

Lewisville Town Council
Briefing and Action Meeting Agenda
February 4, 2021 - 6:00 p.m.

Digitally originating in Council Chambers 1st floor - Lewisville Town Hall
6510 Shallowford Road

Please click the link below to join the webinar:

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Telephone: (312) 626-6799

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-
-
1. **Call to Order:**
 - a. Roll Call
 - b. Adoption of Agenda

 2. **Guests, Introductions, Recognitions and Presentations for February 4, 2021**
 - a. None.

 3. **Items That Require Council Direction**
 - a. I'm One of the Reasons Lewisville is a Great Place to Live
 - b. Selection of [Budget meeting dates](#)

 4. **Items Requiring Action at Briefing**
 - a. [Resolution 2021007](#) - revising the Personnel Policy by adding information to Article 6 Employee Benefits, Section 6 - 10 Insurance
 - b. [Ordinance 2021006](#) - amending Budget Ordinance 2020001 in the amount of \$112,031.⁰⁰ to fund Change Order #2 from Fairwood Construction for the increase in the market price for lumber

 5. **Unfinished Business:**
 - a. Board and Committee update

 6. **Administrative Reports:**
 - a. Manager
 - i. None.
 - b. Attorney
 - i. None.
 - c. Public Works
 - i. Welcome signs are being addressed
 - ii. Street trees for Feldspar Ln
 - iii. Control access systems for Town Hall, the Annex and Community Center

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- d. Planning
 - i. New subdivision off of Doub Road - Gameway Estates
 - e. Finance
 - i. [Resolution 2021008](#) - accepting Change Order #2 for the New Mary Alice Warren Community Center - approved at the Special meeting on January 22, 2021
 - ii. [Ordinance 2021005](#) - amending the Capital Project Ordinance of the Community Center Capital Projects Fund - approved at the Special meeting on January 22, 2021
 - f. Clerk
 - i. [Report](#) - Board and committee appointment/reappointment requests
 - ii. Retreat reminder: Saturday, February 6, 2021 8:00 a.m.
 - iii. Reminder - NCLM Town and State Social - March 3, 2021 at 5:00 p.m. - please advise of registration by February 10, 2021
7. **Agenda Items for Regular Meeting on [February 11, 2021](#)**
- a. Tentative Agenda
 - i. **Consent Agenda**
 - (1) [Resolution 2021011](#) - Acceptance and Approval of Monthly [Financials for the six months ending December, 2020](#)
 - (2) Approval of Town Council Briefing Meeting [Minutes - January 7, 2021](#)
 - (3) Approval of Town Council Meeting [Minutes - January 14, 2021](#)
 - (4) Approval of Town Council Special Called Meeting [Minutes - January 22, 2021](#)
 - (5) [Resolution 2021006](#) - accepting the resignation of Daryl Siefert from the Lewisville Beautification Committee
 - ii. **Introductions, Recognitions, Presentations and/or Proclamations**
 - (1) Presentations
 - (a) Forsyth County Sheriff's Office - Sheriff Kimbrough
 - (b) Public Safety Report - Sgt. Stringer
 - (2) Introductions
 - (a) Deputy William Armstrong
 - iii. **Public Hearings**
 - (1) None.
 - iv. **Technical Review(s)**
 - (1) None.
 - v. **Preliminary Site Plan Approvals**
 - (1) None.
 - vi. **Evidentiary Hearings**
 - (1) None.

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- vii. **Old Business**
 - (1) None.
 - viii. **New Business**
 - (1) [Resolution 2021005](#) - approving the contract with Gibson and Company, P. A. To perform the annual independent audit of the town's financial statements for fiscal year 2020-2021
 - (2) [Resolution 2021009](#) - fixing the date of public hearing on the question of Annexation of a portion of the Doub Road area into the Town pursuant to G. S. 160A-31
 - (3) [Resolution 2021010](#) - setting a public hearing to receive comments on UDO L-098 rezoning request from McChesney Properties to rezone a portion of the Doub Road area from RS-40 to RS-20 for the Gameway Estates subdivision
 - ix. **Appointments**
 - (1) [Appointment Order 2021001](#) - appointing Sonsera Trella Kiger to the Lewisville Beautification Committee
 - (2) [Appointment Order 2021002](#) - appointing Bryan Schroeder to the Lewisville Recycling Committee
 - x. **Community Center progress**
 - (1) **Community Center chairs**
 - b. Approval of Tentative Agenda for regular meeting on **February 11, 2021**
8. **For the Good of the Order:**
- a. Council Discussion
9. **Adjournment**

2021 BUDGET DATES

			Day	Date
2020				2021
4-09	6:00 pm	Present to Council at Regular meeting	Th	4-8
4-13	6:00 pm	Budget workshop	M	4-12
4-20	6:00 pm	Budget workshop	M	4-19
5-7	6:00 p.m.	Budget workshop following briefing	Th	5-6
5-11	6:00 pm	Budget workshop	M	5-10
6-4	6:00 pm	Budget ordinance final review	Th	6-3
6-11	6:00 pm	Budget public hearing at regular council meeting	Th	6-10

Note 1: Meetings originally scheduled for 7:30 p.m. have been changed to 6:00 p.m. until further notice.

**RESOLUTION 2021007 OF THE LEWISVILLE TOWN COUNCIL
REVISING THE PERSONNEL POLICY**

WHEREAS, the Town Council maintains a Personnel Policy in order to provide for uniform personnel management practices within the town government; and

WHEREAS, the Personnel Policy is reviewed periodically to determine that the policies are stated as intended and reflect current desired practices; and

WHEREAS, the Personnel Policy is updated to include conditions and situations that arise which are not addressed in the current policy; and

NOW, THEREFORE, BE IT RESOLVED THAT THE LEWISVILLE TOWN COUNCIL provides for uniform personnel management practices by adopting the hereto attached Personnel Policy amendment to Article 6 Employee Benefits Section 6 - 10 Insurance.

Adopted and effective this the 4th day of February, 2021 by the Lewisville Town Council.

Mike Horn, Mayor

ATTEST:

Joyce C. McWilliams Walker, Town Clerk

**RESOLUTION 2021007 OF THE LEWISVILLE TOWN COUNCIL
REVISING THE PERSONNEL POLICY**

considered a break in service when determining when the employee qualifies for a pension and for determining the amount of the employee's monthly pension benefit. Once the employee has returned to work the town will make up the employers contribution to the retirement plan for the period of military service; also' the employee may make up contributions to the plan, provided these contributions do not exceed the amount the employee could have contributed had he or she been continuously employed during the period of military leave. In most cases, a town employee returning from military leave will return to the same position from which he left, if possible. If the returning employee is unable to perform the duties of the position from which he left the town will make a reasonable effort to train the employee for a new position, if one is available.

