AGENDA ITEM NO. 7.1

Item Cover Page

COUNCIL AGENDA ITEM REPORT

DATE:	May 2, 2022
SUBMITTED BY:	Juanita Hester
ITEM TYPE:	Request
AGENDA SECTION:	ADMINISTRATIVE MATTERS
SUBJECT:	American Rescue Plan Act (ARPA) Policies
BACKGROUND:	The following policies are required for all local governments receiving Federal ARPA Coronavirus State and Local Fiscal Recovery Funds even if local governments that are taking the standard allowance to expend 100% of their funds for revenue replacement. These policies were written by professors at the UNC School of Government and are specific to the Federal ARPA funds. Finance Director Sharon Penny may be called upon to answer any questions that Council Members may have. 1- Allowable Cost and Cost Principles Policy 2- Eligible Project Policy 3- Nondiscrimination Policy 4- Records Retention Policy 5- Conflict of Interest Policy
SUGGESTED ACTION:	Council is requested to adopt the ARPA policies as presented.

ATTACHMENTS:

TOE - CSLFRF Allowable Costs and Cost Principles Policy.docx
TOE - CSLFRF Eligible Use Policy.docx
TOE - CSLFRF Nondiscrimination Policy.docx
TOE - CSLFRF Records Retention Policy.docx
TOE - FEDERAL Conflict of Interest Policy.docx

TOWN OF ELIZABETTOWN

POLICY FOR 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 Town of Elizabethtown, 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 Town of Elizabethtown hereby adopts and enacts the following UG Allowable Costs and Cost Principles Policy for the expenditure of ARP/CSLFRF funds.

Allowable Costs and Costs Principles Policy for American Rescue Plan Act of 2021 Coronavirus State and Local Fiscal Recovery Funds

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).

Town of Elizabethtown 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 [LIST APPROPRIATE LOCAL GOVERNMENT OFFICIALS AND EMPLOYEE POSITION TITLES HERE], 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 [LIST APPROPRIATE LOCAL GOVERNMENT DEPARTMENT OR POSITION HERE]. 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 Town of Elizabethtown 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 Town of Elizabethtown, its employees, the public at large, and the federal government.
- Whether Town of Elizabethtown 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 the Town of Elizabethtown.**

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 Finance Director is responsible for determining cost allowability must be familiar with the Selected Items of Cost. The Town of Elizabethtown must follow the applicable regulations when charging these specific expenditures to the ARP/CSLFRF grant.

The Finance Director 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, Town of Elizabethtown regulations, and program-specific rules may deem a cost as unallowable, and all 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 Town of Elizabethtown 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 Director 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 Town Manager 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 Department Administrator 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 Director 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 by the Finance Director, 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 Director 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 Department Head will return the invoice to the project manager and/or vendor, contractor, or subrecipient for correction.

- The Department Head 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 Department Head must proceed through the local government's normal disbursement process.

- If any cost item is deemed unallowable, the Department Head 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. Town of Elizabethtown's governing board must approve any allocation of other funds for this purpose.

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

VI. 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

Adopted this 2nd day of May 2022.

TOWN OF ELIZABETHTOWN

ELIGIBLE PROJECT POLICY FOR THE EXPENDITURE OF AMERICAN RESCUE PLAN ACT OF 2021 CORONAVIRUS STATE & LOCAL FISCAL RECOVERY FUNDS

WHEREAS the TOWN OF ELIZABETHTOWN, 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 Town of Elizabethtown 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 the Town of Elizabethtown 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;

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 Town of Elizabethtown 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 Town of Elizabethtown, 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 Town of Elizabethtown employees and officials must comply with these requirements.

1. Requests for ARP/CSLFRF funding, must be made in writing using Eligibility Worksheet 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 Town of Elizabethtown'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 Town Manager for approval. All requests will be reviewed by the Town Manager 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 Town Manager upon approval by Town Council.
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 Town Manager and may require a budget

amendment before proceeding. Any delay in the projected project completion date shall be communicated to the Town Manager immediately.

6. The Finance Director must collect, and document required information for each EC, for purposes of completing the required Project and Expenditure reports.
7. The Finance Director must maintain written project requests and approvals, all supporting documentation, and financial information at least until December 31, 2031.

Adopted this 2nd day of May 2022.

TOWN OF ELIZABETHTOWN

NONDISCRIMINATION POLICY FOR THE EXPENDITURE OF AMERICAN RESCUE PLAN ACT OF 2021 CORONAVIRUS STATE & LOCAL FISCAL RECOVERY FUNDS

WHEREAS the TOWN OF ELIZABETHTOWN 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 Town of Elizabethtown 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 TOWN OF ELIZABETHTOWN 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 for American Rescue Plan Act of 2021 Coronavirus State and Local Fiscal Recovery Funds

Nondiscrimination Policy Statement

It is the policy of the TOWN OF ELIZABETHTOWN 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 Town of Elizabethtown, including programs or activities that are funded in whole or part, with Coronavirus State and Local Fiscal Recovery Funds ("CSLFRF"), which the Town of Elizabethtown 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 Town of Elizabethtown shall ensure that each "activity," "facility," or "program" 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.

