - Engineer will conduct individual/field meetings with the utilities to review their facilities in relation to the proposed project. Engineer will secure venue, send meeting notices, conduct meeting and record meeting minutes.

(c) Collect and Review Utility Plans and Data - Engineer will collect as-built plans as well as marked plans from utilities and prepare a utility conflict analysis. Engineer will call out conflicts with respect to roadway plans, constructability as well as conflicts among utilities.

(d) Identify Utilities with Compensable Rights - Engineer will investigate prior right claims made by utilities submitting such claim. Engineer will request appropriate documentation from utilities to validate prior rights (recorded easement / right-of-way or adverse possession) and assist utility with the completion of appropriate Relocation Agreement.

(e) Utility Design Meetings - Engineer will conduct utility design meetings to review conflict resolution and constructability of utility relocation plans, schedules for installation cutover and removal of old facilities. Engineer will secure venue, send meeting notices, conduct meeting and record meeting minutes.

C. Utility-by-Others (UbO) Plans - Engineer will prepare UbO plans for required private utility relocations within the project limits using the software specified by the Client. UbO plans will be submitted for review at periodic stages established by the Client. Engineer will conduct individual meetings with the utilities to review the UbO plans, estimates, and work schedules for accuracy and constructability.


Allied will perform Courthouse Research – Consultant will research the parcels effected by new right-of-way and easements. Where ownership has changed since the FS file was completed, Allied will revise the FS file.

Allied will set all R/W and Easement points shown on supplied electronic R/W plans. These will be established, checked, and monumented as per the NCDOT Guidelines. All Right of Way and Permanent Easement points will be 5/8” rebar with cap and witnessed with a white top stake. Permanent Drainage or Utility Easement points are to be set with a 5/8” rebar with cap and witnessed by a white top stake. Construction Easements are to be monumented by a white top stake only. White
top stakes are to be labeled with the alignment, station value, distance over, and type of point. All points falling in paved areas are to be PK / MAG type nails and painted with station, offset, and type. For points falling in private driveway, Allied will place the witness stake near the edge of driveway and indicate on the stake that point is in driveway. Point numbers are to be written on the back of the stakes. Stakes that are along control of access lines will include C/A.

Allied will develop NCDOT D, E, and RW Series Sheets.

Miscellaneous (1), 811 ticket will be called before point in or near the existing R/W.

Time will be allotted for project management and supervision

Allied will adhere to NCDOT’s safety guidelines when performing any fieldwork. This includes safety vests, traffic control signs, etc. 30 minutes per day will be allotted for placement of traffic control signs.

This is an English project at 1:50 scale using Microstation V8i. A survey report will be compiled and submitted.

Task 6 – Construction Documents (100% Design)

Kimley-Horn will prepare final construction documents for submittal as Draft Final and Final Construction plans for bidding. Drawings shall comply with applicable requirements of the Americans with Disabilities Act and Accessibility Guidelines (A.D.A.A.G.) and current applicable State and local codes.

Construction Documents will include, site drainage, grading, erosion control, layout, sidewalk design, details, and a specification manual for a formal bid procedure. Drawings and details will be prepared using MCLDSM standards as the primary standard. If no MCLDSM is available, NCDOT standard will be used. NCDOT’s 2018 Roadway Standards Drawings as noted in and reviewing NCDOT’s review lists for checking plans. Specifications will be prepared using NCDOT’s 2018 Standard Specifications and be based on unit price bid. Bid documents shall be prepared for Single Prime contract. Kimley-Horn will prepare a bid proposal manual using NCDOT standards for bidding. Kimley-Horn will submit the project proposal manual to the Village of Clemmons for review and will anticipate any additional information specific to the Village’s procurement procedures to be included in the bid proposal. Kimley-Horn will complete the upfront contract document including standard provisions, supplemental conditions, notice to bidder, DBE requirement, change order forms, etc. that should be included in the Contract Manual. Kimley-Horn will only be responsible for preparing in project specific provisions and bid tab.