If an employee is absent on military service for more than 180 days, the city is prohibited from discharging the employee for a period of one year following the employee's return from service except "for cause". If the military service is more than thirty (30) days but less than 181 days, the town is prohibited from discharging the employee for a period of 180 days following the employees return from service except "for cause" as defined by USERRA.

Section 6 - 7 Civil Leave

An employee called for jury duty shall receive up to two weeks of leave (or duration of the trial) with pay for such duty without charge to accumulated vacation or sick leave. Juror fees may be retained by employees.

Section 6 – 8 Workers Compensation

Any employee absent from duty because of sickness or disability covered by the workers' compensation law, shall have benefit leave, in coordination with and as outlined in G.S. Ch. 97 Workers Compensation Act.

The Town of Lewisville requires all employees to make initial visit to the town's recognized physician before any other medical treatment can be sought, provided that the workers' compensation injury is non-emergency in nature.

The town's officially recognized facility/physician shall be posted at Town Hall on the employee notice board.

Employees are prohibited from engaging in outside employment during worker's compensation leave.

Section 6 - 9 Education Tuition Assistance

The town will reimburse tuition, within budget constraints, to full-time regular employees if the course of study can reasonably be expected to benefit the town or assist the employee in attaining a job at a higher level within the town structure. Books and other fees will be the responsibility of the employee. The course(s) of study will be taken during non-work hours. The employee will be eligible for this benefit after being employed at least one year. Reimbursement will be given only after the employee submits grades and a receipt for the tuition. If the course was not passed or has not been completed by the employee, the town will not be obligated to reimburse the tuition. Courses of study should be approved for reimbursement by the town manager prior to the beginning date of the course(s). Upon receiving tuition reimbursement the employee must remain with the town for a period of two years following the completion of the course. Otherwise, the employee must reimburse the town for course tuition.

Section 6 - 10 Insurance

The Town of Lewisville provides basic medical, dental, life, vision and weekly disability insurance for full-time employees only. Any family (spouse, child, or family) insurance must be requested by the employee at which time the employee shall agree to pay 80 percent and the town shall pay 20 percent of the additional family premium. . The town's participation in the employee's family insurance premium is only applicable to insurance purchased from the town's insurer.

**RESOLUTION 2021007 OF THE LEWISVILLE TOWN COUNCIL
REVISING THE PERSONNEL POLICY**

The Federal Government provides Medicare benefits to individuals age 65 and older. The benefits begin the first day of the month that the individual turns 65 years of age. When an employee becomes eligible for Medicare, they may waive their right to participate in the Town's medical plan and request reimbursement for the cost of their medical insurance policy that they have chosen as a supplement to their Medicare benefits. This reimbursement shall be done on a monthly basis.

The amount to be reimbursed will be for the actual monthly cost of the individual's chosen Medicare supplement and shall not exceed an amount equal to the Town's monthly cost to insure an employee of the Town under the Town's current medical plan.

Section 6 -11 Retirement Benefits

- a. The Town provides retirement benefits for its employees through the North Carolina Local Government Employees' Retirement System (NCLGERS).
- b. All employees working 1000 hours or more annually are required to join NCLGERS retirement plan.
- c. The Town also provides retirement benefits by participating in additional or supplemental retirement programs such as 401(k) and/or 457 plans.
- d. The Town's total financial participation in approved retirement programs for each full-time employee is determined annually and is a part of the budget ordinance.

Section 6 - 12 Calculation of Holiday Leave, Vacation Leave, and Sick Leave (non-exempt FLSA Employees)

Holiday leave, vacation leave, and sick leave earned by regular employees having a workweek or work shift with fewer hours than a 40 hour workweek or 8 hour work shift, shall be determined proportional to the 40 hour employee. This is done so that the same percentage in time off with pay is granted. Calculations are made as follows:

1. The number of hours granted annually to 40 hour employees shall be divided by 2080 hours (the number of hours annually in a 40 hour workweek). This percentage of time off is then applied to the annual number of hours worked by employees with fewer hours than 40 hour per week employees.
2. The proportion obtained is earned and deducted from the employee accrual on an hour for hour basis.

Example: A 40 hour per week employee with 5 years of service is entitled to 120 hours of vacation leave annually (15 days) which is 5.77% of their total time. An employee working 1560 hours annually with 5 years of service is entitled to $(1560 \times 5.77\% = 90)$ 90 hours of vacation leave annually.

Section 6 - 13 Bereavement Leave

An employee may have up to three (3) days leave per year at full pay granted when making funeral arrangements, traveling to and attending the funeral of an immediate family member as defined in section 5 - 4 2 - 1d. of these policies. The three (3) days of leave are in addition to other vacation and sick leave accruals. Such leave time may not be carried over from one fiscal year to the next. Additional time to settle affairs of the family may be taken with the approval of the department head and should be charged to vacation leave. Leave to attend funerals of other than the immediate family may be granted by the department head and charged to vacation leave or personal days.

Section 6-14 Use of Parks and Recreation Rental Facilities

Town of Lewisville

Budget Amendment Ordinance 2021006
Amending Budget Ordinance 2020001

Finance Department Use Only
<i>Budget Amendment Number: #20</i>
<i>Finance Officer: PAM ORRELL</i>

<i>DEBIT</i>			<i>CREDIT</i>		
<i>CODE</i>	<i>ACCOUNT DESCRIPTION</i>	<i>AMOUNT</i>	<i>CODE</i>	<i>ACCOUNT DESCRIPTION</i>	<i>AMOUNT</i>
10-00-4110-4994	General Fund Governing Body - Transfer to Community Center Capital Project	\$112,031.00	10-00-3990-9000	General Fund Fund Balance Appropriated	\$112,031.00

To fund change Order #2 from Fairwood Construction for the increase in the market price for lumber

RECOMMENDED By: Pam Orrell
Town Finance Officer

Approved and effective upon adoption, this the 4th day of February, 2021 by the Lewisville Town Council.

APPROVED: _____
Mike Horn, Mayor

ATTEST: _____
Joyce C. McWilliams Walker, Town Clerk

**RESOLUTION 2021008 OF THE LEWISVILLE TOWN COUNCIL
ACCEPTING CHANGE ORDER #2
FOR THE NEW COMMUNITY CENTER**

WHEREAS, The price for lumber has elevated in the building industry; and

WHEREAS, The original bid price for lumber in the Community Center Contract has elevated for the purchase of lumber from the original bid price of \$153,901 to \$271,828, a difference of \$117,927; and

WHEREAS, There is a need to amend the contract with Fairwood Construction for the amended amount to purchase lumber; and

WHEREAS, The funds for change order #2 will be transferred from the General Fund; and

WHEREAS, Town of Lewisville concurs with this addendum to the contract.

NOW, THEREFORE, BE IT RESOLVED BY THE LEWISVILLE TOWN COUNCIL that the Town Manager is authorized to approve Change Order #2 with Fairwood Construction in the amount of \$112,031.⁰⁰.

Adopted this the 22nd Day of January, 2021 by the Lewisville Town Council.