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 Town of Elizabethtown 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 Town of Elizabethtown 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 Town of Elizabethtown shall comply with information requests, on-site compliance reviews, and reporting requirements.

2. The Town of Elizabethtown 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 Town of Elizabethtown 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 Town of Elizabethtown in violation of this policy should contact the following office within 180 days from the date of the alleged discriminatory occurrence:

5. The Mayor of Elizabethtown oversees all complaints.

Adopted this 2nd day of May 2022.

TOWN OF ELIZABETHTOWN

RECORDS RETENTION POLICY FOR THE EXPENDITURE OF AMERICAN RESCUE PLAN ACT OF 2021 CORONAVIRUS STATE & LOCAL FISCAL RECOVERY FUNDS

BE IT RESOLVED, That the governing board of the TOWN OF ELIZABETHTOWN 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.

RECORD RETENTION POLICY: DOCUMENTS CREATED OR MAINTAINED PURSUANT TO THE ARP/CSLFRF AWARD

Retention of Records: 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 Town of Elizabethtown to follow Treasury's record retention requirements as it expends CSLFRF pursuant to the APR/CSLFRF award. Accordingly, the Town of Elizabethtown 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 period of five (5) years 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 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.

Covered Records: For purposes of this policy, records are information, regardless of physical form or characteristics, that are created, received, or retained that evidence the Town of Elizabethtown'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: Town of Elizabethtown'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 Town of Elizabethtown, 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 Town of Elizabethtown 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 the Town of Elizabethtown must or should retain and arrange for the proper storage and retrieval of records. 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 Town of Elizabethtown 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 Mayor of Elizabethtown. The Town of Elizabethtown 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.

<u>Questions About the Policy</u>: Any questions about this policy should be referred to Dane Rideout, Town Manager ((910-862-3979) or drideout@elizabethtownnc.org) , who is in charge of administering, enforcing, and updating this policy.

Adopted this 2nd day of May 2022.

TOWN OF ELIZABETHTOWN

CONFLICT OF INTEREST POLICY

APPLICABLE TO CONTRACTS AND SUBAWARDS OF THE TOWN OF ELIZABETHTOWN 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 TOWN OF ELIZABETHTOWN 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 TOWN OF ELIZABETHTOWN (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. DEFINITION

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 TOWN OF ELIZABETHTOWN 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 TOWN OF ELIZABETHTOWN.

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 TOWN OF ELIZABETHTOWN).

f. "*Direct Benefit*" means, with respect to a Public Officer or employee of the TOWN OF ELIZABETHTOWN, 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 TOWN OF ELIZABETHTOWN 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 Town Council of the TOWN OF ELIZABETHTOWN.

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 TOWN OF ELIZABETHTOWN (including, without limitation, any member of the Governing Board), other than an employee or independent contractor of the TOWN OF ELIZABETHTOWN.

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 TOWN OF ELIZABETHTOWN) 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 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. "*TOWN OF ELIZABETHTOWN*" 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 TOWN OF ELIZABETHTOWN, 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 Town Clerk 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 TOWN OF ELIZABETHTOWN involved in contracting on behalf of the TOWN OF ELIZABETHTOWN. The TOWN OF ELIZABETHTOWN 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 TOWN OF ELIZABETHTOWN Involved in Making or Administering a Contract or Subaward on behalf of the TOWN OF ELIZABETHTOWN 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 TOWN OF ELIZABETHTOWN 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 TOWN OF ELIZABETHTOWN.

   iii. G.S. § 14-234.3. If a member of the Governing Board of the TOWN OF ELIZABETHTOWN 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 TOWN OF ELIZABETHTOWN and the Covered Nonprofit Corporation, (2) attempt to influence any other person who deliberates or votes on a Contract or Subaward between the TOWN OF ELIZABETHTOWN 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 TOWN OF ELIZABETHTOWN 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 TOWN OF ELIZABETHTOWN'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.

    c. If the value of a proposed Contract or Subaward exceeds $250,000, the COI Point of Contact shall collect a Conflict of Interest Disclosure Form contained in Exhibit C (for Contracts) and Exhibit E (for Subawards) from each Covered Individual and file such Conflict of Interest Disclosure Form in records of the TOWN OF ELIZABETHTOWN.

2. Identification Prior to Award of Contract or Subaward.

    a. Prior to the TOWN OF ELIZABETHTOWN'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 TOWN OF ELIZABETHTOWN.