Kimley-Horn shall provide marked up plans showing all staff review comments with a written response for each, indicating how each comment was addressed. One (1) round of comment responses are anticipated in this task. Additional responses to rounds of comments will be considered an additional service.

Task 6.1: Draft Final Plans
Engineer will prepare Draft final plans, technical specifications and bid documents including construction-ready drawings, special conditions, and unit price proposal page. This task assumes the Village will provide and Village specific forms, narratives for use in the front-end specs for the bid book and the Consultant will assemble the bid book. Three (3) copies of the Draft Final Plans, Technical Specifications, and final Opinion of Probable Construction Cost will be submitted to the Village and NCDOT, for review and approval. Engineer will provide a Quality Control/Quality Assurance review of the Draft final construction plans prior to submittal.

**Task 6.2: Final Sealed Plans**

Upon receipt of comments or approval of the Draft final plans, Engineer will furnish one reproducible set of final sealed construction plans and documents for use by the Village in the bidding and construction phases. Reproducible drawings will be 22” by 34”. Two (2) copies of final sealed plans and signed NCDOT Encroachment Agreement/NPDES forms will be submitted to NCDOT for approval. Kimley-Horn will provide the Village one (1) sealed hard copy as well as a DocuSign PDF of the final plans. Kimley-Horn will provide a CD with one (1) electronic set (in PDF format) of the sealed plans and specifications and applicable CADD files.

**Task 7 – Meetings & Coordination**

Kimley-Horn will conduct miscellaneous coordination with Village staff and NCDOT and provide project administration through the anticipated twelve (12) month project duration. The coordination will include regular transmittals of project correspondence and records; review of analyses, documents and designs; and telephone contact for items requiring attention. Other specific meetings and coordination include the following:

1. Conduct conference calls with Village staff between milestones to update the Village on the project status, for the assumed project duration above. It is assumed one conference call per month for the anticipated project duration.
2. Provide monthly progress reports for the anticipated project duration.
3. Provide meeting notes for design review meetings with Village and NCDOT at major milestones. It is assumed there will be up to 5 milestone meetings requiring meeting notes.
4. Develop a project work plan, summarize the project schedule, and maintain the schedule for the anticipated project duration.

**Task 8 – Public Involvement**

Kimley-Horn will prepare one public meeting map for the preliminary design. Kimley-Horn will submit the draft meeting maps to the Owner for review prior to the open house public meeting. Digital copies of the map will be sent to the Owner and NCDOT for review. Kimley-Horn will make any requested changes and submit an electronic PDF version of the final open house public meeting map. In addition, Kimley-Horn will be responsible for plotting the final map(s) for use at the public informational workshop (two full-size copies).
Kimley-Horn, with the support of Owner staff, will conduct an open-house public informational workshop (informal, NO formal presentation) to present the preliminary design alternative and solicit public comment. The open-house public meeting will be held in a location as close as practically possible to the project on a date to be determined and agreed to by Kimley-Horn and the Owner. Kimley-Horn will locate and reserve the facility with assistance from the Owner. The Owner is responsible for facility rental costs.

Kimley-Horn will prepare one postcard for the project that will describe the study elements, include a graphic of the study area, provide a status update on the project, and announce the upcoming public meeting. The draft postcard will be submitted electronically to the Owner for review prior to finalization and at least four (4) weeks prior to the meeting. Kimley-Horn will develop a recommended area for mailings and submit it to the Owner for review and approval. Once approved, Kimley-Horn will prepare the mailing lists for the open-house public meeting, print the postcards, and will mail out the postcard 2 weeks prior to the open-house public meeting. Kimley-Horn may also utilize the USPS Every Door Direct Mail (EDDM) service to distribute postcards throughout the project area. If EDDM is utilized, the approved postcard will be reformatted in accordance with EDDM standards for mailing. The Owner will ensure that the meeting information is posted on the Village website. Kimley-Horn will prepare the handouts (i.e. Title VI Voluntary Public Involvement Form, etc.) and provide up to four (4) project team members to attend the open-house public meeting. Kimley-Horn will send electronic copies of the draft handout to the Owner for review and comment a minimum of 2 weeks in advance of the open-house public meeting date. Kimley-Horn will prepare a summary of public comments after the comment period ends. Public meeting materials will include sign in sheet, comment forms, and scalable maps using NCDOT standard public meeting map legends.