Mike Horn,
Mayor

ATTEST:

Joyce C. McWilliams Walker
Town Clerk

**TOWN OF LEWISVILLE
ORDINANCE 2021005
AMENDING CAPITAL PROJECT ORDINANCE OF THE LEWISVILLE TOWN COUNCIL
COMMUNITY CENTER CAPITAL PROJECTS FUND**

WHEREAS, the Lewisville Town Council established the Capital Project Ordinance 2019023 for the construction of a new community center building; and

WHEREAS, the Town of Lewisville engaged ADW Architects of Charlotte to conduct a pre-design study to assess the size, placement, cost estimations, and programming of a new community center; and

WHEREAS, appropriations were made in the amount of \$16,000 for this project; and

WHEREAS, the Lewisville Town Council amended Ordinance 2019023 by approving Ordinance 2019045 at their meeting on October 10, 2019, to move forward to the next phase of design work with ADW Architects and amended Sections 3 and 4 in an amount of \$379,000; and

WHEREAS, additional information has been received that requires an additional amendment to Sections 3 and 4 of the Community Center Capital Project Ordinance; and

WHEREAS, in November 2019, Sections 3 and 4 amended Ordinance 2019023 in the amount of \$28,200 to appropriate funds for design by approving Ordinance 2019052; and

WHEREAS, appropriations were made by amendment to Sections 3 and 4 to Ordinance 2019023 to complete this project; and

WHEREAS, funds in the amount of \$4,094,725 were appropriated in August 2020 in order to move to the construction phase of this project; and

WHEREAS, appropriations were made by Ordinance 2020053 to Sections 3 and 4 to amend Ordinance 2019023 in the amount of \$159,437 in order to fund Change Order #1 from Fairwood Construction, LLC to construct a bio-cell pond on the site of the new Community Center.

WHEREAS, funds will need to be appropriated in order to fund Change Order #2 from Fairwood Construction, LLC to fund additional costs related to market adjustments in the cost of lumber.

NOW THEREFORE BE IT ORDAINED that the following appropriations are being made to Sections 3 and 4 of Ordinance 2019023 to complete this project:

Section 3. The following amounts are appropriated to complete this project:

Construction	52-00-4110-6001	<u>\$112,031</u>
	Total Expenditures	<u>\$112,031</u>

Section 4. The following revenues are anticipated to be available to complete this project:

**TOWN OF LEWISVILLE
ORDINANCE 2021005
AMENDING CAPITAL PROJECT ORDINANCE OF THE LEWISVILLE TOWN COUNCIL
COMMUNITY CENTER CAPITAL PROJECTS FUND**

Transfer from General Fund	52-00-3980-0000	<u>\$112,031</u>
	Total Revenues	<u>\$112,031</u>

Section 5. The Finance Officer is hereby directed to maintain within the Capital Projects Fund sufficient detailed accounting records to satisfy the requirements of the contract agreements and state regulations.

Section 6. The Finance Officer is directed to report, on a monthly basis, on the financial status of this project.

Section 7. Copies of this capital project ordinance shall be furnished to the Clerk of the Governing Body and to the Budget Officer and the Finance Officer for direction in carrying out this project.

Adopted this the 22nd day of January, 2021 by the Lewisville Town Council.

Mike Horn,
Mayor

ATTEST:

Joyce C. McWilliams Walker
Town Clerk

2021 BOARD & COMMITTEE VACANCIES/APPOINTMENTS

BOARDS 3-year staggered terms 3-term limit

Parks, Recreation & Cultural Development Board

3 vacancies

Susan Frey requests re-appointment
 Wayne Hall requests re-appointment
 Catherine Spross will not be returning

Planning Board

2 vacancies

Tom Lawson requests re-appointment
 Bill Scantland will not be returning

.....
 2 applications received

Willow Run Municipal Service District

1 vacancy ea - Area 1 & 4

(Must live in either Runnymede or Willowmede sub-divisions)

Martin Beale Requests re-appointment Area 1
 Open Area 2
 Denise Criss Requests re-appointment Area 4

Zoning Board of Adjustment

1 vacancy - Permanent

1 vacancy - Alternate

Jennifer Hill Requests re-appointment Permanent
 Susan Stevens will not be returning Alternate

.....
 1 application received

Lewisville Utilities Committee 7-member committee

Daniel Frey will not be returning
 Lynn Fulton did not ask to return - request appointment to Planning
 Ed Rachlin request re-appointment

.....
COMMITTEES - 2-year unlimited renewable terms following November election

LBC	Y	N	Public Safety	Y	N	Recycling	Y	N	
All returning	7		Returning	5		Returning	5		
Moved		1	Not returning		1	Not returning		1	

1 application received for Parks and Recreation - the person lived outside the town
 1 application received for Public Safety and Beautification - the person lived outside the town

**RESOLUTION 2021011 OF THE LEWISVILLE TOWN COUNCIL
PERTAINING TO
ACCEPTANCE AND APPROVAL OF MONTHLY DISBURSEMENTS**

WHEREAS, the Finance Officer has presented the Town Council with the Revenue Statement Summary and the Encumbrances and Expenditure Statement Summary of figures for the five months ending December 31, 2021; and

WHEREAS, the Finance Officer did not report any unusual expenditures.

NOW, THEREFORE, BE IT RESOLVED THAT the Lewisville Town Council accepts the Revenue Statement Summary and the Encumbrances and Expenditure Statement Summary for the six months ending December 31, 2021 and incorporated herein.

Resolved and effective upon adoption, this the 11th day of February, 2021 by the Lewisville Town Council.

ATTEST:

Mike Horn, Mayor

Joyce C. McWilliams Walker, Town Clerk

Town of Lewisville
Financial Budget to Actual Report - General Fund
Six Months Ended December 31, 2020

General Fund

Revenues	Budget	Revenue Year to Date	Uncollected	Percentage Collected
Property Tax Collections	\$ 2,452,605.00	\$ 1,461,716.86	\$ 990,888.14	59.60%
Sales Tax Revenue	802,400.00	296,867.52	505,532.48	37.00%
Other Revenues	1,265,970.00	568,725.66	697,244.34	44.92%
Total	4,520,975.00	\$ 2,327,310.04	\$ 2,193,664.96	51.48%
Appropriation from Fund Balance	1,713,196.00			
	<u>\$ 6,234,171.00</u>			

