March 13, 2023
Council Meeting

Mayor Bryan Hough
Mayor Pro-Tem Phyllis Harris
Councilman Ivory Craig
Councilman Jeff Meadows
Councilman David Moore
Councilwoman Christina Pawlish
Councilwoman Lauren Shoemaker
Marie M. Anders, City Attorney
Miles Braswell, City Manager

CITY OF MOUNT HOLLY
MOUNT HOLLY CITY COUNCIL MEETING AGENDA

March 13, 2023
7:00 P.M.

CALL TO ORDER BY THE MAYOR

INVOCATION

PLEDGE OF ALLEGIANCE
Boy Scout Troop 59

SET THE AGENDA

CONSENT AGENDA

1. Approval of Budget Amendments
   - ARPA Grant Project Ordinance
   - 410 East Central Avenue-Tenant Improvement Upfit
   - Public Works Capital Project Close Out
2. Approval of ARPA policies
3. Approval of the Audit Contract
4. Approval of the SAFER Grant Application for the hiring of Firefighters
5. Call for a public hearing for review and recommendation to City Council, to consider an application, submitted by Barbara Brown, to rezone a 1.69-acre tract of land at 1010 South Main Street, Tax Parcel #182051 and Tax Parcel #182049 from R-12 Single Family to B-2 Neighborhood Business
6. Approval of a Resolution to Adopt the Cleveland Gaston Lincoln Regional Hazard Mitigation Plan
7. Approval of exemption from the requirements of the Mini-Brooks Act for engineering services regarding I&I Study for the wastewater collection system
8. Appointment of Wanda Campbell to replace Dottie Scher on the Public Arts Advisory Commission as Arts of the Greenway's representative
9. Approval of a deed of conveyance to the City of Charlotte of a portion of city owned property located at 165 Broome St. (PID 124524) and access and utility easement for Charlotte Water pump station and force mains
10. Resolution of Support for Community Project Funding Application to the Office of Congressman Jeff Jackson to consider the Riverbend Water Storage Tank for State and Tribal Assistance Grant for FY 2024
11. Approval of February 13, 2023 Council Meeting Minutes
12. Approval of March 3, 2023 Council Retreat Minutes

PRESENTATIONS

1. Promotional swearing in for Sergeant Jason Barnes, Corporal Delton Williams, and Corporal Devin Wright
   Mayor Bryan Hough
2. Presentation on grant application by Arts on the Greenway
   Wanda Campbell
3. Presentation of the City of Mount Holly bidding for the 2024 Dixie Youth Baseball State Tournament
   Matt Watts

PUBLIC HEARING

1. Public hearing for review and recommendation to City Council, to consider application, submitted by Finial Construction, for a proposed rezoning for a 12.59-acre tract, Parcel ID# 179662, located off of

Hwy 27 and Craig Street, from Conditional District Single Family, approved on July 20, 2020 to Conditional District Single Family *Brandon Livingston*
2. Public hearing to amend the development agreement for Olde Mecklenburg Brewery *Marie Anders*

PUBLIC COMMENT – Three (3) Minute Limit

OLD BUSINESS

NEW BUSINESS

1. Discussion to extend the water and sewer service to parcel ID#'s 176261, 176294, 176295, 176296, 176297 as outside city limits customers. *Jonathan Wilson*
2. Consideration and approval of a crosswalk creations application submitted by Arts on the Greenway *Paul Lowe*
3. Consideration and approval of a crosswalk creations application submitted by the Farmer's Market *Paul Lowe*
4. Consideration and approval of a resolution supporting the signal box art wrapping project *Paul Lowe*

OTHER BUSINESS

CLOSED SESSION

ADJOURN

CONSENT AGENDA

City of Mount Holly
Action Agenda Item

To:	Mayor and City Council	**Date:**	March 8, 2023
From:	Michelle Wood	**Meeting Date:**	March 13, 2023

Agenda Item to be considered: Amendment to the ARPA Grant Project Ordinance

Will this require a public hearing? ☐ YES ☒ NO

Background/Purpose of Request:

Amendment to the ARPA Grant Project Ordinance

Fiscal Impact:

Will Item affect current budget	☐ YES	☒ NO	☐ N/A
Reviewed by Finance Director	☒ YES	☐ NO	☐ N/A
Preaudit Certification required	☐ YES	☒ NO	☐ N/A
Capital Project Ordinance required	☐ YES	☒ NO	☐ N/A
Budget Transfer required	☐ YES	☒ NO	☐ N/A
Total City Dollars:			
Budget Code:			
Reviewed by City Attorney	☐ YES	☒ NO	☐ N/A

Manager/Staff Recommendation:

Result of City Council Decision:_____

Attachments: Amendment to ARPA Grant Project Ordinance

City of Mount Holly North Carolina
Amendment to ARP/CSLFRF Grant Projects Ordinance

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MOUNT HOLLY, NORTH CAROLINA, that the March 13, 2023 ARP/CSLFRF grant project ordinance is hereby amended as follows:

Section 2: The City has elected to take the standard allowance, as authorized by 31 CFR Part 35.6(d)(1) and expend all its ARP/CSLFRF funds for the provision of government services.

The following amounts are appropriate for the project and authorized for expenditure:

Internal Project Code	Project Description	Expenditure Category (EC)	Cost Object	Appropriation of ARP/CSLFRF Funds
001	Law enforcement services for period of July 1, 2021 through June 30, 2022	6.1	Salaries	$2,000,000
			Benefits	$750,000
002	Parks and recreation services for period of July 1, 2021 through June 30, 2022	6.1	Salaries	$300,000
			Benefits	$100,000
003	General administration services for period of July 1, 2021 through June 30, 2022	6.1	Salaries	$1,500,000
			Benefits	$531,064
	TOTAL			$5,181,064

/s/ ______________________________
Bryan M. Hough, Mayor

/s/ ______________________________
Amy Miller, City Clerk

Grant Project Ordinance for the City of Mount Holly American Rescue Plan Act of 2021: Coronavirus State and Local Fiscal Recovery Funds

BE IT ORDAINED by the City Council of the City of Mount Holly, North Carolina that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted:

Section 1: This ordinance is to establish a budget for a project to be funded by the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARP/CSLFRF). The City of Mount Holly (City) has received $5,181,064.35 of CSLFRF funds. These funds may be used for the following categories of expenditures, to the extent authorized by state law.

1. Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
2. Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
3. Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
4. Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
5. Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

Section 2: The City has elected to take the standard allowance, as authorized by 31 CFR Part 35.6(d)(1) and expend all its ARP/CSLFRF funds for the provision of government services.

The following amounts are appropriate for the project and authorized for expenditure:

Internal Project Code	Project Description	Expenditure Category (EC)	Cost Object	Appropriation of ARP/CSLFRF Funds
001	Law enforcement services for period of July 1, 2021 through June 30, 2022	6.1	Salaries	$2,000,000
			Benefits	$750,000
002	Parks and recreation services for period of July 1, 2021 through June 30, 2022	6.1	Salaries	$300,000
			Benefits	$100,000
003		6.1	Salaries	$1,500,000

	General administration services for period of July 1, 2021 through June 30, 2022		Benefits	$531,064
	TOTAL			$5,181,064

Section 3: The following revenues are anticipated to be available to complete the project:
ARP/CSLFRF Funds: $5,181,064
Total: **$5,181,064**

Section 4: The Finance Officer is hereby directed to maintain sufficient specific detailed accounting records to satisfy the requirements of the grantor agency and the grant agreements, including payroll documentation and effort certifications, in accordance with 2 CFR 200.430 & 2 CFR 200.431 and the City's Uniform Guidance Allowable Costs and Cost Principles Policy.

Section 5: The Finance Officer is hereby directed to report the financial status of the project to the governing board on a quarterly basis.

Section 6: Copies of this grant project ordinance shall be furnished to the Budget Officer, the Finance Officer and to the Clerk to The City Council.

Section 7: This grant project ordinance expires on December 31, 2026, or when all the ARP/CSLFRF funds have been obligated and expended by the City, whichever occurs sooner.

Adopted this ___ day of ___________, 2023

/s/ ________________________________
Bryan M. Hough, Mayor

/s/ ________________________________
Amy Miller, City Clerk

City of Mount Holly
Action Agenda Item

To:	Mayor and City Council	**Date:**	March 8, 2023
From:	Michelle Wood	**Meeting Date:**	March 13, 2023

Agenda Item to be considered: Budget Amendment for 410 E. Central Avenue – Tenant Improvement Upfit

Will this require a public hearing? ☐ YES ☒ NO

Background/Purpose of Request:

Budget Amendment to appropriate Fund Balance for the Improvement Upfit at 410 E. Central Avenue per the signed Tenant Contract

Fiscal Impact:

Will Item affect current budget	☒ YES	☐ NO	☐ N/A
Reviewed by Finance Director	☒ YES	☐ NO	☐ N/A
Preaudit Certification required	☐ YES	☒ NO	☐ N/A
Capital Project Ordinance required	☐ YES	☒ NO	☐ N/A
Budget Transfer required	☒ YES	☐ NO	☐ N/A
Total City Dollars: 75,000			
Budget Code: 10-00-8000-550 and 10-00-3991-000			
Reviewed by City Attorney	☐ YES	☒ NO	☐ N/A

Manager/Staff Recommendation:

Result of City Council Decision:______

Attachments: Budget Amendment

CITY OF MOUNT HOLLY
FY 22-23 Budget Amendment

Account Number	Description	Account Debit	Account Credit
10-00-8000-550	Capital Outlay	$75,000.00	
10-00-3991-000	Fund Balance Appropriation		$75,000.00
	TOTAL	$75,000.00	$ 75,000.00

Date Submitted: 13-Mar-23

Finance Officer: ____________________

City Manager: ____________________

Department Comments:

Amendment to appropriate fund balance for 410 E Central Ave Tenant Improvement Upfit

Unassigned Fund Balance after Budget Amendment Approval: 11,039,301

% of Budget after Budget Amendment Approval: 58.341077%

City of Mount Holly
Action Agenda Item

To:	Mayor and City Council	**Date:**	March 8, 2023
From:	Michelle Wood	**Meeting Date:**	March 13, 2023

Agenda Item to be considered: Budget Amendment

Will this require a public hearing? ☐ **YES** ☒ **NO**

Background/Purpose of Request:

Budget amendment to close out Public Works Capital Project and move revenue back to General Fund

Fiscal Impact:

Will Item affect current budget	☐ YES	☒ NO	☐ N/A
Reviewed by Finance Director	☒ YES	☐ NO	☐ N/A
Preaudit Certification required	☐ YES	☒ NO	☐ N/A
Capital Project Ordinance required	☐ YES	☒ NO	☐ N/A
Budget Transfer required	☒ YES	☐ NO	☐ N/A
Total City Dollars:			
Budget Code:			
Reviewed by City Attorney	☐ YES	☒ NO	☐ N/A

Manager/Staff Recommendation:

Result of City Council Decision:_____

Attachments: Budget Amendment

CITY OF MOUNT HOLLY
FY 22-23 Budget Amendment

Account Number	Description	Account Debit	Account Credit
41-00-3831-800	Interest Earned		$374.00
41-00-3912-017	Bond Proceeds		$88,986.00
41-00-3985-980	Transfer from General Fund		$143,273.00
41-00-8140-982	Transfer to General Fund	$232,633.00	
	TOTAL	$232,633.00	$232,633.00

Date Submitted: ______________________

Finance Officer: ______________________

City Manager: ______________________

Department Comments:

Amendment close out Public Works Capital Project move revenue back to General Fund

(remaining unused funds from capital project back to General Fund)

Unassigned Fund Balance after Budget Amendment Approval: 11,114,301

% of Budget after Budget Amendment Approval: 58.737441%

City of Mount Holly
Action Agenda Item

To: Mayor and City Council **From:** Michelle Wood	**Date:** March 8, 2023 **Meeting Date:** March 13, 2023

Agenda Item to be considered: ARPA Policies

Will this require a public hearing? ☐ YES ☒ NO

Background/Purpose of Request:

Adoption of five policies for ARPA Funding

Fiscal Impact:

Will Item affect current budget	☐ YES	☒ NO	☐ N/A
Reviewed by Finance Director	☒ YES	☐ NO	☐ N/A
Preaudit Certification required	☐ YES	☒ NO	☐ N/A
Capital Project Ordinance required	☐ YES	☒ NO	☐ N/A
Budget Transfer required	☐ YES	☒ NO	☐ N/A
Total City Dollars:			
Budget Code:			
Reviewed by City Attorney	☒ YES	☐ NO	☐ N/A

Manager/Staff Recommendation:

Result of City Council Decision:_____

Attachments: Conflict of Interest Policy, Nondiscrimination Policy, Record Retention Policy, Allowable Cost Policy, UG Eligible Use Policy

CONFLICT OF INTEREST POLICY

APPLICABLE TO CONTRACTS AND SUBAWARDS OF THE CITY OF MOUNT HOLLY SUPPORTED BY FEDERAL FINANCIAL ASSISTANCE

* * * * * * * * *

I. Scope of Policy

a. Purpose of Policy. This Conflict of Interest Policy ("*Policy*") establishes conflict of interest standards that (1) apply when the City of Mount Holly ("*Unit*") enters into a Contract (as defined in Section II hereof) or makes a Subaward (as defined in Section II hereof), and (2) meet or exceed the requirements of North Carolina law and 2 C.F.R. § 200.318(c).

b. Application of Policy. This Policy shall apply when the Unit (1) enters into a Contract to be funded, in part or in whole, by Federal Financial Assistance to which 2 C.F.R. § 200.318(c) applies, or (2) makes any Subaward to be funded by Federal Financial Assistance to which 2 C.F.R. § 200.318(c) applies. If a federal statute, regulation, or the terms of a financial assistance agreement applicable to a particular form of Federal Financial Assistance conflicts with any provision of this Policy, such federal statute, regulation, or terms of the financial assistance agreement shall govern.

II. Definitions

Capitalized terms used in this Policy shall have the meanings ascribed thereto in this Section II: Any capitalized term used in this Policy but not defined in this Section II shall have the meaning set forth in 2 C.F.R. § 200.1.

a. "*COI Point of Contact*" means the individual identified in Section III(a) of this Policy.

b. "*Contract*" means, for the purpose of Federal Financial Assistance, a legal instrument by which the Unit purchases property or services needed to carry out a program or project under a Federal award.

c. "*Contractor*" means an entity or individual that receives a Contract.

d. "*Covered Individual*" means a Public Officer, employee, or agent of the Unit.

e. "*Covered Nonprofit Organization*" means a nonprofit corporation, organization, or association, incorporated or otherwise, that is organized or operating in the State of North Carolina primarily for religious, charitable, scientific, literary, public health and safety, or educational purposes, excluding any board, entity, or other organization created by the State of North Carolina or any political subdivision of the State (including the Unit).

f. "*Direct Benefit*" means, with respect to a Public Officer or employee of the Unit, or the spouse of any such Public Officer or employee, (i) having a ten percent (10%) ownership interest or other interest in a Contract or Subaward; (ii) deriving any income or commission directly from a Contract or Subaward; or (iii) acquiring property under a Contract or Subaward.

g. "*Federal Financial Assistance*" means Federal financial assistance that the Unit receives or administers in the form of grants, cooperative agreements, non-cash contributions or donations of property (including donated surplus property), direct appropriations, food commodities, and other Federal financial assistance (except that the term does not include loans, loan guarantees, interest subsidies, or insurance).

h. "*Governing Board*" means the City Council of the Unit.

i. "*Immediate Family Member*" means, with respect to any Covered Individual, (i) a spouse, and parents thereof, (ii) a child, and parent thereof, (iii) a parent, and spouse thereof, (iv) a sibling, and spouse thereof, (v) a grandparent and grandchild, and spouses thereof, (vi) domestic partners and parents thereof, including domestic partners of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with the Covered Individual is the equivalent of a family relationship.

j. "*Involved in Making or Administering*" means (i) with respect to a Public Official or employee, (a) overseeing the performance of a Contract or Subaward or having authority to make decisions regarding a Contract or Subaward or to interpret a Contract or Subaward, or (b) participating in the development of specifications or terms or in the preparation or award of a Contract or Subaward, (ii) only with respect to a Public Official, being a member of a board, commission, or other body of which the Public Official is a member, taking action on the Contract or Subaward, whether or not the Public Official actually participates in that action.

k. "*Pass-Through Entity*" means a non-Federal entity that provides a Subaward to a Subrecipient to carry out part of a Federal program.

l. "*Public Officer*" means an individual who is elected or appointed to serve or represent the Unit (including, without limitation, any member of the Governing Board), other than an employee or independent contractor of the Unit.

m. "*Recipient*" means an entity, usually but not limited to a non-Federal entity, that receives a Federal award directly from a Federal awarding agency. The term does not include Subrecipients or individuals that are beneficiaries of the award.

n. "*Related Party*" means (i) an Immediate Family Member of a Covered Individual, (ii) a partner of a Covered Individual, or (iii) a current or potential employer (other than the Unit) of a Covered Individual, of a partner of a Covered Individual, or of an Immediate Family Member of a Covered Individual.

o. "*Subaward*" means an award provided by a Pass-Through Entity to carry out part of a federal award received by the Pass-Through Entity. It does not include payments to a contractor or payments to a contractor or payments to an individual that is a beneficiary of a Federal program.

p. "*Subcontract*" means mean any agreement entered into by a Subcontractor to furnish supplies or services for the performance of a Contract or a Subcontract. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders.

q. "*Subcontractor*" means an entity that receives a Subcontract.

r. "*Subrecipient*" means an entity, usually but not limited to a non-Federal entity, that receives a subaward from a Pass-Through Entity to carry out part of a Federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

s. "*Unit*" has the meaning specified in Section I hereof.

III. COI Point of Contact.

a. Appointment of COI Point of Contact. The Finance Director, an [employee] of the Unit, shall have primary responsibility for managing the disclosure and resolution of potential or actual conflicts of interest arising under this Policy. In the event that The Finance Director is unable to serve in such capacity, The City Manager shall assume responsibility for managing the disclosure and resolution of conflicts of interest arising under this Policy. The individual with responsibility for managing the disclosure and resolution of potential or actual conflicts of interest under this Section III(a) shall be known as the "*COI Point of Contact*".

b. Distribution of Policy. The COI Point of Contact shall ensure that each Covered Individual receives a copy of this Policy.

IV. Conflict of Interest Standards in Contracts and Subawards

a. North Carolina Law. North Carolina law restricts the behavior of Public Officials and employees of the Unit involved in contracting on behalf of the Unit. The Unit shall conduct the selection, award, and administration of Contracts and Subawards in accordance with the prohibitions imposed by the North Carolina General Statutes and restated in this Section III.

i. G.S. § 14-234(a)(1). A Public Officer or employee of the Unit Involved in Making or Administering a Contract or Subaward on behalf of the Unit shall not derive a Direct Benefit from such a Contract or Subaward.

ii. G.S. § 14-234(a)(3). No Public Officer or employee of the Unit may solicit or receive any gift, favor, reward, service, or promise of reward, including but not limited to a promise of future employment, in exchange for recommending, influencing, or attempting to influence the award of a Contract or Subaward by the Unit.

iii. G.S. § 14-234.3. If a member of the Governing Board of the Unit serves as a director, officer, or governing board member of a Covered Nonprofit Organization, such member shall not (1) deliberate or vote on a Contract or Subaward between the Unit and the Covered Nonprofit Corporation, (2) attempt to influence any other person who deliberates or votes on a Contract or Subaward between the Unit and the Covered Nonprofit Corporation, or (3) solicit or receive any gift, favor, reward, service, or promise of future employment, in exchange for recommending or attempting to influence the award of a Contract or Subaward to the Covered Nonprofit Organization.

iv. G.S. § 14-234.1. A Public Officer or employee of the Unit shall not, in contemplation of official action by the Public Officer or employee, or in reliance on information which was made known to the public official or employee and which has not been made public, (1) acquire a pecuniary interest in any property, transaction, or enterprise or gain any pecuniary benefit which may be affected by such information or other information, or (2) intentionally aid another in violating the provisions of this section.

b. Federal Standards.

i. Prohibited Conflicts of Interest in Contracting. Without limiting any specific prohibition set forth in Section IV(a), a Covered Individual may not participate in the selection, award, or administration of a Contract or Subaward if such Covered Individual has a real or apparent conflict of interest.

1. Real Conflict of Interest. A real conflict of interest shall exist when the Covered Individual or any Related Party has a financial or other interest in or a tangible personal benefit from a firm considered for a Contract or Subaward. Exhibit A attached hereto provides a non-exhaustive list of examples of (i) financial or other interests in a firm considered for a Contract or Subaward, and (ii) tangible personal benefits from a firm considered for a Contract or Subaward.

2. Apparent Conflict of Interest. An apparent conflict of interest shall exist where a real conflict of interest may not exist under Section IV(b)(i)(1), but where a reasonable person with knowledge of the relevant facts would find that an existing situation or relationship creates the appearance that a Covered Individual or any Related Party has a financial or other interest in or a tangible personal benefit from a firm considered for a Contract or Subaward.

ii. Identification and Management of Conflicts of Interest.

1. Duty to Disclose and Disclosure Forms

a. Each Covered Individual expected to be or actually involved in the selection, award, or administration of a Contract or Subaward has an ongoing duty to disclose to the COI Point of Contact potential real or apparent conflicts of interest arising under this Policy.

b. Prior to the Unit's award of a Contract or Subaward, the COI Point of Contact shall advise Covered Individuals expected to be involved in the selection, award, or administration of the Contract or Subaward of such duty.

2. Identification Prior to Award of Contract or Subaward.

   a. Prior to the Unit's award of a Contract or Subaward, the COI Point of Contact shall complete the appropriate Compliance Checklist contained in Exhibit B (for Contracts) and Exhibit D (for Subawards) attached hereto and file such Compliance Checklist in the records of the Unit.

3. Management Prior to Award of Contract or Subaward

   a. If, after completing the Compliance Checklist, the COI Point of Contact identifies a potential real or apparent conflict of interest relating to a proposed Contract or Subaward, the COI Point of Contact shall disclose such finding in writing to the City Manager and to each member of the Governing Board. If the Governing Board desires to enter into the proposed Contract or Subaward despite the identification by the COI Point of Contact of a potential real or apparent conflict of interest, it may either:

      i. accept the finding of the COI Point of Contact and direct the COI Point of Contact to obtain authorization to enter into the Contract or Subaward from (a) if Unit is a Recipient of Federal Financial Assistance, the Federal awarding agency with appropriate mitigation measures, or (b) if Unit is a Subrecipient of Federal Financial Assistance, from the Pass-Through Entity that provided a Subaward to Unit; or

      ii. reject the finding of the COI Point of Contact and enter into the Contract or Subaward. In rejecting any finding of the COI Point of Contact, the Governing Board shall in writing document a justification supporting such rejection.

   b. If the COI Point of Contact does not identify a potential real or apparent conflict of interest relating to a proposed Contract or Subaward, the Unit may enter into the Contract or Subaward in accordance with the Unit's purchasing or subaward policy.