Task 9 – Bid Phase
Upon final approval of Construction Documents by all agencies, Kimley-Horn will assist the Village with bid phase services. Kimley-Horn shall perform the following tasks in order as shown below:

- Setup an online, virtual bid room through Duncan Parnell or equivalent reprographics company. The plans and specifications will be uploaded to the site so bid tracking can be completed.
- Attend a pre-bid meeting to inform contractors of the project. This assumes up to 2 key staff members in attendance.
- Prepare Minutes/Notes of the Pre-bid meeting.
- Receive and provide clarifications and information as requested by bidders and help the Village issue up to three (3) addenda to the bid.
- Attend and conduct the bid opening.
- Upon selection of the contractor, assist the Village with their review of bid packages for compliance and prepare bid tabulation.
- Attend the pre-construction conference. This assumes up to 2 key staff members.
- Prepare Minutes/Notes of the Pre-construction conference.

Kimley-Horn assumes the Village shall:

- Advertise the project.
- Determine location and time of the bid opening.
- Review of all bid packages in conjunction with Kimley-Horn.
- Provide the final selection letter to the Contractor.

Additional Services

Any services not specifically provided for in the above scope will be billed as additional services and performed at our then current hourly rates. Additional services we can provide include, but are not limited to, the following:

- Right of Way Appraisals
- Right of Way Negotiations
- Additional Survey Services
- Additional Geotechnical Services
- Sidewalk design beyond the limits of this project
- Water/sewer design
- Pedestrian signal design
- Retaining wall design
- Meetings and workshops beyond those described above
- Landscape plans

Information Provided By Client

We shall be entitled to rely on the completeness and accuracy of all information provided by the Client or the Client’s consultants or representatives. The Client shall provide all information requested by Kimley-Horn during the project, including but not limited to the following:

- Survey
- Environmental Documentation

Fee and Expenses

Kimley-Horn will perform the services in Tasks __ - ___ for the total lump sum fee below. Individual task amounts are informational only. All permitting, application, and similar project fees will be paid directly by the Client.

| Task 1A | Preliminary Design Plans (EB-5960) | $37,253.70 |
| Task 1B | Preliminary Design Plans (EB-6040) | $20,946.17 |
| Task 2A | Right of Way Plans (EB-5960) | $59,246.35 |
| Task 2B | Right of Way Plans (EB-6040) | $31,021.66 |
| Task 3A | Permitting & Coordination (EB-5960) | $6,755.20 |
| Task 3B | Permitting & Coordination (EB-6040) | $4,953.81 |
| Task 4A | Utility Coordination (EB-5960) | $16,957.99 |
| Task 4B | Utility Coordination (EB-6040) | $11,327.31 |
| Task 5A | Right-of-Way Mapping (EB-5960) | $10,391.28 |
| Task 5B | Right-of-Way Mapping (EB-6040) | $7,156.32 |
| Task 6A | Construction Documents (EB-5960) | $38,035.88 |
| Task 6B | Construction Documents (EB-6040) | $30,296.38 |
Task 7A  Meetings & Coordination (EB-5960) $3,229.54
Task 7B  Meetings & Coordination (EB-6040) $3,229.54
Task 8A  Public Involvement (EB-5960) $2,963.66
Task 8B  Public Involvement (EB-6040) $2,963.66
Task 9A  Bid Phase (EB-5960) $3,438.28
Task 9B  Bid Phase (EB-6040) $3,438.28

Expenses EB-5960 $1,501.25
Expenses EB-6040 $1,501.25

Subtotal EB-5960 $179,773.13
Subtotal EB-6040 $116,834.38

Total Lump Sum Fee $296,607.51

Lump sum fees will be invoiced monthly based upon the overall percentage of services performed. Payment will be due within 25 days of your receipt of the invoice and should include the invoice number and Kimley-Horn project number.