Departments	Budget	Expenditures Year to Date	Encumbrances Year to Date	Unencumbered and Unspent Balance	Percentage of Budget Spent or Encumbered
Governing Body	\$ 227,910.00	\$ 115,291.94	\$ 7,730.00	\$ 104,888.06	53.98%
Administration	660,895.00	269,185.73	19,474.55	372,234.72	43.68%
Student Leadership	700.00	-	-	700.00	0.00%
Finance	231,040.00	112,579.72	-	118,460.28	48.73%
Debt Service	470,752.00	470,650.44	-	101.56	99.98%
Planning & Zoning	270,596.00	65,395.30	-	205,200.70	24.17%
Beautification	99,085.00	41,757.62	46,616.50	10,710.88	89.19%
Community Policing	664,310.00	160,296.50	473,025.00	30,988.50	95.34%
Public Safety	9,650.00	1,260.00	-	8,390.00	13.06%
Public Works	403,840.00	105,541.56	24,700.00	273,598.44	32.25%
Streets	278,075.00	82,667.33	176.07	195,231.60	29.79%
Powell Bill	348,000.00	256,877.20	850.00	90,272.80	74.06%
Storm Water	157,147.00	67,919.46	60,707.35	28,520.19	81.85%
Solid Waste	832,450.00	324,152.95	-	508,297.05	38.94%
Recycling	3,555.00	145.00	-	3,410.00	4.08%
Parks and Recreation	258,404.00	33,317.69	9,848.20	215,238.11	16.70%
Transfers to Capital Projects Funds	1,096,937.00	-	-	1,096,937.00	0.00%
Transfers to Capital Reserves	220,825.00	220,825.00	-	-	100.00%
Total	<u>\$ 6,234,171.00</u>	<u>\$ 2,327,863.44</u>	<u>\$ 643,127.67</u>	<u>\$ 3,263,179.89</u>	47.66%

General Fund Balance 7/1/2020	\$ 7,254,710.83
Year-to-Date Increase (Decrease) FY 6/30/2021	(553.40)
General Fund Balance 12/31/2020	<u>\$ 7,254,157.43</u>

Town of Lewisville
Financial Budget to Actual Report - Willow Run Municipal Service District
Six Months Ended December 31, 2020

Willow Run Municipal Service District

Revenues	Budget	Revenue Year to Date		Percentage Collected
		to Date	Uncollected	
Revenues	\$ 32,150.00	\$ 19,766.10	\$ 12,383.90	61.48%
Total	\$ 32,150.00	\$ 19,766.10	\$ 12,383.90	61.48%
Appropriation from Fund Balance	\$ -			
	<u>\$ 32,150.00</u>			

	Budget	Expenditures Year to Date	Encumbrances Year to Date	Unencumbered and Unspent Balance	Percentage of Budget Spent or Encumbered
Expenditures	\$ 32,150.00	\$ 2,400.00	\$ -	\$ 29,750.00	7.47%
Total	\$ 32,150.00	\$ 2,400.00	\$ -	\$ 29,750.00	7.47%

MSD Fund Balance 7/1/2020	\$ 165,275.34
Year-to-Date Increase (Decrease) FY 6/30/2021	17,366.10
MSD Fund Balance 12/31/2020	<u>\$ 182,641.44</u>

**Town of Lewisville
Other Funds
December 31, 2020**

Capital Reserves Funds

Storm Water Capital Reserve	\$ 400,945.68
GWR ROW/Construction Capital Reserve	934,354.17
Sidewalks, Bike Paths, and Greenways Capital Reserve	123,165.76
Municipal Buildings/Land Capital Reserve	217.65
Total Capital Reserve Fund Balances	<u><u>\$ 1,458,683.26</u></u>

Capital Projects Funds

GWR ROW/Construction Capital Project	\$ 734,752.41
JWP Maintenance Facility/Playground Expansion Capital Project	20,627.13
Gateway Project Capital Project	177,670.23
Heritage Drive Regional Storm Water Pond #1 Capital Project	3,721.76
Community Center Capital Project	1,234,641.82
Roundabout at Lewisville-Vienna Road and Robinhood Road Capital Project	257,586.66
Total Capital Projects Fund Balances	<u><u>\$ 2,429,000.01</u></u>

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Please click the link below to join the webinar:

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1. **Call to Order:**
 - a. Mayor Horn opened the meeting being simultaneously streamed electronically at 6:00 p.m. Council members attending electronically were Jeanne Marie Foster, Fred Franklin, Melissa Hunt, Ken Sadler, David Smitherman, and Jane Welch. Also attending electronically were Town Manager Hank Perkins, Attorney Bo Houff, Town Planner Stacy Tolbert, Finance Director Pam Orrell, Public Works Director Ryan Moser, and Town Clerk Joyce Walker.
 - b. Adoption of Agenda
 - i. Council Member Hunt moved to approve the agenda. The motion was seconded by Council Member Franklin and approved unanimously with a roll call vote of ayes from Council Members Foster, Franklin, Hunt, Sadler, Smitherman, Welch and Mayor Horn.
 2. **Guests, Introductions, Recognitions and Presentations for January 7, 2021**
 - a. None.
 3. **Items That Require Council Direction**
 - a. None.
 4. **Items Requiring Action at Briefing**
 - a. 2021 Advocacy Goals to be submitted by the NC League of Municipalities to the NC Legislature
 - i. Selection of the Town's choice of 10 of the 17 proposed advocacy goals
 - (1) After review and discussion of the suggestions from Mayor Horn, members agreed to the following:
 - (a) Revitalize vacant and abandoned properties with enhanced legal tools and funding.
 - (b) Create a permanent and adequate funding stream for local infrastructure needs.
 - (c) Increase public safety grant funding and expand allowable uses.

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- (d) Extend notification timeline for any changes to sales tax revenue disbursement.
 - (e) Improve processes and payments for moving utility lines located in the right-of-way during transportation projects.
 - (f) Expand incentives and funding for local economic development.
 - (g) Increase state and federal funding for affordable housing.
 - (h) Ensure state funding for any new, state-mandated benefits for municipal employees.
 - (i) Improve state-wide funding and support for LEO training focused on use of force, mental health and de-escalation skills.
 - (j) Increase in-state funding to support public transportation development and operations.
 - (2) After discussion, Council Member Welch moved to approve the above advocacy goals. The motion was seconded by Council Member Foster and approved unanimously with a roll call vote of ayes from Council Members Foster, Franklin, Hunt, Sadler, Smitherman, Welch and Mayor Horn.
 - ii. Appointment of delegate to cast ballot for the 10 goals
 - (1) Council Member Welch moved to appoint Mayor Horn as the Town's representative. The motion was seconded by Council Member Foster and approved unanimously with a roll call vote of ayes from Council Members Foster, Franklin, Hunt, Sadler, Smitherman, Welch and Mayor Horn.
- b. Drainage improvements at and intersection in the Sequoia subdivision
 - i. [Ordinance 2021002](#) - amending Budget Ordinance 2020001 in the amount of \$10,895.⁰⁰ for drainage improvements at the intersection of Big Tree Drive and Chockecherry Lane
 - (1) Council Member Franklin moved to approve Ordinance 2021002. The motion was seconded by Council Member Sadler and approved unanimously with a roll call vote of ayes from Council Members Foster, Franklin, Hunt, Sadler, Smitherman, Welch and Mayor Horn.
 - (a) Mr. Ryan also advised Council that he has a video he will forward showing the situation.
 - ii. [Resolution 2021002](#) - awarding contract for stormwater drainage repairs to Russell Construction Company for the intersection of Big Tree Drive and Chockecherry Lane for an amount not to exceed \$10,895.⁰⁰
 - (1) Council Member Smitherman moved to approve Resolution 2021002. The motion was seconded by Council Member Welch and approved unanimously with a roll call vote of ayes from Council Members Foster, Franklin, Hunt, Sadler, Smitherman, Welch and Mayor Horn.
- c. [Ordinance 2021003](#) - amending Budget Ordinance 2020001 in the amount of \$4,170.⁰⁰ to remove sidewalk trip and fall hazards in Brook Forest