4. Identification After Award of Contract or Subaward.

    a. If the COI Point of Contact discovers that a real or apparent conflict of interest has arisen after the Unit has entered into a Contract or Subaward, the COI Point of Contact shall, as soon as possible, disclose such finding to the City Manager and to each member of the Governing Board. Upon discovery of such a real or apparent conflict of interest, the Unit shall cease all payments under the relevant Contract or Subaward until the conflict of interest has been resolved.

5. Management After Award of Contract or Subaward.

    a. Following the receipt of such disclosure of a potential real or apparent conflict of interest pursuant to Section IV(b)(ii)(4) , the Governing Board may reject the finding of the COI Point of Contact by documenting in writing a justification supporting such rejection. If the Governing Board fails to reject the finding of the COI Point of Contact within 15 days of receipt, the COI Point of Contact shall:

        i. if Unit is a Recipient of Federal Financial Assistance funding the Contract or Subaward, disclose the conflict to the Federal awarding agency providing such Federal Financial Assistance in accordance with 2 C.F.R. § 200.112 and/or applicable regulations of the agency, or

        ii. if Unit is a Subrecipient of Federal Financial Assistance, disclose the conflict to the Pass-Through Entity providing a Subaward to Unit in accordance with 2 C.F.R. § 200.112 and applicable regulations of the Federal awarding agency and the Pass-Through Entity.

V. Oversight of Subrecipient's Conflict of Interest Standards

a. Subrecipients of Unit Must Adopt Conflict of Interest Policy. Prior to the Unit's execution of any Subaward for which the Unit serves as a Pass-Through Entity, the COI Point of Contact shall ensure that the proposed Subrecipient of Federal Financial Assistance has adopted a conflict of interest policy that satisfies the requirements of 2 C.F.R. § 200.318(c)(1), 2 C.F.R. § 200.318(c)(2), and all other applicable federal regulations.

b. Obligation to Disclose Subrecipient Conflicts of Interest. The COI Point of Contact shall ensure that the legal agreement under which the Unit makes a Subaward to a Subrecipient shall require such Subrecipient to disclose to the COI Point of Contact any potential real or apparent conflicts of interest that the Subrecipient identifies. Upon receipt of such disclosure, the COI Point of Contact shall disclose such information to the Federal awarding agency that funded the Subaward in accordance with that agency's disclosure policy.

VI. Gift Standards

a. Federal Standard. Subject to the exceptions set forth in Section VI(b), a Covered Individual may not solicit or accept gratuities, favors, or anything of monetary value from a Contractor or a Subcontractor.

b. Exception. Notwithstanding Section VI(a), a Covered Individual may accept an unsolicited gift from a Contractor or Subcontractor of one or more types specified below if the gift has an aggregate market value of $20 or less per source per occasion, provided that the aggregate market value of all gifts received by the Covered Individual pursuant to this Section VI(b) does not exceed $50 in a calendar year:

  i. honorariums for participating in meetings;

  ii. advertising items or souvenirs of nominal value; or

  iii. meals furnished at banquets.

c. Internal Reporting. A Covered Individual shall report any gift accepted under Section VI(b) to the COI Point of Contact. If required by regulation of a Federal awarding agency, the COI Point of Contact shall report such gifts to the Federal awarding agency or a Pass-Through Entity for which the Unit is a Subrecipient.

VII. Violations of Policy

a. Disciplinary Actions for Covered Individuals. Any Covered Individual that fails to disclose a real, apparent, or potential real or apparent conflict of interest arising with respect to the Covered Individual or Related Party may be subject to disciplinary action, including, but not limited to, an employee's termination or suspension of employment with or without pay, the consideration or adoption of a resolution of censure of a Public Official by the Governing Board, or termination of an agent's contract with the Unit.

b. Disciplinary Actions for Contractors and Subcontractors. The Unit shall terminate any Contract with a Contractor or Subcontractor that violates any provision of this Policy.

c. Protections for Whistleblowers. In accordance with 41 U.S.C. § 4712, the Unit shall not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant: (i) a member of Congress or a representative of a committee of Congress; (ii) an Inspector General; (iii) the Government Accountability Office; (iv) a Treasury or other federal agency employee responsible for grant oversight or management; (v) an authorized official of the Department of Justice or other law enforcement agency; (vi) a court or grand jury; of (vii) a management official or other employee of the Unit, a Contractor, or Subcontractor who has the responsibility to investigate, discover, or address misconduct.

* * * * * * * * *

Adopted this the [___] day of [_____], [______].

EXHIBIT A

Examples

Potential Examples of a "Financial or Other Interest" in a Firm or Organization Considered for a Contract or Subaward	*Potential Examples of a "Tangible Personal Benefit" From a Firm or Organization Considered for a Contract or Subaward*
Direct or indirect equity interest in a firm or organization considered for a Contract or Subaward, which may include: - Stock in a corporation. - Membership interest in a limited liability company. - Partnership interest in a general or limited partnership. - Any right to control the firm or organization's affairs. For example, a controlling equity interest in an entity that controls or has the right to control a firm considered for a contract. - Option to purchase any equity interest in a firm or organization.	Opportunity to be employed by the firm considered for a contract, an affiliate of that firm, or any other firm with a relationship with the firm considered for a Contract. A position as a director or officer of the firm or organization, even if uncompensated.
Holder of any debt owed by a firm considered for a Contract or Subaward, which may include: - Secured debt (e.g., debt backed by an asset of the firm (like a firm's building or equipment)) - Unsecured debt (e.g., a promissory note evidencing a promise to repay a loan). o Holder of a judgment against the firm.	A referral of business from a firm considered for a Contract or Subaward.
Supplier or contractor to a firm or organization considered for a Contract or Subaward.	Political or social influence (e.g., a promise of appointment to an local office or position on a public board or private board).

EXHIBIT B

COMPLIANCE CHECKLIST FOR OVERSIGHT OF CONTRACT CONFLICTS OF INTEREST

The City of Mount Holly ("*Unit*") has adopted a Conflict of Interest Policy ("*Policy*") that governs the Unit's expenditure of Federal Financial Assistance (as defined in Section II of the Policy). The Policy designates the Finance Director as the "COI Point of Contact." The Policy requires the COI Point of Contact to complete this Compliance Checklist to identify potential real or apparent conflicts of interest in connection with proposed Contracts (as defined in Section II) and file the Checklist in the records of the Unit.

Instructions for Completion

1. The COI Point of Contact shall complete Steps 1 through 3 of the Checklist below.

2. If the COI Point of Contact identifies a potential real or apparent conflict of interest after completing this Compliance Checklist, the COI Point of Contact shall report such potential conflict of interest to the City Manager and to each member of the Governing Board.

Definitions.

1. *Covered Individual*. Each person identified in Section 1 of this Checklist is a "Covered Individual" for purposes of this Compliance Checklist and the Policy.

2. *Immediate Family Member* means, with respect to any Covered Individual, (i) a spouse, and parents thereof, (ii) a child, and parent thereof, (iii) a parent, and spouse thereof, (iv) a sibling, and spouse thereof, (v) a grandparent and grandchild, and spouses thereof, (vi) domestic partners and parents thereof, including domestic partners of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with the Covered Individual is the equivalent of a family relationship.

3. *Related Party* means (i) an Immediate Family Member of a Covered Individual, (ii) a partner of a Covered Individual, or (iii) a current or potential employer (other than the Unit) of a Covered Individual, of a partner of a Covered Individual, or of an Immediate Family Member of a Covered Individual.

<table>
<tr><th>Step</th><th colspan="3"></th></tr>
<tr><td>1</td><td>Identify the proposed Contract, counterparty, and the subject of the Contract.</td><td colspan="2"><u>Name of Contract:</u>
____
<u>Name of Counterparty</u>
____
<u>Subject of Contract:</u>
______________________</td></tr>
<tr><td>2</td><td colspan="3">Identify all individuals involved in the selection, award, or administration of the Contract. These individuals are “Covered Individuals”. Ensure that each Covered Individual has been provided with a copy of the Conflict of Interest Policy.</td></tr>
<tr><td></td><td><u>Public Officials</u></td><td><u>Employees</u></td><td><u>Agents</u></td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>3</td><td colspan="3">Identify whether a reasonable person with knowledge of the relevant facts would find that an existing situation or relationship creates the appearance that a Covered Individual or any Related Party has a financial or other interest in or a tangible personal benefit from a firm considered for a Contract? If yes, explain.</td></tr>
<tr><td rowspan="2">Any identified interest in Step 3 is a potential “apparent” conflict of interest.</td><td><u>Public Officials</u></td><td><u>Employees</u></td><td><u>Agents</u></td></tr>
<tr><td></td><td></td><td></td></tr>
</table>

COI Point of Contact: ______________________

Signature of COI Point of Contact: ______________________

Date of Completion: ______________________

EXHIBIT C

CONTRACT CONFLICT OF INTEREST DISCLOSURE FORM

FOR OFFICIALS, EMPLOYEES, AND AGENTS

The City of Mount Holly ("*Unit*") has adopted a Conflict of Interest Policy ("*Policy*") that governs the Unit's expenditure of Federal Financial Assistance (as defined in Section II of the Policy). The Policy designates the Finance Director as the "COI Point of Contact."

The COI Point of Contact has identified you as an official, employee, or agent of the Unit that may be involved in the selection, award, or administration of the following contract: ________________________________ (the "*Contract*"). To safeguard the Unit's expenditure of Federal Financial Assistance, the COI Point of Contact has requested that you identify any potential real or apparent conflicts of interest in the Firm considered for the award of a Contract. Using the Exhibit A to the Policy as a guide, please answer the following questions:

---

1. Do you have a financial or other interest in a firm considered for this Contract?

   Yes ______ No _______ Unsure: _______

   If the answer is Yes or Unsure, please explain:

   ____

2. Will you receive any tangible personal benefit from a firm considered for this Contract?

   Yes ______ No _______ Unsure: _______

   If the answer is Yes or Unsure, please explain:

   ____

3. For purposes of Question 3(a) and 3(b), your "Immediate Family Members" include: (i) your spouse and their parents, (ii) your child, (iii) your parent and any spouse of your parent, (iv) your sibling and any spouse of your sibling, (v) your grandparents or grandchildren, and the spouses of each, (vi) any domestic partner of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with you is the equivalent of a family relationship.

   a. Do you have an Immediate Family Member with a financial or other interest in a firm considered for this Contract?

      Yes ______ No _______ Unsure: _______

      If the answer is Yes or Unsure, please explain:

      ____

b. Do you have an Immediate Family Member that will receive a tangible personal benefit from a firm considered for this Contract?

Yes ______ No _______ Unsure: _______

3. Do you have any other partner with a financial or other interest in a firm considered for this Contract?

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

4. Will any other partner of yours receive any tangible personal benefit from a firm considered for this Contract?

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

5. Does your current or potential employer (other than the Unit) have a financial or other interest in a firm considered for this Contract or will such current or potential employer receive a tangible personal benefit from this Contract?

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

6. <u>Benefits to Employers</u>

a. Does a current or potential employer (other than the Unit) of any of your Immediate Family Members have a financial or other interest in a firm considered for this Contract?

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

b. Will a current or potential employer (other than the Unit) of any of your Immediate Family Members receive a tangible personal benefit from this Contract?

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

c. Does a current or potential employer (other than the Unit) of any partner of yours have a financial or other interest in a firm considered for this Contract?

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

d. Will a current or potential employer (other than the Unit) of any partner of yours receive a tangible personal benefit from this Contract?

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

7. Does any existing situation or relationship create the *appearance* that you have a financial or other interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

8. Does any existing situation or relationship create the *appearance* that any Immediate Family Member of yours has a financial or other interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

9. Does any existing situation or relationship create the *appearance* that your current or potential employer (other than the Unit) has a financial or other interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

10. Does any existing situation or relationship create the *appearance* that any current or potential employer (other than the Unit) of any of your Immediate Family Members has a financial or other

interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

11. Does any existing situation or relationship create the *appearance* that any current or potential employer (other than the Unit) of any other partner has a financial or other interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

* * * * * * * * *

Sign Name: ______________________________

Print Name: ______________________________

Name of Employer ______________________________

Job Title: ______________________________

Date of Completion: ______________________________

* * * * * * * * *

EXHIBIT D

COMPLIANCE CHECKLIST FOR SUBAWARD OVERSIGHT

The City of Mount Holly ("*Unit*") has adopted a Conflict of Interest Policy ("*Policy*") that governs the Unit's expenditure of Federal Financial Assistance (as defined in Section II of the Policy). The Policy designates the Finance Director as the "COI Point of Contact." The Policy requires the COI Point of Contact to complete this Compliance Checklist to identify potential real or apparent conflicts of interest in connection with proposed Subawards (as defined in Section II) and file the Checklist in the records of the Unit.

Instructions for Completion

1. The COI Point of Contact shall complete Steps 1 through 3 of the Checklist below.

2. If the COI Point of Contact identifies a potential real or apparent conflict of interest after completing this Compliance Checklist, the COI Point of Contact shall report such potential conflict of interest to the City Manager and to each member of the Governing Board.

Definitions.

1. *Covered Individual*. Each person identified in Section 1 of this Checklist is a "Covered Individual" for purposes of this Compliance Checklist and the Policy.

2. *Immediate Family Member* means, with respect to any Covered Individual, (i) a spouse, and parents thereof, (ii) a child, and parent thereof, (iii) a parent, and spouse thereof, (iv) a sibling, and spouse thereof, (v) a grandparent and grandchild, and spouses thereof, (vi) domestic partners and parents thereof, including domestic partners of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with the Covered Individual is the equivalent of a family relationship.

3. *Related Party* means (i) an Immediate Family Member of a Covered Individual, (ii) a partner of a Covered Individual, or (iii) a current or potential employer (other than the Unit) of a Covered Individual, of a partner of a Covered Individual, or of an Immediate Family Member of a Covered Individual.

<table>
<tr><th>Step</th><th colspan="3"></th></tr>
<tr><td>1</td><td>Identify the proposed Subaward, Subrecipient, and the subject of the Subaward.</td><td colspan="2">Name of Contract:
______
Name of Counterparty
______
Subject of Subaward:
______</td></tr>
<tr><td>2</td><td colspan="3">Identify all individuals involved in the selection, award, or administration of the Subaward. These individuals are “Covered Individuals”. Ensure that each Covered Individual has been provided with a copy of the Conflict of Interest Policy.</td></tr>
<tr><td></td><td><u>Public Officials</u></td><td><u>Employees</u></td><td><u>Agents</u></td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>3</td><td colspan="3">Identify whether a reasonable person with knowledge of the relevant facts would find that an existing situation or relationship creates the appearance that a Covered Individual or any Related Party has a financial or other interest in or a tangible personal benefit from a firm considered for a Subaward? If yes, explain.</td></tr>
<tr><td>Any identified interest in Step 3 is a potential “apparent” conflict of interest.</td><td><u>Public Officials</u></td><td><u>Employees</u></td><td><u>Agents</u></td></tr>
</table>

COI Point of Contact: ______________________

Signature of COI Point of Contact: ______________________

Date of Completion: ______________________

EXHIBIT E

SUBAWARD CONFLICT OF INTEREST DISCLOSURE FORM

FOR OFFICIALS, EMPLOYEES, AND AGENTS

The City of Mount Holly ("*Unit*") has adopted a Conflict of Interest Policy ("*Policy*") that governs the Unit's expenditure of Federal Financial Assistance (as defined in Section II of the Policy). The Policy designates the Finance Director as the COI Point of Contact.

The COI Point of Contact has identified you as an official, employee, or agent of the Unit that may be involved in the selection, award, or administration of the following subaward: ______________________________ (the "*Subaward*"). To safeguard the Unit's expenditure of Federal Financial Assistance, the COI Point of Contact has requested that you identify any potential real or apparent conflicts of interest in the Firm considered for the award of a Subaward. Using the Exhibit A to the Policy as a guide, please answer the following questions:

1. Do you have a financial or other interest in a firm considered for this Subaward?

   Yes ______ No _______ Unsure: _______

   If the answer is Yes or Unsure, please explain:

   ____

2. Will you receive any tangible personal benefit from a firm considered for this Subaward?

   Yes ______ No _______ Unsure: _______

   If the answer is Yes or Unsure, please explain:

   ____

3. For purposes of Question 3(a) and 3(b), your "Immediate Family Members" include: (i) your spouse and their parents, (ii) your child, (iii) your parent and any spouse of your parent, (iv) your sibling and any spouse of your sibling, (v) your grandparents or grandchildren, and the spouses of each, (vi) any domestic partner of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with you is the equivalent of a family relationship.

   a. Do you have an Immediate Family Member with a financial or other interest in a firm considered for this Subaward?

      Yes ______ No _______ Unsure: _______

      If the answer is Yes or Unsure, please explain:

      ____

b. Do you have an Immediate Family Member that will receive a tangible personal benefit from a firm considered for this Subaward?

Yes ______ No _______ Unsure: _______

4. Do you have any other partner with a financial or other interest in a firm considered for this Subaward?

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

5. Will any other partner of yours receive any tangible personal benefit from a firm considered for this Subaward?

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

6. Does your current or potential employer (other than the Unit) have a financial or other interest in a firm considered for this Subaward or will such current or potential employer receive a tangible personal benefit from this Subaward?

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

7. <u>Benefits to Employers</u>

a. Does a current or potential employer (other than the Unit) of any of your Immediate Family Members have a financial or other interest in a firm considered for this Subaward?

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

b. Will a current or potential employer (other than the Unit) of any of your Immediate Family Members receive a tangible personal benefit from this Subaward?

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

---

c. Does a current or potential employer (other than the Unit) of any partner of yours have a financial or other interest in a firm considered for this Subaward?

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

---

d. Will a current or potential employer (other than the Unit) of any partner of yours receive a tangible personal benefit from this Subaward?

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

---

8. Does any existing situation or relationship create the *appearance* that you have a financial or other interest in a firm considered for this Subaward or will receive a tangible personal benefit from a firm considered for this Subaward?

   Yes ______ No _______ Unsure: _______

   If the answer is Yes or Unsure, please explain:

   ---

9. Does any existing situation or relationship create the *appearance* that any Immediate Family Member of yours has a financial or other interest in a firm considered for this Subaward or will receive a tangible personal benefit from a firm considered for this Subaward?

   Yes ______ No _______ Unsure: _______

   If the answer is Yes or Unsure, please explain:

   ---

10. Does any existing situation or relationship create the *appearance* that your current or potential employer (other than the Unit) has a financial or other interest in a firm considered for this Subaward or will receive a tangible personal benefit from a firm considered for this Subaward?

    Yes ______ No _______ Unsure: _______

    If the answer is Yes or Unsure, please explain:

    ---

11. Does any existing situation or relationship create the *appearance* that any current or potential employer (other than the Unit) of any of your Immediate Family Members has a financial or other

interest in a firm considered for this Subaward or will receive a tangible personal benefit from a firm considered for this Subaward?

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

12. Does any existing situation or relationship create the *appearance* that any current or potential employer (other than the Unit) of any other partner has a financial or other interest in a firm considered for this Subaward or will receive a tangible personal benefit from a firm considered for this Subaward?

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

* * * * * * * * *

Sign Name: ______________________________

Print Name: ______________________________

Name of Employer ______________________________

Job Title: ______________________________

Date of Completion: ______________________________

* * * * * * * * *

Recitals

WHEREAS, the City of Mount Holly has received an allocation of funds from the "Coronavirus State Fiscal Recovery Fund" or "Coronavirus Local Fiscal Recovery Fund" (together "CSLFRF funds"), established pursuant to Sections 602 and 603 of the Social Security Act, as added by Section 9901 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (the "ARP/CSLFRF award").

WHEREAS, CSLFRF funds are subject to the U.S. Department of Treasury ("Treasury") regulations, including the Final Rule, the Award Terms and Conditions, and the Title VII implementing regulations at 31 C.F.R. Part 22.

WHEREAS, pursuant to the ARP/CSLFRF Award Terms and Conditions, and as a condition of receiving CSLFRF funds, the City of Mount Holly agrees to follow all federal statutes and regulations prohibiting discrimination in its administration of CSLFRF under the terms and conditions of the ARP/CSLFRF award, including, without limitation, the following:

i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin within programs or activities receiving federal financial assistance;
ii. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability;
iii. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity receiving Federal financial assistance;
iv. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance; and
v. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.

RESOLVED, That the governing board of the City of Mount Holly hereby adopts and enacts the following nondiscrimination policy, which shall apply to the operations of any program, activity, or facility that is supported in whole, or in part, by expenditures CSLFRF pursuant to the ARP/CSLFRF award.

Nondiscrimination Policy Statement

It is the policy of the City of Mount Holly to ensure that no person shall, on the ground of race, color, national origin (including limited English Proficiency), familial status, sex, age, or disability, be excluded from participation in, be denied the befits of, or be otherwise subject to discrimination under any program or activity administered by the City of Mount Holly, including programs or activities that are funded in whole or part, with Coronavirus State and Local Fiscal Recovery Funds ("CSLFRF"), which the City of Mount Holly received from the U.S. Department of Treasury ("Treasury") pursuant to Sections 602 and 603 of the Social Security Act, as added by Section 9901 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (herein the "ARP/CSLFRF award").

I. Governing Statutory & Regulatory Authorities

As required by the CSLFRF Award Terms and Conditions, the City of Mount Holly shall ensure that each "activity," "facility," or "program"[1] that is funded in whole, or in part, with CSLFRF and administered under the ARP/CSLFRF award, will be facilitated, operated, or conducted in compliance with the following federal statutes and federal regulations prohibiting discrimination. These include, but are not limited to, the following:

i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance;
ii. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability;
iii. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance;
iv. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age within programs or activities receiving federal financial assistance; and
v. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.

---

[1] 22 C.F.R. § 22.3 defines "program" and "activity" as all operations of an entity, including local governments, that receive Federal financial assistance, and the departments, agencies, or special purpose districts of the local governments to which Federal financial assistance is distributed. "Federal financial assistance" includes, among other things, grants and loans of federal funds. "Facility" includes all or any part of structures, equipment, or other real or personal property or interests therein, and the provision of facilities includes the construction, expansion, renovation, remodeling, alteration, or acquisition of facilities.