Closure

In addition to the matters set forth herein, our Agreement shall include and be subject to, and only to, the attached Standard Provisions, which are incorporated by reference. As used in the Standard Provisions, "Kimley-Horn" shall refer to Kimley-Horn and Associates, Inc., and "Client" shall refer to Village of Clemmons.

Kimley-Horn, in an effort to expedite invoices and reduce paper waste, submits invoices via email in a PDF. We can also provide a paper copy via regular mail if requested. Please include the invoice number and Kimley-Horn project number with all payments. Please provide the following information:

____ Please email all invoices to ___________________________

____ Please copy ________________________________

To proceed with the services, please have an authorized person sign this Agreement below and return to us. We will commence services only after we have received a fully-executed agreement.

Fees and times stated in this Agreement are valid for sixty (60) days after the date of this letter.

To ensure proper set up of your projects so that we can get started, please complete, and return with the signed copy of this Agreement the attached Request for Information. Failure to supply this information could result in delay in starting work on this project.

We appreciate the opportunity to provide these services. Please contact me if you have any questions.

Sincerely,
VILLAGE OF CLEMMONS

Signed:

Printed Name:

Title:

Date:

Finance Officer Certification: ____________________________

Client’s Federal Tax ID: ____________________________

Client’s Business License No.: ____________________________

Client’s Street Address: ____________________________

Attachment – Request for Information
### Request for Information

*Please return this information with your signed contract; failure to provide this information could result in delay in starting your project*

#### Client Identification

<table>
<thead>
<tr>
<th>Full, Legal Name of Client</th>
<th>Mailing Address for Invoices</th>
<th>Contact for Billing Inquiries</th>
<th>Client is (check one)</th>
<th>Owner</th>
<th>Agent for Owner</th>
<th>Unrelated to Owner</th>
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#### Property Identification

<table>
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<tr>
<th>Parcel 1</th>
<th>Parcel 2</th>
<th>Parcel 3</th>
<th>Parcel 4</th>
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<tbody>
<tr>
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<tr>
<td>County in which Property is Located</td>
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<tr>
<td>Tax Assessor's Number(s)</td>
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#### Property Owner Identification

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<tr>
<td>Owner(s) Name</td>
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<td>Owner(s) Mailing Address</td>
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<td>Owner's Phone No.</td>
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<tr>
<td>Owner of Which Parcel #?</td>
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#### Project Funding Identification – List Funding Sources for the Project

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*Attach additional sheets if there are more than 4 parcels or more than 4 owners*
1) **Kimley-Horn’s Scope of Services and Additional Services.** Kimley-Horn will perform only the services specifically described in this Agreement. If requested by the Client and agreed to by Kimley-Horn, Kimley-Horn will perform Additional Services, which shall be governed by these provisions. Unless otherwise agreed to in writing, the Client shall pay Kimley-Horn for any Additional Services an amount based upon Kimley-Horn’s then-current hourly rates plus an amount to cover certain direct expenses including telecommunications, in-house reproduction, postage, supplies, project related computer time, and local mileage. Other direct expenses will be billed at 1.15 times cost.

2) **Client’s Responsibilities.** In addition to other responsibilities herein or imposed by law, the Client shall:
   a. Designate in writing a person to act as its representative, such person having complete authority to transmit instructions, receive information, and make or interpret the Client’s decisions.
   b. Provide all information and criteria as to the Client’s requirements, objectives, and expectations for the project and all standards of development, design, or construction.
   c. Provide Kimley-Horn all available studies, plans, or other documents pertaining to the project, such as surveys, engineering data, environmental information, etc., all of which Kimley-Horn may rely upon.
   d. Arrange for access to the site and other property as required for Kimley-Horn to provide its services.
   e. Review all documents or reports presented by Kimley-Horn and communicate decisions pertaining thereto within a reasonable time so as not to delay Kimley-Horn.
   f. Furnish approvals and permits from governmental authorities having jurisdiction over the project and approvals and consents from other parties as may be necessary.
   g. Obtain any independent accounting, legal, insurance, cost estimating, and feasibility services required by Client.
   h. Give prompt written notice to Kimley-Horn whenever the Client becomes aware of any development that affects Kimley-Horn’s services or any defect or noncompliance in any aspect of the project.