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 Town 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 TOWN OF ELIZABETHTOWN is a Recipient of Federal Financial Assistance, the Federal awarding agency with appropriate mitigation measures, or (b) if TOWN OF ELIZABETHTOWN is a Subrecipient of Federal Financial Assistance, from the Pass-Through Entity that provided a Subaward to TOWN OF ELIZABETHTOWN; 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 TOWN OF ELIZABETHTOWN may enter into the Contract or Subaward in accordance with the TOWN OF ELIZABETHTOWN'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 TOWN OF ELIZABETHTOWN has entered into a Contract or Subaward, the COI Point of Contact shall, as soon as possible, disclose such finding to the Town Manager and to each member of the Governing Board. Upon discovery of such a real or apparent conflict of interest, the TOWN OF ELIZABETHTOWN 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 the TOWN OF ELIZABETHTOWN 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 TOWN OF ELIZABETHTOWN is a Subrecipient of Federal Financial Assistance, disclose the conflict to the Pass-Through Entity providing a Subaward to TOWN OF ELIZABETHTOWN 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 TOWN OF ELIZABETHTOWN Must Adopt Conflict of Interest Policy. Prior to the TOWN OF ELIZABETHTOWN's execution of any Subaward for which the TOWN OF ELIZABETHTOWN 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 TOWN OF ELIZABETHTOWN 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 TOWN OF ELIZABETHTOWN 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 TOWN OF ELIZABETHTOWN.

b. Disciplinary Actions for Contractors and Subcontractors. The TOWN OF ELIZABETHTOWN 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 TOWN OF ELIZABETHTOWN 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 TOWN OF ELIZABETHTOWN, a Contractor, or Subcontractor who has the responsibility to investigate, discover, or address misconduct.

Adopted this the 2nd day of May 2022.

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 a local office or position on a public board or private board).

EXHIBIT B

COMPLIANCE CHECKLIST FOR OVERSIGHT OF CONTRACT CONFLICTS OF INTEREST

The TOWN OF ELIZABETHTOWN has adopted a Conflict of Interest Policy ("*Policy*") that governs the TOWN OF ELIZABETHTOWN'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 TOWN OF ELIZABETHTOWN.

Instructions for Completion

1. The COI Point of Contact shall complete Steps 1 through 5 of the Checklist below.

2. If the value of the proposed Contract exceeds $250,000, the COI Point of Contact shall collect a Conflict of Interest Disclosure Form from each Covered Individual.

3. 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 Town 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 TOWN OF ELIZABETHTOWN) 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></th><th></th><th></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 any Covered Individual has a (i) financial or other interest in, or (ii) tangible personal benefit from the firm considered for a Contract. [If the estimated Contract amount exceeds $250,000, ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact.]</td></tr>
<tr><td>Any identified interest in Step 3 is a potential “real” conflict of interest.</td><td><u>Public Officials</u></td><td><u>Employees</u></td><td><u>Agents</u></td></tr>
</table>

4	Identify whether any Related Party has a (i) financial or other interest in or (ii) tangible personal benefit from the firm considered from a Contract. If the estimated Contract amount exceeds $250,000, ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact.		
Any identified interest in Step 4 is a potential "real" conflict of interest.	***Public Officials – Related Party***	***Employees – Related Party***	***Agents – Related Party***
5	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.		
Any identified interest in Step 5 is a potential "apparent" conflict of interest.	***Public Officials***	***Employees***	***Agents***

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 TOWN OF ELIZABETHTOWN has adopted a Conflict of Interest Policy ("*Policy*") that governs the TOWN OF ELIZABETHTOWN'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 TOWN OF ELIZABETHTOWN that may be involved in the selection, award, or administration of the following contract: ______________________________ (the "*Contract*"). To safeguard the TOWN OF ELIZABETHTOWN'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: _______

4. 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:

____

5. 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:

____

6. Does your current or potential employer (other than the TOWN OF ELIZABETHTOWN) 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:

____

7. Benefits to Employers

a. Does a current or potential employer (other than the TOWN OF ELIZABETHTOWN) 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 TOWN OF ELIZABETHTOWN) 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 TOWN OF ELIZABETHTOWN) 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 TOWN OF ELIZABETHTOWN) 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:

____

8. 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:

____

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 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.

11. Does any existing situation or relationship create the *appearance* that your current or potential employer (other than the TOWN OF ELIZABETHTOWN) 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:

____

12. Does any existing situation or relationship create the *appearance* that any current or potential employer (other than the TOWN OF ELIZABETHTOWN) 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:

____

13. Does any existing situation or relationship create the *appearance* that any current or potential employer (other than the TOWN OF ELIZABETHTOWN) 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 TOWN OF ELIZABETHTOWN has adopted a Conflict of Interest Policy ("*Policy*") that governs the TOWN OF ELIZABETHTOWN'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 TOWN OF ELIZABETHTOWN.