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- i. Mrs. Tolbert advised that there is a draft ordinance for the Planning Board to change street set backs and she and Mr. Moser have been working with pending developments to get ahead of the change.
- ii. Council Member Sadler moved to approve Ordinance 2021003. The motion was seconded by Council Member Franklin and approved unanimously with a roll call vote of ayes from Council Members Foster, Franklin, Hunt, Sadler, Smitherman, Welch and Mayor Horn.

5. Unfinished Business:

- a. Continued - consideration for Public hearing UDO L-162 Downtown Overlay District references in Chapter A, Definitions; Chapter B Article II (H) boundary information; and adopting official map of Downtown allowing the required 24 hours following the close of the public hearing under NC Session Law 2020-3 that was opened on November 12, 2020 and continued to December 10, 2020
 - i. A full staff presentation was provided at the December meeting.
 - (1) This ordinance just clearly defines the area for the Downtown Overlay.
 - (2) Council members were advised that no written comments had been received from any of the property owners that had been sent letters nor were there any written comments from anyone else following the 24 hour period.
 - ii. Public Hearing was closed in December.
 - iii. January 7, 2020 Consideration - [Ordinance 2020050](#) (see attached map)
 - (1) Council Member Welch moved to approve Ordinance 2020050. The motion was seconded by Council Member Foster and approved unanimously with a roll call vote of ayes from Council Members Foster, Franklin, Hunt, Sadler, Smitherman, Welch and Mayor Horn.

6. Administrative Reports:

- a. Manager
 - i. Council members were advised that the DOT will be approving the Town to move ahead soon with construction on the Gateway Project.
 - (1) This is a locally administered project with a target date to go to bid is in mid February; pre-construction meeting in May; and a seven month construction time for completion.
 - (2) Acquisitions are being finalized.
 - (3) Early cost estimates were for \$1.2 million of which \$125,000.⁰⁰ will be coming from the CCUC capital reserve for a sewer line relocation sewer.
 - (a) Because the project has set, there has been some rise in cost.
 - (b) The new estimate is \$1.5 million.
 - (4) Right-of-way and plan certifications need to be finalized.
 - (5) We will be seeking an independent firm for the CEI to do the

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- administration.
 - (a) Staff was advised that the existing welcome sign at HWY 421 needs some repair.
 - (6) The lighting will be a Duke Energy separate future project.
 - (a) Mr. Perkins advised that the Town depends on residents to report outages for public lighting.
 - (b) He will also email information to Council members regarding locally administered projects.
 - b. Attorney
 - i. None.
 - c. Public Works
 - i. Public Works vehicle purchase
 - (1) Information has been researched and compared a new vehicle vs a used vehicle to replace the green vehicle.
 - (2) Using the State purchasing agreement, a new Toyota 4 Runner SUV is the most reliable and will come with a full warranty.
 - (3) The cost is \$37,520.⁰⁰ but it may be 3 or 4 months before it will be delivered.
 - d. Planning
 - i. Joint Comprehensive Plan and Parks and Recreation Master Plan update
 - (1) Additional information requested has been received from the two firms that were short listed hopefully contracts will be coming to Council next week.
 - e. Finance
 - i. [Ordinance 2020057](#) - amending Budget Ordinance 2020001 in the amount of \$500.⁰⁰ was approved by Council at the December 10, 2020 meeting to contract with Ryan Reedy to produce a video collage showing Lewisville residents “masking up”
 - (1) Mr. Reedy hopes to have this on air by next week.
 - f. Clerk
 - i. Council accepted the Certificate of Sufficiency for the annexation request for property at the end of Doub Rd at their December 10, 2020 meeting
 - ii. Board and committee appointment/reappointment requests must be received by the last Friday in January.
 - (1) A full report will be provided to council.
7. **Agenda Items for Regular Meeting on [January 14, 2021](#)**
- a. Tentative Agenda
 - i. **Consent Agenda**
 - (1) [Resolution 2021003](#) - Acceptance and Approval of Monthly [Financials for the five months ending November 30, 2020](#)
 - (2) Approval of Town Council Briefing Meeting [Minutes - December 3, 2020](#)

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- (3) Approval of Closed Session Minutes - December 3, 2020
 - (4) Approval of Town Council Meeting Minutes - December 10, 2020
 - (5) Approval of Closed Session Minutes - December 10, 2020
 - ii. **Introductions, Recognitions, Presentations and/or Proclamations**
 - (1) Presentations
 - (a) Public Safety Report
 - (b) Annual Audit Report - Gibson and Company
 - (2) Recognitions
 - (a) The Community Appearance Committee has awarded the Flora Ann Bynum Award to the Lewisville Beautification Committee for going above and beyond to improve the appearance of the Town and Jack Warren Park, Access to the award program follows with the presentation starting at 44:00: <https://www.youtube.com/watch?v=1PMmFonZXL8>.
 - (b) 2020 Higgins & Langley Award - Lewisville Fire Department - Chief Darin Needham, David Kivett and Chris Craven
 - iii. **Public Hearings**
 - (1) None.
 - iv. **Technical Review(s)**
 - (1) None.
 - v. **Preliminary Site Plan Approvals**
 - (1) None.
 - vi. **Evidentiary Hearings**
 - (1) None.
 - vii. **Old Business**
 - (1) None.
 - viii. **New Business**
 - (1) [Resolution 2021001](#) - Amending the policy on accepting applications to Lewisville Boards and Committees
- b. Approval of Tentative Agenda for regular meeting on **January 14, 2021**
- i. Mrs. Welch asked that the Sergeant provide more detail on how well local businesses are faring during the COVID pandemic.
 - (1) Sgt. Stringer will be asked to provide more detailed information as well as the orders given by the Sheriff's Office.
 - ii. Mrs. Foster asked to have the oath of office added to the agenda; however, after discussion it was decided it would not be prudent.
 - iii. Instead, Council members agreed to add the Pledge of Allegiance instead.
 - iv. Council Member Smitherman moved to approve the tentative agenda for January 14, 2021. The motion was seconded by Council Member Foster and approved

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unanimously with a roll call vote of ayes from Council Members Foster, Franklin, Hunt, Sadler, Smitherman, Welch and Mayor Horn.

8. For the Good of the Order:

- a. Council Discussion
 - i. COVID comments: Mr. Franklin - I want to be jabbed by June.
Mayor Horn - or stabbed by September.
 - ii. Mrs. Hunt asked that Council be provided an update on the progress of the Community Center.
 - (1) That was agreeable to everyone and it will be added to Reports for briefings.

9. Adjournment

- a. Having no other business to discuss, Council Member Franklin moved to adjourn the meeting at 7:05 p.m. The motion was seconded by Council Member Welch and approved unanimously with a roll call vote of ayes from Council Members Foster, Franklin, Hunt, Sadler, Smitherman, Welch and Mayor Horn.

Mike Horn, Mayor

ATTEST:

Joyce C. McWilliams Walker, Town Clerk

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Lewisville Town Council
Special Called Meeting and Action Meeting Minutes
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Jan 22, 2021 06:00 PM Eastern Time (US and Canada)

Special Called Meeting to consider contract construction changes in the Mary Alice Warren Community Center

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/82473333875?pwd=VExuS2xldkweG01R1JKRmw2Z2cyUT09>

Passcode: 007320

Or

Telephone: +1 312 626 6799

Webinar ID: 824 7333 3875

Passcode: 007320

1. **Call to Order**

a. Roll Call

i. Mayor Horn opened the meeting being simultaneously streaming electronically at 6:02 p.m. Council members attending electronically were Jeanne Marie Foster, Fred Franklin, Melissa Hunt, Ken Sadler, David Smitherman, and Jane Welch. Also attending electronically were Town Manager Hank Perkins, Attorney Bo Houff, Finance Director Pam Orrell and Public Works Director Ryan Moser. Also admitted electronically were Bob Moran representing ADW and Emily Clodfelter and Bill Heard representing Fairwood Construction.

b. Approval of Agenda

i. Council Member Smitherman moved to approve the agenda. The motion was seconded by Council Member Fred Franklin and approved unanimously with a roll call vote of ayes from Council Members Jeanne Marie Foster, Fred Franklin, Melissa Hunt, Ken Sadler, David Smitherman, Jane Welch and Mayor Mike Horn.

2. **Considerations**

a. Changes in terms related to the construction contract with Fairwood Construction for the Lewisville Mary Alice Warren Community Center

i. Unexpected increased costs in framing materials due to market prices were discussed by the contractors.

(1) The contractors explained that they generally include a 5% variance in their bid in cost changes for materials; however, costs for framing materials (lumber) have skyrocketed since the project was bid (153,901.⁰⁰) in July 2020.

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- (a) The contractors advised they had come to Council to advise of the magnitude of the change in price to purchase the lumber package.
 - (b) When the bid was placed in July, the cost for lumber was at an all-time high and there was no indication that the cost would continue to escalate.
 - (c) The cost to purchase the lumber package has risen to \$271,828.⁰⁰ as of January 8, 2021, a difference of \$117,927 from the bid.
 - (d) Some of the rise in costs have been contributed to Covid, i.e. mills shut down due to personnel out because of the virus.
 - (i) There was a question whether there had been any relief from Covid disbursements.
 - (ii) The only assistance came from PPE (Personal Protective Equipment) help.
 - (e) Another contributor is the housing and commercial boom in construction.
- (2) Because of the rise in costs, the contractor did say that he had charted costs and noted that there was a spike in mid-September, then dropped, then climbed again.
- (3) Council Member Franklin provided information tracked on the stock exchange which provided information on the possible cost of *board feet* since wood would be needed for studs, sheathing (load bearing supports), and roof trusses.
- (a) Council wanted to know if aluminum studs or metal could be used instead of wood.
 - (b) A change would require a redesign and the repricing of other items.
- (4) Council was advised that six suppliers in the area had been contacted and that Carter was the lowest bidder, even now.
- (a) It was also noted that other companies bidding for the job also used Carter.
 - (i) Council Member Sadler, in reviewing the original bids, ~~advised that other contractors bid more for the lumber package although their final bids were lower for the entire job~~ **questioned whether the other bidders had accounted for potential increases in cost and whether that may have been the reason the selected contractor may have had the lower bid.**
 - (b) It was noted that other suppliers are in the same situation.
- (5) There was a question about the availability of material.
- (a) Other companies are not keeping material in stock.
 - (b) The town was asked if there was a place drywall could be stored if

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- the package were purchased now.
- (c) Carter will hold the lumber package through Monday at the new price quoted after which it will be repriced.
- (6) The Town's contractor and the contractor's sub-contractors are all working on absorbing the added costs.
- (a) **Would the project stop if the Town did not provide the additional funding?**
- (i) **No. The contract will be honored and the lumber order placed regardless of the decision and it will be done with quality.**
- (b) A list of other materials was noted as having a rise in cost.
- (7) **Mrs. Welch asked if a shark tank approach could be used to determine how much the town could contribute.**
- (i) **The contractor did say they had absorbed quite a bit and was willing to do what they had to.**
- (ii) **It was noted, however, that ADW is the legal agent for the project with the owner, architects and contractor as though there were a "three legged stool" that would provide a win/win situation for all.**
- (8) There were questions about whether there should be changes to the contract.
- (a) Was the Town *obligated* to pay the excess cost?
- (i) **Council Member Sadler also asked if the Town was liable for the increased cost.**
- (i) **No.**
- (b) Council Member Hunt asked whether an addendum could be added to the contract?
- (i) Attorney Houff indicated there could only be changes if both parties agree to the changes; however, there could be potential problems from the other bidders.
- (ii) Mr. Heard mentioned that they will be looking at escalation clauses for future contracts.
- ii. Discussion on funding
- (1) Council Members discussed whether to use the contingency fund.
- (a) So far, \$16,732.⁰⁰ has been used of the \$183,000.⁰⁰ set aside for contingency.
- (2) Using the contingency now would deplete the fund and the project is only 35% complete, leaving other unknowns through the end of the project.
- (3) Money can be used from another fund and it will not be a legal issue.
- (4) Mr. Perkins offered an alternative to using the contingency: approve a

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- change order, budget amendment and amend the capital project ordinance.
- (5) After additional discussion, Council Member Franklin moved to approve a budget amendment in the amount of \$118,000.⁰⁰, stating he likes round figures. The motion was seconded by Council Member Smitherman.
- (a) Mayor Horn asked if they would accept an amendment to the amount to be \$112,031.⁰⁰ to which they both agreed.
- (b) The amended motion was approved 6-1 with a roll call vote of six (6) ayes from Council Members Foster, Franklin, Hunt, Smitherman, Welch and Mayor Horn and one (1) nay from Council Member Sadler.
- (6) Council Member Franklin moved to approve Change Order #2. The motion was seconded by Council Member Smitherman and approved 6-1 with a roll call vote of six (6) ayes from Council Members Foster, Franklin, Hunt, Smitherman, Welch and Mayor Horn and one (1) nay from Council Member Sadler.
- (a) The Capital Project Ordinance will be amended to reflect the change.
- iii. After the approvals, Ms. Clodfelter noted all of the lumber will be purchased.