3) **Period of Services.** Unless otherwise stated herein, Kimley-Horn will begin work after receipt of a properly executed copy of this Agreement. This Agreement assumes conditions permitting continuous and orderly progress through completion of the services. Times for performance shall be extended as necessary for delays or suspensions due to circumstances that Kimley-Horn does not control. If such delay or suspension extends for more than six months, Kimley-Horn’s compensation shall be renegotiated.

4) **Method of Payment.** Client shall pay Kimley-Horn as follows:
   a. Invoices will be submitted periodically for services performed and expenses incurred. Payment of each invoice will be due within 25 days of receipt. The Client shall also pay any applicable sales tax. All retainers will be held by Kimley-Horn and applied against the final invoice. Interest will be added to accounts not paid within 25 days at the maximum rate allowed by law. If the Client fails to make any payment due under this or any other agreement within 30 days after Kimley-Horn's transmittal of its invoice, Kimley-Horn may, after giving notice to the Client, suspend services and withhold deliverables until all amounts due are paid.
   b. If the Client relies on payment or proceeds from a third party to pay Kimley-Horn and Client does not pay Kimley-Horn’s invoice within 60 days of receipt, Kimley-Horn may communicate directly with such third party to secure payment.
   c. If the Client objects to an invoice, it must advise Kimley-Horn in writing giving its reasons within 14 days of receipt of the invoice or the Client’s objections will be waived, and the invoice shall conclusively be deemed due and owing. If the Client objects to only a portion of the invoice, payment for all other portions remains due.
   d. If Kimley-Horn initiates legal proceedings to collect payment, it may recover, in addition to all amounts due, its reasonable attorneys’ fees, reasonable experts’ fees, and other expenses related to the proceedings. Such expenses shall include the cost, at Kimley-Horn’s normal hourly billing rates, of the time devoted to such proceedings by its employees.
   e. The Client agrees that the payment to Kimley-Horn is not subject to any contingency or condition. Kimley-Horn may negotiate payment of any check tendered by the Client, even if the words “in full satisfaction” or words intended to have similar effect appear on the check without such negotiation being an accord and satisfaction of any disputed debt and without prejudicing any right of Kimley-Horn to collect additional amounts from the Client.

5) **Use of Documents.** All documents and data prepared by Kimley-Horn are related exclusively to the services described in this Agreement and may be used only if the Client has satisfied all of its obligations under this Agreement. They are not intended or represented to be suitable for use or reuse by the Client or others on extensions of this project or on any other project. Any modifications by the Client to any of Kimley-Horn’s documents, or any reuse of the documents without written authorization by Kimley-Horn will be at the Client's sole risk and without liability to Kimley-Horn, and the Client shall indemnify, defend and hold Kimley-Horn harmless from all claims, damages, losses and expenses, including but not limited to attorneys' fees, resulting therefrom. Kimley-Horn’s electronic files and source code remain the property of Kimley-Horn and shall be provided to the
Client only if expressly provided for in this Agreement. Any electronic files not containing an electronic seal are provided only for the convenience of the Client and use of them is at the Client’s sole risk. In the case of any defects in the electronic files or any discrepancies between them and the hardcopy of the documents prepared by Kimley-Horn, the hardcopy shall govern.

6) **Intellectual Property.** Kimley-Horn may use or develop its proprietary software, patents, copyrights, trademarks, trade secrets, and other intellectual property owned by Kimley-Horn or its affiliates (“Intellectual Property”) in the performance of this Agreement. Unless explicitly agreed to in writing by both parties to the contrary, Kimley-Horn maintains all interest in and ownership of its Intellectual Property and conveys no interest, ownership, license to use, or any other rights in the Intellectual Property to Client. Any enhancements of Intellectual Property made during the performance of this Agreement are solely owned by Kimley-Horn and its affiliates. If Kimley-Horn’s services include providing Client with access to or a license for Kimley-Horn’s (or its affiliates’) proprietary software or technology, Client agrees to the terms of the Software License Agreement set forth at https://www.kimley-horn.com/khts-software-license-agreement (“the License Agreement”) which terms are incorporated herein by reference.