Instructions for Completion

1. The COI Point of Contact shall complete Steps 1 through 5 of the Checklist below.

2. If the value of the proposed Subaward exceeds $250,000 the COI Point of Contact shall collect a Conflict of Interest Disclosure Form from each Covered Individual.

3. 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 Town 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 TOWN OF ELIZABETHTOWN) 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"><u>Name of Contract:</u>
____
<u>Name of Counterparty</u>
____
<u>Subject of Subaward:</u>
______________________________</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 any Covered Individual has a (i) financial or other interest in, or (ii) tangible personal benefit from the firm considered for a Subaward. [If the estimated Subaward amount exceeds $100,000 ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact.]</td></tr>
<tr><td rowspan="2">Any identified interest in Step 3 is a potential "real" 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>

4	Identify whether any Related Party has a (i) financial or other interest in or (ii) tangible personal benefit from the firm considered from a Subaward. If the estimated Subaward amount exceeds $100,000 ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact.]		
Any identified interest in Step 4 is a potential "real" conflict of interest.	***Public Officials – Related Party***	***Employees – Related Party***	***Agents – Related Party***
5	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.		
Any identified interest in Step 5 is a potential "apparent" conflict of interest.	***Public Officials***	***Employees***	***Agents***

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 TOWN OF ELIZABETHTOWN has adopted a Conflict of Interest Policy ("*Policy*") that governs the TOWN OF ELIZABETHTOWN'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 TOWN OF ELIZABETHTOWN that may be involved in the selection, award, or administration of the following subaward: ________________________________ (the "*Subaward*"). To safeguard the TOWN OF ELIZABETHTOWN'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 TOWN OF ELIZABETHTOWN) 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 TOWN OF ELIZABETHTOWN) 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 TOWN OF ELIZABETHTOWN) 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 TOWN OF ELIZABETHTOWN) 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 TOWN OF ELIZABETHTOWN) 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 TOWN OF ELIZABETHTOWN) 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 TOWN OF ELIZABETHTOWN) 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 TOWN OF ELIZABETHTOWN) 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: ______________________________

AGENDA ITEM NO. 7.2

Item Cover Page

COUNCIL AGENDA ITEM REPORT

DATE:	May 2, 2022
SUBMITTED BY:	Juanita Hester
ITEM TYPE:	Request
AGENDA SECTION:	ADMINISTRATIVE MATTERS
SUBJECT:	Monthly Financial Report
BACKGROUND:	Finance Director Sharon Penny brings forth a financial report for April (as of 4/27/22). Mrs. Penny may be called upon to give a brief presentation of same.
SUGGESTED ACTION:	Council is requested to approve the Monthly Financial Report.

ATTACHMENTS:
April 2022 Financial Summary.pdf

ELIZABETHTOWN as of April 27, 2022
BUDGET & FINANCE SNAPSHOT

FISCAL YEAR 2021-2022 REVENUES
83% YEAR COMPLETED

Revenue Sources	Fiscal Year Budget	Actual Y-T-D as of 4-27-2022	% of Budget
GENERAL FUND			
Ad Valorem & BID Taxes	1,579,750	1,580,269.80	100.0%
Vehicle Taxes	180,000	140,825.70	78.2%
Local Option Sales Taxes	700,000	437,762.27	62.5%
Utility Franchise Taxes	311,000	151,744.41	48.8%
ABC Revenue	105,000	78,750.00	75.0%
Powell Bill	111,000	114,239.63	102.9%
Street Improvement Project Loan	2,000,000	663,624.67	33.2%
Bladen Fire District	206,000	156,583.99	76.0%
Solid Waste fees	1,032,300	883,290.02	85.6%
Permits & Fees	26,815	33,050.00	123.3%
FEMA reimbursement	60,727	60,737.56	0.0%
Rental Income	43,800	30,011.30	68.5%
Salary & Admin. Reimbursements	283,680	175,146.00	61.7%
Miscellaneous Reimbursements	320,762	285,622.92	89.0%
General Fund Balance Approp.	321,547	0.00	0.0%
TOTAL GENERAL FUND	**7,282,381**	**4,791,658.27**	**65.8%**
WATER FUND			
Water fees	683,400	624,903.67	91.4%
Sewer fees	836,400	676,051.99	80.8%
Miscellaneous Revenue	155,300	130,321.85	83.9%
Utility Fund Balance Approp.	101,482	0.00	0.0%
TOTAL WATER FUND	**1,776,582**	**1,431,277.51**	**80.6%**

FINANCIAL REPORT

As indicated in the table to the left, Elizabethtown has received $4,791,658 of its General Fund budgeted revenues during the reporting period, which began July 1, 2021. $1,431,278 of the Water Fund budgeted revenues has also been received. As of April 27, 2022, 98% of the current year appropriation for property taxes has been collected.

The total percentage of revenue received in the general fund and the water/sewer fund combined is 79%.