3. Council Comments

- a. Mrs. Hunt commented that this is a learning opportunity on contractual agreements and insurance protection as the Town moves forward.
- i. **Mayor Horn advised that the town had entered into similar arrangements with other vendors and gave Waste Management as an example.**
- b. Council Member Sadler said that he found no problems with the contract **and had asked earlier in the meeting if the contract was sufficient to protect the town. In other words, was the town at risk for the additional cost as a result of the contract. It was agreed that the town really had no exposure and that any decision to make the adjustment was just an accommodation to the contractor.**
- c. Council Member Smitherman noted that Covid might impact more going forward.
- d. Council Member Franklin looked at the profiles of two (2) of the lowest bidders and said he supports this contractor but did not want to see any corners cut.
- e. Mr. Heard invited Mr. Franklin to participate in the punch list walk-thru at the end of the project.

4. Adjournment

- a. Having no other business to discuss, Council Member Smitherman moved to adjourn the meeting at 8:14 p.m. The motion was seconded by Council Member Hunt and approved unanimously with a roll call vote of ayes from Council Members Foster, Franklin, Hunt, Sadler, Smitherman, Welch and Mayor Mike Horn.

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Mike Horn, Mayor

ATTEST:

Joyce C. McWilliams Walker, Town Clerk

**RESOLUTION 2021006 OF THE LEWISVILLE TOWN COUNCIL
ACCEPTING THE RESIGNATION OF DARYL SIEFERT
FROM THE LEWISVILLE BEAUTIFICATION COMMITTEE**

WHEREAS, the Town of Lewisville has received notification from Daryl Siefert that he has moved from the Town of Lewisville; and

WHEREAS, Mr. Siefert has expressed that he is resigning from the Lewisville Beautification Committee; and

WHEREAS, the Lewisville Beautification Committee appreciates the dedicated work of Committee Member Daryl Siefert.

NOW, THEREFORE, BE IT RESOLVED THAT THE LEWISVILLE TOWN COUNCIL accepts the resignation of Daryl Siefert from the Lewisville Beautification Committee.

Adopted this the 11th Day of February, 2021 by the Lewisville Town Council.

Mike Horn,
Mayor

ATTEST:

Joyce C. McWilliams Walker
Town Clerk

**RESOLUTION 2021005 OF THE LEWISVILLE TOWN COUNCIL
AUTHORIZING THE CONTRACT
FOR FISCAL YEAR 2020-2021 AUDITING SERVICES**

WHEREAS, Gibson & Company has provided auditing services since 2001; and

WHEREAS, Gibson & Company has submitted its contract and engagement letter for services for the annual independent audit of the Town for fiscal year 2020-2021; and

WHEREAS, the audit is a budgeted line item; and

WHEREAS, the cost of the audit is greater than \$10,000.⁰⁰ (ten thousand dollars ⁰⁰/₁₀₀) and requires formal approval.

NOW, THEREFORE, BE IT RESOLVED THAT THE LEWISVILLE TOWN COUNCIL approves the contract for the firm of Gibson and Company, P.A. to perform the annual independent audit of the town's financial statements for fiscal year 2020-2021. The amount for the audit of the financial statements is \$20,745.⁰⁰ (Twenty thousand seven hundred forty-five dollars ⁰⁰/₁₀₀). There is an additional \$4,000.⁰⁰ (Four thousand dollars ⁰⁰/₁₀₀) if a single audit is required with the total of the two amounting to \$24,745.⁰⁰ (Twenty-four thousand seven hundred forty-five dollars ⁰⁰/₁₀₀).

Adopted this the 11th Day of February, 2021 by the Lewisville Town Council.

Mike Horn, Mayor

ATTEST

Joyce C. McWilliams Walker, Town Clerk

The	Governing Board Town Council
of	Primary Government Unit (or charter holder) Town of Lewisville
and	Discretely Presented Component Unit (DPCU) (if applicable) N/A

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

and	Auditor Name Gibson & Company, P.A.
	Auditor Address 1411 Old Mill Circle, Winston-Salem, NC 27103

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/21	Audit Report Due Date 10/31/21
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Must be within four months of FYE

hereby agree as follows:

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

2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit performed under the requirements found in Subpart F of the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Accounting Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC Staff within four months of fiscal year end. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.

9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.)[G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FEEES FOR AUDIT SERVICES

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

Financial statements were prepared by: Auditor Governmental Unit Third Party

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

Name:	Title and Unit / Company:	Email Address:
Pam A. Orrell	Finance Officer/Town of Lewisville	finance@lewisvillenc.net

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

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

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

PRIMARY GOVERNMENT FEES


Primary Government Unit	Town of Lewisville
Audit Fee	\$ 24,745.00 (includes Single Audit @ \$4,000)
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$
75% Cap for Interim Invoice Approval <i>(not applicable to hospital contracts)</i>	\$ 15,105.00

DPCU FEES (if applicable)

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

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Gibson & Company, P.A.	
Authorized Firm Representative (typed or printed)* R. Harold Gibson, Managing Partner/Principal	Signature* 
Date* 01/06/21	Email Address* harold@gibcocpa.com

GOVERNMENTAL UNIT

Governmental Unit* Town of Lewisville	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S.159-34(a) or G.S.115C-447(a))	
Mayor/Chairperson (typed or printed)* Mike Horn, Mayor	Signature*
Date	Email Address mayor@lewisvillenc.net

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

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

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

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

Primary Governmental Unit Finance Officer* (typed or printed) Pam A. Orrell	Signature*
Date of Pre-Audit Certificate*	Email Address* finance@lewisvillenc.net

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

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

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

DPCU – PRE-AUDIT CERTIFICATE

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

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

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

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

PRINT

SHEILA GAHAGAN, CPA

229 Penland Street

Clyde, NC 28721

Phone: 828-627-1040 Fax: 828-627-2329

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.

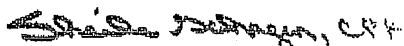
Required Selections and Considerations

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.

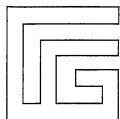
As part of my peer review, I considered reviews by regulatory entities communicated by the firm, if applicable, in determining the nature and extent of my procedures.

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



GIBSON & COMPANY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

January 6, 2021

The Council Members
Town of Lewisville
PO Box 547
Lewisville, NC 27023-0547

We are pleased to confirm our understanding of the services we are to provide Town of Lewisville for the year ended June 30, 2021. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of Town of Lewisville as of and for the year ended June 30, 2021. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Town of Lewisville'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 Town of Lewisville'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) Local Governmental Employees' Retirement System – Schedule of Proportionate Share of Net Pension Liability (Asset) and Schedule of Contributions.