7) **Opinions of Cost.** Because Kimley-Horn does not control the cost of labor, materials, equipment or services furnished by others, methods of determining prices, or competitive bidding or market conditions, any opinions rendered as to costs, including but not limited to the costs of construction and materials, are made solely based on its judgment as a professional familiar with the industry. Kimley-Horn cannot and does not guarantee that proposals, bids or actual costs will not vary from its opinions of cost. If the Client wishes greater assurance as to the amount of any cost, it shall employ an independent cost estimator. Kimley-Horn’s services required to bring costs within any limitation established by the Client will be paid for as Additional Services.

8) **Termination.** The obligation to provide further services under this Agreement may be terminated by either party upon seven days’ written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof, or upon thirty days’ written notice for the convenience of the terminating party. Kimley-Horn shall be paid for all services rendered and expenses incurred to the effective date of termination, and other reasonable expenses incurred by Kimley-Horn as a result of such termination.

9) **Standard of Care.** The standard of care applicable to Kimley-Horn’s services will be the degree of care and skill ordinarily exercised by consultants performing the same or similar services in the same locality at the time the services are provided. No warranty, express or implied, is made or intended by Kimley-Horn’s performance of services, and it is agreed that Kimley-Horn is not a fiduciary with respect to the Client.

10) **LIMITATION OF LIABILITY.** In recognition of the relative risks and benefits of the Project to the Client and Kimley-Horn, the risks are allocated such that, to the fullest extent allowed by law, and notwithstanding any other provisions of this Agreement or the existence of applicable insurance coverage, that the total liability, in the aggregate, of Kimley-Horn and Kimley-Horn's officers, directors, employees, agents, and subconsultants to the Client or to anyone claiming by, through or under the Client, for any and all claims, losses, costs or damages whatsoever arising out of or in any way related to the services under this Agreement from any causes, including but not limited to, the negligence, professional errors or omissions, strict liability or breach of contract or any warranty, express or implied, of Kimley-Horn or Kimley-Horn's officers, directors, employees, agents, and subconsultants, shall not exceed twice the total compensation received by Kimley-Horn under this Agreement or $50,000, whichever is greater. Higher limits of liability may be negotiated for additional fee. This Section is intended solely to limit the remedies available to the Client or those claiming by or through the Client, and nothing in this Section shall require the Client to indemnify Kimley-Horn.

11) **Mutual Waiver of Consequential Damages.** In no event shall either party be liable to the other for any consequential, incidental, punitive, or indirect damages including but not limited to loss of income or loss of profits.

12) **Construction Costs.** Under no circumstances shall Kimley-Horn be liable for extra costs or other consequences due to unknown conditions or related to the failure of contractors to perform work in accordance with the plans and specifications. Kimley-Horn shall have no liability whatsoever for any costs arising out of the Client’s decision to obtain bids or proceed with construction before Kimley-Horn has issued final, fully approved plans and specifications. The Client acknowledges that all preliminary plans are subject to substantial revision until plans are fully approved and all permits obtained.

13) **Certifications.** All requests for Kimley-Horn to execute certificates, lender consents, or other third-party reliance letters must be submitted to Kimley-Horn at least 14 days prior to the requested date of execution. Kimley-Horn shall not be required to execute certificates, consents, or third-party reliance letters that are inaccurate, that relate
to facts of which Kimley-Horn does not have actual knowledge, or that would cause Kimley-Horn to violate applicable rules of professional responsibility.

14) **Dispute Resolution.** All claims arising out of this Agreement or its breach shall be submitted first to mediation in accordance with the American Arbitration Association as a condition precedent to litigation. Any mediation or civil action by Client must be commenced within one year of the accrual of the cause of action asserted but in no event later than allowed by applicable statutes.

15) **Hazardous Substances and Conditions.** Kimley-Horn shall not be a custodian, transporter, handler, arranger, contractor, or remediator with respect to hazardous substances and conditions. Kimley-Horn’s services will be limited to analysis, recommendations, and reporting, including, when agreed to, plans and specifications for isolation, removal, or remediation. Kimley-Horn will notify the Client of unanticipated hazardous substances or conditions of which Kimley-Horn actually becomes aware. Kimley-Horn may stop affected portions of its services until the hazardous substance or condition is eliminated.

16) **Construction Phase Services.**
   a. If Kimley-Horn prepares construction documents and Kimley-Horn is not retained to make periodic site visits, the Client assumes all responsibility for interpretation of the documents and for construction observation, and the Client waives any claims against Kimley-Horn in any way connected thereto.
   b. Kimley-Horn shall have no responsibility for any contractor’s means, methods, techniques, equipment choice and usage, sequence, schedule, safety programs, or safety practices, nor shall Kimley-Horn have any authority or responsibility to stop or direct the work of any contractor. Kimley-Horn’s visits will be for the purpose of endeavoring to provide the Client a greater degree of confidence that the completed work of its contractors will generally conform to the construction documents prepared by Kimley-Horn. Kimley-Horn neither guarantees the performance of contractors, nor assumes responsibility for any contractor’s failure to perform its work in accordance with the contract documents.
   c. Kimley-Horn is not responsible for any duties assigned to it in the construction contract that are not expressly provided for in this Agreement. The Client agrees that each contract with any contractor shall state that the contractor shall be solely responsible for job site safety and its means and methods; that the contractor shall indemnify the Client and Kimley-Horn for all claims and liability arising out of job site accidents; and that the Client and Kimley-Horn shall be made additional insureds under the contractor’s general liability insurance policy.

17) **No Third-Party Beneficiaries; Assignment and Subcontracting.** This Agreement gives no rights or benefits to anyone other than the Client and Kimley-Horn, and all duties and responsibilities undertaken pursuant to this Agreement will be for the sole benefit of the Client and Kimley-Horn. The Client shall not assign or transfer any rights under or interest in this Agreement, or any claim arising out of the performance of services by Kimley-Horn, without the written consent of Kimley-Horn. Kimley-Horn reserves the right to augment its staff with subconsultants as it deems appropriate due to project logistics, schedules, or market conditions. If Kimley-Horn exercises this right, Kimley-Horn will maintain the agreed-upon billing rates for services identified in the contract, regardless of whether the services are provided by in-house employees, contract employees, or independent subconsultants.

18) **Confidentiality.** The Client consents to the use and dissemination by Kimley-Horn of photographs of the project and to the use by Kimley-Horn of facts, data and information obtained by Kimley-Horn in the performance of its services. If, however, any facts, data or information are specifically identified in writing by the Client as confidential, Kimley-Horn shall use reasonable care to maintain the confidentiality of that material.

19) **Miscellaneous Provisions.** This Agreement is to be governed by the law of the State where the Project is located. This Agreement contains the entire and fully integrated agreement between the parties and supersedes all prior and contemporaneous negotiations, representations, agreements, or understandings, whether written or oral. Except as provided in Section 1, this Agreement can be supplemented or amended only by a written document executed by both parties. Any conflicting or additional terms on any purchase order issued by the Client shall be void and are hereby expressly rejected by Kimley-Horn. If Client requires Kimley-Horn to register with or use an online vendor portal for payment or any other purpose, any terms included in the registration or use of the online vendor portal that are inconsistent or in addition to these terms shall be void and shall have no effect on Kimley-Horn or this Agreement. Any provision in this Agreement that is unenforceable shall be ineffective to the extent of such unenforceability without invalidating the remaining provisions. The non-enforcement of any provision by either party shall not constitute a waiver of that provision nor shall it affect the enforceability of that provision or of the remainder of this Agreement.
E-Verify
Contractor shall comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes. Further, if the Contractor utilizes a subcontractor, the Contractor shall require the subcontractor to comply with the requirement of Article 2 of Chapter 64 of the North Carolina General Statutes.

IRAN DIVESTMENT ACT:

Contractor hereby certifies that it is not on the North Carolina State Treasurer’s list of persons engaging in business activities in Iran, prepared pursuant to NCGS §G.S. 147-86.55-69, nor will contractor utilize on this agreement any subcontractor on such list. This list, along with additional information about the Iran Divestment Act, is available on the Treasurer’s Office site: https://www.nctreasurer.com/inside-the-department/OpenGovernment/Pages/Iran-Divestment-Act-Resources.aspx

DIVESTMENT FROM COMPANIES THAT BOYCOTT ISRAEL

Contractor hereby certifies that it is not on the North Carolina State Treasure’s list of companies engaged in a boycott of Israel in violation of NCGS §147-86.80 et.seq., and that it will not utilize on this agreement any subcontractor on said list.

Signature

19 April 2023
Date
Resolution Number 2023-R-01

RESOLUTION OPPOSING SB 317 PROPOSED LEGISLATION AMENDING VILLAGE CONTROL OVER CERTAIN SUBDIVISIONS STYLED “WORKFORCE HOUSING”


THE Village Council adamantly objects to the following provisions of SB 317:

1. SB 317 exempts so-called workforce housing subdivisions (Subdivisions) from all density and dimensional requirements, access to arterial streets, connections between adjacent streets, sidewalks, and other Village requirements to promote the public health, safety, and welfare. The Village of Clemmons, in our efforts to preserve our small-town character, has a deliberate plan for growth in our community predicated on density, with the most-dense development, such as multi-family, occurring toward our town core area and less density as you move outward into our more rural areas.

2. Subdivisions are to include 20% of lots “to be conveyed for workforce housing.” However, the workforce housing lots are only guaranteed for one year. After one year the lots may be conveyed to anyone.

3. Such Subdivisions may not be reviewed by the Planning Board and/or the Village Council but must be approved by appointed staff “administrators” in 45 days. This is undemocratic. The time limit is too short for our typical review.

4. SB 317 does not require that the lots be served by any public utility. Developers may provide “private systems.” There is no provision for ongoing maintenance and replacement of private systems. Clemmons is served by a regional system owned by Winston Salem. A proliferation of private systems is not in the public interest because it will lead to environmental degradation. Small private utility systems are notorious for being under-funded and poorly maintained.

5. Subdivisions are permitted in every zoning district that includes single family houses. These include zoning district written to protect water quality as required by General Statutes. SB 317 would allow high density subdivisions in violation of the Village’s State-mandated post construction runoff control standards. Allowing higher density subdivisions in low-density subdivisions will amount to de facto amendments to the Comprehensive Plan made without Village oversight and review.
THERFORE, SB 317 is contrary to the growth philosophy of municipalities such as the Village of Clemmons and our efforts to manage our growth. Over the years the Village of Clemmons has made significant efforts to ensure that all types of housing can be constructed in our community. SB 317 will undermine all that we have worked for over the last 37 years to maintain our unique character. Development would become uncontrolled and reckless with little to no regard for neighboring property owners’ rights, not to mention the added stress and demand on our infrastructure which would eventually lead to declining property values. Residents could not enjoy a safe and secure, clean and well-kept environment with plenty of amenities offered, if it weren’t for the efforts put forth by its elected officials and Village staff in utilizing effective and proven zoning processes that include community input; and

NOW, BE IT FURTHER RESOLVED that copies of this resolution are sent to our legislative delegation and to the leadership of the North Carolina General Assembly in an effort to stop SB 317 from becoming law and to work together to find real ways to advance affordable housing opportunities. Copies of this Resolution shall be forwarded to the Forsyth County Commissioners and all the municipalities in Forsyth County with a request that they join Clemmons in enacting similar resolutions.

Adopted this the ___ day of ______ 2023.

__________________________________
Michael Rogers, Mayor

ATTEST:

____________________________
Lisa Shortt, Village Clerk