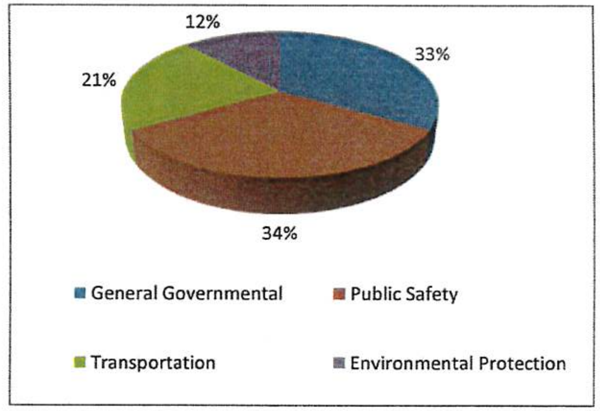
Notes:

1 - As of April 27, 2022, we have received monthly Local Option Sales Tax for July - January and Utility Franchise Taxes for quarter ending December 31, 2021.

BUDGET & FINANCE SNAPSHOT

FISCAL YEAR 2021-2022 EXPENDITURES

Department	Fiscal Year Budget	Actual Y-T-D as of 4-27-2022	% of Budget
Governing Body	41,669	40,287.41	96.7%
Administration	561,864	355,230.89	63.2%
Finance	257,420	203,777.95	79.2%
Public Services	230,095	209,745.49	91.2%
Public Facilities	309,825	280,341.01	90.5%
Police	1,451,230	1,067,099.44	73.5%
Fire	903,299	701,645.51	77.7%
Streets	479,538	413,534.22	86.2%
Powell	100,000	42,068.32	42.1%
Street Improvement Project	2,000,000	672,454.91	33.6%
Solid Waste	562,000	428,415.98	76.2%
Planning & Economic Develop.	87,210	10,427.28	12.0%
Recreation	41,125	25,778.22	62.7%
Special Appropriations	178,426	99,259.66	55.6%
Airport	78,680	62,785.45	79.8%
GENERAL FUND TOTAL	**7,282,381**	**4,612,851.74**	**63.3%**
	WATER FUND		
Water	796,518	554,154	69.6%
Sewer	675,064	433,111	64.2%
Tank Maintenance & Transfer Out	305,000	192,936	63.3%
WATER FUND TOTAL	**1,776,582**	**1,180,200.47**	**66.4%**



As of April 27, 2022, Elizabethtown has expended $4,612,852 of this fiscal year's $7.3 million General Fund operating budget and $1,180,200 from it's Water Fund budget. The total expenditures for the combined funds equate to approximately 73% of the current operating budget.

The fiscal year-to-date expenditures are shown by area of function in the pie chart above. The largest expenditures for the Town is related to the provision of Public Safety & General Government.

REVENUE OVER/(UNDER) EXPENDITURES

GENERAL FUND	0	$ 178,807
WATER FUND	0	$ 251,077
TOTAL COMBINED FUNDS	**0**	**$ 429,884**

AGENDA ITEM NO. 8.1

Item Cover Page

COUNCIL AGENDA ITEM REPORT

DATE:	May 2, 2022
SUBMITTED BY:	Juanita Hester
ITEM TYPE:	Request
AGENDA SECTION:	OTHER BUSINESS
SUBJECT:	"Briefly" *(Reminders and announcements are made at this time)*
BACKGROUND:	Communications and Marketing Director Terri Dennison will be presenting an update on her accomplishments over the past year as a Town and Chamber of Commerce employee. After Mrs. Dennison's presentation, Town Manager Dane Rideout may be called upon to present the "Briefly" items.
SUGGESTED ACTION:	Council is requested to hear the reminders and announcements.

ATTACHMENTS:

Peak Agenda - Briefly - 5.2.2022.docx

Peak Agenda Attachment - Department Head Updates - April 2022.pdf

To: Mayor and Town Council

From: Dane Rideout, Town Manager

Subject: "Briefly"

Date: May 2, 2022

The following items are provided as information to Council:

- Communications and Marketing Director Terri Dennison will be giving an update on her accomplishments over the past year as a Town and Chamber of Commerce employee.
- The Department Head Update Report for April 2022 is provided as a separate attachment.
- Planning Board Meeting at 6:00 p.m. on 5/2/22 to consider Text Amendments to the Zoning Code of Ordinances.
- Zoning Board of Adjustment Meeting at 6:30 p.m. on 5/2/22 to conduct Quasi-Judicial Public Hearing for consideration of Variance request from property owner Fred Nowling.
- Kids Appreciation Day is scheduled for Saturday, May 7, 2022 from 10 a.m. until 2 p.m. on the soccer field behind the Municipal Building.
- The Elizabethtown Airport/Economic Development Commission will be meeting on May 10th at 7:30 a.m. at the Airport Terminal Building.
- The monthly Chamber of Commerce Member Breakfast meeting is set for May 10th at 8:30 a.m. at the Cape Fear Farmer's Market.
- The White Lake Water Festival Parade is scheduled for Saturday, May 21st at 10:00 a.m. Please let Mayor Campbell know if you wish to ride in the Parade.
- On May 24th, the Town will be hosting the next MCAB Meeting. The dinner meeting will be held at 6 p.m. at the Elizabethtown Terminal Building. Cindy's Restaurant will be catering the meal.
- In observance of Memorial Day, the Town offices will be closed on Monday, May 30, 2022.