II. Discriminatory Practices Prohibited in the Administration of the ARP/CSLFRF Award

To ensure compliance with Title VII of the Civil Rights Act of 1964, and Title 31 Code of Federal Regulations, Part 22, the Civil Rights Restoration Act of 1987, and other pertinent nondiscrimination authorities, the City of Mount Holly shall prohibit, at a minimum, the following practices in its administration of CSLFRF pursuant to the ARP/CSLFRF award:

1. Denying to a person any service, financial aid, or other program benefit without good cause;
2. Providing to a person any service, financial aid, or another benefit which is different in quantity or quality, or is provided in a different manner, from that provided to others under the program.
3. Subjecting a person to segregation or separate treatment in any matter related to the receipt of any service, financial aid, or other benefit under the program;
4. Restricting a person in the enjoyment of any advantages, privileges, or other benefits enjoyed by others receiving any service, financial aid, or other benefit under the program;
5. Treating a person differently from others in determining whether that person satisfies any admission, enrollment, quota, eligibility, membership, or other requirement or condition which persons must meet to be provided any service, financial aid, or other benefit provided under the program;
6. Implementing different standards, criteria, or other requirements for admission, enrollment, or participation in planning, advisory, contractual, or other integral activities to the program;
7. Adopting methods of administration which, directly or through contractual relationships, would defeat or substantially impair the accomplishment of effective nondiscrimination;
8. Selecting a site or location of facilities with the purpose or effect of excluding persons from, denying them the benefits of, subjecting them to discrimination, or with the purpose or effect of defeating or substantially impairing the accomplishment of the objectives of Title VI or related acts and regulations;
9. Discriminating against any person, either directly or through a contractual agreement, in any employment resulting from the program, a primary objective of which is to provide employment;
10. Committing acts of intimidation or retaliation, including threatening, coercing, or discriminating against any individual for the purpose of interfering with any right or privilege secured by any pertinent nondiscrimination law, or because an individual made a complaint, testified, assisted, or participated in an investigation, proceeding, or hearing.

III. Reporting & Enforcement

1. The City of Mount Holly shall cooperate in any enforcement or compliance review activities by the Department of the Treasury. Enforcement may include investigation, arbitration, mediation, litigation, and monitoring of any settlement agreements that may result from these actions. The City of Mount Holly shall comply with information requests, on-site compliance reviews, and reporting requirements.

2. The City of Mount Holly shall maintain a complaint log and inform the Treasury of any complaints of discrimination on the grounds of race, color, or national origin (including limited English proficiency covered by Title VI of the Civil Rights Act of 1964 and implementing regulations and provide, upon request, a list of all such reviews or proceedings based on the complaint, whether pending or completed, including the outcome. The City of Mount Holly shall inform the Treasury if it has received no complaints under Title VI.

3. Any person who believes they have been aggrieved by a discriminatory practice under Title VI has a right to file a formal complaint with the Treasury. Any such complaint must be in writing and filed with the Treasury's Title VI Coordinator within one hundred eighty (180) days following the date of the alleged discriminatory occurrence.

4. Any person who believes that because of that person's race, color, national origin, limited English proficiency, familial status, sex, age, religion, or disability that he/she/they have been discriminated against or unfairly treated by the City of Mount Holly in violation of this policy should contact the following office within 180 days from the date of the alleged discriminatory occurrence:

   City Clerk's Office
   Municipal Complex
   400 East Catawba Avenue
   Mount Holly, NC 28120
   PO Box 406
   Mount Holly, NC 28120
   704-827-3931

<u>Record Retention Policy: Documents Created or Maintained Pursuant to the ARP/CSLFRF Award</u>

<u>Retention of Records</u>: The Coronavirus Local Fiscal Recovery Funds ("CSLFRF") Award Terms and Conditions and the Compliance and Reporting Guidance set forth the U.S. Department of Treasury's ("Treasury") record retention requirements for the ARP/CSLFRF award.

It is the policy of the City of Mount Holly to follow Treasury's record retention requirements as it expends CSLFRF pursuant to the APR/CSLFRF award. Accordingly, the City of Mount Holly agrees to the following:

- Retain all financial and programmatic records related to the use and expenditure of CSLFRF pursuant to the ARP/CSLFRF award for a <u>period of five (5) years</u> after all CLFRF funds have been expended or returned to Treasury, whichever is later.

- Retain records for real property and equipment acquired with CSLFRF for five years after final disposition.

- Ensure that the financial and programmatic records retained sufficiently evidence compliance with section 603(c) of the Social Security Act "ARPA," Treasury's regulations implementing that section, and guidance issued by Treasury regarding the foregoing.

- Allow the Treasury Office of Inspector General and the Government Accountability Office, or their authorized representatives, the right of timely and unrestricted access to any records for the purpose of audits or other investigations.

- If any litigation, claim, or audit is started before the expiration of the 5-year period, the records will be retained until all litigation, claims, or audit findings involving the records have been resolved.

<u>Covered Records</u>: For purposes of this policy, records are information, regardless of physical form or characteristics, that are created, received, or retained that evidence the City of Mount Holly's expenditure of CSLFRF funds on eligible projects, programs, or activities pursuant to the ARP/CSLFRF award.

Records that shall be retained pursuant to this policy include, but are not limited to, the following:

- Financial statements and accounting records evidencing expenditures of CSLFRF for eligible projects, programs, or activities.
- Documentation of rational to support a particular expenditure of CSLFRF (e.g., expenditure constitutes a general government service);
- Documentation of administrative costs charged to the ARP/CSLFRF award;
- Procurement documents evidencing the significant history of a procurement, including, at a minimum, the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for contract cost or price;
- Subaward agreements and documentation of subrecipient monitoring;
- Documentation evidencing compliance with the Uniform Guidance property management standards set forth in 2 C.F.R. §§ 200.310-316 and 200.329;
- Personnel and payroll records for full-time and part-time employees compensated with CSLFRF, including time and effort reports; and
- Indirect cost rate proposals

Storage: City of Mount Holly's records must be stored in a safe, secure, and accessible manner. Wherever practicable, such records should be collected, transmitted, and stored in open and machine-readable formats.

Departmental Responsibilities: Any department or unit of the City of Mount Holly, and its employees, who are responsible for creating or maintaining the covered documents in this policy shall comply with the terms of this policy. Failure to do so may subject the City of Mount Holly to civil and/or criminal liability. Any employee who fails to comply with the record retention requirements set forth herein may be subject to disciplinary sanctions, including suspension or termination.

The Finance Director is responsible for identifying the documents that City of Mount Holly must or should retain and arrange for the proper storage and retrieval of records. The Finance Director shall also ensure that all personnel subject to the terms of this policy are aware of the record retention requirements set forth herein.

Reporting Policy Violations: The City of Mount Holly is committed to enforcing this policy as it applies to all forms of records. Any employee that suspects the terms of this policy have been violated shall report the incident immediately to that employee's supervisor. If an employee is not comfortable bringing the matter up with the supervisor, the employee may bring the matter to the attention of the City Manager. The City of Mount Holly prohibits, any form of discipline, reprisal, intimidation, or retaliation for reporting incidents of inappropriate conduct of any kind, pursuing any record destruction claim, or cooperating in related investigations.

Questions About the Policy: Any questions about this policy should be referred to Michelle Wood, 704-951-3002, michelle.wood@mtholly.us, who is in charge of administering, enforcing, and updating this policy.

CITY OF MOUNT HOLLY ALLOWABLE COSTS AND COST PRINCIPLES FOR EXPENDITURE OF AMERICAN RESCUE PLAN ACT CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS BY NORTH CAROLINA LOCAL GOVERNMENTS

WHEREAS the City of Mount Holly, has received an allocation of funds from the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARP/CSLFRF); and

WHEREAS the funds may be used for projects within these categories, to the extent authorized by state law.

1. Support COVID-19 public health expenditures, by funding COVID-19 mitigation and prevention efforts, medical expenses, behavioral healthcare, preventing and responding to violence, and certain public health and safety staff;
2. Address negative economic impacts caused by the public health emergency, including economic harms to households, small businesses, non-profits, impacted industries, and the public sector;
3. Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
4. Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
5. Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

WHEREAS the ARP/CSLFRF are subject to the provisions of the federal Uniform Grant Guidance, 2 CFR Sect. 200 (UG), as provided in the Assistance Listing; and

WHEREAS the Compliance and Reporting Guidance for the State and Local Fiscal Recovery Funds provides, in relevant part:

> **Allowable Costs/Cost Principles.** As outlined in the Uniform Guidance at 2 CFR Part 200, Subpart E regarding Cost Principles, allowable costs are based on the premise that a recipient is responsible for the effective administration of Federal awards, application of sound management practices, and administration of Federal funds in a manner consistent with the program objectives and terms and conditions of the award. Recipients must implement robust internal controls and effective monitoring to ensure compliance with the Cost Principles, which are important for building trust and accountability.
>
> [ARP/CSLFRF] Funds may be, but are not required to be, used along with other funding sources for a given project. Note that [ARP/CSLFRF] Funds may not be used for a non-Federal cost share or match where prohibited by other Federal programs, e.g., funds may not be used for the State share for Medicaid.

Treasury's Interim Final Rule and guidance and the Uniform Guidance outline the types of costs that are allowable, including certain audit costs. For example, per 2 CFR 200.425, a reasonably proportionate share of the costs of audits required by the Single Audit Act Amendments of 1996 are allowable; however, costs for audits that were not performed in accordance with 2 CFR Part 200, Subpart F are not allowable. Please see 2 CFR Part 200, Subpart E regarding the Cost Principles for more information.

a. Administrative costs: Recipients may use funds for administering the SLFRF program, including costs of consultants to support effective management and oversight, including consultation for ensuring compliance with legal, regulatory, and other requirements. Further, costs must be reasonable and allocable as outlined in 2 CFR 200.404 and 2 CFR 200.405. Pursuant to the [ARP/CSLFRF] Award Terms and Conditions, recipients are permitted to charge both direct and indirect costs to their SLFRF award as administrative costs. Direct costs are those that are identified specifically as costs of implementing the [ARP/CSLFRF] program objectives, such as contract support, materials, and supplies for a project. Indirect costs are general overhead costs of an organization where a portion of such costs are allocable to the [ARP/CSLFRF] award such as the cost of facilities or administrative functions like a director's office. Each category of cost should be treated consistently in like circumstances as direct or indirect, and recipients may not charge the same administrative costs to both direct and indirect cost categories, or to other programs. If a recipient has a current Negotiated Indirect Costs Rate Agreement (NICRA) established with a Federal cognizant agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals, then the recipient may use its current NICRA. Alternatively, if the recipient does not have a NICRA, the recipient may elect to use the de minimis rate of 10 percent of the modified total direct costs pursuant to 2 CFR 200.414(f).

b. Salaries and Expenses: In general, certain employees' wages, salaries, and covered benefits are an eligible use of [ARP/CSLFRF] award funds; and

WHEREAS Subpart E of the UG dictates allowable costs and cost principles for expenditure of ARP/CSLFRF funds; and

WHEREAS Subpart E of the UG (specifically, 200.400) states that:

The application of these cost principles is based on the fundamental premises that:

(a) The non-Federal entity is responsible for the efficient and effective administration of the Federal award through the application of sound management practices.

(b) The non-Federal entity assumes responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award.

(c) The non-Federal entity, in recognition of its own unique combination of staff, facilities, and experience, has the primary responsibility for employing whatever form of sound organization and management techniques may be necessary in order to assure proper and efficient administration of the Federal award.

(d) The application of these cost principles should require no significant changes in the internal accounting policies and practices of the non-Federal entity. However, the accounting practices of the non-Federal entity must be consistent with these cost principles and support the accumulation of costs as required by the principles, and must provide for adequate documentation to support costs charged to the Federal award.

(e) In reviewing, negotiating and approving cost allocation plans or indirect cost proposals, the cognizant agency for indirect costs should generally assure that the non-Federal entity is applying these cost accounting principles on a consistent basis during their review and negotiation of indirect cost proposals. Where wide variations exist in the treatment of a given cost item by the non-Federal entity, the reasonableness and equity of such treatments should be fully considered.

(f) For non-Federal entities that educate and engage students in research, the dual role of students as both trainees and employees (including pre- and post-doctoral staff) contributing to the completion of Federal awards for research must be recognized in the application of these principles.

(g) The non-Federal entity may not earn or keep any profit resulting from Federal financial assistance, unless explicitly authorized by the terms and conditions of the Federal award;

BE IT RESOLVED that the governing board of the City of Mount Holly hereby adopts and enacts the following UG Allowable Costs and Cost Principles Policy for the expenditure of ARP/CSLFRF funds.

City of Mount Holly Allowable Costs and Costs Principles Policy

I. ALLOWABLE COSTS AND COSTS PRINCIPLES POLICY OVERVIEW

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, commonly called Uniform Guidance (UG), specifically Subpart E, defines those items of cost that are allowable, and which are unallowable. The tests of allowability under these principles are: (a) the costs must be reasonable; (b) they must be allocable to eligible projects under the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARP/CSLFRF); (c) they must be given consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances; and (d) they must conform to any limitations or exclusions set forth in these principles or in the ARP/CSLFRF grant award as to types or amounts of cost items. Unallowable items fall into two categories: expenses which are by their nature unallowable (e.g., alcohol), and unallowable activities (e.g., fund raising).

City of Mount Holly shall adhere to all applicable cost principles governing the use of federal grants. This policy addresses the proper classification of both direct and indirect charges to ARP/CSLFRF funded projects and enacts procedures to ensure that proposed and actual expenditures are consistent with the ARP/CSLFRF grant award terms and all applicable federal regulations in the UG.

Responsibility for following these guidelines lies with the Finance Department, who are charged with the administration and financial oversight of the ARP/CSLFRF. Further, all local government employees and officials who are involved in obligating, administering, expending, or monitoring ARP/CSLFRF grant funded projects should be well versed with the categories of costs that are generally allowable and unallowable. Questions on the allowability of costs should be directed to the Finance Department. As questions on allowability of certain costs may require interpretation and judgment, local government personnel are encouraged to ask for assistance in making those determinations.

II. GENERAL COST ALLOWABILITY CRITERIA

All costs expended using ARP/CSLFRF funds must meet the following general criteria:

1. **Be necessary and reasonable for the proper and efficient performance and administration of the grant program.**

   A cost must be *necessary* to achieve a project object. When determining whether a cost is necessary, consideration may be given to:

   - Whether the cost is needed for the proper and efficient performance of the grant project.
   - Whether the cost is identified in the approved project budget or application.
   - Whether the cost aligns with identified needs based on results and findings from a needs assessment.
   - Whether the cost addresses project goals and objectives and is based on program data.

   A cost is *reasonable* if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision to incur the cost was made. For example, reasonable means that sound business practices were followed, and purchases were comparable to market prices. When determining reasonableness of a cost, consideration must be given to:

- Whether the cost is a type generally recognized as ordinary and necessary for the operation of the City of Mount Holly or the proper and efficient performance of the federal award.

- The restraints or requirements imposed by factors, such as: sound business practices; arm's-length bargaining; federal, state, and other laws and regulations; and terms and conditions of the ARP/CSLFRF award.

- Market prices for comparable goods or services for the geographic area.

- Whether individuals concerned acted with prudence in the circumstances considering their responsibilities to City of Mount Holly, its employees, the public at large, and the federal government.

- Whether City of Mount Holly significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the ARP/CSLFRF award's cost.

2. **Be allocable to the ARP/CSLFRF federal award.** A cost is allocable to the ARP/CSLFRF award if the goods or services involved are chargeable or assignable to the ARP/CSLFRF award in accordance with the relative benefit received. This means that the ARP/CSLFRF grant program derived a benefit in proportion to the funds charged to the program. *For example, if 50 percent of a local government program officer's salary is paid with grant funds, then the local government must document that the program officer spent at least 50 percent of his/her time on the grant program.*

   If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then the costs may be allocated or transferred to benefitted projects on any reasonable documented basis. Where the purchase of equipment or other capital asset is specifically authorized by the ARP/CSLFRF, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required.

3. **Be authorized and not prohibited under state or local laws or regulations.**

4. **Conform to any limitations or exclusions set forth in the principles, federal laws, ARP/CSLFRF award terms, and other governing regulations as to types or amounts of cost items.**

5. **Be consistent with policies, regulations, and procedures that apply uniformly to both the ARP/CSLFRF federal award and other activities of City of Mount Holly.**

6. **Be accorded consistent treatment.** A cost MAY NOT be assigned to a federal award as a direct cost and also be charged to a federal award as an indirect cost. And a cost must be treated consistently for both federal award and non-federal award expenditures.

7. **Be determined in accordance with generally accepted accounting principles (GAAP), unless provided otherwise in the UGG.**

8. **Be net of all applicable credits.** The term "applicable credits" refers to those receipts or reduction of expenditures that operate to offset or reduce expense items allocable to the federal award. Typical examples of such transactions are purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to and received by the local government related to the federal award, they shall be credited to the ARP/CSLFRF award, either as a cost reduction or a cash refund, as appropriate and consistent with the award terms.

9. **Be adequately documented.**

III. SELECTED ITEMS OF COST

The UGG examines the allowability of fifty-five (55) specific cost items (commonly referred to as Selected Items of Cost) at 2 CFR § 200.420-.475.

The Department responsible for determining cost allowability must be familiar with the Selected Items of Cost. The City of Mount Holly must follow the applicable regulations when charging these specific expenditures to the ARP/CSLFRF grant. The Finance Department personnel will check costs against the selected items of cost requirements to ensure the cost is allowable and that all process and documentation requirements are followed. In addition, State laws, City of Mount Holly regulations, and program-specific rules may deem a cost as unallowable, and Department personnel must follow those non-federal rules as well.

Exhibit A identifies and summarizes the Selected Items of Cost.

IV. DIRECT AND INDIRECT COSTS

Allowable and allocable costs must be appropriately classified as direct or indirect charges. It is essential that each item of cost be treated consistently in like circumstances either as a direct or an indirect cost.

Direct costs are expenses that are specifically associated with a particular ARP/CSLFRF-eligible project and that can be directly assigned to such activities relatively easily with a high degree of accuracy. Common examples of direct costs include salary and fringe benefits of personnel directly involved in undertaking an eligible project, equipment and supplies for the project, subcontracted service provider, or other materials consumed or expended in the performance of a grant-eligible project.

Indirect costs are (1) costs incurred for a common or joint purpose benefitting more than one ARP/CSLFRF-eligible project, and (2) not readily assignable to the project specifically benefited, without effort disproportionate to the results achieved. They are expenses that benefit more than one project or even more than one federal grant. Common examples of indirect costs include utilities, local telephone charges, shared office supplies, administrative or secretarial salaries.

For indirect costs, the City of Mount Holly may charge a 10 percent de minimis rate of modified total direct costs (MTDC). According to UGG Section 200.68 MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first $25,000 of each subaward (regardless of the period of performance the subawards under the award). MTDC EXCLUDES equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of $25,000.

V. SPECIAL PROVISIONS FOR STATE AND LOCAL GOVERNMENTS

There are some special provisions of the UG that apply only to states, local governments, and Indian Tribes.

§ 200.444 General costs of government.

(a) For states, local governments, and Indian Tribes, the general costs of government are unallowable (except as provided in § 200.475). Unallowable costs include:

(1) Salaries and expenses of the Office of the Governor of a state or the chief executive of a local government or the chief executive of an Indian tribe;

(2) Salaries and other expenses of a state legislature, tribal council, or similar local governmental body, such as a county supervisor, city council, school board, etc., whether incurred for purposes of legislation or executive direction;

(3) Costs of the judicial branch of a government;

(4) Costs of prosecutorial activities unless treated as a direct cost to a specific program if authorized by statute or regulation (however, this does not preclude the allowability of other legal activities of the Attorney General as described in § 200.435); and

(5) Costs of other general types of government services normally provided to the general public, such as fire and police, unless provided for as a direct cost under a program statute or regulation.

(b) For Indian tribes and Councils of Governments (COGs) (see definition for *Local government* in § 200.1 of this part), up to 50% of salaries and expenses directly attributable to managing and operating Federal programs by the chief executive and his or her staff can be included in the indirect cost calculation without documentation.

§ 200.416 COST ALLOCATION PLANS AND INDIRECT COST PROPOSALS.

(a) For states, local governments and Indian tribes, certain services, such as motor pools, computer centers, purchasing, accounting, etc., are provided to operating agencies on a centralized basis. Since Federal awards are performed within the individual operating agencies, there needs to be a process whereby these central service costs can be identified and assigned to benefitted activities on a reasonable and consistent basis. The central service cost allocation plan provides that process.

(b) Individual operating agencies (governmental department or agency), normally charge Federal awards for indirect costs through an indirect cost rate. A separate indirect cost rate(s) proposal for each operating agency is usually necessary to claim indirect costs under Federal awards. Indirect costs include:

(1) The indirect costs originating in each department or agency of the governmental unit carrying out Federal awards and

(2) The costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.

(c) The requirements for development and submission of cost allocation plans (for central service costs and public assistance programs) and indirect cost rate proposals are contained in appendices V, VI and VII to this part.

§ 200.417 Interagency service.

The cost of services provided by one agency to another within the governmental unit may include allowable direct costs of the service plus a pro-rated share of indirect costs. A standard indirect cost allowance equal to ten percent of the direct salary and wage cost of providing the service (excluding overtime, shift premiums, and fringe benefits) may be used in lieu of determining the actual indirect costs of the service. These services do not include centralized services included in central service cost allocation plans as described in Appendix V to Part 200.

VI. COST ALLOWABILITY REVIEW PROCESS

Preapproval Cost Allowability Review

Before an ARP/CSLFRF-funded project is authorized, the Finance Department must review the proposed cost items within an estimated project budget to determine whether they are allowable and allocable and whether cost items will be charged as direct or indirect expenses. This review will occur concurrently with the review of project eligibility and *before* obligating or expending any ARP/CSLFRF funds.

- Local government personnel must submit proposed ARP/CSLFRF projects to the Finance Department for review. In addition to other required information, all proposed project submissions must delineate estimated costs by cost item.
- Along with a general review of project eligibility and conformance with other governing board management directives, the Finance Department must review estimated costs for specific allowable cost requirements, budget parameters, indirect rates, fringe benefit rates, and those activities/costs that require pre-approval by the US Treasury.

- If a proposed project includes a request for an unallowable cost, the Finance Department will return the proposal to the requesting party for review and, if practicable, resubmission with corrected cost items.

- Once a proposed project budget is pre-approved the Finance Department, the local government personnel responsible for implementing the project must conform actual obligations and expenditures to the pre-approved project budget.

Post-expenditure Cost Allowability Review

Once an expenditure is incurred related to an eligible project, and an invoice or other demand for payment is submitted to the local government, the Finance Department must perform a second review to ensure that actual expenditures comprise allowable costs.

- All invoices or other demands for payment must include a breakdown by cost item. The cost items should mirror those presented in the proposed budget for the project. If an invoice or other demand for payment does not include a breakdown by cost item, the Finance Department will return the invoice to the project manager and/or vendor, contractor, or subrecipient for correction.

- The Finance Department must review the individual cost items listed on the invoice or other demand for payment to determine their allowability and allocability.

- If all cost items are deemed allowable and properly allocable, the Finance Department must proceed through the local government's normal disbursement process.

- If any cost item is deemed unallowable, the Finance Department will notify the project management and/or vendor, contractor, or subrecipient that a portion of the invoice or other demand for payment will not be paid with ARP/CSLFRF funds. The Finance Department may in their discretion, and consistent with this policy, allow an invoice or other demand for payment to be resubmitted with a revised cost allocation. If the local government remains legally obligated by contract or otherwise to pay the disallowed cost item, it must identify other local government funds to cover the disbursement. City of Mount Holly's governing board must approve any allocation of other funds for this purpose.

- The Finance Department must retain appropriate documentation of budgeted cost items per project and actual obligations and expenditures of cost items per project.

VII. COST TRANSFERS

Any costs charged to the ARP/CSLFRF federal award that do not meet the allowable cost criteria must be removed from the award account and charged to an account that does not require adherence to federal UGG or other applicable guidelines.

Failure to adequately follow this policy and related procedures could result in questioned costs, audit findings, potential repayment of disallowed costs and discontinuance of funding.

EXHIBIT A

Selected Items of Cost	Uniform Guidance General Reference	Allowability
Advertising and public relations costs	2 CFR § 200.421	Allowable with restrictions
Advisory councils	2 CFR § 200.422	Allowable with restrictions
Alcoholic beverages	2 CFR § 200.423	Unallowable
Alumni/ae activities	2 CFR § 200.424	Not specifically addressed
Audit services	2 CFR § 200.425	Allowable with restrictions
Bad debts	2 CFR § 200.426	Unallowable
Bonding costs	2 CFR § 200.427	Allowable with restrictions
Collection of improper payments	2 CFR § 200.428	Allowable
Commencement and convocation costs	2 CFR § 200.429	Not specifically addressed
Compensation – personal services	2 CFR § 200.430	Allowable with restrictions; Special conditions apply (e.g., § 200.430(i)(5))

Compensation – fringe benefits	2 CFR § 200.431	Allowable with restrictions
Conferences	2 CFR § 200.432	Allowable with restrictions
Contingency provisions	2 CFR § 200.433	Unallowable with exceptions
Contributions and donations	2 CFR § 200.434	Unallowable (made by non-federal entity); not reimbursable but value may be used as cost sharing or matching (made to non-federal entity)
Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements	2 CFR § 200.435	Allowable with restrictions
Depreciation	2 CFR § 200.436	Allowable with qualifications
Employee health and welfare costs	2 CFR § 200.437	Allowable with restrictions
Entertainment costs	2 CFR § 200.438	Unallowable with exceptions
Equipment and other capital expenditures	2 CFR § 200.439	Allowability based on specific requirement
Exchange rates	2 CFR § 200.440	Allowable with restrictions
Fines, penalties, damages and other settlements	2 CFR § 200.441	Unallowable with exceptions
Fund raising and investment management costs	2 CFR § 200.442	Unallowable with exceptions
Gains and losses on disposition of depreciable assets	2 CFR § 200.443	Allowable with restrictions
General costs of government	2 CFR § 200.444	Unallowable with exceptions
Goods and services for personal use	2 CFR § 200.445	Unallowable (goods/services); allowable (housing) with restrictions
Idle facilities and idle capacity	2 CFR § 200.446	Idle facilities - unallowable with exceptions;

		Idle capacity - allowable with restrictions
Insurance and indemnification	2 CFR § 200.447	Allowable with restrictions
Intellectual property	2 CFR § 200.448	Allowable with restrictions
Interest	2 CFR § 200.449	Allowable with restrictions
Lobbying	2 CFR § 200.450	Unallowable
Losses on other awards or contracts	2 CFR § 200.451	Unallowable (however, they are required to be included in the indirect cost rate base for allocation of indirect costs)
Maintenance and repair costs	2 CFR § 200.452	Allowable with restrictions
Materials and supplies costs, including costs of computing devices	2 CFR § 200.453	Allowable with restrictions
Memberships, subscriptions, and professional activity costs	2 CFR § 200.454	Allowable with restrictions; unallowable for lobbying organizations
Organization costs	2 CFR § 200.455	Unallowable except federal prior approval
Participant support costs	2 CFR § 200.456	Allowable with prior approval of the federal awarding agency
Plant and security costs	2 CFR § 200.457	Allowable; capital expenditures are subject to § 200.439
Pre-award costs	2 CFR § 200.458	Allowable if consistent with other allowabilities and with prior approval of the federal awarding agency
Professional services costs	2 CFR § 200.459	Allowable with restrictions
Proposal costs	2 CFR § 200.460	Allowable with restrictions
Publication and printing costs	2 CFR § 200.461	Allowable with restrictions

Rearrangement and reconversion costs	2 CFR § 200.462	Allowable (ordinary and normal)
Recruiting costs	2 CFR § 200.463	Allowable with restrictions
Relocation costs of employees	2 CFR § 200.464	Allowable with restrictions
Rental costs of real property and equipment	2 CFR § 200.465	Allowable with restrictions
Scholarships and student aid costs	2 CFR § 200.466	Not specifically addressed
Selling and marketing costs	2 CFR § 200.467	Unallowable with exceptions
Specialized service facilities	2 CFR § 200.468	Allowable with restrictions
Student activity costs	2 CFR § 200.469	Unallowable unless specifically provided for in the federal award
Taxes (including Value Added Tax)	2 CFR § 200.470	Allowable with restrictions
Termination costs	2 CFR § 200.471	Allowable with restrictions
Training and education costs	2 CFR § 200.472	Allowable for employee development
Transportation costs	2 CFR § 200.473	Allowable with restrictions
Travel costs	2 CFR § 200.474	Allowable with restrictions
Trustees	2 CFR § 200.475	Not specifically addressed

ELIGIBLE USE PROJECT POLICY FOR THE EXPENDITURE OF AMERICAN RESCUE PLAN ACT OF 2021 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS BY THE CITY OF MOUNT HOLLY

WHEREAS the City of Mount Holly, has received an allocation of funds from the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARP/CSLFRF); and

WHEREAS US Treasury is responsible for implementing ARP/CSLFRF and has enacted a Final Rule outlining eligible projects; and

WHEREAS the funds may be used for projects within these categories, to the extent authorized by state law.

1. Support COVID-19 public health expenditures, by funding COVID-19 mitigation and prevention efforts, medical expenses, behavioral healthcare, preventing and responding to violence, and certain public health and safety staff;
2. Address negative economic impacts caused by the public health emergency, including economic harms to households, small businesses, non-profits, impacted industries, and the public sector;
3. Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
4. Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
5. Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet; and

WHEREAS the ARP/CSLFRF are subject to the provisions of the federal Uniform Grant Guidance, 2 CFR Part 200 (UG), as provided in the Assistance Listing; and

WHEREAS US Treasury has issued a Compliance and Reporting Guidance v.2.1 (November 15, 2021) dictating implementation of the ARP/CSLFRF award terms and compliance requirements; and

WHEREAS the Compliance and Reporting Guidance states on page 6 that

> Per 2 CFR Part 200.303, your organization must develop and implement effective internal controls to ensure that funding decisions under the SLFRF award constitute eligible uses of funds, and document determinations.

BE IT RESOLVED that the City of Mount Holly hereby adopts and enacts the following Eligibility Determination Policy for ARP/CSLFRF funds.

Eligibility Determination Policy for American Rescue Plan Act of 2021 Coronavirus State and Local Fiscal Recovery Funds

This policy defines the permissible and prohibited uses of the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARP/CSLFRF) funds. It also outlines the procedures for determining how City of Mount Holly will spend its ARP/CSLFRF funds.

I. PERMISSIBLE USES OF ARP/CSLFRF FUNDING

US Treasury issued its **Final Rule** regarding use of ARPA funds on January 6, 2022. (The Final Rule is effective as of April 1, 2022. Until that date, a local government may proceed under the regulation promulgated by US Department of the Treasury in its **Interim Final Rule** or the Final Rule.) The Final Rule (and the Interim Final Rule) identify permissible uses of ARP/CSLFRF funds and certain limitations and process requirements. Local governments must allocate ARP/CSLFRF funds no later than December 31, 2024 and disburse all funding no later than December 31, 2026. Failure of an entity to expend all funds by December 31, 2026 will result in forfeiture of ARPA funds.

ARP/CSLFRF funds may be used for projects within the following categories of expenditures:

1. Support COVID-19 public health expenditures, by funding COVID-19 mitigation and prevention efforts, medical expenses, behavioral healthcare, preventing and responding to violence, and certain public health and safety staff;
2. Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, non-profits, impacted industries, and the public sector;
3. Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
4. Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and
5. Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet; and

II. PROHIBITED USES OF ARPA FUNDING

The ARP/CSLFRF and US Treasury's Final Rule prohibit certain uses of ARP/CSLFRF funds. Specifically, ARP/CSLFRF funds may not be used for projects within the following categories of expenditures:

1. To make a deposit into a pension fund that constitutes an extraordinary payment of an accrued, unfunded liability (Note that routine contributions as part of a payroll obligation for an eligible project are allowed.);
2. To borrow money or make debt service payments;
3. To replenish rainy day funds or fund other financial reserves;
4. To satisfy an obligation arising from a settlement agreement, judgment, consent decree, or judicially confirmed debt restricting in a judicial, administrative, or regulatory proceeding (There is an exception to this prohibition if the settlement or judgment requires the City of Mount Holly to provide services to respond to the COVID-19 public health emergency or its negative economic impacts or to provide government services, then the costs of those otherwise ARP/CSLFRF-eligible projects are allowed.);
5. For a project that includes a term or condition that undermines efforts to stop the spread of COVID-19 or discourages compliance with recommendations and guidelines in CDC guidance for stopping the spread of COVID-19;
6. In violation of the conflict-of-interest requirements imposed by the award terms and 2 CFR 200.318(c).
7. For any expenditure that would violate other applicable federal, state, and local laws and regulations.

The City of Mount Holly, and any of its contractors or subrecipients, may not expend any ARP/CSLFRF funds for these purposes.

III. PROCEDURES FOR PROJECT APPROVAL

The following are procedures for ARP/CSLFRF project approvals. All City of Mount Holly employees and officials must comply with these requirements.

1. Requests for ARP/CSLFRF funding, must be made in writing and include all the following:
    a. Brief description of the project
    b. Identification of ARP/CSLFRF Expenditure Category (EC) (A list of ECs in in the Appendix to the US Treasury Compliance and Reporting Guidance.)
    c. Required justifications for applicable projects, according to the requirements in the Final Rule. Employees or any applicant seeking ARPA funding should review the Final Rule and Final Rule Overview prior to submitting a proposal.
    d. Proposed budget, broken down by cost item, in accordance with the City of Mount Holly's Allowable Cost Policy.
    e. A project implementation plan and estimated implementation timeline (All ARP/CSLFRF funds must be fully obligated by December 31, 2024, and fully expended by December 31, 2026.)
2. Requests for funding must be submitted to the Finance Department for approval. All requests will be reviewed by the Finance Director for ARP/CSLFRF compliance and by the Finance Director for allowable costs and other financial review.

3. No ARP/CSLFRF may.be obligated or expended before final written approval by the Finance Department and City Council Approval.
4. If a proposal does not meet the required criteria, it will be returned to the requesting party for revision and resubmittal.
5. Following approval, employees responsible for implementing the project must conform actual obligations and expenditures to the pre-approved project budget. Changes in project budgets must be approved by the Finance Department and may require a budget amendment before proceeding. Any delay in the projected project completion date shall be communicated to the Finance Department immediately.
6. The Finance Department must collect and document required information for each EC, for purposes of completing the required Project and Expenditure reports.
7. The Finance Department must maintain written project requests and approvals, all supporting documentation, and financial information at least until December 31, 2031.

City of Mount Holly
Action Agenda Item

To: Mayor and City Council **From:** Michelle Wood	**Date:** March 8, 2023 **Meeting Date:** March 13, 2023

Agenda Item to be considered: Martin Starnes Audit Contract

Will this require a public hearing? ☐ YES ☒ NO

Background/Purpose of Request:

Approval Martin Starnes audit contract for Fiscal Year 2022-2023 audit services due October 31, 2023

Fiscal Impact:

Will Item affect current budget	☐ YES	☒ NO	☐ N/A
Reviewed by Finance Director	☒ YES	☐ NO	☐ N/A
Preaudit Certification required	☒ YES	☐ NO	☐ N/A
Capital Project Ordinance required	☐ YES	☒ NO	☐ N/A
Budget Transfer required	☐ YES	☒ NO	☐ N/A
Total City Dollars: 45,350.00			
Budget Code: 10-00-4120-194 & 62-91-7110-194			
Reviewed by City Attorney	☐ YES	☒ NO	☐ N/A

Manager/Staff Recommendation:

Result of City Council Decision:_____

Attachments: Martin Starnes Audit Contract

CONTRACT TO AUDIT ACCOUNTS

The	Governing Board City Council
of	Primary Government Unit City of Mount Holly, NC
and	Discretely Presented Component Unit (DPCU) (if applicable) Mount Holly Tourism Development Authority

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

and	Auditor Name Martin Starnes & Associates, CPAs, P.A.
	Auditor Address 730 13th Avenue Drive SE, Hickory, NC 28602

Hereinafter referred to as Auditor

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

Must be within four months of FYE

hereby agree as follows:

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

2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards (GAGAS)* if the Governmental Unit expended $100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F* (Uniform Guidance) or the State Single Audit Implementation Act. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

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

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

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

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

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

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

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

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

For GAAS or *Government Auditing Standards* audits, if an auditor issues an AU-C §260 report, commonly referred to as "Governance Letter," LGC staff does not require the report to be submitted unless the auditor cites significant findings or issues from the audit, as defined in AU-C §260.12 - .14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious reviewed with those charged with governance, and other significant matters.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit- related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.

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

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

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

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

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

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

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

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

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

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

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

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

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

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

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

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

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

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

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

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

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

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

29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(c)(6).

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 17 for clarification).

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

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

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

FEES FOR AUDIT SERVICES

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

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

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

Name:	***Title and Unit / Company:***	***Email Address:***
Michelle Wood	Finance Director, City of Mount Holly	michelle.wood@mtholly.us

OR Not Applicable ☐ *(Identification of SKE Individual on the LGC-205 Contract is not applicable for GAAS-only audits or audits with FYEs prior to June 30, 2020.)*

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

3. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit form for correction.

4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the unit's last annual audit that was submitted to the Secretary of the LGC. All invoices for services rendered in an audit engagement as defined in 20 NCAC .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

PRIMARY GOVERNMENT FEES

Primary Government Unit	City of Mount Holly, NC
Audit Fee	$ 45,350
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	$ 3,750 (up to 2 major programs); $3,750 per major program in excess of 2
Writing Financial Statements	$ 6,400
All Other Non-Attest Services	$

DPCU FEES (if applicable)

Discretely Presented Component Unit	Mount Holly Tourism Development Authority
Audit Fee	$ included in City's audit fees
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	$
Writing Financial Statements	$
All Other Non-Attest Services	$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Martin Starnes & Associates, CPAs, P.A.	
Authorized Firm Representative (typed or printed)* Amber Y. McGhinnis	Signature* Amber Y. McGhinnis
Date* 02/07/23	Email Address* amcghinnis@msa.cpa

GOVERNMENTAL UNIT

Governmental Unit* City of Mount Holly, NC	
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)* Bryan Hough, Mayor	Signature*
Date	Email Address bryan.hough@mtholly.us

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) Michelle Wood, Finance Director	Signature*
Date of Pre-Audit Certificate*	Email Address* michelle.wood@mtholly.us

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

DPCU* Mount Holly Tourism Development Authority	
Date DPCU Governing Board Approved Audit Contract* (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed)* Ineke Wilson, TDA Chair	Signature*
Date*	Email Address* for.ineke@gmail.com

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)* Michelle Wood, Finance Director	Signature*
Date of Pre-Audit Certificate*	Email Address* michelle.wood@mtholly.us

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

PRINT

KWH **Koonce, Wooten & Haywood, LLP**
CERTIFIED PUBLIC ACCOUNTANTS

Report on the Firm's System of Quality Control

To the Shareholders of Martin Starnes & Associates, CPAs, P.A. and the
Peer Review Committee, Coastal Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. (the firm) in effect for the year ended December 31, 2020. Our 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.

Firm's 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

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards,* including compliance audits under the Single Audit Act and an audit of an employee benefit plan.

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. in effect for the year ended December 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.* Martin Starnes & Associates, CPAs, P.A. has received a peer review rating of pass.

Koonce, Wooten & Haywood, LLP

Koonce, Wooten & Haywood, LLP

May 4, 2021

Raleigh
4060 Barrett Drive
Post Office Box 17806
Raleigh, North Carolina 27619

919 782 9265
919 783 8937 FAX

Durham
3500 Westgate Drive
Suite 203
Durham, North Carolina 27707

919 354 2584
919 489 8183 FAX

Pittsboro
579 West Street
Post Office Box 1399
Pittsboro, North Carolina 27312

919 542 6000
919 542 5764 FAX

Smithfield
212 East Church Street
Post Office Box 2348
Smithfield, North Carolina 27577

919 934 1121
919 934 1217 FAX

MARTIN ♦ STARNES
& ASSOCIATES, CPAs, P.A.
"A Professional Association of Certified Public Accountants and Management Consultants"

February 7, 2023

Michelle Wood, Finance Director
Mount Holly TDA
400 E Central Avenue
Mount Holly, NC 28120

The following represents our understanding of the services we will provide the Mount Holly Tourism Development Authority.

You have requested that we audit the governmental activities and the major fund, and the aggregate remaining fund information of the Mount Holly Tourism Development Authority, as of June 30, 2023, and for the year then ended, and the related notes, which collectively comprise the Mount Holly Tourism Development Authority's basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Accounting principles generally accepted in the United States of America (U.S. GAAP), as promulgated by the Governmental Accounting Standards Board (GASB) require that certain supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis

730 13th Avenue Drive SE ♦ Hickory, NC 28602 ♦ 828-327-2727 ♦ Fax 828-328-2324
13 South Center Street ♦ Taylorsville, NC 28681 ♦ 828-632-9025 ♦ Fax 828-632-9085
800-948-0585 ♦ www.martinstarnes.com

Supplementary information other than RSI will accompany the Mount Holly Tourism Development Authority's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with U.S. GAAS. We intend to provide an opinion on the following supplementary information in relation to the basic financial statements as a whole:

- Balance Sheet
- Schedule of Revenues and Expenditures

Auditor Responsibilities

We will conduct our audit in accordance with U.S. GAAS. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Mount Holly Tourism Development Authority's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the Mount Holly Tourism Development Authority's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion.

Management Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements;
3. To provide us with:
   a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements, such as records, documentation, and other matters;
   b. Additional information that we may request from management for the purpose of the audit;
   c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
   d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report (if applicable); and
   e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report (if applicable).
4. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by us;
5. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
6. For adjusting the basic 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 current year or period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole;
7. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work (if applicable);
8. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets.
9. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant roles in internal control and others where fraud could have a material effect on the financials; and
10. For the accuracy and completeness of all information provided.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility (a) for the preparation of the supplementary information in accordance with the applicable criteria, (b) to provide us with the appropriate written representations regarding supplementary information, (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information, and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

Nonattest Services

We will perform the following nonattest services:

- Draft of financial statements and footnotes

We will not assume management responsibilities on behalf of the Mount Holly Tourism Development Authority. However, we will provide advice and recommendations to assist management of the Mount Holly Tourism Development Authority in performing its responsibilities.

The Mount Holly Tourism Development Authority's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- This nonattest services are limited to the services previously outlined. Our firm, in its sole professional judgement, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Reporting

The financial statements for the Mount Holly Tourism Development Authority will be included in the financial statements of the City of Mount Holly. We will issue a written report upon completion of our audit of the Mount Holly Tourism Development Authority's basic financial statements. Our report will be addressed to the governing body of the City of Mount Holly. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements 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 to issue a report as a result of this engagement.

Other

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

During the course of the engagement, a portal will be in place for information to be shared, but not stored. Our policy is to terminate access to this portal after one year. The TDA is responsible for data backup for business continuity and disaster recovery, and our workpaper documentation is not to be used for these purposes.

Provisions of Engagement Administration and Fees

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Marcie Spivey is the engagement partner for the audit services specified in this letter. Her responsibilities include supervising Martin Starnes & Associates, CPAs, P.A.'s services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. To ensure that our independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Our fees for these services are included in the engagement letter and contract for the City of Mount Holly.

Our invoices for these fees will be rendered in four installments as work progresses and are payable upon presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for non-payment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our reports. 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.

We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the Mount Holly Tourism Development Authority's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

If we determine that we are required to perform a single audit in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act, and these procedures and related fees were not included in our quoted fees, we may amend our audit contract and supplemental bill for these additional procedures.

We want our clients to receive the maximum value for our professional services and to perceive that our fees are reasonable and fair. In working to provide you with such value, we find there are certain circumstances that can cause us to perform work in excess of that contemplated in our fee estimate.

Following are some of the more common reasons for potential supplemental billings:

Changing Laws and Regulations

There are many governmental and rule-making boards that regularly add or change their requirements. Although we attempt to plan our work to anticipate the requirements that will affect our engagement, there are times when this is not possible. We will discuss these situations with you at the earliest possible time in order to make the necessary adjustments and amendments in our engagement.

Incorrect Accounting Methods or Errors in Client Records

We base our fee estimates on the expectation that client accounting records are in order so that our work can be completed using our standard testing and accounting procedures. However, should we find numerous errors, incomplete records, or the application of incorrect accounting methods, we will have to perform additional work to make the corrections and reflect those changes in the financial statements.

Failure to Prepare for the Engagement

In an effort to minimize your fees, we assign you the responsibility for the preparation of schedules and documents needed for the engagement. We also discuss matters such as availability of your key personnel, deadlines, and work space. If your personnel are unable, for whatever reasons, to provide these items as previously agreed upon, it might substantially increase the work we must do to complete the engagement within the scheduled time.

Starting and Stopping Our Work

If we must withdraw our staff because of the condition of the client's records, or the failure to provide agreed upon items within the established timeline for the engagement, we will not be able to perform our work in a timely, efficient manner, as established by our engagement plan. This will result in additional fees, as we must reschedule our personnel and incur additional start-up costs.

Our fees are 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. Our fees for such services range from $85-$390 per hour.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

At the conclusion of our audit engagement, we will communicate to management and those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;

- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of Martin Starnes & Associates, CPAs, P.A. and constitutes confidential information. However, we may be requested to make certain audit documentation available to the Local Government Commission, Office of the State Auditor, federal or state agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Martin Starnes & Associates, CPAs, P.A.'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

We have attached a copy of the latest external peer review report of our firm to the Contract to Audit Accounts for your consideration and files.

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the basic financial statements, including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of the Mount Holly Tourism Development Authority by:

Signature: ______________________________

Title: ______________________________

Date: ______________________________

MARTIN ♦ STARNES
& ASSOCIATES, CPAs, P.A.
"A Professional Association of Certified Public Accountants and Management Consultants"

February 7, 2023

Michelle Wood, Finance Director
City of Mount Holly
400 E Central Avenue
Mount Holly, NC 28120

The following represents our understanding of the services we will provide the City of Mount Holly.

You have requested that we audit the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Mount Holly, NC, as of June 30, 2023, and for the year then ended, and the related notes to the financial statements, which collectively comprise the City of Mount Holly's basic financial statements as listed in the table of contents.

In addition, we will audit the entity's compliance over major federal and state award programs for the period ended June 30, 2023. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal and state award programs. The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the entity complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and *Government Auditing Standards*, if any, and perform procedures to address those requirements.

730 13th Avenue Drive SE ♦ Hickory, NC 28602 ♦ 828-327-2727 ♦ Fax 828-328-2324
13 South Center Street ♦ Taylorsville, NC 28681 ♦ 828-632-9025 ♦ Fax 828-632-9085
800-948-0585 ♦ www.martinstarnes.com

Accounting principles generally accepted in the United States of America require that certain supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Law Enforcement Officers' Special Separation Allowance schedules
- Other Post-Employment Benefits' schedules
- Local Governmental Employees' Retirement System's schedules

Supplementary information other than RSI will accompany the City of Mount Holly's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- Combining and individual fund financial statements
- Budget and actual schedules
- Supplemental ad valorem tax schedules
- Other schedules
- Mount Holly Tourism Development Authority schedules
- Schedule of Expenditures of Federal and State Awards

Schedule of Expenditures of Federal and State Awards

We will subject the Schedule of Expenditures of Federal and State Awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the Schedule of Expenditures of Federal and State Awards is presented fairly in all material respects in relation to the financial statements as a whole.

We will make reference to the component unit auditor's audit of the City of Mount Holly ABC Board in our report on your financial statements.

Data Collection Form (if applicable)

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, Schedule of Expenditures of Federal and State Awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the Federal Audit Clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the Federal Audit Clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Audit of the Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. As part of an audit of financial statements in accordance with GAAS and in accordance with *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Mount Holly's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the City of Mount Holly's basic financial statements. Our report will be addressed to the governing body of the City of Mount Holly. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements 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 to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

Audit of Major Program Compliance

Our audit of the City of Mount Holly's major federal and state award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended, the Uniform Guidance, and the State Single Audit Implementation Act, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and the State Single Audit Implementation Act and other procedures we consider necessary to enable us to express such an opinion on major federal and state award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance and the State Single Audit Implementation Act require that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal and state award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the entity's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the federal or state programs as a whole.

As part of a compliance audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal and state programs and, performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs, and performing such other procedures as we consider necessary in the circumstances. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and the State Single Audit Implementation Act.

Also, as required by the Uniform Guidance and the State Single Audit Implementation Act, we will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design and perform tests of controls 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 of the entity's major federal and state award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal and state award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management's Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal and state awards received and expended during the period and the federal and State programs under which they were received;
4. For maintaining records that adequately identify the source and application of funds for federal and state funded activities;
5. For preparing the Schedule of Expenditures of Federal and State Awards (including notes and noncash assistance received) in accordance with the Uniform Guidance and State Single Audit Implementation Act;
6. For designing, implementing, and maintaining effective internal control over federal and state awards that provides reasonable assurance that the entity is managing federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions of the federal and state awards;
7. For identifying and ensuring that the entity complies with federal and state laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal and state award programs, and implementing systems designed to achieve compliance with applicable federal and state statutes, regulations and the terms and conditions of federal and state award programs;
8. For disclosing accurately, currently and completely the financial results of each federal and state award in accordance with the requirements of the award;
9. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
10. For taking prompt action when instances of noncompliance are identified;
11. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
12. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;

13. For submitting the reporting package and data collection form to the appropriate parties;
14. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
15. To provide us with:
    a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including the disclosures, and relevant to federal and state award programs, such as records, documentation, and other matters;
    b. Additional information that we may request from management for the purpose of the audit;
    c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
    d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report (if applicable); and
    e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report (if applicable).
16. For 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 current year or period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
17. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
18. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
19. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant roles in internal control and others where fraud could have a material effect on compliance;
20. For the accuracy and completeness of all information provided;
21. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
22. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the Schedule of Expenditures of Federal and State Awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the Schedule of Expenditures of Federal and State Awards in accordance with the Uniform Guidance and the State Single Audit Implementation Act, (b) to provide us with the appropriate written representations regarding the Schedule of Expenditures of Federal and State Awards, (c) to include our report on the Schedule of Expenditures of Federal and State Awards in any document that contains the Schedule of Expenditures of Federal and State Awards and that indicates that we have reported on such schedule, and (d) to present the Schedule of Expenditures of Federal and State Awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited basic financial statements readily available to the intended users of the Schedule of Expenditures of Federal and State Awards no later than the date of issuance by you of the schedule and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing.

You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Nonattest Services

We will perform the following nonattest services:

- Draft of financial statements and footnotes
- GASB 34 conversion entries
- Preparation of auditor portions of Data Collection Form (if applicable)
- Preparation of AFIR
- Preparation of LGC's data input worksheet

We will not assume management responsibilities on behalf of the City of Mount Holly. However, we will provide advice and recommendations to assist management of the City of Mount Holly in performing its responsibilities.

The City of Mount Holly's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Other Matters

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

During the course of the engagement, a portal will be in place for information to be shared, but not stored. Our policy is to terminate access to this portal after one year. The City is responsible for data backup for business continuity and disaster recovery, and our workpaper documentation is not to be used for these purposes.

Provisions of Engagement Administration and Fees

Marcie Spivey is the engagement partner for the audit services specified in this letter. Her responsibilities include supervising Martin Starnes & Associates, CPAs, P.A.'s services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. To ensure that our independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Our fees for these services are as follows:

Audit Fee	$	45,350
Financial Statement Drafting		6,400
Single Audit Fees (up to 2 programs)		3,750
	$	55,500
Additional Fees:		
Charge per major program in excess of 2	$	3,750

Our invoices for these fees will be rendered in four installments as work progresses and are payable upon presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for non-payment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our reports. 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.

We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the City of Mount Holly's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

We want our clients to receive the maximum value for our professional services and to perceive that our fees are reasonable and fair. In working to provide you with such value, we find there are certain circumstances that can cause us to perform work in excess of that contemplated in our fee estimate.

Following are some of the more common reasons for potential supplemental billings:

Changing Laws and Regulations

There are many governmental and rule-making boards that regularly add or change their requirements. Although we attempt to plan our work to anticipate the requirements that will affect our engagement, there are times when this is not possible. We will discuss these situations with you at the earliest possible time in order to make the necessary adjustments and amendments in our engagement.

Incorrect Accounting Methods or Errors in Client Records

We base our fee estimates on the expectation that client accounting records are in order so that our work can be completed using our standard testing and accounting procedures. However, should we find numerous errors, incomplete records, or the application of incorrect accounting methods, we will have to perform additional work to make the corrections and reflect those changes in the financial statements.

Failure to Prepare for the Engagement

In an effort to minimize your fees, we assign you the responsibility for the preparation of schedules and documents needed for the engagement. We also discuss matters such as availability of your key personnel, deadlines, and work space. If your personnel are unable, for whatever reasons, to provide these items as previously agreed upon, it might substantially increase the work we must do to complete the engagement within the scheduled time.

Starting and Stopping Our Work

If we must withdraw our staff because of the condition of the client's records, or the failure to provide agreed upon items within the established timeline for the engagement, we will not be able to perform our work in a timely, efficient manner, as established by our engagement plan. This will result in additional fees, as we must reschedule our personnel and incur additional start-up costs.

Our fees are 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. Our fees for such services range from $85-$390 per hour.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.
We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to management and those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of Martin Starnes & Associates, CPAs, P.A. and constitutes confidential information. However, we may be requested to make certain audit documentation available to the Local Government Commission, Office of the State Auditor, federal or state agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Martin Starnes & Associates, CPAs, P.A.'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm to the Contract to Audit Accounts for your consideration and files.

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements and compliance over major federal and state award programs, including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of the City of Mount Holly by:

Signature: ______________________________

Title: ______________________________

Date: ______________________________

CITY of MOUNT HOLLY N.C. INCORPORATED 1879

City of Mount Holly
Action Agenda Item

To:	Mayor and City Council	**Date:**	2/27/2023
From:	Fire Department	**Meeting Date:**	3/13/2023

Agenda Item to be considered:

Consideration and Approval to apply for the SAFER Grant

Will this require a public hearing? ☐ **YES** **X NO**

Background/Purpose of Request :

The Staffing for Adequate Fire and Emergency Response Grants (SAFER) was created to provide funding directly to fire departments and volunteer firefighter interest organizations to help them increase or maintain the number of trained, "front-line" firefighters available in their communities. SAFER aims to enhance the local fire departments' abilities to comply with minimum staffing, response, and operational standards established by NFPA 1710.

We request permission from Council for the Fire Department to apply for the FEMA SAFER Grant. This grant provides funding for new staff salaries and benefits for three years. See the attached documents for more information. This request is to hire six firefighters, and the grant would add two more firefighters per shift.

There is no match associated with this grant for the three years. The funding would cover the regular salary and benefits of the firefighters. The city would still need to provide gear, uniforms, nonscheduled overtime, and salary increases over the period of the grant.

Fiscal Impact:

Will Item affect the current budget	☐ YES	☒ NO	☐ N/A
Reviewed by Finance Director	☒ YES	☐ NO	☐ N/A
Pre-audit Certification required	☐ YES	☐ NO	☒ N/A
Capital Project Ordinance required	☐ YES	☐ NO	☒ N/A
Budget Transfer required	☐ YES	☐ NO	☒ N/A
Total City Dollars:	$ 0		
Budget Code			
Reviewed by City Attorney	☐ YES	☐ NO	☒ N/A

Manager/Staff Recommendation:

Result of City Council Decision:

Attachments: Facts sheet with data and dates of the grant.

Important Dates:

Application Due:	March 17, 2023, at 5 pm
Projected Award - Start:	June 6, 2023-September 30, 2023,
180 day Recruitment Period	
Projected End Date:	September 30, 2026

Grant Deadline March 17, 2023

What are some ineligible expenses in the Hiring category?

- Pre-application costs, such as grant writer fees, administrative costs, and indirect costs associated with hiring or rehiring of firefighters
- Costs to train and equip firefighters
- Uniforms and physicals
- Overtime costs (except overtime costs routinely paid as a part of the base salary or the firefighter's regularly scheduled and contracted shift hours to comply with the Fair Labor Standards Act [FLSA])
- Salaries and benefits of firefighters who are current employees or were hired before the award date (except under the retention activity)
- To fund promotions (e.g., pay a current member a higher salary by placing them in a new SAFER-funded position

If a fire department receives a SAFER Award, how much time does it have to hire the positions?

For all grantees under the Hiring of Firefighters category, a default 180-day recruitment period begins when the application is approved for the award.

The three-year period of performance automatically starts after the 180-day recruitment period, regardless of whether the grantee has successfully hired or rehired the requested firefighters.

If a grantee can rehire or hire their SAFER-funded firefighters during the 180-day recruitment period, the period of performance may begin at that time. Grantees must submit an amendment requesting that the performance period start before the 180-day recruitment period ends. The period of performance cannot be initiated later than 180 days after the recruitment period.

The following costs are the initial costs the City would be responsible for per Firefighter.

- Uniforms and Gear:
  1 - set of gear per FF: $6,000.00
  1 - complete uniform per FF $1500.00

  Total: $7500.00 per firefighter x 6 = $45,000.00 for equipment & (nonscheduled overtime calculations are not included)

- Grant writing fees would be 2% if awarded the grant = $20,432.2362

The following is the cost breakdown for the positions covered by the grant per year for three years.

Position	Salary	FICA	Retirement	401K	Life Insurance	Disability	Medical	Total
Firefighter - Station 2 - A Shift	$38,725.88	$2,962.53	$4,395.39	$1,936.29	$114.00	$288.00	$8,334.12	$56,756.21
Firefighter - Station 2 - B Shift	$38,725.88	$2,962.53	$4,395.39	$1,936.29	$114.00	$288.00	$8,334.12	$56,756.21
Firefighter - Station 2 - C Shift	$38,725.88	$2,962.53	$4,395.39	$1,936.29	$114.00	$288.00	$8,334.12	$56,756.21
Firefighter - Station 1 - A Shift	$38,725.88	$2,962.53	$4,395.39	$1,936.29	$114.00	$288.00	$8,334.12	$56,756.21
Firefighter - Station 1 - B Shift	$38,725.88	$2,962.53	$4,395.39	$1,936.29	$114.00	$288.00	$8,334.12	$56,756.21
Firefighter - Station 1 - C Shift	$38,725.88	$2,962.53	$4,395.39	$1,936.29	$114.00	$288.00	$8,334.12	$56,756.21
							Total:	$340,537.27

Once the grant's performance period runs up, the firefighters' cost would be upon the City to fund the positions. This would not hit the budget until the 2026-2027 year.

Upfront Cost

Description	Cost per	Total
Turnout Gear and Uniform x 6	$7500.00	$45,000.00
Grant Writing	$20,432.2362	$20,432.23
	Total	$65,432.23

Year Funding from FEMA	Total From FEMA
2023 – 2024	$340,537.23
2024 - 2025	$340,537.23
2025 - 2026	$340,537.23
Total	$1,021,611.69

City of Mount Holly
Action Agenda Item

To: City Council	**Date:** 2-13-23
From: Brandon Livingston	**Meeting Date:** 3-13-23

Agenda Item to be considered: Call for a public hearing for review and recommendation to City Council, to consider an application, submitted by Barbara Brown, to rezone a 1.69-acre tract of land at 1010 South Main Street, Tax Parcel #182051 and Tax Parcel #182049 from R-12 Single Family to B-2 Neighborhood Business for a possible therapist's office.

Will this require a public hearing? ☒ **YES** ☐ **NO**

Background/Purpose of Request: An application was received by staff requesting a rezoning by Barbara Brown. This is to rezone a combined 1.69-acre tracts of land at 1010 South Main Street, Tax Parcel #182051 and Tax Parcel #182049 from R-12SF to B-2 Neighborhood Business for a possible therapist's office.

This rezoning would not be considered spot zoning due to parcels zoned B-2 being adjacent to the property on the side and rear.

The Future Land Use Map identifies this area being between a Neighborhood Center (Catawba Heights Neighborhood Center) and a Community Corridor which supports this type of rezoning. The rezoning is promoted through the adopted Land Use Plan due to the need for economic development infill in this area for other commercial opportunities.

This is only a call and no presentation is being conducted at this time. A public hearing will be held at the April 10th meeting.

Fiscal Impact:			
Will Item affect current budget	☐ YES	☐ NO	☒ N/A
Reviewed by Finance Director	☐ YES	☐ NO	☒ N/A
Preaudit Certification required	☐ YES	☐ NO	☒ N/A
Capital Project Ordinance required	☐ YES	☐ NO	☒ N/A
Budget Transfer required	☐ YES	☐ NO	☒ N/A
Total City Dollars:	***$***		
Budget Code			
Reviewed by City Attorney	☐ YES	☐ NO	☒ N/A

Manager/Staff Recommendation:

Staff supports the approval by City Council for the zoning amendment from R-12 Single Family to B-2 Neighborhood Business.

Attachments:

1. ***Rezoning Application***
2. ***Maps of the property***

REZONING APPLICATION
CITY OF MOUNT HOLLY, NORTH CAROLINA

Date Filed: 2/2/2023 Application Number: ________

The undersigned does (do) hereby respectfully make the application and request to the City of Mount Holly to amend the Zoning Map of Mount Holly as hereinafter requested and in support of this application the following facts are shown:

1. The real property, sought to be rezoned, is owned in fee simple by: David and Barbara Brown
Address: 1010 S. Main St Mount Holly, NC 28120
as evidenced by Deed Book ____ on Page ____ in the Gaston County Registry. There are no restrictions or covenants of record appearing in the chain of title, which would prohibit the property from being put to the use specified in Paragraph five (5) of this application.

2. The real property sought to be rezoned is located at/on 1010 S. Main St. (physical address) on the Left or Right (circle one) side of the ________ (street) between Rose St. (street) and W. Catawba Dr. (street), and has a Tax Listing of: Tax Parcel # 182051/182049 Said lot(s) has (have) a frontage of 250 feet and is approximately 1.69 acres in size.

3. A complete legal description of the boundaries of said realty (to be completed by an attorney) is attached to this application along with a survey or tax map of said realty.

4. It is desired and requested that the real property herein described be rezoned from R-12 Zone to B-2 Zone.

5. If Conditional rezoning is requested, a site specific plan (see Appendix) is hereby attached (check) ______ Yes or ✓ N/A.

6. If the Conditional Rezoning is requested, it is proposed that the real property be put to the following use, with the following specific improvements including building sizes and proposed screening in accordance with the attached site plan as mentioned in Paragraph five (5).

____

____

____

____

____

7. Attached is a list of all the properties adjacent to the subject property including the owners' name(s) and address and tax book, map, and parcel number of each lot as shown on the Gaston County Tax Maps. Adjacent properties are considered all those immediately or diagonally adjacent to the subject property, including any properties immediately across any creeks, rivers, railroads, highways or other natural or man-made barriers.

David + Barbara Brown
Name of Applicant(s)

____
Interest of Applicant in Subject Realty:
(Must be the owner if requesting Conditional Rezoning)

Applicant's Address: PO Box 94 McAdenville, NC 28101

Phone Number: 980-281-8752 ~~803-230-2006~~ Signature: [signature]

INSTRUCTIONS: Applications must be TYPED or LEGIBLE and filed with the City of Mount Holly Planning and Zoning Department, together with the application fee in the amount of $ 300 **(See Fee Schedule)** at least 30 days prior to the Planning Commission meeting for initial consideration.

RETURN TO (OWNER):
DAVID AND BARBARA BROWN
PO BOX 94
McADENVILLE, NC 28101

RECOMBINATION PLAT

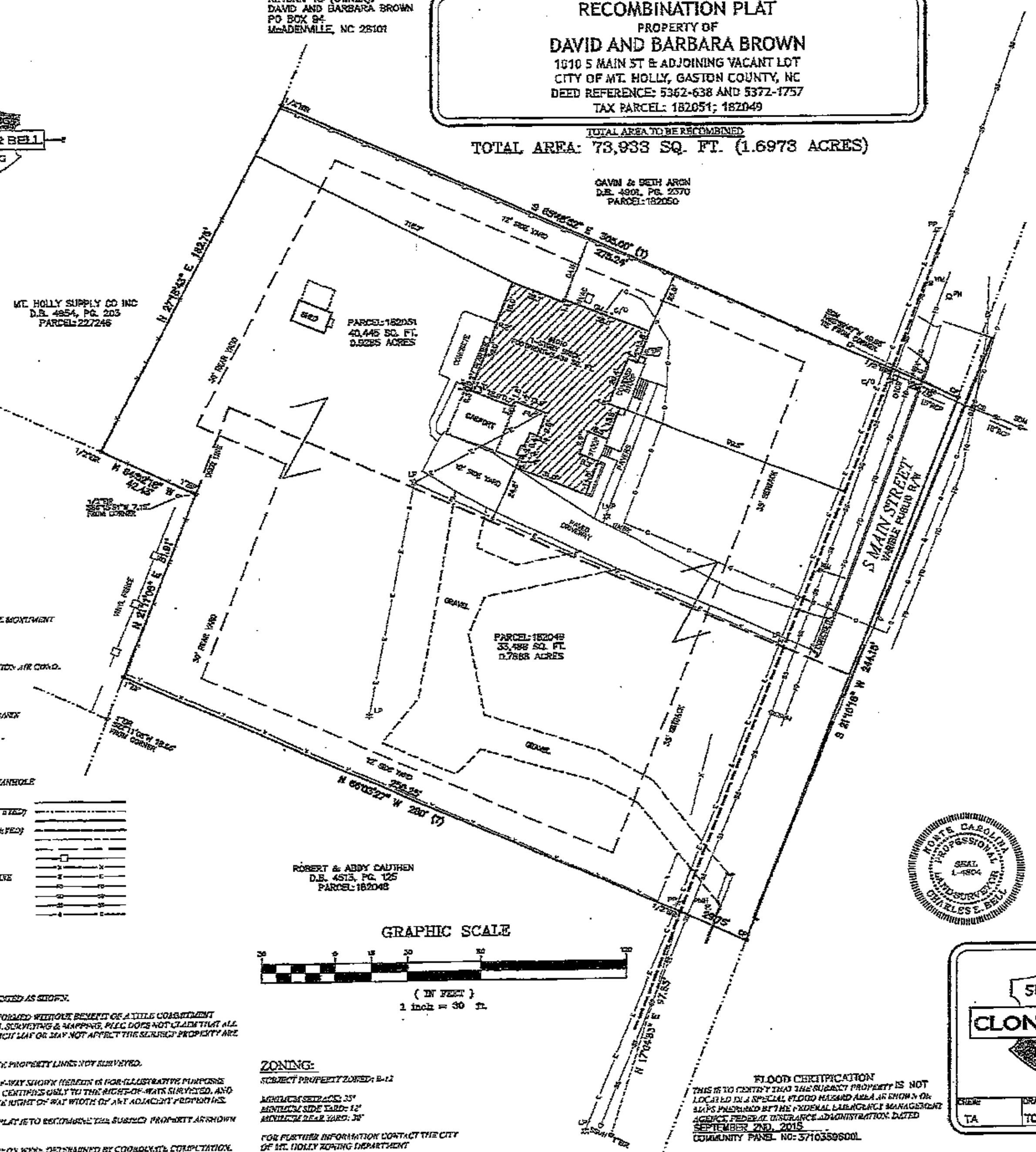
PROPERTY OF

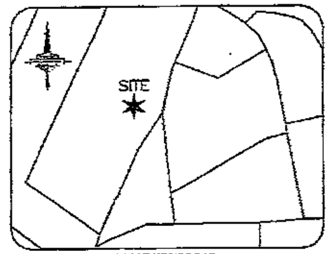
DAVID AND BARBARA BROWN

1010 S MAIN ST & ADJOINING VACANT LOT
CITY OF MT. HOLLY, GASTON COUNTY, NC
DEED REFERENCE: 5362-638 AND 5372-1757
TAX PARCEL: 182051; 182049

TOTAL AREA TO BE RECOMBINED

TOTAL AREA: 73,933 SQ. FT. (1.6973 ACRES)





VICINITY MAP
NOT TO SCALE

REVIEW OFFICER:

I, ______________ REVIEW OFFICER OF GASTON COUNTY, CERTIFY THAT THE MAP OR PLAT TO WHICH THIS CERTIFICATION IS AFFIXED MEETS ALL STATUTORY REQUIREMENTS FOR RECORDING.

REVIEW OFFICER ______________ DATE

CERTIFICATE OF CITY COUNCIL APPROVAL:

APPROVED FOR THE RECORDING BY THE CITY OF MOUNT HOLLY NC CITY COUNCIL ON THE ____ DAY OF ______________ 20____ PURSUANT TO AUTHORITY OF ARTICLE II OF THE SUBDIVISION ORDINANCE. MUST BE RECORDED WITHIN THIRTY (30) DAYS OF THIS DATE.

CITY CLERK

CERTIFICATE OF ZONING APPROVAL:

THIS PLAT MEETS ALL THE REQUIREMENTS OF THE CITY OF MOUNT HOLLY ZONING ORDINANCE, SIGNED THE ____ DAY OF ______________ 20__.

PLANNING AND DEVELOPMENT DIRECTOR

OWNERS CERTIFICATE:

KNOW BY ALL MEN PRESENT THAT I, ______________ HEREBY CERTIFY THAT I AM THE OWNER OF THE PROPERTY SHOWN HEREON, AND THAT I HEREBY ACKNOWLEDGE AND ADOPT THIS PLAT AND ALLOTMENT TO BE MY FREE ACT AND DEED, AND THAT I HEREBY DEDICATE TO THE PUBLIC USE OF ALL STREETS, ALLEYS, WALKS, PARKS, PLAYGROUNDS, OPEN SPACES AND EASEMENTS TO PUBLIC OR PRIVATE USE FOREVER ALL AREAS AS SHOWN OR INDICATED ON SAID PLAT.

OWNER(S) ______________ DATE

SURVEYOR'S CERTIFICATE:

STATE OF NORTH CAROLINA
COUNTY OF GASTON
I, THE UNDERSIGNED SURVEYOR, CERTIFY THAT THIS PLAT WAS DRAWN UNDER MY SUPERVISION FROM AN ACTUAL SURVEY MADE UNDER MY SUPERVISION (DEED REFERENCE: 5362-638 AND 5372-1757); THAT THE BOUNDARIES NOT SURVEYED ARE CLEARLY INDICATED AS DRAWN FROM INFORMATION AS REFERENCED ON THE FACE OF THIS PLAT; THAT THE RATIO OF PRECISION AS CALCULATED EXCEEDS 1: 10,000 LINEAR FEET; THAT THIS PLAT WAS PREPARED IN ACCORDANCE WITH G.S. 47-30 AS AMENDED. WITNESS MY ORIGINAL SIGNATURE, LICENSE NUMBER AND SEAL THIS 10TH DAY OF OCTOBER, A.D., 2022.

THAT THIS PLAT IS OF A SURVEY OF ANOTHER CATEGORY, SUCH AS THE RECOMBINATION OF EXISTING PARCELS, A COURT ORDERED SURVEY OR OTHER EXCEPTIONS TO THE DEFINITION OF A SUBDIVISION.

PRELIMINARY

PROFESSIONAL LAND SURVEYOR ______________ DATE

NORTH CAROLINA PROFESSIONAL LAND SURVEYOR SEAL L-4804 CHARLES E. BELL

LEGEND:

CB - CATCH BASIN
C.O - CLEAN OUT
CP - CALCULATED POINT
DB. - DEED BOOK
ECM - EXISTING CONCRETE MONUMENT
EIP - EXISTING IRON PIPE
EIR - EXISTING IRON ROD
FH - FIRE HYDRANT
GM - GAS METER
HVAC - HEATING VENTILATION AIR COND.
LMP - LAMP POST
LP - LIGHT POLE
MB. - MAP BOOK
MBX - MAIL BOX
OTCB - OPEN TOP CATCH BASIN
PM - POWER METER
PMH - POWER MANHOLE
PP - POWER POLE
NIR - NEW IRON ROD
PG. - PAGE
R/W - RIGHT-OF-WAY
SSMH - SANITARY SEWER MANHOLE
WM - WATER METER
PROPERTY LINE
PROPERTY LINE (NOT SURVEYED)
RIGHT-OF-WAY
RIGHT-OF-WAY (NOT SURVEYED)
EASEMENT
SETBACK
WOODEN FENCE
CHAIN LINK FENCE
OVERHEAD ELECTRICAL LINE
FIBER OPTIC CABLE LINE
STORMDRAIN LINE
SEWER LINE
GAS LINE

GRAPHIC SCALE

(IN FEET)
1 inch = 30 ft.

NOTES:

1. ALL CORNERS MONUMENTED AS SHOWN.
2. THIS SURVEY WAS PERFORMED WITHOUT BENEFIT OF A TITLE COMMITMENT REPORT. CLONINGER BELL SURVEYING & MAPPING, PLLC DOES NOT CLAIM THAT ALL MATTERS OF RECORD WHICH MAY OR MAY NOT AFFECT THE SUBJECT PROPERTY ARE SHOWN HEREON.
3. BROKEN LINES INDICATE PROPERTY LINES NOT SURVEYED.
4. THE OFF-SITE RIGHT-OF-WAY SHOWN HEREON IS FOR ILLUSTRATIVE PURPOSES ONLY. THE UNDERSIGNED CERTIFIES ONLY TO THE RIGHT-OF-WAYS SURVEYED, AND DOES NOT CERTIFY TO THE RIGHT OF WAY WIDTH OF ANY ADJACENT PROPERTIES.
5. THE PURPOSE OF THIS PLAT IS TO RECOMBINE THE SUBJECT PROPERTY AS SHOWN HEREON.
6. ALL AREAS SHOWN HEREON WERE DETERMINED BY COORDINATE COMPUTATION.

ZONING:

SUBJECT PROPERTY ZONED: R-12

MINIMUM SETBACK: 35'
MINIMUM SIDE YARD: 12'
MINIMUM REAR YARD: 30'

FOR FURTHER INFORMATION CONTACT THE CITY OF MT. HOLLY ZONING DEPARTMENT

FLOOD CERTIFICATION

THIS IS TO CERTIFY THAT THE SUBJECT PROPERTY IS NOT LOCATED IN A SPECIAL FLOOD HAZARD AREA AS SHOWN ON MAPS PREPARED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY, FEDERAL INSURANCE ADMINISTRATION. DATED SEPTEMBER 2ND, 2015
COMMUNITY PANEL NO: 3710359600L

CLONINGER BELL
SURVEYING & MAPPING, PLLC
107 RIVERSIDE DR.
McADENVILLE, NC 28101
704.864.9007
LICENSE P-2326

CHK:	DRAWN:	REVISED:	SCALE:	DATE:	FILE NO.
TA	TC		1"=30'	OCT. 10, 2022	2138

EXHIBIT A

Tract 1

BEGINNING at a corner in the center of the Belmont-Mt. Holly Highway, said corner being 550 feet North 21 degrees 20 minutes East from northerly line of Smith Subdivision, and runs thence from said point of beginning, with center of said Highway, North 21 degrees 20 minutes East 125 feet to a point in the center of said Highway, a new corner; thence a new line North 65 degrees 40 minutes West 280 feet to a stake, a new corner in Harvey H. Elmore property; thence South 21 degrees 20 minutes West 125 feet to an iron stake; thence South 65 degrees 40 minutes East 280 feet to the Point of Beginning, as shown on unrecorded plat made for Harvey Elmore, et als, by G. Sam Rowe, C.E., February 23, 1953.

Parcel # 182051

Tract 2

BEING a lot of land fronting One Hundred Twenty (120) feet on the westerly side of the Belmont-Mount Holly Highway and extending in a westerly direction from the center line thereof a distance of Two Hundred Eighty (280) feet, and being the full contents of Lot Number One (1) of the property of the Estate of Carlee Bumgardner, as shown on map thereof recorded in Plat Book 11 at Page 64 in the office of the Register of Deeds for Gaston County, North Carolina, to which map reference is hereby made for a more particular description, together with a ten (10) foot strip immediately adjacent to the southernmost boundary of Lot Number One (1), said strip being the northernmost ten (10) feet of Lot Number Two (2) of the property of the Estate of Carlee Bumgardner as shown on map recorded in Plat Book 11 at Page 64, Gaston County Registry, to which reference is hereby made for a more full and complete description.

BEING the identical property conveyed to Samuel Andrew Kistler by deed dated October 30, 1995 and recorded in Book 2498 at Page 930, Gaston County Registry.

Parcel # 182049

AND

BEGINNING AT A NEW IRON PIN SITUATE ON THE EASTERNMOST RIGHT OF WAY LINE OF ROSE STREET (ALSO KNOWN AS STATE ROAD #2046) AT THE NORTHWESTERNMOST CORNER OF RALPH PARISH, NOW OR FORMERLY, AS DESCRIBEDTO IN DEED BOOK 782 AT PAGE 740, GASTON COUNTY REGISTRY, SAID IRON BEING FURTHER SITUATE IN A NORTHEASTERLY DIRECTION AS MEASURED ALONG THE EASTERNMOST RIGHT OF WAY LINE OF ROSE STREET 700.00 FEET FROM ITS POINT OF INTERSECTION WITH THE EDGE OF FIFTH STREET AND RUNNING THENCE FROM SAID BEGINNING POINT WITH THE EASTERNMOST RIGHT OF WAY LINE OF ROSE STREET, NORTH 23 DEGREES 53 MINUTES 29 SECONDS EAST 199.67 FEET TO AN EXISTING IRON PIN; THENCE WITH DIVISION LINE OF BENNIE BROOKSHIRE, NOW OR FORMERLY, (DEED BOOK 1124 AT PAGE 672) SOUTH 65 DEGREES 57 MINUTES 00 SECONDS EAST 285.76 FEET TO AN EXISTNG IRON PIN ON THE PROPERTY LINE OF JOHN COLLINS, NOW OR FORMERLY (DEED BOOK 738 AT PAGE 75); THENCE WITH THE DIVISION LINE OF COLLIINS, NOW OR

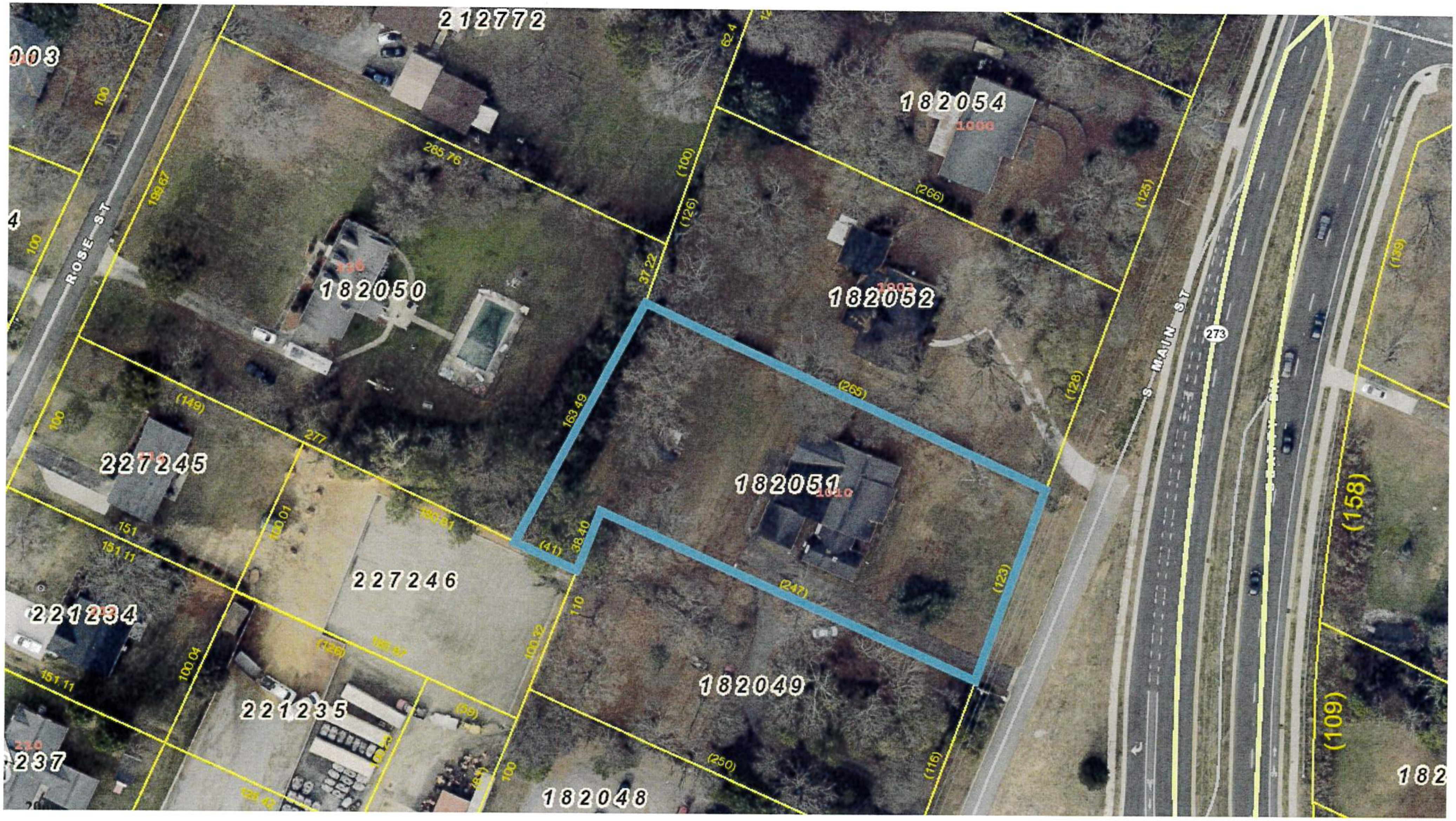
FORMERLY, THE FOLLOWING TWO COURSES AND DISTANCES: (1) SOUTH 21 DEGREES 48 MINUTES 07 SECONDS WEST 37.22 FEET TO AN EXISTING IRON PIN AND (2) SOUTH 65 DEGREES 48 MINUTES 00 SECONDS EAST 25.0 FEET TO A NEW IRON PIN; THENCE WITH THE DIVISION LINE OF GEORGE KISTLER, NOW OR FORMERLY (DEED BOOK 614 AT PAGE 68 AND DEED BOOK 728 AT PAGE 42) SOUTH 21 DEGREES 18 MINUTES 51 SECONDS WEST 163.43 FEET TO AN EXISTING IRON PIN; THENCE WITH THE DIVISION LINE OF PARISH, NOW OR FORMERLY NORTH 65 DEGREES 48 MINUTES 00 SECONDS WEST 319.47 FEET TO THE POINT OF BEGINNING AND CONTAINING 1.425 ACRES, MORE OR LESS.

LESS AND EXCEPT:

Beginning at a existing iron pin situate on the easternmost right-of-way line of Rose Street (a/k/a State Road #2046) at the northwesternmost corner of Ralph Parish, now or formerly, as described in Deed Book 782, Page 740, Gaston County Registry, thence from said beginning point with the easternmost right-of-way line of Rose Street, North 23-53-29 East, 199.67 feet to a 4 foot high pipe; thence with division line of Bonnie Brookshire, now or formerly (Deed Book 1124 at Page 672) South 65-57-00 East, 285.76 feet to an existing iron pin on the property line of John Collins, now or formerly (Deed Book 738, Page 75), two courses and distances: 1) South 21-48-07 West, 37.22 feet to an existing iron pin; and 2) South 27-26-25 West, 163.49 feet to a new iron pin at said Parrish land; thence with the division line of said Parrish North 65-48-00 West, 277.00 feet to the point of beginning, containing 1.30 acres, more or less in accordance with a survey dated 10/11/2000 by Mack W. Drake PLS.

BEING A PORTION OF BOOK 2016 AT PAGE 849, GASTON COUNTY REGISTRY.

parcel #	owner	location address	mailing address	tax book
182052	GREGORY SCOTT FARMER	1002 S MAIN ST MOUNT HOLLY, NC 28120	305 WESTLAND FARM RD , MOUNT HOLLY, NC 28120	BOOK: 5201 PAGE: 0653
182050	GAVIN & BETH ARON	216 ROSE ST MOUNT HOLLY, NC 28120	216 ROSE ST MOUNT HOLLY, NC 28120	BOOK: 4901 PAGE: 2370
227246	MT HOLLY SUPPLY CO INC	NO ADDRESS	1120 S MAIN ST , MT HOLLY, NC 28120-2023	BOOK: 4954 PAGE: 0203
182048	ROBERT & ABBY CAUTHEN	1118 S MAIN ST MOUNT HOLLY, NC 28120	785 EAGLE RD , BELMONT, NC 28012	BOOK: 4513 PAGE: 0125



212772
182054
182052
182051
182050
182049
182048
227245
227246
221234
221235
237
003
182
S MAIN ST
ROSE ST
273
(158)
(109)
(139)
(125)
(128)
(265)
(266)
(247)
(123)
(116)
(250)
(100)
(126)
62.4
37.22
163.49
38.40
(41)
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100.32
285.76
199.67
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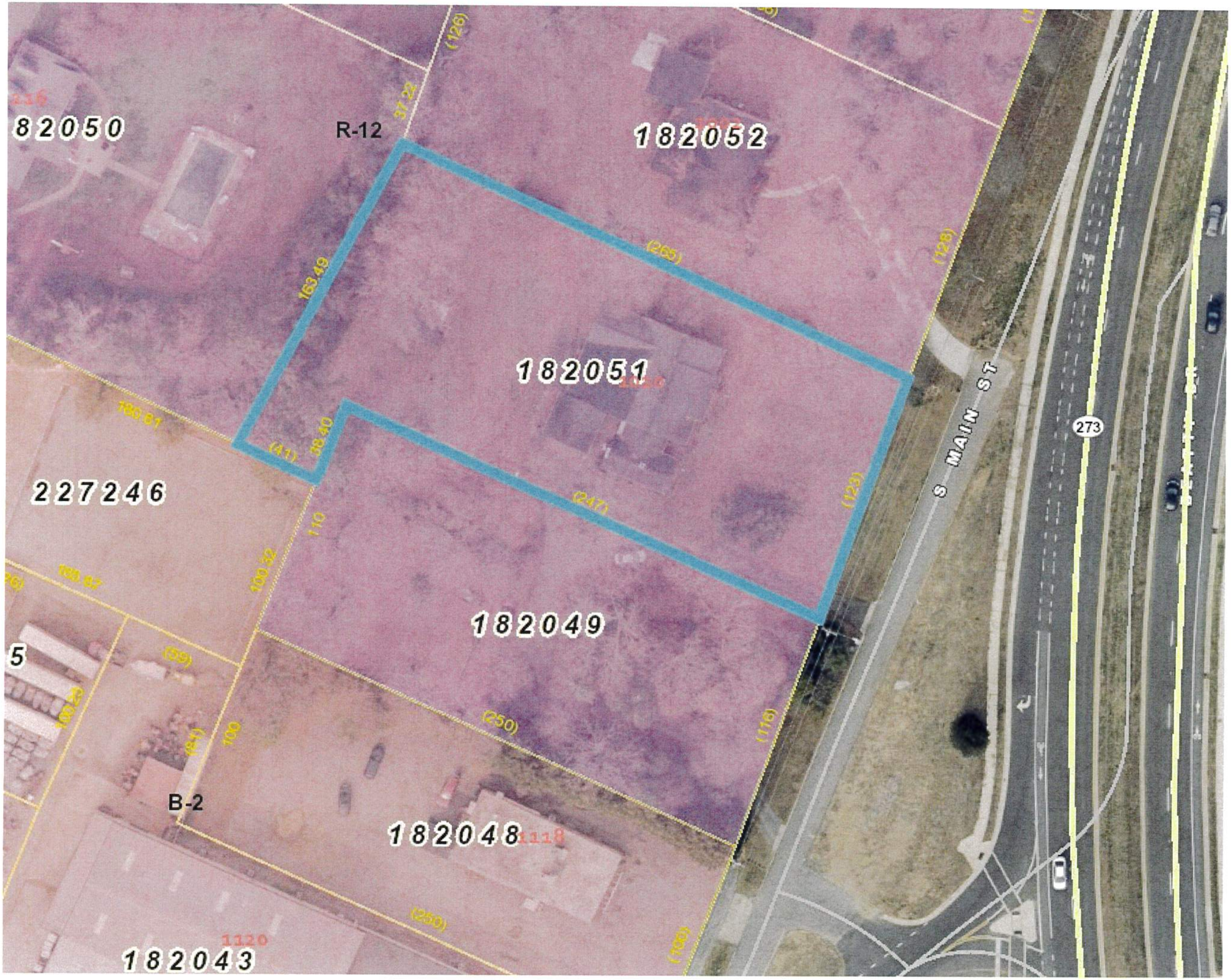
151
151.11
100.01
100.04
(126)
(59)
100



82050
R-12
37.22
(126)
182052
(265)
(128)
163.49
182051
S MAIN ST
273
180.81
(41)
38.40
(123)
227246
(247)
110
100.32
182049
188.67
(59)
5
(250)
(116)
100
(81)
B-2
182048
1118
(250)
1120
182043
(100)

Mount Holly

Action Agenda Item

To: Mayor and City Council Ryan Baker, Fire Chief	**Date:** March 08, 2023 **Meeting Date:** March 13, 2023

Agenda Item to be considered:
Cleveland, Gaston, Lincoln Regional Hazard Mitigation Plan

Will this require a public hearing? ☐ YES ☒ NO

Background/Purpose of Request:

This is to adopt the updated Cleveland, Gaston, Lincoln Regional Plan. The update was a collaborative effort of county and municipal governments from Gaston, Cleveland, and Lincoln Counties. Continued eligibility for North Carolina Disaster Relief Funding per North Carolina General Statutes, Chapter 166A: North Carolina Emergency Management Act and Section 322: Mitigation Planning of the Robert T. Stafford Disaster Relief and Emergency Assistance Act mandates that NC Counties and Municipalities have an approved Hazard Mitigation Plan to receive state and federal assistance in the event of a declared disaster. Gaston County, including the municipalities, has been paired with Cleveland and Lincoln Counties and its municipalities due to adjoining boundaries and similar natural threats for developing a Regional Hazard Mitigation Plan, and such regional hazard mitigation planning is a trend occurring across the State. The Cleveland Gaston Lincoln Regional Hazard Mitigation Plan incorporates specific planning details for each County and municipality. This Plan will be an update over the current Gaston County Multi-Jurisdictional Hazard Mitigation Plan, which is expiring, and the Act also mandates that Hazard Mitigation Plans be updated and adopted at least every five (5) years to maintain a current status.

Fiscal Impact:

Will Item affect current budget	YES	NO	N/A
Reviewed by Finance Director	YES	NO	N/A
Preaudit Certification required	YES	NO	N/A
Capital Project Ordinance required	YES	NO	N/A
Budget Transfer required	YES	NO	N/A
Total City Dollars:			
Budget Code			
Reviewed by City Attorney	YES	NO	N/A

Manager/Staff Recommendation:

Result of City Council Decision:

Attachments: Hazard Plan Resolution

RESOLUTION TO ADOPT THE
CLEVELAND GASTON LINCOLN REGIONAL HAZARD MITIGATION PLAN

WHEREAS, the City of Mount Holly is vulnerable to an array of natural hazards that can cause loss of life and damages to public and private property; and

WHEREAS, the City of Mount Holly desires to seek ways to mitigate situations that may aggravate such circumstances; and

WHEREAS, the development and implementation of a hazard mitigation plan can result in actions that reduce the long-term risk to life and property from natural hazards; and

WHEREAS, it is the intent of the Mount Holly City Council to protect its citizens and property from the effects of natural hazards by preparing and maintaining a local hazard mitigation plan; and

WHEREAS, it is also the intent of the Mount Holly City Council to fulfill its obligation under North Carolina General Statutes, Chapter 166A: North Carolina Emergency Management Act and Section 322: Mitigation Planning, of the Robert T. Stafford Disaster Relief and Emergency Assistance Act to remain eligible to receive state and federal assistance in the event of a declared disaster affecting the City of Mount Holly; and

WHEREAS, the City of Mount Holly, in coordination with Cleveland, Gaston and Lincoln Counties and the participating municipalities within those Counties has prepared a multi-jurisdictional hazard mitigation plan with input from the appropriate local and state officials;

WHEREAS, the North Carolina Division of Emergency Management and the Federal Emergency Management Agency have reviewed the Cleveland Gaston Lincoln Regional Hazard Mitigation Plan for legislative compliance and have approved the plan pending the completion of local adoption procedures;

WHEREAS, the City Council of the City of Mount Holly previously approved the hazard mitigation plan in October 12, 2020, and is also adopting this resolution as further confirmation of adoption of the plan;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Mount Holly hereby:

1. Adopts the Cleveland Gaston Lincoln Regional Hazard Mitigation Plan; and
2. Agrees to take such other official action as may be reasonably necessary to carry out the proposed actions of the Plan.

Adopted on March 13th, 2023.

Bryan Hough, Mayor
City of Mount Holly

ATTEST:

Amy Miller, City Clerk

City of Mount Holly
Action Agenda Item

To:	Mayor and City Council	**Date:**	March 7, 2023
From:	Jonathan Wilson, Utilities Director	**Meeting Date:**	March 13, 2023

Agenda Item to be considered:

Approval of exemption from the requirements of the Mini-Brooks Act for engineering services regarding the I & I Study for the wastewater collection system.

Will this require a public hearing? ☐ YES ☒ NO

Background/Purpose of Request:

The Utilities Department has utilized the services of Duke's root control for over a decade to assist Field Services in removing roots from the sewer collection system. This year, we learned that Duke's can provide the City with infiltration and inflow (I&I) study to isolate the line segments within a basin that are contributing excess I&I. Once this excess I&I is identified we can utilize the same firm to design the necessary repairs as well as construct these repairs. Essentially, this is now a "one-stop shop" that can provide the City with these necessary and important services.

Fiscal Impact:

Will Item affect current budget	☐ YES	☒ NO	☐ N/A
Reviewed by Finance Director	☐ YES	☒ NO	☐ N/A
Preaudit Certification required	☐ YES	☒ NO	☐ N/A
Capital Project Ordinance required	☐ YES	☐ NO	☒ N/A
Budget Transfer required	☐ YES	☐ NO	☒ N/A
Total City Dollars:	$		
Budget Code			
Reviewed by City Attorney	☐ YES	☒ NO	☐ N/A

Manager/Staff Recommendation: Staff recommends that the City of Mount Holly grant an exemption from the requirements of the Mini-Brooks Act for engineering services regarding the I & I Study for the wastewater collection system.

Result of City Council Decision:_____

Attachments:

1.

City of Mount Holly
Action Agenda Item

To: City Council	**Date:** 3/7/23
From: Paul Lowe	**Meeting Date:** 3/13/23

Agenda Item to be considered: Appointment of Wanda Campbell to replace Dottie Scher on the Public Arts Advisory Commission as Arts of the Greenway's representative.

Will this require a public hearing? ☐ **YES** ☒ **NO**

Background/Purpose of Request: Staff is asking City Council to appoint Wanda Campbell to the Public Arts Advisory Commission (PAAC) as a replacement for Dottie Scher, as Arts on the Greenway's representative.

Fiscal Impact:			
Will Item affect current budget	☐ YES	☐ NO	☒ N/A
Reviewed by Finance Director	☐ YES	☐ NO	☒ N/A
Preaudit Certification required	☐ YES	☐ NO	☒ N/A
Capital Project Ordinance required	☐ YES	☐ NO	☒ N/A
Budget Transfer required	☐ YES	☐ NO	☒ N/A
Total City Dollars:	***$***		
Budget Code			
Reviewed by City Attorney	☐ YES	☒ NO	☐ N/A

Manager/Staff Recommendation:
Staff recommends that the City Council to appoint Wanda Campbell to the Public Arts Advisory Commission (PAAC) as a replacement for Dottie Scher, as Arts on the Greenway's representative.

Attachments:

1. Public Arts Advisory Commission Roster.

Public Arts Advisory Committee (PAAC) Roster

1) Julia Benfield, Arts Mount Holly, Chair

2) Leigh Brinkley, Arts Mount Holly, Vice Chair

3) Stephanie McLaughlin, Arts on the Greenway

4) Teresa Rench, Arts Mount Holly

5) Janice McRorie, MHCDF

6) Bae Hart, Local Artist

7) Vacant, Arts of the Greenway

MEMORANDUM

TO: Mayor and City Council, City of Mount Holly

FROM: Marie M. Anders, City Attorney

RE: Deed of conveyance to the City of Charlotte of a portion of City owned property located at 165 Broome St. (PID 124524) and access and utility easement for Charlotte Water pump station and force mains

DATE: March 9, 2023

As you know, the City of Mount Holly into an Interlocal agreement with the City of Charlotte for a sewer interconnect for Mount Holly to discharge its wastewater to Charlotte for treatment. A part of that agreement calls for Mount Holly to convey fee title or easements to Charlotte for the Mount Holly Component including a pump station, discharge meter, force mains, and related sewer lines.

At the February 13, 2023, regular Council meeting, the City Council approved the subdivision plat on the above-referenced City owned property in order to subdivide that 1.747 acre parcel to be conveyed to the City of Charlotte. That plat is in the process of recording with the Gaston County Register of Deeds. Attached to this memorandum is a draft General Warranty Deed and Deed of Easements to the City of Charlotte to convey: (1) fee title to the 1.747 acre parcel to the City of Charlotte and (2) a certain permanent sanitary sewer and/or water line easement and permanent access easement in order for Charlotte to access the 1.747 acre parcel and maintain the Mount Holly Components.

The attached resolution is proposed for the City Council to approve the Deed and Easement and authorize the mayor to sign them in order to convey this property to Charlotte in furtherance of the Interlocal agreement.

RESOLUTION TO APPROVE A DEED OF CONVEYANCE TO THE CITY OF CHARLOTTE OF A PORTION OF CITY OWNED PROPERTY LOCATED AT 165 BROOME ST. (PID 124524) AND ACCESS AND UTILITY EASEMENT FOR CHARLOTTE WATER PUMP STATION AND FORCE MAINS

WHEREAS, the City of Mount Holly ("MH") entered into that "Interlocal Agreement Regarding Regional Sewer Interconnect Between the City of Mount Holly and the City of Charlotte" dated effective August 27, 2018, as amended ("Interlocal Agreement") with the City of Charlotte ("CLT"); and,

WHEREAS, Section III(c) if the Interlocal Agreement provides that: "MH will convey to CLT sufficient property, at no cost to CLT, upon which to construct, access, and maintain such portions of the MH Component [further defined in the Interlocal Agreement] as are located on the west bank of the Catawba River"; and,

WHEREAS, pursuant to NCGS 153A-15, the Gaston County Board of Commissioners approved that certain resolution entitled "Resolution Authorizing City of Charlotte to Acquire by Easement or Fee Simple Title Certain Property Located in the City of Mount Holly" approving CLT to acquire a portion of Parcel ID #124524 for the MH Component; and,

WHEREAS, pursuant to NCGS 160A-274, the City Council of MH is authorized to convey to any other governmental unity any interest in real property, and further pursuant to NCGS 160A-273 the City Council of MH is authorized to grant easements over city property.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOUNT HOLLY:

1. That the City Council hereby approves the attached General Warranty Deed ("Deed") granting fee title to the City of Charlotte of that approximately 1.747 acre parcel designated Lot 1 as shown on a plat entitled, "Subdivision Plat of: 165 Broome Street Gaston County Tax Parcel 124524" ("Plat") to be recorded in the Gaston County Public Registry.
2. That the City Council further approves the attached Deed of Easement(s) ("Easement") granting a certain permanent sanitary sewer and/or water line easement and permanent access easement as further described therein.
3. That the Mayor of the City of Mount Holly is authorized to sign the aforesaid Deed and Easement in substantially the same format as attached hereto, to add the appropriate recording reference to the Plat therein, and to approve any such minor alterations to the aforesaid as may be requested by the City Attorney or the City of Charlotte.

This the ____ day of ______________, 2023.

CITY OF MOUNT HOLLY

By: ____________________________
Bryan M. Hough, Mayor

Attest: ____________________________
Amy Miller, City Clerk

NORTH CAROLINA GENERAL WARRANTY DEED

Excise Tax: $____ Parcel Identifier No. A Portion of Parcel 124524 Verified by ________________ County on the ____ day of ______________, 20___
By: ____

Mail/Box to: Bright Law, PLLC, 16745 Birkdale Commons Parkway, #C, Huntersville, NC 28078

This instrument was prepared by Bright Law, PLLC, 16745 Birkdale Commons Parkway, #C, Huntersville, NC 28078
Brief description for the Index: Lot 1, Subdivision Plat of: 165 Broome Street Gaston County Tax Parcel 124524

THIS DEED made this ____ day of ________________, 20___, by and between

GRANTOR	GRANTEE
City of Mount Holly, a North Carolina municipal corporation Mailing Address: PO Box 406 Mt. Holly, NC 28120	City of Charlotte, a North Carolina municipal corporation Mailing Address: 600 East Fourth Street, Charlotte, NC 28202

Enter in appropriate block for each Grantor and Grantee: name, mailing address, and, if appropriate, character of entity, e.g. corporation or partnership.

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot, parcel of land or condominium unit situated in the City of Mount Holly, Gaston County, North Carolina and more particularly described as follows:
BEING all of that certain Lot 1 Containing 1.747 Acres, more or less, as shown on a survey entitled "Subdivision Plat of: 165 Broome Street Gaston County Tax Parcel 124524" found in Plat Book ___, Pages _____ of the Gaston County Public Registry, to which said plat references are hereby made for greater certainty of description and incorporated herein by reference.

Parcel ID: A Portion of 124524

Title Insurance Provided By:

The property hereinabove described was acquired by Grantor by instrument recorded in Book 862 page 206.

All or a portion of the property herein conveyed ____ includes or ____ does not include the primary residence of a Grantor.

A map showing the above described property is recorded in Plat Book _____ page _____.

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever, other than the following exceptions:

EASEMENTS AND RESTRICTIONS OF RECORD

IN WITNESS WHEREOF, the Grantor has duly executed this General Warranty Deed as of the date notated herein. If an entity, by its duly authorized representative.

City of Mount Holly
Entity Name

By: ______________________
Name: Bryan M. Hough
Title: Mayor

Attest:

____
Amy Miller, City Clerk

STATE OF NORTH CAROLINA

NOTARY ACKNOWLEDGMENT

COUNTY OF ______________

I, ______________________, a Notary Public in and for said County and State, do hereby certify that Bryan M. Hough personally came before me this day and acknowledged that he/she is Mayor of the CITY OF MOUNT HOLLY, a North Carolina municipal corporation, and that by authority duly given and as the act of the City Council of the City of Mount Holly, NC, the foregoing instrument was signed in its name by Bryan M. Hough as its Mayor, sealed with its corporate seal, and attested by Amy Miller as its City Clerk.

Witness my hand and notarial seal, this _______ day of ____________, 20___.

____
Notary Public

My commission expires: ______________

(seal)

Excise Tax Exempt

DRAWN BY AND RETURN TO:
City of Charlotte – ROD Box #227

PROJECT NO: CPM-40-18-012
PROJECT NAME: Mount Holly Liftstation/Forcemain
PROJECT PARCEL NO.: N/A
Physical Address: 165 Broome St. Mount Holly NC, 28120
Portion of Tax Parcel#: 124524

Brief Description: Sewer Plant 03 018 022 00 000

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

DEED OF EASEMENT(S)

THIS DEED OF EASEMENT(S) is made this _____ day of____________________, 2023, by and between **CITY OF MOUNT HOLLY,** a North Carolina municipal corporation, PO Box 406 Mt. Holly, NC 28120 (hereinafter referred to as "GRANTOR"), and the **CITY OF CHARLOTTE**, a North Carolina municipal corporation, 600 East Fourth Street, Charlotte, North Carolina 28202 (hereinafter referred to as "GRANTEE").

The designation GRANTOR and GRANTEE, as used herein, shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine, or neuter as required by context.

WITNESSETH:

WHEREAS, GRANTOR owns a certain tract of land ("Property") in or near the City of Charlotte, County of Mecklenburg, North Carolina, the same being the land conveyed to GRANTOR, by Deed recorded in Deed Book 862, Page 206 in the Office of the Register of Deeds of Gaston County and to which additional reference is made above; and

WHEREAS, the GRANTEE, in serving the best interest, safety and welfare of the general public, proposes to construct certain public improvements in connection with the above referenced project and for that purposes requires the following rights and interests from GRANTOR;

NOW THEREFORE, GRANTOR, for good and valuable consideration, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell, and convey to

GRANTEE, its successors and assignees, the permanent and easements indicated below:

> THE PORTION(S) of the Property described and labeled "UTILITY EASEMENT" on the map attached hereto and incorporated herein by reference, said map having been prepared by or for the City of Charlotte.

The Permanent Sanitary Sewer Easement and Water Line Easement shall also include the right of GRANTEE to enter the Sanitary Sewer and/or Water Line Easement Area to: install new Water-Sewer Facilities, inspect existing Water-Sewer Facilities and to perform necessary maintenance and repairs and to make alterations and additions thereto; to remove from the Sanitary Sewer and/or Water Line Easement Area, now or at any time in the future, trees, shrubs and landscaping, structures that may, in the opinion of GRANTEE, endanger the proper maintenance and operation of said Facilities; make modifications to the topography which are necessary for the construction, installation, and proper maintenance and operation of the Water-Sewer Facilities.

Permanent Access Easement ("PAE"): GRANTEE shall have the right of ingress, egress and regress over the Permanent Access Easement Area, hereinafter defined, for the purpose of accessing existing sanitary sewer and/or water infrastructure, including, but not limited to lines, meters, and pump stations as the case may be on the Property of GRANTOR; said Permanent Access Easement Area running, over, under and across the Property and being more particularly described as follows:

> The certain strip(s) or portion(s) of land with a variable width of +/-30 feet described and labeled as "Permanent Access Easement" and "PAE" on the map attached hereto and incorporated by reference, said map having been prepared by or for the City of Charlotte.

Grantor shall be responsible for the maintenance or similar improvements withing the PAE. Grantee shall be entitled to construct any paved road within the PAE without grantors prior approval. If Grantee constructs a paved road withing the PAE Grantee shall be responsible for maintenance. Grantor is to guarantee access shall be unimpeded by including but not limited to, equipment, vehicles, steep slopes, stored materials, new infrastructure, water impoundment, trees, gates, fences, or otherwise any item that could obstruct free and clear ingress, egress, and regress over and across the easement area.

TO HAVE AND TO HOLD the aforesaid rights and easements to GRANTEE, its successors and assigns, it being agreed that the rights and easements hereby granted are appurtenant to and run with the land.

AND, the GRANTOR covenants with the GRANTEE that GRANTOR is seized of the Property in fee simple, has the right to grant the rights and easements provided herein, that title is marketable and free and clear of all encumbrances, and that GRANTOR will warrant and defend the title against the lawful claims of all persons whomsoever, other than the following exceptions: <u>All valid and enforceable easements, restrictions, and reservations of record.</u>

(SIGNATURES & ACKNOWLEDGMENTS FOLLOW)

IN WITNESS WHEREOF, the GRANTOR has duly executed this instrument as of the date set forth above.

CITY OF MOUNT HOLLY

By: ___________________________________ (SEAL)
Bryan M. Hough, Mayor

Attest:

____
City Clerk

STATE OF NORTH CAROLINA

NOTARY ACKNOWLEDGMENT

COUNTY OF GASTON

I, ________________________, a Notary Public in and for said County and State, do hereby certify that Bryan M. Hough personally came before me this day and acknowledged that he/she is Mayor of the CITY OF MOUNT HOLLY, a North Carolina municipal corporation, and that by authority duly given and as the act of the City Council of the City of Mount Holly, NC, the foregoing instrument was signed in its name by Bryan M. Hough as its Mayor, sealed with its corporate seal, and attested by Amy Miller as its City Clerk.

Witness my hand and notarial seal, this _______ day of ____________, 20___.

____
Notary Public

My commission expires: ______________

(seal)

GRANTEE:

CITY OF CHARLOTTE

By: ______________________________
Name: ______________________________
Title: Assistant City Manager

ATTEST:

By: ____________________
Name: ____________________
Title: _______ City Clerk

[CORPORATE SEAL]

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

I, ____________________, a Notary Public, do hereby certify that ________________________, personally appeared before me this day and acknowledged that she is the ______ City Clerk of the City of Charlotte, a North Carolina municipal corporation, and that by authority duly given and as the act of the City, the foregoing instrument was signed in its name by__________________, its Assistant City Manager, and attested as its _____ City Clerk.

WITNESS my hand and official seal this ____ day of ______________, 2023.

____
Notary Public

[NOTARY SEAL]

My Commission Expires: ___________

City of Mount Holly
Action Agenda Item

To: Mayor and City Council **From:** Jonathan Wilson, Utilities Director	**Date:** March 10, 2023 **Meeting Date:** March 13, 2023

Agenda Item to be considered:

Approval of a Resolution of Support for Community Project Funding Application to the Office of Congressman Jeff Jackson to consider the Riverbend Water Storage Tank for State and Tribal Assistance Grant for FY 2024.

Will this require a public hearing? ☐ **YES** ☒ **NO**

Background/Purpose of Request:

The Utilities Department requests the approval of a Resolution of Support for Community Project Funding Application to the Office of Congressman Jeff Jackson to consider the Riverbend Water Storage Tank project for State and Tribal Assistance Grant for FY 2024. This grant, commonly referred to as a STAG grant is subject to a minimum 20 percent cost share requirement. Additionally, Federal funds outside of assistance provided by a SRF cannot be used to meet this cost share.

This project is located in the Northern Service Area of the City's water distribution system and is needed to provide additional water storage and strengthen the service reliability to customers near Mountain Island Lake.

Fiscal Impact:

Will Item affect current budget	☐ YES	☐ NO	☐ N/A
Reviewed by Finance Director	☐ YES	☐ NO	☐ N/A
Preaudit Certification required	☐ YES	☐ NO	☐ N/A
Capital Project Ordinance required	☐ YES	☐ NO	☐ N/A
Budget Transfer required	☐ YES	☐ NO	☐ N/A
Total City Dollars:	$		
Budget Code			
Reviewed by City Attorney	☐ YES	☐ NO	☐ N/A

Manager/Staff Recommendation: Staff recommends approval of a Resolution of Support for Community Project Funding Application to the Office of Congressman Jeff Jackson to consider the Riverbend Water Storage Tank for State and Tribal Assistance Grant for FY 2024.

Result of City Council Decision:_____

Attachments:

1. ***Resolution***

CITY OF MOUNT HOLLY
MOUNT HOLLY CITY COUNCIL MEETING
MONDAY, February 13, 2023
COUNCIL CHAMBERS
7:00 PM

Call to Order

Mayor Hough called the meeting to order at 7:00 pm. The following were present:

Mayor Bryan Hough	Miles Braswell, City Manager
Mayor Pro Tem Phyllis Harris	Brian DuPont, Assistant City Manager
Councilman Ivory Craig	Brian Reagan, Police Chief
Councilman Jeff Meadows	Ryan Baker, Fire Chief
Councilman David Moore	Greg Beal, Planning Director
Councilwoman Christina Pawlish	Tony Walker, Streets and Solid Waste Director
Councilwoman Lauren Shoemaker	Jonathan Wilson, Director of Utilities
Marie M. Anders, City Attorney	Mark Jusko, Recreation Supervisor
	Michelle Wood, Finance Director

Invocation

Reverend Mark Massey, Pastor at True Light Tabernacle, led staff and attendees in prayer.

Pledge of Allegiance

Boy Scout Troop 59 led the Council, staff and attendees in the Pledge of Allegiance.

Set the Agenda

Mayor Hough advised that there are no changes to the agenda. Councilman Moore made a motion to approve the agenda as presented. Councilwoman Pawlish seconded the motion. All Council Members present voted in favor. (Motion Carried)

CONSENT AGENDA

1. Approval of Budget Amendments
   - Police-Flock Camera's—License Plate Reader Project
   - Statues for the Memorial Plaza
   - 410 E. Central Ave. - Broker Commission Payment
2. Approval of Liens for Trash, Junk and Debris
   - 302 Cherry Street
3. Approval of a Capital Project Ordinance for the Powell Bill Project approved by the LGC in December
4. Approval of a Proclamation Recognizing March 3, 2023 as National Employee Appreciation Day
5. Call for a public hearing to amend the development agreement for Olde Mecklenburg Brewery.
6. Approval of a Resolution Designating Sergeant Bryan Kale to make recommendations to the North Carolina ABC Commission on ABC Permit Applications
7. Approval of a Resolution to Approve the Lease of a 2023 Chevrolet Silverado for the Police Department
8. Approval of Charlotte Pump Station Property:
   - Minor Subdivision of City owned property located at 165 Broome Street (PID 124524)
   - Access Easement to Pump Station
   - Utility Easement for force mains
9. Approval of Final Plat for Mooreland Oaks Phase 1
10. Call for a public hearing for review and recommendation to City Council, to consider an application, submitted by Finial Construction, for a proposed rezoning for a 12.59- acre tract, Parcel ID # 179662, located off of Hwy 27 and Craig Street, from Conditional District Single Family, approved on July 20, 2020, to Conditional District Single Family
11. Approval of Minutes of the January 23, 2023 Council Meeting

12. Approval of the January 23, 2023 Closed Session Minutes

Councilwoman Shoemaker made a motion to approve the consent agenda. Councilman Craig seconded the motion. All Council Members present voted in favor. (Motion Carried)

PRESENTATIONS

1. Presentation of a Resolution Honoring Former Mayor Bobby Black for his Service

Mayor Hough presented former Mayor Bobby Black with a resolution honoring him for years served as Mayor for the City. Former Mayor Blacks son, Joe Black spoke and talked to his Dad's dedication to Mount Holly and his love of serving the City.

2. Promotional Swearing In of Captains Patrick Craig, Tim Treece, and Chris Riddle

Mayor Hough administered the oath of office to Patrick Craig, Tim Treece and Chris Riddle. These 3 officers were promoted to Captain positions in the Fire Department. Friends and family were present for the pinning ceremony.

3. Promotional Swearing In of Deputy Chief David Sisk

Chief Brian Reagan recognized the past Chiefs that were able to attend the reception and swearing in for Deputy Chief David Sisk. Chief Reagan recognized David's family and emphasized the importance of the family support system. Mayor Hough administered the oath of office to Deputy Chief David Sisk upon his promotion. Deputy Chief Sisk' son Braxton pinned him.

4. Presentation of SHARP Awards

Debbie Rodgers Lowery, Safety Coordinator for the city, explained the SHARP award process and then introduced Josh Dobson the NC Commissioner of Labor. Commissioner Dobson commented that employees make the organization and in Mount Holly work force safety is just part of the culture. He thanked the city for putting safety first and being an example to the rest of the state. He presented the Police Department with the safety award and advised that only 5% of the organizations across NC receive this award for public safety.

5. Presentation and Introduction from Miss Mount Holly

Miss Mount Holly, Jamie Logan came before the Council to introduce herself and talk about her platform. She advised that she will compete in the Miss North Carolina pageant in June. Ms. Logan advised that she is very much an advocate of sports and her platform revolves around giving back to the community and the Parks and Recreation Department. She advised that she is collecting tennis shoes that can be refurbished or older tennis shoes that can be ground and used for ground cover at playgrounds. She advised that any funds received from her project will be donated to the Parks and Recreation Department.

6. Presentation on Gaston County Vision 2040

Leslie Lee and Gina Shell came before the City Council to explain the Gaston County Vision 2040 process. They advised that they are undertaking a county wide visioning plan that will include rounds of community engagement that will lead up to one Gaston County 2040 visioning plan. They advised that they would like to set up focus area teams that would help rally the troops and get people excited about the upcoming meetings.

7. Presentation of the 2023 Events Schedule

Communications and Events Coordinator Abbey Miller, presented the 2023 Events Schedule to the City Council. The dates and the bands were reported by Mrs. Miller as follows:

Friday, May 12 – Blue Monday

Friday, June 3 – Thurston Howell

Thursday, June 29 – Coming Up Brass

Friday, August 11 – Liquid Pleasure

Friday, September 8 – 20 Ride

Friday, October 13 – On The Border

Ms. Miller advised that after receiving feedback from participants, spectators and staff, we have decided to move the Electric Christmas Parade to Saturday, December 16th to avoid rush hour traffic and make the event safer and more enjoyable for everyone. There was no opposition from the City Council regarding any of the scheduled events.

PUBLIC COMMENT – Three (3) Minute Limit

Stacie Plesz, 201 Rose Street—Ms. Plesz came before the City Council to request a change to the animal ordinance to allow for laying hens within the city limits. She proposed a scaled back version that would allow a certain number of hens with an annual permit and renewal process.

Kendle Starcner, 117 North Main Street, Ms. Starcner came before the City Council to asking for a reprieve or a discounted rate for the use of the Grand Hall for the Merry Market event. She advised that the event is a community event that brings people from the outside into the city. She asked that the City Council consider the nonprofit rate and wave the $650 early set up fee.

Ayla, 504 Cherry Street, Ayla came before the City Council and advised that she just rescued a dog and he has a hurt foot needs sidewalks on her street so she can walk him.

NEW BUSINESS

1. Consideration and Approval of Funding a Portion of Exit 27 Landscaping Enhancements for the I-85 Widening Project

Mr. DuPont advised that staff has been coordinating with the Gaston Cleveland Lincoln MPO and other jurisdictions along the I85 corridor effected by the future widening project. The project is set to begin in March 2024 with an estimated completion date in 2030. Mr. DuPont explained that NCDOT allows for certain aesthetics and betterments be funded by local agencies. Even though the widening project is not within the jurisdiction of Mount Holly, exit 27 is considered part of the Gateway into the city. He advised that if Council agrees to help fund the enhancements that Belmont would be the lead agency since the exit is technically in their jurisdiction.

Councilwoman Shoemaker made a motion to approve Funding a Portion of Exit 27 Landscaping Enhancements for the I-85 Widening Project. Councilwoman Pawlish seconded the motion. All Council Members voted in favor. Motion carried

ADJOURN

With no additional items for discussion, Mayor Hough entertained a motion to adjourn. Councilwoman Shoemaker made the motion to adjourn the February 13, 2023 Council Meeting. Councilwoman Pawlish seconded the motion. All Council Members present voted in favor. (Motion Carried)

The meeting adjourned at 8:07pm.

CITY OF MOUNT HOLLY
2023 CITY COUNCIL RETREAT
Friday, March 3, 2023
Mount Holly Municipal Complex
Facilitator: Reeves McGlohon

I. *Call to Order—Mayor Bryan Hough*

Mayor Hough called the 2023 Council Retreat to order at 9:00 am.

A. Invocation, Ground Rules, Schedule, Parking Lot Items

Mayor Hough thanked the staff for their hard work and their preparations for this retreat. Councilman Moore gave the invocation. The following was stated as the ground rules for the retreat:

- Respect everyone's opinion
- Do not talk over someone else
- Everyone is asked to participate
- Use common sense

B. Prior Year Priorities/Minutes/Status

Mayor Hough asked Council if there were any questions or comments regarding the prior year priorities, status and minutes. There were no comments, questions or concerns by Councilmembers at this time.

II. *Historical Society - Old City Hall Facilities Committee Update—Jeremy Moss / Garrie Brinkley*

Jeremy Moss gave a brief review and background on the Historical Society project. Jeremy Moss stated that a condition analysis is expected to be provided to him on or around April 26, 2023. Mr. Moss turned the presentation over to Mr. Garrie Brinkley who is the Chair of the Old City Hall Facilities Committee. Mr. Brinkley thanked the Mayor and Council for forming this committee and reviewed the progress of the committee. Mr. Brinkley stated that Creech and Associates had been chosen as the architect firm to proceed with the project. Mr. Brinkley introduced Michael Supino, project manager for Creech and Associates to provide the facility condition update.

A. Facility Condition Assessment Update – Creech & Associates

Mr. Supino from Creech & Associates presented information on the building assessment schedule for the Old City Hall Facilities. Mr. Supino gave a preliminary report and building overview. Mr. Supino stated that the main building had an addition added at one point. Mr. Supino gave a general building/architectural assessment. Mr. Supino stated that the brick is generally in good condition. Mr. Supino stated that the brick and mortar will need to be repaired to prevent further industrial hygiene issues. Mr. Supino stated that there was brick staining, but normal for the age of the building. Mr. Supino showed images of exterior components such as corrugated panels, awnings and wood details that are high priority. Mr. Supino stated that a good amount of flashing on the exterior components will need to be replaced. Mr. Supino stated that a majority of the windows are in good condition with the exception of two glass block windows that are in the basement. Mr. Supino stated that there is water damage on the second floor. Mr. Supino stated that the sealants between the windows and flashing need to be replaced. Mr. Supino stated that there were visual observations of the roof being a EPDM roof with retrofit fluid applied coating. Mr. Supino stated that this is a temporary solution for the roof and a last step prior to needing to replace the entire roof. Mr. Supino stated that there are several materials that are being used for parapet flashing which include clay and metal. Mr. Supino recommends replacement of parapet flashing and caps during roof replacement.
Mr. Supino stated that there needs to be ADA parking spaces adjacent to the building. Mr. Supino stated that there are currently no accessible entry points. Mr. Supino discussed the entry point

recommendations. Mr. Supino stated that the restrooms are not ADA compliant. Mr. Supino stated that the upper level and basements entries are not ADA compliant. Mr. Supino stated that ADA compliance will be a significant upgrade. Mr. Braswell asked about the middle floor's ADA compliance at the time of previous renovations. Mr. Supino stated that he can not say for sure if the building was ADA compliant at the time of previous renovations, but once any renovations start then ADA compliance will need to be up to date. Mr. Supino stated that significant MEP (mechanical, electrical and plumbing items are needed. Mr. Supino stated that there are code violations on the first floor. Mr. Supino stated that the ceiling structure used plenum and that this is not allowed with wood structures. Mr. Supino categorized this as a high priority. Mr. Supino gave a structural summary which stated that the building was generally in good condition with the exception of a few repairs. Mr. Supino stated that the rear exterior stairs would most likely require replacement to serve as an egress stairway (depending on the occupancy type). Mr. Supino gave an Industrial hygiene assessment stating that not all samples are in for lead and asbestos. Mr. Supino stated that the asbestos summary shows asbestos in the second floor and basement flooring, roofing paint on parapet, green stair treads and mastic sealants. Mr. Supino stated that the wall compound contains trace amounts of asbestos. Mr. Supino stated that the lead summary showed lead containing paint on the exterior walls, roof vent, exterior windows, interior walls and interior doors. Mr. Supino was asked by Councilman Jeff Meadows about the preliminary numbers of approximately one million dollars. Mr. Supino stated that the approximate one million dollars is purely building systems at this time. Mayor Hough stated that it sounds like we are targeting the April or May council work session for an update.

III. *Parks – Brian DuPont*

A. Veterans Park – McAdams

a. Initial Design or Redevelopment PPP

Brian DuPont gave background and reviewed initial park concept. Mr. DuPont introduced McAdams associates Nick Lowe and Dave Malcolm for their presentation on Veterans Park. Mr. Lowe went over the project background and stated that there are natural features and topography that can not be touched. Mr. Lowe presented a case study from Mooresville, NC as an example of ideas. Mr. Lowe introduced Mr. Malcolm from McAdams who continued the presentation to discuss more detailed options and uses for the Veterans Park space. Mr. Malcolm discussed jewel box retail stores to compliment the downtown stores, but stated that we would want to be sensitive to the surrounding areas. Mr. Malcom reviewed the various options for redevelopment to consider. Mr. Malcom stated that developers like to be involved in project that are near the downtown areas. Mr. Malcom concluded his presentation and opened the floor to comments and questions from council. Councilman Meadows mentioned that the business owners want more people and not more retail. Mayor Hough asked for input from council to see what council's perception is on everything. Mayor Hough stated that we have been discussing how to get people to live and work in downtown. Mayor Hough stated that option B brings people downtown as well as integrates downtown. Mayor Hough stated that the parking situation is going to continue to grow and that this is an opportunity to get people living and working downtown. Councilwoman Shoemaker commented on how hard it has been to acquire land. Councilwoman Shoemaker likes option B. Councilman Moore stated that we have gotten away from the original goal which is the park. Councilman Moore stated that he is all for getting people downtown, but his priority is the park and the amenities. Mayor Pro Tem Harris stated that her priority is the park only and getting people to use it year-round. Councilwoman Shoemaker stated that the elements that council was focused on was the amphitheater and this keeps the key part of the original plan. Mayor Hough commented that option B at the area to the right of the stage could hold the additional amenities and elements. Councilman Meadows requested a parking lot item regarding TIF (tax increment financing) and stated that recreation has no dedicated funding and there could be a designated savings towards this development. Councilman Meadows stated that the challenge will be how will we pay for this. Councilman Craig likes option B, but is not married to any plan, but would like to see multi-family. Councilman Craig stated that Mount Holly needs the walkability. Councilman Craig received confirmation that the acreage at the theatre site is 3 acres and that is a lot of room for the recreation amenities. Councilwoman Pawlish likes option B as well and wants to keep the splashpad option. Mayor Pro Tem Harris stated that she feels like option B would be over crowded. Mayor Hough stated that enhancing economic development is the way to have amenities without raising taxes. Mayor Hough stated that the city should be open to the opportunities. Councilman Meadows stated that the Strategic Vision Plan had a participation of 850 citizens. Councilman Meadows stated that the city built a consensus with citizens. Councilman Meadows stated that the original plan was phased, but 3 acres is a large park. Councilman Moore stated that council seems to continue to put recreation down the line. Councilman Moore stated that recreation is important to this town. Mayor Hough stated that we need to create a funding mechanism that is not at the whim of future council. Councilman Meadows commented that the city of Charlotte is not just the taxes of the city of Charlotte, it is also the county. Councilman Meadows stated the city should control the land. Mayor Hough asked council for next steps? Miles Braswell stated that staff could reach out to property owners to find out if there is interest in selling properties. Mayor Hough directed staff to bring back recommendations for discussion at an upcoming work session. Councilman Meadows stated that everything that we have discussed to date is a long-term plan, but is there a short-term plan? Councilman Meadows stated that an interim plan could be to utilize property grading in the meantime. Mayor Hough requested that a cost estimate for the amphitheater be provided. Councilman Meadows discussed possible options for the phasing that could include a straight sale if we built the amphitheater. Mayor Hough mentioned that staff met with the Presbyterian church to get input about the property and the parking. Mayor Hough stated that the church did not want the bathrooms near the church. Councilman Meadows stated that council and staff could put out an RFP on this project to reflect the best options.

B. River Street Park
   a. Remain or Redevelopment PPP

Brian DuPont discussed benchmarks requested from council in January 2023. Mr. DuPont stated that the appraisal is $770,000. Brian DuPont discussed the stakeholder input process. Mr. DuPont stated that the adjacent property owners were notified. DuPont discussed the preference exercise and the results. Mr. DuPont discussed the park amenity inventory list and usage. Mr. DuPont stated that a consultant would be recommended to assist in the layout of the future amenities. Mr. DuPont discussed the initial development investment of the potential tax revenue. Mr. DuPont discussed the redevelopment process. Mr. DuPont concluded the discussion and asked for comments and questions. Councilman Moore stated that the recreation department has had to use churches for ball field use. Mayor Hough asked if there was a plan for recreation if we do not develop this property. Mayor Pro Tem Harris stated that Mount Holly is growing and that she would like to see upgrades so that the field could be used. Mayor Hough stated that we need to look at what is the best use of the area? Councilman Meadows asked how do we get resources to invest and develop it and pay for it? Councilman Meadows commented on the elements on the other side of the creek and how should it be developed once the

bridge is constructed. Councilman Meadows stated that 18 acres is a lot and how would we use it? Councilman Craig stated that Gaston County could be looking to build a new Mount Holly Middle School and that those fields could be utilized if that project moves forward. Mayor Hough would like a plan for full use for the property from the parks and recreation department. Councilman Meadows requested that state funded programming that offsets our budget for park funding be placed on the parking lot item list for further discussion. Mayor Pro Tem Harris stated that the Recreation Commission discussions show that there is no more land and if we give up our parks then there will be nothing left. Councilman Meadows stated that the city has an annexation policy to offset Park and Recreation needs. Councilman Meadows stated that he would like staff require developers to give ballfield or amenities for use of water. Councilwoman Shoemaker stated that the wording should be specific in the requests from developers regarding the type and location of amenities. Mayor Hough directed staff to come back to council with a recreational plan.

IV. *Downtown Enhancements – Brian DuPont*

A. Market Lights, Building Tops, Parking, Pedestrian Improvements, Wayfinding and Signage

Mr. DuPont reviewed the downtown enhancements and their associated costs. Mr. DuPont presented the quotes at this time. Mayor Hough asked if solar power is an option. Mr. DuPont stated that we are looking at all options. Mayor Hough asked council their thoughts on the rooftop lights and market lights. Council wishes to move forward with market lights and not roof top lighting at this time. Council directed staff to work with DOT regarding the market lights on North Main and not take over the street for maintenance. Mr. DuPont discussed options around parking. Long term options include parking capacity analysis. Councilman Moore made the suggestion that the city talk to the presbyterian church to possibly expand the parking. Mayor Hough stated that those discussions were already in play. Mayor Hough stated that he believed the city did an MOU with the churches for parking. Mayor Hough stated that the churches do not like that the public leaves a mess in the parking lots after events. Mayor Hough challenged staff to come up with creative ways to partner with the churches. Mayor Hough stated that we must have more parking for the city to grow. Mayor Hough stated that Finish Line church is empty in the evenings. Mayor Hough stated that future business' need to know that the city has a plan for parking. Mayor Hough directed staff to come up with a parking strategy and plan. Councilman Meadows stated that the city should have a formal parking strategy. Mr. DuPont continued the presentation with pedestrian improvements to include crosswalks along main street. Councilman Meadows suggested looking into lighting for crosswalks. Mr. DuPont discussed wayfinding and signage. Councilman Meadows asked that the rezoning of the property next to the municipal complex be added as a parking lot item for further discussion.

V. *Lunch*

A. Connector Road Naming Session – *Jonathan Wilson*

Jonathan Wilson gave an update on the South Gateway Connector Road. Mr. Wilson is seeking direction from council regarding the naming of the road. Mr. Wilson stated that we do not need to know a name until we get the signs. Councilman Meadows suggested speaking to the property owners. Councilman

Craig suggested that the name should have Mount Holly in it. Councilman Moore asked if council could get back to staff.

VI. <u>*Solid Waste Study—Tony Walker*</u>

A. Background and Consultant Update - *Raftelis*

B. Fee Implications for FY 23-24

Tony Walker reviewed background and information regarding the solid waste study. Mr. Walker stated that the current contract with Waste Pro will end in July 2024, but could be extended for an additional 2 years. Mr. Walker introduced Elaine Vastis from Raftelis. Ms. Vastis presented current operations, current fees and the financial planning analysis. Ms. Vastis stated that the streets and solid waste cost are around 3 million dollars. Ms. Vastis stated that current challenges are that the recycling contract will end in FY 2024, contract costs are anticipated to increase, staffing is competitive, and that the current solid waste fleet is outdated and requires investment in new trucks. Ms. Vastis stated that for every 800 customers there is a need for an additional truck and an employee. Ms. Vastis discussed options for when the current contract expires and the financial impacts under recycling options when contract expires. Ms. Vastis discussed current operation, current fees and the financial planning analysis for refuse services. Ms. Vastis discussed the advantages and disadvantages of in-house services and outsourcing services. Council discussed options for funding. Mr. Braswell mentioned the possibility of creating an enterprise fund should we move towards outsourcing. Mayor Hough received confirmation from Ms. Vastis that our current cost of services is approximately $26 per household versus our current fees of $6.50 per household. Mayor Hough stated that we could still subsidize outsourcing to keep the rates low. Councilman Meadows stated that in a perfect world, we would reduce the tax rate and increase the fee, but that this is not a perfect world. Miles Braswell stated that there are several employees ready to retire and that the remaining 10 employees could perform right away maintenance. Mayor asked would we need to keep some employees for special pickups such as white goods. Mr. Walker stated that the city does make money from white goods. Councilman Moore asked if the city would still have a truck to assist if a can was missed. Mr. Walker stated that the city would still have to manage the outsourced company. Mr. Walker suggested that the city keep the knuckle boom truck for tree removal and other needs. The next steps and staff recommendations were to increase the recycling and refuse monthly fees to reflect cost-of-living adjustments effective July 1, 2023, issue and RFP in January of 2024 for recycling services bids and alternative bid for refuse service, delay 2024 CIP for solid waste (truck purchase) until after bids are received, and freeze 2 current positions in solid waste until after bids are received. Council indicated that they are good with the staff recommendations as listed.

VII. <u>*Glendale Property—Mark Jusko*</u>

A. Next Steps and Budget Considerations

Mark Jusko reviewed information regarding the Glendale Property that was once owned by Ransom Hunter. Mr. Jusko discussed the Mayoral appointed committee that began in August of 2022. Councilman Meadows asked what is meant by the archaeologist survey. Brian DuPont answered Councilman Meadows by stating that there would be a phase 1 historical search before any work is done. Marie Anders stated that there is a lot of information regarding the property back to the 1800. Ms. Anders stated that there is a complete chain of title should they need those records provided. Mark Jusko continued the presentation to discuss the meeting with the Ransom Hunter family. Mark Jusko discussed the next steps on the Glendale Property. Mayor Hough requested for staff to move the timeline up. Council agreed to move the timeline up. Mayor Hough stated that three years is way too long. Councilman Meadows requested that there be a placeholder put in the FY 23-24 budget and then amended if necessary.

VIII. *Finance – Michelle Wood*

A. County Reappraisal Projections
   i. Budget Implications
   ii. Revenue Neutral

Michelle Wood presented the Gaston County revaluation and revenue neutral information. Councilman Meadows stated that this is probably one of the most difficult times for this revaluation. Councilman Meadows is concerned about the citizens. Mayor Hough stated that revenue neutral at 40.53 cents is not low enough. Mayor Hough stated that he did not believe the spreadsheet and would like to see the spreadsheet and how the numbers are calculated. Miles Braswell stated that the Local Government Commission (LGC) is the provider of the revenue neutral spreadsheet. Mayor Hough directed staff to ask Mr. Cheatwood from First Tryon for better calculations. Mayor Hough questioned the calculations due to assumed inflation. Councilman Meadows stated that the city will have to tighten their belts. Councilman Meadows stated that the city needs to be conservative and tighten our belts.

IX. *Projects Prioritization for FY 23-24 Budget Consideration*

Veterans Park expansion
Downtown market lights
Glendale Property- pin point a line item and budget item, move up the timeline

X. *Adjourn*

With no additional items of discussion, Mayor Hough entertained a motion to adjourn. Councilman Moore made a motion to adjourn the 2023 Council Retreat. Mayor Pro Tem Harris seconded the motion. All council members voted in favor. Motion carried. The meeting adjourned at 1:54 pm. Miles Braswell thanked the council and staff.

Parking Lot Items to be discussed at future meetings:

1. Rezoning the property next to the municipal complex.
2. Setting aside revenue from properties for specific use.
3. State funded programming that offsets City budget designated for specific purpose.