We have also been engaged to report on supplementary information other than RSI that accompanies Town of Lewisville'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 Council Members of Town of Lewisville. 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 abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements 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, and of any material abuse that comes to our attention. 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 Town of Lewisville'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 Town of Lewisville's major programs. The purpose of these procedures will be to express an opinion on Town of Lewisville'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 Town of Lewisville 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).

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) 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 also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information. 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 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, or abuse 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. 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 Town of Lewisville; 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 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, 2021. 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 \$24,745 (includes single audit @ \$4,000). 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.

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

We appreciate the opportunity to be of service to Town of Lewisville 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.



R. Harold Gibson
Managing Partner/Principal

RESPONSE:

This letter correctly sets forth the understanding of Town of Lewisville.

Signature: _____

Title: _____

Date: _____

**RESOLUTION 2021009 OF THE LEWISVILLE TOWN COUNCIL
FIXING DATE OF PUBLIC HEARING ON QUESTION OF ANNEXATION
OF A PORTION OF DOUB ROAD PURSUANT TO G. S. 160A-31**

WHEREAS, a petition requesting annexation of the area described herein has been received; and

WHEREAS, the Lewisville Town Council, has by resolution, directed the Town Clerk to investigate the sufficiency of the petition; and

WHEREAS, certification of the Town Clerk as to the sufficiency of the petition has been made.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Lewisville, North Carolina, that:

Section 1. A public hearing on the question of annexation of the area described herein as a portion of the Doub Road area will be held electronically originating at the Lewisville Town Hall, 6510 Shallowford Road, Lewisville, NC 6:00 p.m. on Thursday, March 11, 2021.

Section 2. The area proposed for annexation is described as follows:

METES AND BOUNDS

Part of 5875-50-4898
Part of Lot 301 Block 4438
PART OF Deed Book 2951 Page 34

Being a 7.723 acre tract of land, lying and being in Forsyth County, North Carolina.

Beginning at a ¾" iron pipe having North Carolina NAD83(2011)coordinates of (N-851240.03, E-1574785.89), and in the eastern line of AMH NC Properties , Tax Lot 4 Block 4438B, (D.B. 3318 PG. 2081); thence along the existing western line of the Town of Lewisville Corporate limits, S 01°09'51" W a distance of 824.04'to a 1" iron pipe, the northeast corner of Constance P. Carper Living Trust, Tax lot 15 Block 4449 (D.B. 3305 PG.3713); thence along Carper, S 62°11'32" W a distance of 116.85'to a point; thence along Carper crossing over the terminus of Shangri-La Drive, S 86°02'43" W a distance of 209.78'to an existing iron pipe the northeast corner of northeast corner of Constance P. Carper Living Trust, Tax lot 203 Block 4438 (D.B. 3305 PG.3710) ; thence along Carper, S 79°18'23" W a distance of 164.89'to a ¾" iron pipe, the southeast corner of Mark Hall, tax lot 35 Block 4438b,(D.B.2406 PG. 2678); thence along Hall, N 09°48'57" W a distance of 518.36'to a ¾" iron pipe; thence N 82°15'03" E a distance of 231.84'to a ¾" iron pipe in the southern line of William Grayson, Tax lot 501 Block 4438b, (D.B.2351 PG. 253); thence N 48°01'06" E a distance of 206.53'to a ¾" iron pipe in the southwest corner of AMH NC Properties , Tax Lot 4 Block 4438B, (D.B. 3318 PG. 2081); thence along the southern line of AMH NC Properties, N 38°56'05" E a distance of 312.73'to THE POINT OF BEGINNING, having an area of 323327.2 square feet, 7.423 acres.

Section 3. Notice of the public hearing shall be published in the Winston-Salem Journal, a newspaper having general circulation in the Town of Lewisville, at least ten (10) days prior to the date of the public hearing.

Adopted this 11th Day of February, 2021 by the Lewisville Town Council.

APPROVED: _____
Mike Horn, Mayor

ATTEST: _____
Joyce C. McWilliams Walker, Town Clerk

**RESOLUTION 2021010 OF THE LEWISVILLE TOWN COUNCIL
SETTING A PUBLIC HEARING TO RECEIVE COMMENTS
ON UDO L-098 REZONING REQUEST BY McCHESNEY DEVELOPMENT
REZONING FROM RS-40 TO RS-20**

WHEREAS, the Lewisville Planning Board held its public hearing on January 13, 2021; and

WHEREAS, on January 27, 2021, after waiting the requisite 24 hours following the close of the public hearing as required under NC Session Law 2020-3 to receive written comments, approved recommending the request to Town Council; and

WHEREAS, Chapter 160A-364 of the North Carolina General Statutes provide that public notice be given when adopting or amending ordinances pertaining to planning and development; and

WHEREAS, General Statute 160A-364 requires that a notice of a public hearing be published twice in a newspaper having general circulation in the municipality not less than 10 days nor more than 25 days before the date fixed for the public hearing; and

WHEREAS, General Statute 160A-384 (a) *Methods for Procedure* states “The city council shall provide for the manner in which zoning regulations and restrictions and the boundaries of zoning districts shall be determined, established and enforced, and from time to time amended, supplemented or changed, in accordance with the provisions of this Article.”;

NOW, THEREFORE, BE IT RESOLVED THAT THE LEWISVILLE TOWN COUNCIL sets a public hearing to be conducted electronically at 6:00 pm originating in the Lewisville Town Hall, 6510 Shallowford Road, on Thursday, March 11, 2021 for the purpose of receiving public comment concerning this request.

Adopted this the 11th Day of February, 2021 by the Lewisville Town Council.

APPROVED: _____
Mike Horn, Mayor

ATTEST: _____
Joyce C. McWilliams Walker, Town Clerk

TOWN OF LEWISVILLE
MEMBERSHIP APPOINTMENT 2021001
Lewisville Beautification Committee

WHEREAS, the Town Council established the Lewisville *Beautification Committee* in October 1991; and

WHEREAS, the Town Council has determined that the Beautification Committee serves a vital community function;

NOW, THEREFORE, BE IT RESOLVED THAT THE LEWISVILLE TOWN COUNCIL appoints the following to serve on the Lewisville Beautification Committee through March 31, 2022:

Sonsera Trella Kiger

1316 Thriftwood Trail

Member

Appointed this 11th Day of February, 2021.

Mike Horn
Mayor

ATTEST

Joyce C. McWilliams Walker
Town Clerk

**TOWN OF LEWISVILLE
MEMBERSHIP APPOINTMENT 2021002
Lewisville Recycling Committee**

WHEREAS, Lewisville Town Council has established the *Lewisville Recycling Committee* to address recycling needs in the town;

NOW, THEREFORE, BE IT RESOLVED THAT THE LEWISVILLE TOWN COUNCIL appoints the following to the Lewisville Recycling Committee for a term expiring March 31, 2022.

Bryan Schroeder 1250 Meadowgate Ln Member

Appointed this 11th Day of February, 2021.

Mike Horn,
Mayor

ATTEST:

Joyce C. McWilliams Walker,
Town Clerk