For the Month of May

5/17 – Pascual Munoz – Public Services Dept.

Department Head Updates

April 2022

COMMUNICATION AND MARKETING

Terri Dennison

NEW BUSINESSES IN ELIZABETHTOWN

We held a ribbon cutting for Sweeter than Hunny in the Central Business District and on West Broad Street on April 8. Sweeter than Hunny opened in time for the past Christmas Season but never had a formal grand opening.

COASTAL HORIZONA MOBILE NTEGRATED CARE UNIT REVEALED AT RIBBON CUTTING IN ELIZABETHTOWN

A new mobile unit that will provide behavioral health and primary care service to rural parts of Bladen County was introduced at the Cape Fear Farmers Market on Tuesday, April 12 with a ribbon cutting attended by approximately 50 people including Mayor Pro Tem Rufus Lloyd, Council Member Rich Glenn and several staff members. T. Dennison helped the Trillium staff coordinate the event.

LEADERSHIP BLADEN

The first class of Leadership Bladen was held at the Curtis Brown Airport on April 27 with a cohort of 13 participants representing several businesses and industries. The participants learned about their strengths through a Gallup Cliftons Strength analysis and heard from several local leaders on the strengths, challenges and lessons learned as they evolved their own leadership style. Council Member Howell Clark and Park & Recreation Committee Chair Mark Gillespie were part of the panel. The Elizabethtown - White Lake Area Chamber of Commerce, Bladen's Bloomin', Bladen Community College, and Bladen Schools CTE program are partnering on the program. May's session will be on tourism and volunteerism.

US 701 BRIDGE CLOSURES

Notices of the US 701 Bridge closures twice every weekday have been placed on the Town's website and social media pages. The Chamber released a press release with ideas on how to lessen the impact for businesses and included it in their monthly newsletter.

DENNISON ATTENDS VISIT OUTDOOR RECREATION ECONOMY CONFERENCE

Terri Dennison attended the Outdoor Recreation Economy Conference in Cherokee, NC to learn about how to boost the economy by promoting local parks and recreation, how to encourage new entrepreneurs with an outdoor based economy and the role of downtowns in supporting those efforts.

CHAMBER ACTIVITIES:

Membership and Business Promotion: As of March 30, the Chamber has 131 members.

2022 Activity Guide and Membership Directory: T. Dennison wrote and compile ads for the guide, which is now at the printers.

White Lake Water Festival: T. Dennison is busying planning the White Lake Water Festival for May 20 & 21. Bands have been secured. Vendors are approved and parade entries accepted. Ads have been placed in *Carolina Country* and *Seasons* Magazine. A radio campaign contract was signed.

Tourism Promotion Ad: A full page ad was placed in the May issue of Our State Magazine. Four partners participated in the cooperative ad: Cape Fear Winery, Lu Mil Vineyard, Camp Clearwater, and Goldston's Beach. Reach is over 220,000 people interested in NC destinations.

ELIZABETHTOWN AIRPORT

Mitch Taylor

Stats for the month of April 2022

Recorded Aircraft Operations	324
Aviation Gasoline Sales	850 Gallons
Jet Fuel Sales	2504 Gallons
Sales Revenue	$15,342

FIRE DEPARTMENT
Hollis Freeman

Community Events (Organizational meetings, public speaking, teaching):
- 4-08-2022 Attended the Sweeter than Hunny Ribbon Cutting.
- 4-12-2022 Attended the Coastal Horizon Integrated Care Unit Ribbon Cutting.
- 04-14-2022 Attended Meeting with NC DOT about the upcoming bridge closure.
- 4-14-2022 Attended the Monthly County Association Meeting in Kelly.
- 4-15-2022 Assisted East Bladen AG Department with planting flowers at the fire station.

- **Professional Development (Certification and training classes, formal education, seminars)**
- 162 hours of training was logged by volunteers and paid staff for the month of April.

- **Operations (Logistics and training reports, response times, incident reporting)**
- 33 Total calls for service
- 8 Fires
- 6 EMS Calls
- 2 Special Responses
- 17 Other related calls
- 20 Hydrants completed
- 29 Fire Inspections completed

Victim Removal Training

Fire at Swanzy Ridge Apartments

Vehicle Fire Peanut Plant Road

POLICE DEPARTMENT

Tony Parrish

3/28/22 - 4/24/22	
Calls for Service	487
Reports Taken	63
Arrests	19
Traffic Collisions	25
Traffic Citations	34
Warning Tickets	10

Also, during this period, we used information from the Flock Safety (ALPR) Cameras for the following:

- Located a missing person
- Located two (2) separate hit & run vehicles, and charged the drivers of each
- Located a suspect wanted for 2nd Degree Rape
- Located a stolen license plate and also charged the driver with outstanding warrants
- Located a stolen vehicle and also charged the driver with drug possession, trafficking in drugs and carrying a concealed weapon, also charged a passenger with outstanding warrants.

PUBLIC WORKS

Stephen Duffy
Hugh Bledsoe
Delana Faircloth

Utility Services – Water & Sewer - Don Edwards, Ricky Smith, Jerimey Sykes, Sherry Lanier & Horace Wyatt (PT)
All routine daily sampling, testing, monitoring, and documentation requirements were completed for both the drinking water and wastewater operations. Staff responded and remediated 9 leaks, worked with Dorsett Technician to resolve SCADA issues, repaired/replaced 3 meter/valve box issues, pulled Lower Street Lift Station pump to clear rags and filled a road cut hole on Della Street. Additionally, there were approximately 43 service disconnections/reconnections and 81-meter re-reads executed. MTU replacement is at a standstill until we receive replacement units from Aclara. They are reporting 12-18 weeks turnaround on resupply. We are currently at week 13 in the wait period. On April 27th, the WWTP received a new automatic sampling refrigeration unit for the plant. Hugh Bledsoe was able to acquire this equipment through a grant application that he submitted back in the January/February timeframe. Great job Hugh!

Figure 3 Mill Street Before & After

Figure 1 William Street Value Box Lid Replacement Before & After

Figure 3 Automatic Sampling Refrigeration Unit

<u>Wastewater Treatment Plant</u> - Brian Stephens

All routine sampling, testing and general plant operating processes were executed as required. Plant equipment preventative maintenance completed as required. In follow-up, the Influent Ram Press motor has been replaced. An issue with the biological processes at the current SBR. We are currently attempting to remedy the situation using additional chemicals to better control the pH of wastewater. It seems there may be too much sludge built up in the tank which is making things difficult to regulate. If the chemicals do not alleviate the situation its possible we may need to consider another (unplanned) sludge removal event.

<u>Streets/Parks</u> - George Hopkins, Pascal Munoz, James Faulk, Julius Powell, David Beyer (PT) & Dwight Davis(PT)

The Streets and Parks grass mowing and landscape efforts are in full swing. Spring cleanup has continued throughout town. The crew provided setup and cleanup assistance for another Bike Race. Several of the parks were utilized by the public for various functions and staff provided support as requested. Inestroza's Tree Service was utilized to remove a total of six (6) dead trees from Mary Greene Park. NCDOT contractors have been working an alternating schedule to finish up predefined sealing and patching areas. We have discussed some additional areas to be addressed, but they will need to be performed under a separate contract. King Street stormwater infrastructure repairs have also been discussed with NCDOT and we may be able to piggyback some of our efforts on their contract in order to reduce our overall cost. Ken Clark, with DOT, has committed to working with us to insure it is a coordinated effort.

Fleet Maintenance - Tracy Priest
Mr. Priest serviced 5 tractors, 5 mowers, 7 Police, 2 Public Works, and 1 Fire Department vehicle during the month. He also assisted with 4 miscellaneous situations, including fixing a backpack sprayer, repairing a hose line on the airport generator, cleaning up the mulch pit, and removing briars at Mary Greene Park around the playground equipment. Maintenance records are being recorded by Mrs. Faircloth and will be presented to the Council at a later date once substantial and sufficient information is available.

Janitorial Services - Joan Tew
Janitorial responsibilities at each of the park's restroom facilities, the Farmers Market, Town Hall, Airport, and the Public Works facilities have been complete as assigned. A minor water leak at Johnson Park was repaired. A faucet at the Farmers Market was found broken and a replacement faucet was installed. We are looking into replacing the manual faucets with touchless type hardware. The intent is to reduce repair costs and eliminate users leaving the water running in the facilities. Similar touchless toilets are being considered as well, but due to existing water supply lines it appears pricing and functionality may be unfavorable. Hugh Bledsoe repaired both ventilation fans in the men's and women's restrooms at the Town Hall building. After almost two (2) months the Town Hall Council Chambers are back in full working order. The only outstanding decision is whether to replace the HVAC unit that was nonfunctional and further damaged in the sewer backup event. Management is working to determine a course of action.

TOWN CLERK REPORT
Juanita Hester

- Town Clerk prepared the clean-up items from the April 4, 2022 Town Council meeting and made distribution of signed documents.
- Clerk prepared Public Hearing Notice for the 5/2/22 Town Council meeting and the Ordinance for the Fire Inspection Frequency amendment to Code of Ordinances.
- Friday Memos were prepared by the Clerk and distributed to Town Council and Department Heads.
- Received one Public Records Request during the month of April for Purchase Order information, and Administrative Assistant/Certified Tax Collector Beverly Robinson prepared the information for the request.
- The Notice of Public Hearing for the 5/2/2022 Zoning Board of Adjustment meeting was prepared and mailed to property owners and abutting property owners. Clerk prepared the ZBA packet of agenda material for review by Planner Rusty Worley and Town Attorney Goldston Womble.
- Provided documentation to USDA for request of annual audit and certificate of insurance for the USDA loans in place for TOE. Copy of FY 2022-2023 Budget has also been requested by USDA.
- In coordination with the Manager, the Clerk prepared the May 2, 2022 Town Council meeting agenda material, posted the information to the Town's webpage and made distribution to Town Council and Department Heads. In addition, the Clerk made notification to the Press that agenda had been posted for their information.
- Assisted Mayor Pro Tem Rufus Lloyd with submitting electronic votes for the slate of candidates for the NCLM Board of Directors.

Town Planner
Rusty Worley

•	Zoning Permits Issued	16
•	Certificate of Occupancy Issued	5

•	Code Enforcement	
•	102 Craig Street	Debris in Yard
•	104 Lyon Street	Debris in Yard and abandoned vehicle
•	502 Blanks Street	Construction without Permits (Zoning, Building, Electrical, HVAC, Plumbing)
•	Currie Property	Permit issued waiting on Demo Company
•	Settlemeyer Property	Permit issued waiting on Eddie Sutton to Demo
•	Cashwell Property	Working with Mr. Cashwell to do an asbestos inspection then releasing to Fire Department to use as a practice burn
•	Gray Property	502 Kemp St. working with Family Trustee to transfer property to the Town to Demo due to condition and back taxes

New Business - Southern Smoke - site located at King and Poplar St August 2022 start date.
CA Nails awaiting offer to purchase from Atty Jim Hill for Chad Devane.
Live Work Play - Hospital would like to be operational by August 2023, Physical Therapy Firm would like Bladen Bloomin to construct 5000 sq ft facility.

Other Projects: Accent Dye - Dept of Commerce Grant applied for, which will include the Town purchasing the property, demoing the property, site clean-up and preparing the property for site ready multi-family project (see attached Draft offer)

Subject: Accent Dye Property

Dear Mr. Rusty Daniels

On behalf of the Mayor and Town Council, we would like to thank you for time that you have spent with us regarding the future of the Accent Dye property.

As you are aware the Town is applying for a grant from the Department of Commerce to purchase the property and rehabilitate the site. Being fully transparent with this process, we understand the site is in poor condition and must be remediated prior to any new activity occurring from an environmental and permitting standpoint. We have reason to believe, the site is contaminated and based upon this condition will ultimately lead to condemnation.

Mr. Worley has communicated to me your position on the disposition of the property, and I have discussed this with the Mayor and Town Council in closed session. We believe if we are successful leveraging North Carolina Department of Commerce grant funding, the outcome would be favorable for both parties.

The Town of Elizabethtown would like to make an offer on this property for $50,000 as an option with two associated contingencies.

The first contingency is dependent on the Town of Elizabethtown obtaining the grant from the Department of Commerce as the primary source of funding for this transaction.

The second is based upon the possibility of site contamination. The Town would need permission from you to perform the Phase Inspections at no cost to you. We hope that this offer will be acceptable to your foundation, and we look forward to hearing your response.

Sincerely,

AGENDA ITEM NO. 9.1

Item Cover Page

COUNCIL AGENDA ITEM REPORT

DATE:	May 2, 2022
SUBMITTED BY:	Juanita Hester
ITEM TYPE:	Request
AGENDA SECTION:	OPEN FORUM
SUBJECT:	Open Forum
BACKGROUND:	Three (3) Minutes Per Citizen.....Should State Name/Address. Mr. Robert Brooks may be in attendance to present an offer on his property at 312 MLK.
SUGGESTED ACTION:	Council is requested to listen to any public concerns or comments received.

ATTACHMENTS:

AGENDA ITEM NO. 10.1

Item Cover Page

COUNCIL AGENDA ITEM REPORT

DATE:	May 2, 2022
SUBMITTED BY:	Juanita Hester
ITEM TYPE:	Request
AGENDA SECTION:	ADJOURNMENT
SUBJECT:	Adjournment
BACKGROUND:	
SUGGESTED ACTION:	Mayor Sylvia Campbell will entertain a motion and a second to adjourn the meeting.

ATTACHMENTS: