

**City of Graham**  
**City Council Meeting Agenda**  
**April 9, 2024**  
**6:00 p.m. | City Hall | 201 South Main Street**

---



**CALL TO ORDER:** Mayor Jennifer Talley

**INVOCATION & PLEDGE OF ALLEGIANCE**

**RECOGNITION – GRAHAM FIRE DEPARTMENT 2023 AWARD RECIPIENTS:**

Rookie Firefighter of the Year - Firefighter Jakob Churchill  
Volunteer Firefighter of the Year - Firefighter Zach Odoms  
Career/Part-Time Firefighter of the Year - Engineer John Perez  
Officer of the Year - Captain Michael Quigley  
Chief's Award - Firefighter Bryan Smith

**PROCLAMATION: ARBOR DAY – APRIL 26, 2024**

**CONSENT AGENDA:**

- a. To approve the March 12, 2024, regular meeting minutes.
- b. To approve closing the 100 block of W. Elm Street on Saturday, June 1, 2024, from 10:00 am to 9:00 pm for Dino Day.
- c. To approve closing the 100 block of W. Elm Street on Saturday, September 28, 2024, from 1:00 pm to 11:00 pm for Grahamtoberfest.
- d. To approve a budget amendment to increase the Wastewater Supplies and Materials by \$300,000 from \$300,000 to \$600,000.
- e. To approve a budget amendment to recognize \$15,770 insurance proceeds revenue and increase the Police Department Maintenance & Repair Vehicles Equipment budget by \$15,770.
- f. To approve a resolution providing municipal accounting services, cybersecurity, and technical assistance memorandum of agreement with the North Carolina League of Municipalities to receive up to \$30,000 in grant services through NCLM's consultant Witt O'Brien's.

**PUBLIC HEARINGS:**

**1. ANNEXATION – 8.70 ACRES – OFF SOUTH MAIN STREET**

A public hearing has been set to consider an annexation request to extend the corporate limits for a tract of land totaling 8.70 acres located off South Main Street. (AN2401) (Tabled from the March 12, 2024, City Council meeting.)

## **OLD BUSINESS:**

### **2. SESQUICENTENNIAL PARK – DOWNTOWN GRAHAM**

City Council will discuss options regarding the Sesquicentennial Park in downtown Graham.

## **NEW BUSINESS:**

### **3. ARPA PROJECT ALLOCATION – RICHARD MARVIN – NCLM**

City Council will consider approving the Eligible Use, Conflict of Interest, Non-Discrimination, Records Retention, and Allowable Cost Policies, the new ARPA project ordinance electing to take the standard allowance, as authorized by 31 CFR Part 35.6(d)(1) and expend all the ARPA funds for the provision of government services, and to consider approval of the revised project ordinance amending previously designated ARPA projects to ARPA enabled projects.

### **4. APPEARANCE COMMISSION – BOARD MEMBER REDUCTION**

City Council will consider an Ordinance amendment to Chapter 2 (Administration), Article II, Division 3. Boards and Commissions to the Code of Ordinances to reduce the total members of the Appearance Commission/Tree Board from seven members to five members.

### **5. APPOINT VOTING DELEGATE - NCLM**

City Council will designate a delegate to vote in the electronic voting process for the North Carolina League of Municipalities Board elections.

### **6. ACCESSIBLE PARKS GRANT APPLICATION AND MATCHING FUNDS**

City Council will consider directing staff of the Graham Recreation and Parks Department to apply for the 2024 Accessible Parks Grant for ADA entryway doors and ADA/Family restroom projects at the Graham Recreation Center and to approve matching funds in the amount of \$26,250 if the grant is awarded.

## **PUBLIC COMMENT PERIOD**

## **CITY STAFF COMMENTS**

## **CITY COUNCIL COMMENTS**

## **ADJOURN**



# PROCLAMATION

## Proclaiming April 26, 2024, as Arbor Day in the City of Graham

**WHEREAS**, in 1872, the Nebraska Board of Agriculture established a special day to be set aside for the planting of trees; and

**WHEREAS**, this holiday, called Arbor Day, was first observed with the planting of more than a million trees; and

**WHEREAS**, Arbor Day is now observed throughout the nation and the world; and

**WHEREAS**, trees can be a solution to combating climate change by reducing the erosion of our precious topsoil by wind and water, cutting heating and cooling costs, moderating the temperature, cleaning the air, producing oxygen, and providing habitat for wildlife; and

**WHEREAS**, trees are a renewable resource that gives us paper, wood for our homes, fuel for our fires, and countless other wood products; and

**WHEREAS**, trees in our City increase property values, enhance the economic vitality of business areas, and beautify our community.

**NOW, THEREFORE**, I, Jennifer Talley, Mayor of the City of Graham, do now proclaim **April 26, 2024**, as **ARBOR DAY** in the City of Graham and challenge all citizens to celebrate Arbor Day and support efforts to protect our trees and woodlands.

**This is the 9<sup>th</sup> day of April 2024.**

---

**Jennifer Talley, Mayor**

# City of Graham City Council Meeting Minutes March 12, 2024



The City Council of the City of Graham held a regularly scheduled meeting at 6:00 p.m. on March 12, 2024, in the Council Chamber, City Hall Municipal Building located at 201 South Main Street, Graham, NC.

## Council Members Present:

Mayor Jennifer Talley  
Mayor Pro Tem Ricky Hall  
Council Member Bobby Chin  
Council Member Joey Parsons  
Council Member Bonnie Whitaker

## Staff Present:

Megan Garner, City Manager  
Aaron Holland, Assistant City Manager  
Bryan Coleman, City Attorney  
Bob Ward, City Attorney  
Renee Ward, City Clerk

CALL TO ORDER: Mayor Jennifer Talley

## INVOCATION & PLEDGE OF ALLEGIANCE

## CONSENT AGENDA:

- a. To approve the February 13, 2024, regular meeting minutes and to approve and seal the February 13, 2024, Closed Session minutes for attorney-client privilege.
- b. To approve a request to close the 100 Block of E. Elm Street on Saturday, May 11, 2024, for the Big C Community Christian Concert from 7:00 am to 8:00 pm (includes setup and cleanup).
- c. To approve a budget amendment updating the American Rescue Plan Act Project Ordinance for \$87,016 to fund equipment for the Fire Department and employer-paid dental plan.

## **RESOLUTION ESTABLISHING THE BUDGET FOR ARPA FUNDS GRANT ORDINANCE**

**WHEREAS**, On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by the President;

**WHEREAS**, Section 9901 of ARPA amended Title VI of the Social Security Act (the Act) to add section 602, which establishes the Coronavirus State Fiscal Recovery Fund, and section 603, which established the Coronavirus Local Fiscal Recovery Fund (together, the Fiscal Recovery Funds);

**WHEREAS**, On June 8, 2021, the City Council of the City of Graham hereby created an American Rescue Plan Act (ARPA) Local Fiscal Recovery Fund.

**WHEREAS**, On August 9, 2022, the City Council of the City of Graham approved \$3,784,134 in projects for the ARPA Local Fiscal Recovery Fund leaving an unencumbered balance of \$1,202,206.

**WHEREAS,** On September 13, 2022, the City Council of the City of Graham approved additional projects amounting to \$69,916 for the ARPA Local Fiscal Recovery Fund leaving an unencumbered balance of \$1,132,290.

**WHEREAS,** On October 11, 2022, the City Council of the City of Graham approved additional projects amounting to \$195,000 for the ARPA Local Fiscal Recovery Fund leaving an unencumbered balance of \$937,290.

**WHEREAS,** On December 19, 2022, the City Council of the City of Graham approved additional projects amounting to \$550,000 for the ARPA Local Fiscal Recovery Fund leaving an unencumbered balance of \$387,290.

**WHEREAS,** On January 10, 2023, the City Council of the City of Graham approved an amendment of \$7,555 to the ARPA Local Fiscal Recovery Fund leaving an unencumbered balance of \$379,735.

**WHEREAS,** On August 8, 2023, the City Council of the City of Graham approved an amendment of \$215,000 to the ARPA Local Fiscal Recovery Fund leaving an unencumbered balance of \$164,735.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAHAM, NORTH CAROLINA,** that pursuant to Section 13.2, Chapter 159 of the General Statutes of North Carolina, the following Project Ordinance is hereby revised to include additional projects:

Section 1. The Project authorizes the use of ARPA Funds.

Section 2. The officials of the City of Graham are hereby directed to proceed with this project within the terms of the project. Staff is authorized to execute change orders within the budget ordinance.

Section 3. The following revenues are anticipated to be available to the City to complete the project:

ARPA Revenue	\$4,908,621
<b>TOTAL</b>	<b>\$4,908,621</b>

Section 4. The following amounts are appropriated for this project at this time:

10" Water Line Replacement	\$3,500,000
GPD Positions Equipment	\$ 62,101
Vehicles	\$ 204,033
Fuel Master System Upgrade	\$ 18,000
Civic Center Repairs – Roof & Floor	\$ 66,343
Camera at Parks – Entrances	\$ 11,128
GM Lake – Ramp Renovation	\$ 195,000
Albright Ave Water Line Replacement	\$ 550,000
Public Works Building	\$ 215,000
Fire Department Equipment	\$ 33,016
Employee dental	\$ 54,000
<b>TOTAL</b>	<b>\$4,908,621</b>

Section 5. The Finance Director shall report on the financial status of this project as directed by the City Council and will inform the Council of any unusual occurrences.

Section 6. Copies of this project ordinance shall be made available to the City Manager and the Finance Director for direction in carrying out this project.

Section 7. This ordinance shall take effect upon passage.

**Approved this the 12<sup>th</sup> day of March 2024.**

- d. To approve a budget amendment to allocate \$242,465 of the General Fund balance for payment on the 2023 Ladder Fire Truck.

<b>CITY OF GRAHAM</b>					
<b>BUDGET AMENDMENT ORDINANCE</b>					
<b>2023-2024</b>					
<b>BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAHAM THAT</b>					
<b>THE 2023 - 2024 BUDGET ORDINANCE SHALL BE AND IS HEREBY AMENDED AS FOLLOWS:</b>					
<b>Section 1.</b>					
<b>EXPENDITURES</b>					
DEPARTMENT/ACCOUNT	APPROVED	AMENDED	INCREASE	(DECREASE)	INCREASE ( DECREASE)
Ladder Fire Truck Loan	-	243,465.00	243,465.00		243,465.00
	-	<b>243,465.00</b>	<b>243,465.00</b>	-	<b>243,465.00</b>
<b>Section 2.</b>					
<b>REVENUES</b>					
	APPROVED	AMENDED	INCREASE	(DECREASE)	INCREASE (DECREASE)
GF Fund Balance Appropriation	1,527,157.00	1,770,622.00	243,465.00		243,465.00
	<b>1,527,157.00</b>	<b>1,770,622.00</b>	<b>243,465.00</b>	-	<b>243,465.00</b>
Adopted this 12th day of March 2024.					

- e. To approve a resolution accepting an amended funding offer to accept the ASADRA funding increase and revised project budget for the Wastewater Treatment Plant upgrade and expansion.

### **CAPITAL PROJECT ORDINANCE WWTP UPGRADE AND EXPANSION**

**WHEREAS**, On February 9, 2021, the City Council of the City of Graham hereby created the initial WWTP Upgrade and Expansion Capital Project Ordinance, and

**WHEREAS**, On November 8, 2022, the City Council of the City of Graham hereby approved and adopted the revised WWTP Upgrade and Expansion Capital Project Ordinance in the total amount of \$84,649,290, and

**WHEREAS**, On March 12, 2024, the City Council of the City of Graham hereby approved and adopted the WWTP Upgrade and Expansion Capital Project Ordinance to reflect the increase in ASADRA State Loan funds.

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAHAM, NORTH CAROLINA**, that pursuant to Section 13.2, Chapter 159 of the General Statutes of North Carolina, the following revised Capital Project Ordinance is hereby adopted:

Section 1. The Project authorized is WWTP Upgrade and Expansion.

Section 2. The officials of the City of Graham are hereby directed to proceed with this project within the terms of the project. Staff is authorized to execute change orders within the budget ordinance.

Section 3. The following revenues are anticipated to be available to the City to complete the project:

Proceeds from Retained Earnings	\$ 1,659,790
Proceeds from ASADRA State Loan	\$25,300,000
Proceeds from CWSRF State Loan	<u>\$57,689,500</u>
<b>TOTAL</b>	<b>\$84,649,290</b>

Section 4. The following amounts are appropriated for this project:

Professional Services – Planning & Design	\$ 2,726,845
Professional Services – Construction	\$ 3,479,228
Construction – Crowder	\$74,653,000
Contingencies	\$ 2,130,427
Loan Fees	<u>\$ 1,659,790</u>
<b>TOTAL</b>	<b>\$84,649,290</b>

Section 5. The Finance Director shall report on the financial status of this project as directed by the City Council and will inform the Council of any unusual occurrences.

Section 6. Copies of this project ordinance shall be made available to the City Manager and the Finance Director for direction in carrying out this project.

Section 7. This ordinance shall take effect upon passage.

This the 12<sup>th</sup> day of March 2024.

#### **RESOLUTION BY GOVERNING BODY OF APPLICANT**

**WHEREAS,** the North Carolina Clean Water Revolving Loan and Grant of 1987 has authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of wastewater treatment works, wastewater collection systems, and water supply systems, water conversation projects, and

**WHEREAS,** the North Carolina Department of Environmental Quality has offered a (State Revolving Loan, State Grant, or State Bond Loan) in the amount of \$82,989,500 for the construction of the Wastewater Treatment Plant Upgrade, and

**WHEREAS,** The City of Graham intends to construct said project in accordance with the approved plans and specifications,

**NOW THEREFORE BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF GRAHAM:**

That the City of Graham does hereby accept the (State Revolving Loan, Grant, or State Bond Loan) offer of \$82,989,500.

That the City of Graham does hereby give assurance to the North Carolina Department of Environmental Quality that all items specified in the (loan or grant) offer, Section II-Assurances will be adhered to.

That Megan Garner (City Manager), the **Authorized Official**, and successors so titled, are hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project; to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the **City of Graham** has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this the **12<sup>th</sup> day of March 2024,** at Graham, North Carolina.

- f. To approve tax releases totaling \$600.26.

CITY OF GRAHAM RELEASE ACCOUNTS				
MARCH				
<u>ACCT#</u>	<u>YEAR</u>	<u>NAME</u>	<u>REASON FOR RELEASE</u>	<u>AMOUNT RELEASED</u>
12747	2023	SOSA, EFRAIN	MH DOUBLE LISTED	\$12.84
12001	2023	CRAWLEY, WILLIE MAYS JR	BOAT & MOTOR IN GUILFORD CO	\$3.19
11852	2023	YOHO, RONALD	TRAILER SOLD	\$7.03
11852	2022	YOHO, RONALD	TRAILER SOLD	\$7.03
11852	2021	YOHO, RONALD	TRAILER SOLD	\$7.03
4220	2022	ALLEN, TIM	MH DOUBLE LISTED	7.57
4220	2020	ALLEN, TIM	MH DOUBLE LISTED	\$7.83
700	2022	PATTERSON, GLEN E	DOUBLE BILLED W/ P#178542	\$17.76
2536	2022	RIVERWALK 54 LLC	COMMON AREA	\$501.21
2537	2022	RIVERWALK 54 LLC	COMMON AREA	\$28.77

Mayor Pro Tem Hall motioned to approve the Consent Agenda items, seconded by Council Member Parsons. The motion passed unanimously.

**OLD BUSINESS:**

**ITEM 1: DOWNTOWN STREET CLOSURE REQUESTS – GRAHAM RECREATION EVENTS**

City Council considered the following road closures for the Graham Recreation Department Programs in Downtown Graham continued from the February 13, 2024, City Council meeting:



- **Slice of Summer:** review options for road closures to hold the Slice of Summer event.

Emma Griffin, Program Manager, suggested keeping the original time of the Slice of Summer on Saturday, June 8, 2024. She stated there was a slight change to block approximately 30 parking spaces the morning of the event so the area would be clear for the Water Department to run water lines. This would allow the streets to be open until 2:30 pm instead of closing at 1:00 pm.

Council Member Whitaker asked if surveys were sent out and how many were returned.

Ms. Griffin stated three surveys were returned. She stated one survey suggested maintaining the original event site from 4:00 pm to 8:00 pm stating the idea of moving would be moving traffic away from downtown businesses and exposing visitors to the shops, restaurants, and bars. She stated another survey indicated Option B of moving the event to a Sunday, and the third survey indicated Option D, which would be moving it to a Sunday and the new event site. She stated those three surveys did not adequately represent the opinions of downtown business owners. She stated there were also three in-person meetings and a total of only four people attended representing three businesses.

Ms. Cheryl Rich, Sandy & Company, and Amy Wilkinson, The Main Line, stated they both had spoken to several businesses this week who could not come to the meetings and were told they had to close during the event last year. She stated retail businesses struggled on that day because of parking. Ms. Rich suggested Option D, a different location so it does not affect the businesses. Ms. Wilkinson stated that when the original email was sent, not all the businesses were listed and there were some old businesses listed on the email group.

Mayor Talley asked if the new event site would limit what could be offered at the event.

Mr. Faucette stated the space should not limit what we have had in previous years. He stated that they would need to close some of Maple Street but would leave the Sheriff's Department parking lot open so it could be accessed.

Mayor Talley asked if they would be able to get the big mega slide in that area.

Ms. Griffin stated they may have to adjust some of the attractions but the idea was to be able to offer the same attractions as past years.

Council Member Whitaker thanked staff for all the work they have done to work with the businesses. She stated she spoke with two businesses on Main Street and two businesses on Elm Street and they were happy with leaving the event where it had been in the past because they made a lot of money.

Bella DiStefano stated Saturdays were busy days and suggested Option D on a Sunday in a different location.

Mayor Talley asked if staff could place signage out the day before or early morning to inform the public of which parking spots would be closed along with the time of the road closure. She also inquired about possibly towing cars if they are not moved by the stated time.

Mr. Faucette stated staff had a long history with Thursdays At Seven putting out barricades with signage stating what time the street would close and there would always be cars remaining. He stated for the annual parade, officers taped off the street in the early morning to make sure no cars were in the parade route, and if they did not move, staff had to set up around the cars, and when the owner showed up they were not happy because they were blocked in.

Mayor Talley asked if the solution could be towing cars to a public parking lot.

Mr. Faucette said that would be a conversation for the wrecker services and they would need to be paid. He asked if the City would be paying for that service.

Mayor Talley stated if the City was hiring a tow company to come out and tow it should be part of an event cost.

Council Member Chin stated signage would need to state cars would be towed.

City Manager Garner stated she had discussions earlier with Legal about towing cars, and for liability purposes, it would be better to leave the tow bill between the company and the vehicle owner and tow cars to a secure lot. She stated if the City towed to a public lot and the vehicles were damaged, the City could be named in a claim. She stated the tow company would be better suited to take cars to a secure lot.

Motion by Mayor Talley for Option C for Slice of Summer event, seconded by Mayor Pro Tem Hall. The motion passed unanimously.

Option C: NEW EVENT SITE – 100 & 200 blocks of West Elm St./sections of 100 blocks of N. & S. Maple St.

- a. Saturday, June 8: 3:00 pm-7:00 pm (rain date: Saturday, June 22)
- b. 8:00 am-1:30 pm: Block designated parking spaces (for hoses to be run from hydrants to attractions.) Roughly 20 spaces.
- c. 1:30 pm-8:00 pm: Close 100 and 200 Blocks of West Elm Street, and 100 Blocks of North and South Maple Street

Ms. Bella DiSteffano asked for the Pumpkin Bash to be moved to a Sunday.

Mr. Shawn Riley, 1907 Channel Street, stated he moved to Graham because of the events. He stated at the last event, he and his wife had shopped at Sandy's and other businesses. He stated Graham's downtown events are the coolest thing about Graham.

Motion by Council Member Whitaker to approve the Pumpkin Bash and closure of the 100 blocks of East and West Elm Streets on Friday, October 25, 2024, from 3:00 pm to 10:30 pm and North and South Main Streets from 4:00 pm to 10:30 pm, seconded by Council Member Parsons. The motion passed unanimously.

Council Member Parsons asked staff to report back to Council in July on how the new location worked for the Slice of Summer event.

## **ITEM 2: UPDATE – LINE-OF-SITE – GILBREATH AND MAPLE AVENUE**

City Council received an update on the line-of-site issue at the intersection of Gilbreath and Maple Avenue.

City Manager Garner stated the City Council had discussed the line-of-site issue for the last several meetings and most recently in February. She stated staff met with the homeowners who were receptive to the idea of eliminating some of the plantings that could have been potential line-of-sight issues. She stated the day they met, the homeowners immediately removed the plants that evening. Ms. Garner stated the issue has been resolved and the property owners were great to work with.

City Manager Garner stated since then the City had received other citizen complaints regarding traffic enforcement issues in that area such as running stop signs and speeding. She stated the speed data sign was placed on North Maple Street for two weeks and then moved to the southbound. She stated the Police Department was asked to pay particular attention to that area for enforcement issues.

## **PUBLIC HEARINGS:**

## **ITEM 3: ADOPT RESOLUTIONS – ALAMANCE COUNTY MUNICIPAL TOURISM DEVELOPMENT – MUNICIPAL ROOM OCCUPANCY TAX**

A public hearing had been set to consider adopting a resolution joining the Alamance County Municipal Tourism Development Authority and adopting a resolution levying a municipal room occupancy tax.

City Manager Megan Garner stated the North Carolina General Assembly ratified Senate Bill 154, An Act to Make Various Occupancy Tax Changes, that authorized the municipalities of Graham, Burlington, Elon, and Mebane to levy room occupancy taxes and to create the Alamance County Municipal Tourism Development Authority to promote travel and tourism within the aforementioned municipalities in Alamance County. She stated the law further required any city that levies such a tax to join with the other communities to create an Alamance County Municipal Tourism Development Authority to manage the funds raised. The TDA shall be created by the first community to levy the tax, which Burlington did on January 2, 2024.

She stated before the City Council could levy the tax, a public hearing must be held on the matter. After the public hearing, the City Council may adopt a resolution joining the Alamance County Municipal Tourism Development Authority and adopt a resolution levying a municipal room occupancy tax. She stated if the Council adopted both resolutions, a 3% tax levy would be effective July 1, 2024.

Council Member Whitaker asked if this was an equal share across all municipalities that sign on or if a city only received 3% from the hotels within its City.

City Manager Garner stated the funds generated in your municipality are segregated in a fund for your jurisdiction.

Mayor Talley stated it also affected Airbnb and VRBO.

Tom Boney, Alamance News, stated he was not under the impression Airbnb would be included.

Mayor Talley asked City Attorney Bob Ward.

City Attorney Ward stated it would be a conflict of interest for him to respond and asked for questions to be addressed to City Attorney Coleman.

City Attorney Coleman stated he had no idea if Airbnb was included.

City Manager Garner stated the information they received from Burlington states the occupancy tax of 3% of the gross receipts derived from the rental of accommodation within the corporate limits that are subject to the sales tax imposed by the State under G.S. 105-164(a)(3).

Tom Boney, Alamance News, stated he had not heard of Airbnb being included in other discussions with the other municipalities. He also asked if the County occupancy tax would include Airbnb.

Mayor Talley stated we would investigate but would advocate for Airbnb and VRBO to be included.

City Manager Garner stated G.S.105-164(a)(3) has a subsection that stated the general rate applies to the gross receipts derived from a rental of an accommodation. These rentals are taxed in accordance with G.S. 105-164(4)(f). She stated at a glance, it appeared that if it is a rental of an accommodation, in whatever form that may be, it would appear Airbnb and VRBO may also be included.

Council Member Parsons stated he concurred and from what he researched it states that booking an Airbnb in the State of North Carolina would be allocated to City and local occupancy taxes.

The public hearing was opened and there were no comments.

Motion by Mayor Talley to close the public hearing, seconded by Council Member Chin. The motion passed unanimously.

City Manager Gartner stated the second Statute referenced does have an exemption that states the tax imposed by this section does not apply to the following; a private residence, cottage, or similar accommodation that is rented for fewer than 15 days in a calendar year unless the rental of the accommodation is made by an accommodation facilitator.

Motion by Mayor Pro Tem Hall to adopt a resolution joining the Alamance County Municipal Tourism Development Authority and adopt a resolution levying a 3% municipal room occupancy tax, seconded by Council Member Chin. The motion passed unanimously.

#### **ITEM 4: BURLINGTON-GRAHAM JOINT ANNEXATION AGREEMENT**

A public hearing had been set to consider approving the Burlington-Graham Joint Annexation Agreement and Ordinance to allow for clarity and delineate authority within the specified area around the Monroe-Holt vicinity.

Assistant City Manager Aaron Holland stated this was an agreement between the cities of Burlington and Graham to establish a line of agreement to steer growth in unincorporated areas between the two jurisdictions. He stated because of the potential growth opportunity south of the Great Alamance Creek, staff requested to withdraw this item to allow staff to work with Burlington to address that area in

conjunction with the proposed agreement. He stated staff wanted to make sure all bases were being covered in areas north and south of the creek.

Motion by Mayor Pro Tem Hall to withdraw consideration of this request, seconded by Council Member Chin. The motion passed unanimously.

#### **ITEM 5: ANNEXATION – 8.70 ACRES – OFF SOUTH MAIN STREET**

A public hearing had been set to consider an annexation request to extend the corporate limits for a tract of land totaling 8.70 acres located off South Main Street. (AN2401)

Motion by Mayor Pro Tem Hall to table the annexation to April 9, 2024, seconded by Council Member Whitaker. The motion passed unanimously.

#### **NEW BUSINESS:**

#### **ITEM 6: SESQUICENTENNIAL PARK SHELTER FLOOR**

City Council discussed options for the Sesquicentennial Park shelter due to the dilapidation of the existing floor.

City Manager Garner stated the floor of the Sesquicentennial Park had begun sinking in recent years; largely due to what was underneath the brick flooring. She stated it is believed the building that used to occupy the space was at least partially buried, causing an uneven base for the shelter and flooring. She stated staff was coming to the Council for direction for the upcoming budget year and would like to know if the Council would like to invest money in repairs or consider an alternative use for the property.

Mayor Talley stated there used to be a basement under that building. She stated it was her impression the purpose was to celebrate the 150th year of the County, not something permanent but rather to beautify the downtown. She stated bricks were bought to honor or in memory of someone and discussions were needed to consider the bricks and how the bricks could be used. She stated the bell was removed because it was being vandalized.

Mayor Talley shared that she would love to see someone build something close to what the original building looked like historically.

Council Member Whitaker stated if the City were to consider selling it to someone who wanted to build something, would that builder need to come back before the Council?

Mayor Talley stated an RFP could be submitted stating the standards for the property and if a potential builder could meet those standards then the City would sell the property.

Council Member Whitaker stated she would like to see another building there.

City Manager Garner stated if the Council elected to dispose of the property, there were surplus procedures the City would have to follow.

Tom Boney, Alamance News asked if the City owned the property.

Mayor Talley and Council Member Whitaker stated yes.

Mr. Boney suggested the attorneys look into the origins of the property. He stated his recollection was there was some type of perpetuity agreement between the County and the City.

Mayor Talley stated the property was owned by the City. She stated the money was raised from brick sales and then the remainder was split between the County and the City to do the improvements. She stated that she was not aware of any legal rights or deed restrictions that would prevent the City from being able to declare the property as surplus.

Mr. Boney asked the Council to verify that and he disagrees with Council Member Whitaker because he thinks it was a great tribute to both the City and County's 150<sup>th</sup> anniversary and was also a nice downtown park. He agreed that something needed to be done to guarantee safety.

After further discussions, Mayor Pro Tem Hall would like to see the City repair the park. Council Member Parsons was in favor of seeing a building placed back and the need to address the safety issue. Council Member Chin suggested exploring the property as a surplus.

After further discussions, Mayor Talley motioned for the City Attorneys to investigate legal options for the property including any agreements with the County, seconded by Council Member Whitaker. The motion passed unanimously.

#### **ITEM 7: AUDIT SERVICES – AWARD A CONTRACT**

City Council considered awarding the City of Graham's audit contract for the fiscal year ending June 30, 2024, to Stout Stuart McGowen & King, LLP.

City Manager Garner stated on January 24, 2024, the City of Graham issued a Request for Proposal to provide audit services. She stated three firms submitted proposals for consideration by the City and the recommendation of the finance officer was for the Council to approve a contract with Stout Stuart McGowen & King, LLP (SSMK), the current auditor for the City of Graham.

Motion by Mayor Talley to award a contract to Stout Stuart McGowen & King, LLP, seconded by Mayor Pro Tem Hall. The motion passed unanimously.

#### **PUBLIC COMMENT PERIOD**

Joshua Bare – 219 W. Harden Street, Graham, spoke about crosswalk safety and stated specifically that crosswalks around Court Square are not safe because people speed and are not watching for pedestrians. He asked for an officer to watch crosswalks.

Mayor Talley said there had been discussions about doing something with the crosswalks. She suggested raised stamped crosswalks such as the ones on Haggard Avenue in Elon. She asked the City Manager to request police officers to be more present. She stated Staff would continue to work on road improvements.

Vickie Hunter, 627 Rockwood Drive, Graham, shared that since last summer utility companies have been digging in her yard (Luminous, Duke Energy, Verizon, and AT&T) most recently AT&T. She asked if these companies would come back and fix the damage to her yard.

City Manager Garner stated the Public Works Director, Burke Robertson, would contact AT&T to ask for her yard to be repaired properly.

Bernadette Konzolmann, 508 Pomeroy Street, representing the Appearance Commission, asked the Council to reduce the number of board members from seven to four.

Council consensus was to reduce the Appearance/Tree Board to five members and have staff amend the ordinance for Council approval. Council Member Parson asked to have the same reduction in members for the Historic Resources Commission.

### CITY STAFF COMMENTS

There were no comments.

### CITY COUNCIL COMMENTS

Council Member Parsons inquired about the muddy pond on Rogers Road.

Assistant City Manager Holland will reach out to the engineers and Public Works Director Robertson and will report back to the Council.

Mayor Pro Tem Hall congratulated the award winners from the Fire Department.

City Manager Garner stated the award recipients would be recognized at the April 9, 2024, Council meeting.

Council Member Chin asked staff to research the cost of designing a logo for the City of Graham.

City Manager Garner stated the City does not have official branding and will look into it, get a cost, and report back to the Council.

### ADJOURN

Council Member Chin motioned to adjourn, seconded by Mayor Pro Tem Hall. The motion passed unanimously. The meeting adjourned at 8:15 p.m.

Renee M. Ward, CMC  
City Clerk



# STAFF REPORT

SUBJECT:	STREET CLOSURE REQUEST BY JOSH COE FOR DINO DAY
PREPARED BY:	AARON HOLLAND, ASSISTANT CITY MANAGER

### REQUESTED ACTION:

Consider request to close the 100 block of W. Elm Street for Dino Day.

### BACKGROUND/SUMMARY:

Josh Coe of Little Bother Brewing has submitted an application requesting to close the 100 block of W. Elm Street for Dino Day.

According to the application, the event is being requested for June 1, 2024 from 10am to 9pm (includes setup and cleanup).



### FISCAL IMPACT:

N/A

### STAFF RECOMMENDATION:

Approval. The various City departments that may be involved have reviewed the request and have provided the organizer with pertinent information that will need to be satisfied.

### SUGGESTED MOTION(S):

I move we approve the request from Josh Coe of Little Brother Brewing to close the 100 block of W. Elm Street on June 1, 2024, from 10am to 9pm for Dino Day.



## CITY OF GRAHAM SPECIAL EVENT APPLICATION

Thank you for considering Graham to host your Special Event, we're glad you see our City as a great place to hang out!

All requests for parade and street events under the City of Graham's ordinance Chapter 20, Article V, Section 171 - 174 and 183 - 185 will be reviewed by the Graham Special Events Committee (SEC). Any Street closures or use of public spaces will need City Council approval.

SEC\* - Public Works Director, Fire Chief, Police Captain, Recreation Director, and Assistant City Manager

Next Steps\*\* - Depending on the location of the event and the request(s), applicants may be required to provide event insurance which names the City as an additional insured, schedule public safety through Extra Duty Solutions, provide an event map, give detail for sanitation purposes, and other similar logistical information.

Applicants are encouraged to reach out to the Assistant City Manager prior to completing this form if they have any questions pertaining to the City's requirements, event locations, event logistics, etc.

City of Graham  
Aaron Holland, Assistant City Manager  
201 South Main Street  
Graham, NC 27253 336.570.6700  
[aholland@cityofgraham.com](mailto:aholland@cityofgraham.com)

1. Your email: [josh@littlebrotherbrew.com](mailto:josh@littlebrotherbrew.com)
2. Event name (if applicable): Dino Day
3. Reason for the event (be specific): Bring the community together for a fun family friendly event.
4. Event date(s): June 1st
5. Provide your event's setup, start, end, and cleanup times. (Ex: Name of Event 6:30 a.m. - 8 a.m. setup | 8 a.m. event start | 2 p.m. event ends | 2 p.m. - 4 p.m. cleanup): 10am set up. Event 1pm-8pm. Clean up 8pm-9pm

6. Event category:

Please check all that apply appropriate category for your event.

Concert/Performance

Exhibit

- Farmer's Market
- Festival/Fair
- Parade/Procession
- Run/Walk
- Food Truck Rodeo
- Other: \_\_\_\_\_

7. Where are you requesting for your event to occur? 100 block of W. Elm Street Downtown Graham.

Be specific identifying street names or City facilities being requested for use? Just need 12 extra trash cans.

8. Does your event include the request to close streets?

Yes  No

9. Identify the street(s) you are requesting to have closed for your event. 100 Block of W. Elm Street

10. Identify your street closure time(s) and will you anticipate when they will return to normal traffic. Closed 10am-9pm. 9pm.

11. What is your anticipated event attendance total? 700 through out the day

12. Does your event include musical entertainment?  Yes  No

13. Where will your musical entertainment be located? In front of 106 West Elm Street Graham, NC

14. Will sound amplification be used?  Yes  No If yes, provide the start time and end time. 1pm-8pm

15. Will inflatables or similar devices be used at your event?  Yes  No

If yes, please describe. \*Please note, Insurance requirements must be met in order to offer this activity.

16. Does your event include the use of fireworks, rockets, lasers, or other pyrotechnics?

---

Yes  No

If yes, please describe. \*\*\*Note: These requests will be subject to the approval of the City of Graham Police & Fire Departments in conjunction with State Laws governing this type of activity.

---

17. Will alcohol be served, sold or consumed at your event?

Yes  No

If you answered yes to the question above, please check all that apply to your event.

Alcohol will be available free of charge

Alcohol will be by purchase only

Alcohol being served and or sold at my event includes

Beer only

Wine only

Beer & Wine

18. Describe your security plan to ensure the safe sale and or distribution of alcohol at your event. We will hire officers through Extra Duty Solutions.

19. Does your event include food concession and/or food preparation areas?

Yes  No

If yes, please select the method of cooking that pertains to your event.

Gas

Electric

Charcoal

Other:  Food Trucks  Heating Elements may vary depending on the trucks.

20. Do you plan to provide portable toilets at your event?

Yes  No

If yes, list the total number of portable toilets:   4  

21. Portable toilet company name: If no, please explain Elite Porta Johns

22. Explain your plan for cleanup and removal of trash, waste, and garbage during & after your event. We will have staff cleaning all day and requesting extra cans.

Does your event require additional trash receptacles?

Yes  No

If yes, what is the requested number of additional trash receptacles?   12  

23. Will there be any tents, canopies or temporary structures at your event?

Yes  No

24. Applicant name and affiliated agency if applicable: Josh Coe / Little Brother Brewing

25. Applicant's Address: 106 West Elm Street Graham, NC 27253

26. Applicant's phone number: 336 684 5997

27. Applicant's email address: Josh@littlebrotherbrew.com

28. Provide the events point of contact if different from the applicant. (First and Last Name, Phone number, & Email Address

29. How many years has this event taken place? 3



wild tails

vendor

vendor

beer tents  
FRA LBB

vendor

food trucks

food trucks

W Elm St

W Elm St

St

beer garden

food trucks

painted grape  
sip and paint

food trucks

vendor

live music



# STAFF REPORT

SUBJECT:	STREET CLOSURE REQUEST BY JOSH COE FOR GRAHAMTOBERFEST
PREPARED BY:	AARON HOLLAND, ASSISTANT CITY MANAGER

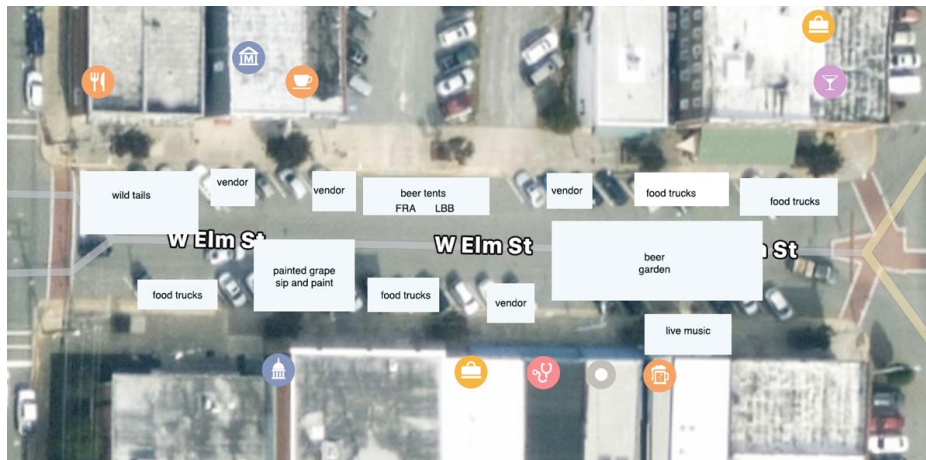
### REQUESTED ACTION:

Consider a request to close the 100 block of W. Elm Street for Grahamtoberfest.

### BACKGROUND/SUMMARY:

Josh Coe of Little Bother Brewing has submitted an application requesting to close the 100 block of W. Elm Street for Grahamtoberfest.

According to the application, the event is being requested for September 28, 2024, from 1 pm to 11 pm (includes setup and cleanup).



### FISCAL IMPACT:

N/A

### STAFF RECOMMENDATION:

Approval. The various City departments that may be involved have reviewed the request and have provided the organizer with pertinent information that will need to be satisfied.

### SUGGESTED MOTION(S):

I move we approve the request from Josh Coe of Little Brother Brewing to close the 100 block of W. Elm Street on September 28, 2024, from 1 pm to 11 pm for Grahamtoberfest.

## CITY OF GRAHAM SPECIAL EVENT APPLICATION

Thank you for considering Graham to host your Special Event, we're glad you see our City as a great place to hang out!

All requests for parade and street events under the City of Graham's ordinance Chapter 20, Article V, Section 171 - 174 and 183 - 185 will be reviewed by the Graham Special Events Committee (SEC). Any Street closures or use of public spaces will need City Council approval.

SEC\* - Public Works Director, Fire Chief, Police Captain, Recreation Director, and Assistant City Manager

Next Steps\*\* - Depending on the location of the event and the request(s), applicants may be required to provide event insurance which names the City as an additional insured, schedule public safety through Extra Duty Solutions, provide an event map, give detail for sanitation purposes, and other similar logistical information.

Applicants are encouraged to reach out to the Assistant City Manager prior to completing this form if they have any questions pertaining to the City's requirements, event locations, event logistics, etc.

City of Graham  
Aaron Holland, Assistant City Manager  
201 South Main Street  
Graham, NC 27253 336.570.6700  
[aholland@cityofgraham.com](mailto:aholland@cityofgraham.com)

1. Your email: [josh@littlebrotherbrew.com](mailto:josh@littlebrotherbrew.com)
2. Event name (if applicable): Grahamtoberfest
3. Reason for the event (be specific): Bring the community together for a fun family friendly event.
4. Event date(s): September 28th
5. Provide your event's setup, start, end, and cleanup times. (Ex: Name of Event 6:30 a.m. - 8 a.m. setup | 8 a.m. event start | 2 p.m. event ends | 2 p.m. - 4 p.m. cleanup): 1pm set up. Event 3pm- 10pm. Clean up 10pm-11pm

6. Event category:

Please check all that apply appropriate category for your event.

Concert/Performance

Exhibit

- Farmer's Market
- Festival/Fair
- Parade/Procession
- Run/Walk
- Food Truck Rodeo
- Other: \_\_\_\_\_

7. Where are you requesting for your event to occur? 100 block of W. Elm Street Downtown Graham.

Be specific identifying street names or City facilities being requested for use? Just need 12 extra trash cans.

8. Does your event include the request to close streets?

Yes  No

9. Identify the street(s) you are requesting to have closed for your event. 100 Block of W. Elm Street

10. Identify your street closure time(s) and will you anticipate when they will return to normal traffic. Closed 1pm-10pm. 11pm.

11. What is your anticipated event attendance total? 700 through out the day

12. Does your event include musical entertainment?  Yes  No

13. Where will your musical entertainment be located? In front of 106 West Elm Street Graham, NC

14. Will sound amplification be used?  Yes  No If yes, provide the start time and end time. 1pm-8pm



15. Will inflatables or similar devices be used at your event?  Yes  No

If yes, please describe. \*Please note, Insurance requirements must be met in order to offer this activity.

16. Does your event include the use of fireworks, rockets, lasers, or other pyrotechnics?

---

Yes  No

If yes, please describe. \*\*\*Note: These requests will be subject to the approval of the City of Graham Police & Fire Departments in conjunction with State Laws governing this type of activity.

---

17. Will alcohol be served, sold or consumed at your event?

Yes  No

If you answered yes to the question above, please check all that apply to your event.

Alcohol will be available free of charge

Alcohol will be by purchase only

Alcohol being served and or sold at my event includes

Beer only

Wine only

Beer & Wine

18. Describe your security plan to ensure the safe sale and or distribution of alcohol at your event. We will hire officers through Extra Duty Solutions.

19. Does your event include food concession and/or food preparation areas?

Yes  No

If yes, please select the method of cooking that pertains to your event.

Gas

Electric

Charcoal

Other:  Food Trucks  Heating Elements may vary depending on the trucks.

20. Do you plan to provide portable toilets at your event?

Yes  No

If yes, list the total number of portable toilets:   4  

21. Portable toilet company name: If no, please explain Elite Porta Johns

22. Explain your plan for cleanup and removal of trash, waste, and garbage during & after your event. We will have staff cleaning all day and requesting extra cans.

Does your event require additional trash receptacles?

Yes  No

If yes, what is the requested number of additional trash receptacles?   12  

23. Will there be any tents, canopies or temporary structures at your event?

Yes  No

24. Applicant name and affiliated agency if applicable: Josh Coe / Little Brother Brewing

25. Applicant's Address: 106 West Elm Street Graham, NC 27253

26. Applicant's phone number: 336 684 5997

27. Applicant's email address: Josh@littlebrotherbrew.com

28. Provide the events point of contact if different from the applicant. (First and Last Name, Phone number, & Email Address

29. How many years has this event taken place? 4



wild tails

vendor

vendor

beer tents  
FRA LBB

vendor

food trucks

food trucks

W Elm St

W Elm St

St

food trucks

painted grape  
sip and paint

food trucks

vendor

beer  
garden

live music





# STAFF REPORT

SUBJECT:	BUDGET AMENDMENT – WWTP CHEMICALS
PREPARED BY:	MEGAN GARNER

## REQUESTED ACTION:

Approve the budget amendment to increase the Wastewater Supplies and Materials by \$300,000 from \$300,000 to \$600,000.

## BACKGROUND/SUMMARY:

The wastewater treatment plant has experienced a significant increase in chemical costs, even above what was estimated in the current year's budget. Additionally, with a portion of the new treatment process expected to come online in May 2024, additional chemicals will be needed.

## FISCAL IMPACT:

The additional \$300,000 will increase expenditures (31-5900-3300/supplies and materials) as well as revenues as this amount is coming from available fund balance.

## STAFF RECOMMENDATION:

Approval

## SUGGESTED MOTION(S)

I move we approve the budget amendment to increase the Wastewater Supplies and Materials by \$300,000 from \$300,000 to \$600,000.

CITY OF GRAHAM

BUDGET AMENDMENT ORDINANCE  
2023-2024

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAHAM THAT  
THE 2023 - 2024 BUDGET ORDINANCE SHALL BE AND IS HEREBY AMENDED AS FOLLOWS:

Section 1.

EXPENDITURES

DEPARTMENT/ACCOUNT	APPROVED	AMENDED	INCREASE	(DECREASE)	INCREASE ( DECREASE)
Wastewater - Supplies and Materials	300,000.00	600,000.00	300,000.00		300,000.00
	<b>300,000.00</b>	<b>600,000.00</b>	<b>300,000.00</b>	-	<b>300,000.00</b>

Section 2.

REVENUES

	APPROVED	AMENDED	INCREASE	(DECREASE)	INCREASE (DECREASE)
Fund Balance Appropriation	\$494,625.00	\$794,625.00	300,000.00		300,000.00
	<b>494,625.00</b>	<b>794,625.00</b>	<b>300,000.00</b>	-	<b>300,000.00</b>

Adopted this 9th day of April 2024.

Attest:

\_\_\_\_\_  
Mayor Jennifer Talley

\_\_\_\_\_  
Renee M. Ward, City Clerk



# STAFF REPORT

SUBJECT:	BUDGET AMENDMENT – INSURANCE PROCEEDS
PREPARED BY:	MEGAN GARNER

## REQUESTED ACTION:

Approve the budget amendment to recognize \$15,770 in insurance proceeds revenue and increase the Police Department Maintenance & Repair Vehicles Equipment budget by \$15,770.

## BACKGROUND/SUMMARY:

A K9 vehicle was damaged in an act of vandalism causing significant damage to the motor. Given the relatively new age of the vehicle combined with the K9 specific equipment, the City will retain the vehicle with a salvage title and replace the motor.

## FISCAL IMPACT:

The additional \$15,770 will increase expenditures 10-5100-1700/maintenance and repair of vehicles and revenues as this amount is coming from insurance proceeds.

## STAFF RECOMMENDATION:

Approval

## SUGGESTED MOTION(S)

I move we approve the budget amendment to recognize \$15,770 in insurance proceeds revenue and increase the Police Department Maintenance & Repair Vehicles Equipment budget by \$15,770.

**CITY OF GRAHAM**

**BUDGET AMENDMENT ORDINANCE  
2023-2024**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAHAM THAT  
THE 2023 - 2024 BUDGET ORDINANCE SHALL BE AND IS HEREBY AMENDED AS FOLLOWS:**

**Section 1.**

**EXPENDITURES**

DEPARTMENT/ACCOUNT	APPROVED	AMENDED	INCREASE	(DECREASE)	INCREASE ( DECREASE)
Police Department - Maintenance and Repair Vehicles	90,000.00	105,770.00	15,770.00		15,770.00
	<b>90,000.00</b>	<b>105,770.00</b>	<b>15,770.00</b>	-	<b>15,770.00</b>

**Section 2.**

**REVENUES**

	APPROVED	AMENDED	INCREASE	(DECREASE)	INCREASE (DECREASE)
General Fund - Insurance Proceeds	2,010.00	17,780.00	15,770.00		15,770.00
	<b>2,010.00</b>	<b>17,780.00</b>	<b>15,770.00</b>	-	<b>15,770.00</b>

Adopted this 9th day of April 2024.

Attest:

\_\_\_\_\_  
Mayor Jennifer Talley

\_\_\_\_\_  
Renee M. Ward, City Clerk



# STAFF REPORT

SUBJECT:	MEMORANDUM OF AGREEMENT - NCLM
PREPARED BY:	MEGAN GARNER

## REQUESTED ACTION:

Approve a resolution providing municipal accounting services, cybersecurity, and technical assistance memorandum of agreement with the North Carolina League of Municipalities to receive up to \$30,000 in grant services through NCLM's consultant Witt O'Brien's.

## BACKGROUND/SUMMARY:

The North Carolina State Budget Act of 2021 provided the North Carolina League of Municipalities (NCLM) grant funds provided to the State of North Carolina by the U.S. Treasury pursuant the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319, American Rescue Plan Act of 2021. Pursuant to this legislation, the League received two Award Agreements from the Office of State Budget and Management and the North Carolina Pandemic Recovery Office. The League is prepared to provide up to \$30,000 worth of Grant Services, unless otherwise amended by the League and agreed upon by the City of Graham, to invest in Graham's pursuit of alternative funding options, including grants, appropriations or other mechanisms deemed appropriate, to fulfill its objectives and maximize or leverage their ARP LFRF allocation.

## FISCAL IMPACT:

No out of pocket expense for the City as the League is funding \$30,000 worth of grant assistance.

## STAFF RECOMMENDATION:

Approval

## SUGGESTED MOTION(S)

I move we approve a resolution providing municipal accounting services, cybersecurity, and technical assistance memorandum of agreement with the North Carolina League of Municipalities to receive up to \$30,000 in grant services through NCLM's consultant Witt O'Brien's.



## **MUNICIPAL ACCOUNTING SERVICES, CYBERSECURITY AND TECHNICAL ASSISTANCE MEMORANDUM OF AGREEMENT**

This Municipal Accounting Services, Cybersecurity and Technical Assistance Memorandum of Agreement (hereinafter the “Agreement”) is entered into as of the Effective Date set out below, by and between the City of Graham (hereinafter the “Municipality”) and the NC League of Municipalities (hereinafter the League), each additionally referred to as a “Party”; and collectively as the “Parties.” This Agreement and the obligations hereunder shall be effective upon execution of this Agreement by all Parties (“Effective Date”).

For good and valuable consideration, the adequacy of which is hereby acknowledged, the Parties agree as follows:

### **Article I. Overview.**

#### **1. Enabling Law and Regulation.**

The North Carolina State Budget Act of 2021 (SL 2021-180, as amended by SL 2021-189, and SL 2022-6) provided to the League grant funds provided to the State of North Carolina by the U.S. Treasury pursuant the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319, American Rescue Plan Act of 2021 (hereinafter ARP/CSLFRF). Pursuant to this legislation, the League received two Award Agreements from the Office of State Budget and Management (hereinafter OSBM) and the North Carolina Pandemic Recovery Office (hereinafter NCPRO).

The funds are deemed part of US Treasury Expenditure Category: 6, Revenue Replacement and shall only be spent on governmental services.

#### **2. Grants Awarded to the NC League of Municipalities.**

The first Award Agreement is identified as **OSBM-NCLM-65**. This grant enables the League to provide “financial software and assistance programs for units of local government for expenses related to the COVID-19 pandemic...” This grant is referred to as the **Municipal Accounting Services and Cybersecurity Grant**.

The second Award Agreement is identified as **OSBM-NCLM-66**. This grant enables the League “to provide guidance and technical assistance to units of local government in the administration of funds from the Local Fiscal Recovery Fund, as established in Section 2.6 of S.L. 2021-25, and in the administration of projects funded through the State Fiscal Recovery Fund, as established in Section 2.2 of S.L. 2021-25.” This grant is referred to as the **Guidance and Technical Assistance Grant**.

The Municipal Accounting Services and Cybersecurity Grant and the Guidance and Technical Assistance Grant are collectively referred to herein as the “**League Grants**”.

One or both of the League Grants fund this Agreement.

### **3. Status of the Parties.**

The undersigned Municipality is a beneficiary of the League Grants. The service providers retained by the League and funded by the League Grants for the benefit of the Municipality are contractors (“Contractors”).

### **4. Services Offered.**

Pursuant to this Agreement, the League hereby offers the following to the Municipality:

- Services rendered by the League (“League Services”). See Exhibit A.
- Services rendered by one or more service providers (“Contractor Services”) retained by the League on behalf of the Municipality, who are members of a particular profession or possess a special skill as set forth in §2 C.F.R. 200.459. See Exhibit B, as applicable (and subsequent Exhibits, as applicable).
- Equipment, including information technology systems, and supplies, including computing devices, as set forth in §2 C.F.R. 200.439 and §2 C.F.R. 200.453. The League shall fund League Services and Contractor Services pursuant to this Agreement.

The League shall fund League Services and Contractor Services pursuant to this Agreement. The Municipality accepts the League Grant(s) pursuant to this Agreement.

### **5. Additional Services.**

Additional Services (hereinafter “Additional Services”) may be offered to the Municipality by the League during the League’s Grant period pursuant to this Agreement. The Municipality’s official, who is designated in the Municipality’s adopting Resolution, may execute further agreements, modifications of this Agreement, and agree to Additional Services to be provided to the Municipality. These Additional Services shall be described in additional Exhibits to this Agreement (Exhibit C, D, E, etc.) that, when executed by the Parties, shall become part of this Agreement.

### **6. Term of Agreement.**

This Agreement shall begin on the Effective Date of this agreement and shall end when terminated at the discretion either party. All expenditures by the League under this Agreement must be obligated on or before December 31, 2024, and expended on or before December 31, 2026. Unless otherwise terminated, this Agreement shall expire on December, 31, 2026. Agreements executed by the Municipality and the Contractor, as may be reflected in Exhibit B, (and subsequent Exhibits attached hereto, as applicable) will survive termination of this Agreement, unless terminated early by the Municipality and the Contractor.

### **7. Termination of Agreement.**

The League may terminate this Agreement, in whole or in part, at any time upon written notice to the Municipality and the Contractor. The Contractor shall be paid its costs, including contract close-out costs, and profit on work performed up to the time of termination. The Contractor shall promptly submit its termination claim to the League to be paid. If the Contractor has any property

in its possession belonging to the League, the Contractor will account for the same, and dispose of it in the manner the League directs.

#### **8. Duties of the Municipality.**

The Municipality will utilize League Services and Contractor Services in accordance with this Agreement. It agrees to submit quarterly performance reports for the League Services and Contractor Services received pursuant to this Agreement and to cooperate with the League in appropriate review of these League Services and Contractor Services. The nature and scope of the reports will depend on the project. Any deficiencies or other performance concerns will be addressed with the Municipality and the Contractor.

The Municipality shall obtain and provide to the League a unique entity identifier assigned by the System for Award Management (SAM), which is accessible at [www.sam.gov](http://www.sam.gov).

The Municipality shall provide the League with all relevant information requested by the League to enable the League to comply with the reporting requirements of the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note) or other federal or state requirements or audits, unless such information is otherwise confidential under applicable federal or state laws.

### **Article II. Scope of Funded Activities.**

#### **1. Scope of Services**

Services provided pursuant to this Agreement are set forth in the Exhibit A & B attached hereto (and subsequent Exhibits as applicable).

#### **2. Approved Budget.**

The League, in consultation with the Municipality and the Contractor, shall establish applicable rates and fees to align with the scope of services described in Exhibit B (and subsequent Exhibits as applicable) or amendments thereto as approved in writing by the League. Such charges and rates under this Agreement, once finalized and accepted by the League, are hereinafter referred to as the "Approved Budget". The League shall furnish the Municipality with a copy of the Approved Budget, which will include a detailed summary of charges and rates that the League will be obligated to expend for the benefit of the Municipality using applicable grant funding.

#### **3. Prior Approval for Changes.**

The Municipality shall not make any changes, directly or indirectly, to the Contractor Services, or the Approved Budget, without the prior written approval of the League.

#### **4. Allowable Costs for Services Rendered.**

All services provided pursuant to this Agreement must fall within the definitions of allowable cost and not be otherwise prohibited under State or Federal law.

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, Subpart E, defines those items of cost that are allowable, and which are unallowable. These allowable cost requirements are:

1. The costs must be reasonable;
2. The costs 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);
3. The costs must be given consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances;
4. The costs 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.

#### **5. Prohibited Uses of Funding.**

The US Treasury's Final Rule prohibits 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 (Routine contributions which are part of a payroll obligation for an eligible project are allowed);
2. To borrow money or make debt service payments;
3. To replenish rainy day funds or to 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;
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.

### **Article III. Compensation.**

#### **1. Payment of Funds.**

The League will pay the Contractor identified in Exhibit B (and other Contractors/Consultants identified in subsequent Exhibits as applicable) for services rendered in accordance with the Approved Budget and for the performance of the Contractor Services. No Contractor Services shall be funded by the League outside the parameters of the League Grants. Fees and costs must be supported by evidence of bona fide services rendered.

The Municipality has no obligation to pay for any services identified in the Approved Budget that are the League's responsibility. Services not expressly agreed to by the League shall be the responsibility of the Municipality.

## **2. Invoices.**

Email invoices to [Accountspayablearp@nclm.org](mailto:Accountspayablearp@nclm.org). Expenses must be reasonable and necessary, documented, itemized, and incurred in accordance with this Agreement. All League expenditures under this Agreement must be obligated on or before December 31, 2024 and expended on or before December 31, 2026.

### **Article IV. Compliance with Grant Agreement and Applicable Laws.**

#### **1. Expenditure Authority.**

This Agreement is subject to the laws, regulations, and guidance documents authorizing and implementing the ARP/CSLFRF grant, including, but not limited to, the following:

- Authorizing Statute. Section 603 of the Social Security Act (42 U.S.C. 803), as added by section 9901(a) of the American Rescue Plan Act of 2021 (Pub. L. No. 117-2).
- Implementing Regulations. Subpart A of 31 CFR Part 35 (Coronavirus State and Local Fiscal Recovery Funds), as adopted in the Coronavirus State and Local Fiscal Recovery Funds interim final rule (86 FR 26786, applicable May 17, 2021 through March 31, 2022) and final rule (87 FR 4338, applicable January 27, 2022 through the end of the ARP/CSLFRF award term), and other subsequent regulations implementing Section 603 of the Social Security Act (42 U.S.C. 803).
- Guidance Documents. Applicable guidance documents issued from time-to-time by the US Department of Treasury, including the currently applicable version of the Compliance and Reporting Guidance: State and Local Fiscal Recovery Funds.

This Agreement is also subject to all applicable laws of the State of North Carolina.

#### **2. Conflicts of Interest; Gifts & Favors.**

The Municipality understands that (1) it will use Fiscal Recovery Funds to pay for the cost of this Agreement, and (2) the expenditure of Fiscal Recovery Funds is governed by the League's Conflict of Interest Policy and the Federal and State regulatory requirements (including, without limitation, N.C. Gen. Stat. § 14- 234(a)(1) and N.C. Gen. Stat. § 14-234.3(a)).

The Municipality certifies that, as of the date hereof, to the best of its knowledge after reasonable inquiry, no employee, officer, or agent of the Municipality involved in the selection, award, or administration of this Agreement (each, a "Covered Individual"), nor any member of a Covered Individual's immediate family, nor a Covered Individual's partner, nor an organization which employs or is about to employ a Covered Individual, has a financial or other interest in or has received a tangible personal benefit from Fiscal Recovery Funds, except as to the funds legally expended in this Agreement. Should the Municipality obtain knowledge of any such interest, or any tangible personal benefit described in the preceding sentence after the date hereof, the Municipality shall promptly disclose the same to the League in writing.

The Municipality certifies to the League that it has not provided, nor offered to provide, any gratuities, favors, or anything of value to an officer, employee, or agent of the League. Should the Municipality obtain knowledge of the provision, or offer of a provision, of any gratuity, favor, or anything of value to an officer, employee, or agent described in the preceding sentence after the date hereof, the Municipality shall promptly disclose the same to the League in writing.

### **3. Records Retention and Access.**

The Municipality shall maintain all records, books, papers and other documents related to its performance of Approved Activities under this Agreement (including without limitation personnel, property, financial and medical records) through at least December 31, 2031, or such longer period as is necessary for the resolution of any litigation, claim, negotiation, audit, or other inquiry involving this Agreement. The Municipality shall make all records, books, papers and other documents that relate to this Agreement, unless otherwise privileged, available at all reasonable times for inspection, review or audit by the authorized representatives of the League, the North Carolina State Auditor, the US Department of Treasury, the US Government Accountability Office, and any other authorized state or federal oversight office.

### **4. Suspension and Debarment.**

The Municipality shall comply with the Office of Management and Budget (OMB) Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement) in 2 CFR Part 180, as adopted by the U.S. Department of Treasury at 31 CFR Part 19. The Municipality represents that neither it, nor any of its principals has been debarred, suspended, or otherwise determined ineligible to participate in federal assistance awards or contracts. The Municipality further agrees that it will notify the League immediately if it, or any of its principals, is placed on the list of parties excluded from federal procurement or nonprocurement programs available at [www.sam.gov](http://www.sam.gov).

### **5. Byrd Anti-Lobbying Amendment.**

The Municipality certifies to the League that it has not used and will not use Federally appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. § 1352. The Municipality shall disclose any lobbying with non-Federally appropriated funds that takes place in connection with obtaining any Federal award. This certification is a material representation of fact upon which the League has relied when entering this Agreement and all liability arising from an erroneous representation shall be borne solely by the Municipality.

### **6. Publications.**

Any publications produced with funds from this Agreement shall display the following language: “This project is supported, in whole or in part, by federal award number SLFRP0129 awarded to NC League of Municipalities through the State of North Carolina by the U.S. Department of the Treasury.”

## **7. Equal Opportunity and Other Relevant Federal Laws**

The Municipality agrees during the performance of this Agreement the following:

### **Civil Rights Laws.**

The Municipality shall comply with 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.

### **Fair Housing Laws.**

The Municipality shall comply with 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.

### **Disability Protections.**

The Municipality shall comply with section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance.

### **Age Discrimination.**

The Municipality shall comply with the Age Discrimination Act of 1975 (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 CFR Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance.

### **Americans with Disabilities Act.**

The Municipality shall comply with Title II of the Americans with Disabilities Act of 1990 (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.

### **Clean Air Act.**

The Municipality agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq. The Municipality agrees to report each violation to Unit and understands and agrees that Unit will, in turn, report each violation as required to the U.S. Department of the Treasury, and the appropriate Environmental Protection Agency Regional Office.

### **Federal Water Pollution Control Act.**

The Municipality agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 et seq. The Municipality agrees to report each violation to Unit and understands and agrees that Unit will, in turn, report each violation as required to assure notification to the U.S. Department of the Treasury, and the appropriate Environmental Protection Agency Regional Office.

**Hatch Act.**

The Municipality agrees to comply, as applicable, with requirements of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328), which limit certain political activities of State or local government employees whose principal employment is in connection with an activity financed in whole or in part by this federal assistance.

**Protections for Whistleblowers.**

In accordance with 41 U.S.C. § 4712, the Municipality may 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.

**Uniform Relocation Assistance and Real Property Acquisitions Act of 1970.**

(42 U.S.C. §§ 4601-4655) The Municipality will implement standards for predictable real property acquisition and relocation expenses for homeowners and tenants of land acquired through eminent domain.

**Governmentwide Requirements for Drug-Free Workplace.**

31 C.F.R. Part 20. The Municipality will implement required statements, policies and procedures.

**Increasing Seat Belt Use in the United States.**

Pursuant to Executive Order 13043, 62 Fed. Reg. 19216 (Apr. 18, 1997), The Municipality encourages its employees to adopt and enforce on-the-job seat belt policies and programs for its employees when operating company-owned, rented or personally owned vehicles.

**Reducing Text Messaging While Driving.**

Pursuant to Executive Order 13513, 74 Fed. Reg. 51225 (Oct. 6, 2009), The Municipality encourages its employees to adopt and enforce policies that ban text messaging while driving.

**Article V. Limitations of Liability**

**1. Limitations of Liability.**

In no event shall the League have any liability to the Municipality or any third party for damages resulting from Municipality's use of services provided through this Agreement or any separate agreement between the Municipality and the Contractor identified in Exhibit B (and other Contractors identified in subsequent Exhibits as applicable)

In no event shall the League be liable for any loss of profit or revenue, including but not limited to loss revenue caused by a cyber security breach, by the Municipality or any consequential, indirect, incidental, special, punitive, or exemplary damages incurred or suffered by the Municipality, even if the League has been advised of the possibility of such



loss or damage. Further, except for claims based on U.S. Patent or U.S. Copyright infringement or for personal injury or physical loss or damage to real or tangible personal property caused by the negligence of the League, Municipality agrees that the League's total liability for all claims of any kinds arising as a result of, or related to, this Agreement, whether based on contract, tort, (including but not limited to strict liability and negligence) warranty, or on other legal or equitable grounds, shall be limited to general money damages and shall not exceed the amounts actually received by Municipality under this Agreement.

THE REMEDIES PROVIDED HEREIN ARE EXCLUSIVE AND IN LIEU OF ALL OTHER REMEDIES, EXCEPT FOR THE WARRANTIES SET FORTH IN THIS AGREEMENT. THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, WHETHER ORAL OR WRITTEN, WITH RESPECT TO THE GOODS AND SERVICES COVERED BY OR FURNISHED PURSUANT TO THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES (I) OF MERCHANTABILITY, (II) OF FITNESS FOR A PRACTICAL PURPOSE, OR (III) ARISING FROM COURSE OF PERFORMANCE OR DEALING, OR FROM USAGE OF TRADE.

## **Article VI. General Conditions.**

### **1. Venue and Jurisdiction.**

This Agreement will be governed by and construed in accordance with the laws of North Carolina. The exclusive forum and venue for all actions arising out of this Agreement is the appropriate division of the North Carolina General Court of Justice in Wake County. Such actions may not be commenced in, nor removed to, federal court unless required by law.

### **2. Nonwaiver.**

No action or failure to act by the League constitutes a waiver of any of its rights or remedies that arise out of this Agreement, nor shall such action or failure to act constitute approval of or acquiescence in a breach of this Agreement, except as specifically agreed in writing.

### **3. Limitation of Authority.**

Nothing contained in this Agreement may be deemed or construed to in any way stop, limit, or impair the Municipality from exercising or performing any regulatory, policing, legislative, governmental, or other powers or functions.

### **4. Assignment.**

The Municipality may not assign or delegate any of their rights or duties that arise out of this Agreement without the League's written consent.

### **5. Integration.**

This Agreement contains the entire agreement between the parties pertaining to the subject matter of this Agreement. With respect to that subject matter, there are no promises, agreements, conditions, inducements, warranties, or understandings, written or oral, expressed, or implied, between the parties, other than as set forth or referenced in this Agreement.

#### **6. North Carolina Public Records Law**

Notwithstanding any other provisions of this Agreement, this Agreement and all materials submitted to the Municipality by the League are subject to the public records laws of the State of North Carolina and it is the responsibility of the League to properly designate materials that may be protected from disclosure as trade secrets under North Carolina law as such and in the form required by law prior to the submission of such materials to the Municipality. League understands and agrees that the Municipality may take any and all actions necessary to comply with federal, state, and local laws and/or judicial orders and such actions will not constitute a breach of the terms of this Agreement. To the extent that any other provisions of this Agreement conflict with this paragraph, the provisions of this section shall control.

#### **7. E-Verify**

League shall comply with E-Verify, the federal E-Verify program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law and as in accordance with N.C.G.S. §64-25 et seq. In addition, to the best of League's knowledge, any subcontractor employed by League as a part of this contract shall be in compliance with the requirements of E-Verify and N.C.G.S. §64-25 et seq.

#### **8. Iran Divestment Act**

League certifies that, as of the date listed below, it is not on the Final Divestment List as created by the State Treasurer pursuant to N.C.G.S. § 147-86.55, et seq. In compliance with the requirements of the Iran Divestment Act and N.C.G.S. § 147-86.59, League shall not utilize in the performance of the contract any subcontractor that is identified on the Final Divestment List.

#### **9. Companies Boycotting Israel Divestment Act**

League certifies that it has not been designated by the North Carolina State Treasurer as a company engaged in the boycott of Israel pursuant to N.C.G.S. 147-86.81.

*[Remainder of page left blank intentionally. Signatures are on following page.]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by digital signature on the respective dates below, and this Agreement shall be effective upon the date of the Municipality's signature.

**NC LEAGUE OF MUNICIPALITIES:**

**MUNICIPALITY:  
CITY OF GRAHAM**

\_\_\_\_\_  
a North Carolina municipal corporation

By:

By:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Rose Vaughn Williams

\_\_\_\_\_  
Name

\_\_\_\_\_  
Executive Director

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date of Signature

\_\_\_\_\_  
Date of Signature

ATTEST:

\_\_\_\_\_  
City/Town/Village Clerk (or designee)

## **Exhibit A League Services**

**In addition to the Contractor Services set out in Exhibit B, the League may provide some or all of the services described below.**

### **1. Cyber Security Assessment**

The League's Cyber Security Advisor, or Cyber Field Technician ("Security Team"), will conduct a comprehensive assessment of the Municipality's overall cyber security posture ("Security Assessment") against the current standardized framework established by the Center for Internet Security ("CIS"). The Security Team will review approximately 155 security controls in coordination with the Municipality's management, and will provide IT support to establish a baseline security posture matrix. The Security Team will review the results and make appropriate hardware, software, policy, and procedure recommendations in accordance with industry best practices and the baseline standards set by the CIS assessment framework.

### **2. IT Evaluation**

Prior to the installation of accounting software, including Black Mountain software, the League's IT technicians ("Technical Team") will review and evaluate the IT System's environment ("IT Evaluation") of the Municipality to verify the system is adequate to operate the software. The Technical Team will review the computer system for minimum security controls such as password protection, firewall installation and operation, and up to date antivirus programs. The Technical Team will act as a liaison to assist with communications between the software Contractor, which may include Black Mountain Software, and the Municipality. The Technical Team will make appropriate hardware and software recommendations if any deficiencies are found during the IT Evaluation.

### **3. Hardware and Software Acquisition**

In the event that hardware or software deficiencies are found during the IT Evaluation, the League, utilizing funds from the **Municipal Accounting Services and Cybersecurity Grant**, will acquire and transfer title to the Municipality sufficient hardware and software to meet the "Minimum Requirements" as determined by the accounting software Contractor, which may include Black Mountain Software. As determined by the League's IT Director, Cyber Security Advisor, or Cyber Field Technician, computer hardware may be provided under this Agreement, which may include the following: 2 Computers, 1 Laser Printer, 1 Scanner, 2 Monitors, 2 Keyboards, 2 mouse devices, 2 UPS devices. Computer software to be provided under this Agreement may include a Microsoft Office license (if organization has no license).

In the event specific security hardware or software gaps are found during the Security Assessment, the League, utilizing funds from the Cybersecurity Grant, will acquire and transfer title to the Municipality sufficient hardware and software to meet the "Baseline Requirements" as determined by the Security Assessment. As determined by the League's Cyber Advisor, security hardware may be provided under this Agreement, which may include the following: ("NGFW") Next Generation Firewall, Layer 3 Network Switch. Security software may be provided under this agreement, which may include the following: Endpoint Detection & Response ("EDR"), Endpoint

Protection Platform (“EPP”), Extended Detection and Response (“XDR”), or Multi-Factor Authentication (“MFA”).

**All hardware and software shall be used only for governmental purposes and primarily used for MAS purposes. The Municipality is responsible for the security, operation, support and maintenance of the provided assets.**

#### **4. Hardware and Software Installation**

Hardware and software provided by the League will be installed by the Municipality’s IT professionals. If the Municipality has no IT service provider, the League, utilizing funds from the **Municipal Accounting Services and Cybersecurity Grant**, will contract for a third-party IT professional installer to set up and load the hardware and software provided pursuant to this Agreement.

#### **5. Finance Evaluation and Assistance During Implementation**

Prior to the installation of the accounting software, which may include Black Mountain software, the League’s Finance Team (“Finance Team”), in consultation with the Municipality and the software Contractor, which may include Black Mountain Software, will determine the appropriate accounting software to be installed. League MAS representatives will further work with accounting software Contractor during the pre-implementation period to prepare the Municipality for conversion actions and assist the Municipality in adopting best practice options for the new system.

#### **6. Ongoing Cyber Security Consulting**

Following the initial Security Assessment described in Section 1, the Security Team will consult with the Municipality on an ongoing basis to assist with meeting the recommendations set forth in the assessment and municipal-related cyber security concerns that would typically be addressed by a Chief Information Security Officer (“CISO”).

#### **7. Accounting Assistance Efforts**

During the term of this Agreement (as described in Article I, Paragraph 6 above), League Accounting Assistance personnel will provide the Municipality with ongoing assistance with accounting issues, review and assist with best practice accounting and finance processes, and generally assist the Municipality to be current with its bookkeeping and accounting. An emphasis will be placed on ensuring participating Municipalities are prepared for their annual audit. The implementation of best practices and timely preparation should improve the audit experience for both the Municipality and the firm performing the audit.

#### **8. Communication Services**

The League’s ARP Communications Specialist will provide the Municipality with communications services to help document and describe how the Municipality utilized ARP/CSLFRF grant funding and the impact of those efforts on the community. Communication activities include, but are not limited to, conducting interviews of municipal staff and officials, researching plans and investment strategies, verifying details of grant investments to deliver community outreach strategies and a press conference.

**9. Duties of the Municipality**

The Municipality further agrees to: (1) give the League access to data managed by the Municipality in order to facilitate implementation of the Municipal Accounting Services and Cybersecurity Grant; (2) provide on-line “read only” access into the Municipal Accounting System by the League’s Accounting Assistance personnel; (3) permit the League to contact applicable Contractor, including but not limited to Black Mountain Software, on behalf of the Municipality as needed to facilitate implementation of the League’s Grants; (4) make reasonable efforts to maintain industry standards for cybersecurity, which may include allowing the League to perform security audits in the League’s sole discretion; (5) if applicable, use the Standardized Chart of Accounts as provided in the accounting software installation; (6) respond to all requests from the League or Contractor, as applicable, to verify accuracy of monthly invoices submitted to the League by Contractor for grant-funded services provided by Contractor on behalf of the Municipality; and (7) for an Engineering or Planning Project funded under Grant 66 where the estimated professional fee is in an amount less than fifty thousand dollars (\$50,000), the Municipality hereby exempts the particular Project from the provisions of G.S. 143-64.31 (the Mini-Brooks Act) as permitted under G.S. 143-64.32.

**10. Duties of the League Related to Data Security**

The League agrees to: (1) access only the Municipality’s data that is necessary to implement the software; (2) restrict access to the Municipality’s data to designated League employees and agents; and (3) take reasonable measures to safeguard the Municipality’s data.

## Exhibit B – Description of Services, Compensation, and Expenses

The services for which the League is providing the **City of Graham** through NCLM's Consultant, **Witt O'Brien's**, is titled **Grant Services**.

### **Description of Services:**

The League is prepared to provide up to \$30,000 worth of Grant Services, unless otherwise amended by the League and agreed upon by the City of Graham, to invest in Graham's pursuit of alternative funding options, including grants, appropriations or other mechanisms deemed appropriate, to fulfill its objectives and maximize or leverage their ARP LFRF allocation.

There are a total of three possible phases for these Grant Services, each having a maximum budget available to apply towards eligible associated costs as defined by:

**Phase 1: *Project identification, project prioritization, and available funding source identification based on alignment, eligibility, timeline, and the municipality's ability to meet requirements or criteria.*** This phase will require exploration by the Consultant, Witt Obrien's, to determine the appropriate and optimal paths, including discussion with the appropriate municipal point of contact(s) about what the needs are, what projects have already been identified as needs, and working through an analysis to determine the most competitive options. Once these decisions are mutually made between the Consultant and the Municipality, the Municipality will have the opportunity to proceed with Phase 2, prepare grant application(s), or opt not to proceed.

Phase 1 is eligible for up to \$10,000 for the work to perform the scope of services within this phase. Costs are covered by the League, up to \$10,000, and paid directly to the Consultant.

To proceed to Phase 2 and be eligible for an additional service valued up to \$10,000, the Municipality, the League, and the Consultant will communicate their interests to proceed. The League can authorize the Consultant to proceed via written notification at that time.

**Phase 2: *Preparation and submittal of the grant application(s).*** This phase covers all of the work the Consultant will do to prepare an application(s) that meets the criteria and requirements of the grantor and the grant program, to the best of their ability, based on the Municipality 's responsiveness to questions, data, and the information requested by the Consultant.

Phase 2 is eligible for up to \$10,000 for the work required by the Consultant to perform the scope of services within the phase. Costs are covered by the League, up to \$10,000, and paid directly to the Consultant.

To proceed to Phase 3 and be eligible for an additional service valued up to \$10,000, the Municipality, the League, and the Consultant will communicate their interests to proceed. The League can authorize the Consultant to proceed via written notification at that time.

**Phase 3: *Grant Award Management.*** Work in this phase includes:

- Finalizing the grant agreements between the grantor and the grantee, identifying and preparing required compliance measures and documents.
- Drafting or updating appropriate policies and procedures, helping to implement necessary internal controls, and providing staff training as appropriate.
- Establishing a method to meet reporting requirements (may include reporting activities).

This phase may or may not be appropriate or available for funding, depending on the following scenarios:

1. The Consultant and Municipality must secure a grant award to be eligible for a Grant Award Management, and
2. The timeline for which the compliance and reporting requirements are necessary surpasses the availability of the League's Grant Services for towns due to the obligation and expenditure deadlines of the U.S. Treasury and the American Rescue Plan program. See the timeline below for more details.

Phase 3 is eligible for up to \$10,000 for the work required by the Consultant to perform the scope of services within the phase. Costs covered by the League, up to \$10,000, and paid directly to the Consultant.

**Timeline:**

Costs associated with the scope of services outlined above are available for reimbursement by the League by paying the Consultant through December 31, 2026. The Consultant and the Municipality will determine grant service project schedules individually. The League can only support costs and pay for services rendered before January 1, 2027.

**Additional Terms:**

1. Neither the League nor Witt O'Brien's can guarantee a successful grant award. Many factors, including those out of the Consultant's control, can impact the outcome of a grant application. The Municipality understands and accepts this reality. However, a grant application reflective of a responsive, thoughtful, and prepared effort is valuable and can be utilized for future opportunities that benefit the Municipality. The grant application package's contents will be the Municipality's property to use as they wish for future needs.
2. The Consultant and the League will remain in active communication through their work with a Municipality. Through the League's Agreement with Witt O'Brien's, the Consultant has agreed to notify the League if a service is reaching the maximum amount of costs associated with the scope and phase of the project. Therefore, there shall be no surprises of extra expenses exceeding the maximum threshold unless deemed acceptable by the Municipality to be borne at their cost.
3. The Municipality understands that Witt O'Brien's will require their time and resources to obtain data and information to complete assessments, applications, and management services, if applicable. By signing this Agreement, the Municipality understands and accepts that responsibility.



4. When the Municipality is granted an award through the successful grant application by the Consultant, it is not the League's intent to require the Municipality to accept the award officially. While we would prefer the town's acceptance of the grant to meet the interests of this program, we understand and appreciate that circumstances can change over time. However, it should be noted that a decision not to proceed at this stage in the process may result in the League's inability to invest in future/additional grant awards for the Municipality and will likely be looked upon unfavorably by the granting source, thus possibly making the Municipality non-competitive with that grantor in future funding cycles.

These services are provided to the undersigned Municipality pursuant to the NCLM-66 grant. This constitutes guidance and technical services proved to the Municipality to assist in development of the Municipality's ARP project funded in part by the Municipality's ARP Local Fiscal Recovery Funds or State Fiscal Recovery Funds, (ARP funds) or ARP enabled funds.

("ARP enabled funds" are described in numerous UNC SOG publications. See American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund: Reimbursements - Coates' Canons NC Local Government Law (unc.edu)).

**Last Revised: 9/8/23**

**RESOLUTION TO APPROVE A MUNICIPAL ACCOUNTING SERVICES,  
CYBERSECURITY AND TECHNICAL ASSISTANCE MEMORANDUM OF  
AGREEMENT**

**WITNESSETH:**

**WHEREAS**, the North Carolina State Budget Act of 2021 (SL 2021-180, as amended by SL 2021-189, and SL 2022-6) provided to the NC League of Municipalities (League) grant funds provided to the State of North Carolina by the U.S. Treasury pursuant the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319, American Rescue Plan Act of 2021 (ARP); and

**WHEREAS**, the League received two Award Agreements (OSBM-NCLM-65) from the Office of State Budget and Management (OSBM) and the North Carolina Pandemic Recovery Office (NCPRO); and

**WHEREAS**, the first Award Agreement is identified as OSBM-NCLM-65. This grant enables the League to provide “financial software and assistance programs for units of local government for expenses related to the COVID-19 pandemic...” This grant is referred to as the Municipal Accounting Services and Cybersecurity Grant; and

**WHEREAS**, the second Award Agreement is identified as OSBM-NCLM-66. This grant enables the League “to provide guidance and technical assistance to units of local government in the administration of funds from the Local Fiscal Recovery Fund, as established in Section 2.6 of S.L. 2021-25, and in the administration of projects funded through the State Fiscal Recovery Fund, as established in Section 2.2 of S.L. 2021-25.” This grant is referred to as the Guidance and Technical Assistance Grant; and

**WHEREAS**, the Municipal Accounting Services and Cybersecurity Grant and the Guidance and Technical Assistance Grant are collectively referred to herein as the “League Grants”.

**WHEREAS**, the League Grants are deemed part of US Treasury Expenditure Category: 6, Revenue Replacement and shall only be spent on governmental services; and

**WHEREAS**, pursuant to US Treasury Guidance, units of local government that receive services that are funded by one or both of the League Grants are beneficiaries of one or both of the League Grants, respectively, and such services are provided at no cost to these local governments; and

**WHEREAS**, the League has established a Municipal Accounting Services, Cybersecurity and Technical Assistance Memorandum of Agreement pursuant to the terms of the League’s Municipal Accounting Systems and Cybersecurity Grant and the Guidance and Technical Assistance Grant; and

**WHEREAS**, this Municipal Accounting System, Cybersecurity and Technical Assistance Memorandum of Agreement will offer local municipalities:

(1) Services rendered by the League (League Services) including but not limited to capital expenditures for special purpose software and computer equipment as set forth in §2 C.F.R. 200.439; and

(2) Services rendered by one or more service providers (Contractor Services), retained by the League on behalf of the Municipality, who are members of a particular profession or possess a special skill as set forth in §2 C.F.R. 200.459; and

(3) Equipment, including information technology systems, and supplies, including computing devices, as set forth in §2 C.F.R. 200.439 and §2 C.F.R. 200.453; and

**WHEREAS**, the Municipal Accounting Services, Cybersecurity and Technical Assistance Memorandum of Agreement, is attached hereto as Exhibit A; and

**NOW, THEREFORE BE IT RESOLVED BY THE CITY/TOWN COUNCIL/BOARD OF THE CITY OF GRAHAM:**

1. That, the Municipal Accounting Services, Cybersecurity and Technical Assistance Memorandum of Agreement is hereby approved.
2. That the Manager/Clerk is authorized to execute the attached Memorandum of Agreement (or one substantially equivalent thereto) and such other agreements and actions as necessary in accordance with the League’s Municipal Accounting Services and Cybersecurity Grant and the Guidance and Technical Assistance Grant.

Adopted, this the \_\_\_\_\_ day of \_\_\_\_\_, 2024

TOWN/CITY OF GRAHAM

By: \_\_\_\_\_

(Name)

Mayor

ATTEST:

\_\_\_\_\_

(Name)

Town Clerk

**Exhibit A**  
MUNICIPAL ACCOUNTING SERVICES, CYBERSECURITY AND  
TECHNICAL ASSISTANCE MEMORANDUM OF AGREEMENT (MOA).

## **MUNICIPAL ACCOUNTING SERVICES, CYBERSECURITY AND TECHNICAL ASSISTANCE MEMORANDUM OF AGREEMENT**

This Municipal Accounting Services, Cybersecurity and Technical Assistance Memorandum of Agreement (hereinafter the “Agreement”) is entered into as of the Effective Date set out below, by and between the City of Graham (hereinafter the “Municipality”) and the NC League of Municipalities (hereinafter the League), each additionally referred to as a “Party”; and collectively as the “Parties.” This Agreement and the obligations hereunder shall be effective upon execution of this Agreement by all Parties (“Effective Date”).

For good and valuable consideration, the adequacy of which is hereby acknowledged, the Parties agree as follows:

### **Article I. Overview.**

#### **1. Enabling Law and Regulation.**

The North Carolina State Budget Act of 2021 (SL 2021-180, as amended by SL 2021-189, and SL 2022-6) provided to the League grant funds provided to the State of North Carolina by the U.S. Treasury pursuant the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319, American Rescue Plan Act of 2021 (hereinafter ARP/CSLFRF). Pursuant to this legislation, the League received two Award Agreements from the Office of State Budget and Management (hereinafter OSBM) and the North Carolina Pandemic Recovery Office (hereinafter NCPRO).

The funds are deemed part of US Treasury Expenditure Category: 6, Revenue Replacement and shall only be spent on governmental services.

#### **2. Grants Awarded to the NC League of Municipalities.**

The first Award Agreement is identified as **OSBM-NCLM-65**. This grant enables the League to provide “financial software and assistance programs for units of local government for expenses related to the COVID-19 pandemic...” This grant is referred to as the **Municipal Accounting Services and Cybersecurity Grant**.

The second Award Agreement is identified as **OSBM-NCLM-66**. This grant enables the League “to provide guidance and technical assistance to units of local government in the administration of funds from the Local Fiscal Recovery Fund, as established in Section 2.6 of S.L. 2021-25, and in the administration of projects funded through the State Fiscal Recovery Fund, as established in Section 2.2 of S.L. 2021-25.” This grant is referred to as the **Guidance and Technical Assistance Grant**.

The Municipal Accounting Services and Cybersecurity Grant and the Guidance and Technical Assistance Grant are collectively referred to herein as the “**League Grants**”.

One or both of the League Grants fund this Agreement.

### **3. Status of the Parties.**

The undersigned Municipality is a beneficiary of the League Grants. The service providers retained by the League and funded by the League Grants for the benefit of the Municipality are contractors (“Contractors”).

### **4. Services Offered.**

Pursuant to this Agreement, the League hereby offers the following to the Municipality:

- Services rendered by the League (“League Services”). See Exhibit A.
- Services rendered by one or more service providers (“Contractor Services”) retained by the League on behalf of the Municipality, who are members of a particular profession or possess a special skill as set forth in §2 C.F.R. 200.459. See Exhibit B, as applicable (and subsequent Exhibits, as applicable).
- Equipment, including information technology systems, and supplies, including computing devices, as set forth in §2 C.F.R. 200.439 and §2 C.F.R. 200.453. The League shall fund League Services and Contractor Services pursuant to this Agreement.

The League shall fund League Services and Contractor Services pursuant to this Agreement. The Municipality accepts the League Grant(s) pursuant to this Agreement.

### **5. Additional Services.**

Additional Services (hereinafter “Additional Services”) may be offered to the Municipality by the League during the League’s Grant period pursuant to this Agreement. The Municipality’s official, who is designated in the Municipality’s adopting Resolution, may execute further agreements, modifications of this Agreement, and agree to Additional Services to be provided to the Municipality. These Additional Services shall be described in additional Exhibits to this Agreement (Exhibit C, D, E, etc.) that, when executed by the Parties, shall become part of this Agreement.

### **6. Term of Agreement.**

This Agreement shall begin on the Effective Date of this agreement and shall end when terminated at the discretion either party. All expenditures by the League under this Agreement must be obligated on or before December 31, 2024, and expended on or before December 31, 2026. Unless otherwise terminated, this Agreement shall expire on December, 31, 2026. Agreements executed by the Municipality and the Contractor, as may be reflected in Exhibit B, (and subsequent Exhibits attached hereto, as applicable) will survive termination of this Agreement, unless terminated early by the Municipality and the Contractor.

### **7. Termination of Agreement.**

The League may terminate this Agreement, in whole or in part, at any time upon written notice to the Municipality and the Contractor. The Contractor shall be paid its costs, including contract close-out costs, and profit on work performed up to the time of termination. The Contractor shall promptly submit its termination claim to the League to be paid. If the Contractor has any property

in its possession belonging to the League, the Contractor will account for the same, and dispose of it in the manner the League directs.

#### **8. Duties of the Municipality.**

The Municipality will utilize League Services and Contractor Services in accordance with this Agreement. It agrees to submit quarterly performance reports for the League Services and Contractor Services received pursuant to this Agreement and to cooperate with the League in appropriate review of these League Services and Contractor Services. The nature and scope of the reports will depend on the project. Any deficiencies or other performance concerns will be addressed with the Municipality and the Contractor.

The Municipality shall obtain and provide to the League a unique entity identifier assigned by the System for Award Management (SAM), which is accessible at [www.sam.gov](http://www.sam.gov).

The Municipality shall provide the League with all relevant information requested by the League to enable the League to comply with the reporting requirements of the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note) or other federal or state requirements or audits, unless such information is otherwise confidential under applicable federal or state laws.

### **Article II. Scope of Funded Activities.**

#### **1. Scope of Services**

Services provided pursuant to this Agreement are set forth in the Exhibit A & B attached hereto (and subsequent Exhibits as applicable).

#### **2. Approved Budget.**

The League, in consultation with the Municipality and the Contractor, shall establish applicable rates and fees to align with the scope of services described in Exhibit B (and subsequent Exhibits as applicable) or amendments thereto as approved in writing by the League. Such charges and rates under this Agreement, once finalized and accepted by the League, are hereinafter referred to as the "Approved Budget". The League shall furnish the Municipality with a copy of the Approved Budget, which will include a detailed summary of charges and rates that the League will be obligated to expend for the benefit of the Municipality using applicable grant funding.

#### **3. Prior Approval for Changes.**

The Municipality shall not make any changes, directly or indirectly, to the Contractor Services, or the Approved Budget, without the prior written approval of the League.

#### **4. Allowable Costs for Services Rendered.**

All services provided pursuant to this Agreement must fall within the definitions of allowable cost and not be otherwise prohibited under State or Federal law.

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, Subpart E, defines those items of cost that are allowable, and which are unallowable. These allowable cost requirements are:

1. The costs must be reasonable;
2. The costs 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);
3. The costs must be given consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances;
4. The costs 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.

#### **5. Prohibited Uses of Funding.**

The US Treasury's Final Rule prohibits 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 (Routine contributions which are part of a payroll obligation for an eligible project are allowed);
2. To borrow money or make debt service payments;
3. To replenish rainy day funds or to 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;
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.

### **Article III. Compensation.**

#### **1. Payment of Funds.**

The League will pay the Contractor identified in Exhibit B (and other Contractors/Consultants identified in subsequent Exhibits as applicable) for services rendered in accordance with the Approved Budget and for the performance of the Contractor Services. No Contractor Services shall be funded by the League outside the parameters of the League Grants. Fees and costs must be supported by evidence of bona fide services rendered.

The Municipality has no obligation to pay for any services identified in the Approved Budget that are the League's responsibility. Services not expressly agreed to by the League shall be the responsibility of the Municipality.



## **2. Invoices.**

Email invoices to [Accountspayablearp@nclm.org](mailto:Accountspayablearp@nclm.org). Expenses must be reasonable and necessary, documented, itemized, and incurred in accordance with this Agreement. All League expenditures under this Agreement must be obligated on or before December 31, 2024 and expended on or before December 31, 2026.

### **Article IV. Compliance with Grant Agreement and Applicable Laws.**

#### **1. Expenditure Authority.**

This Agreement is subject to the laws, regulations, and guidance documents authorizing and implementing the ARP/CSLFRF grant, including, but not limited to, the following:

- **Authorizing Statute.** Section 603 of the Social Security Act (42 U.S.C. 803), as added by section 9901(a) of the American Rescue Plan Act of 2021 (Pub. L. No. 117-2).
- **Implementing Regulations.** Subpart A of 31 CFR Part 35 (Coronavirus State and Local Fiscal Recovery Funds), as adopted in the Coronavirus State and Local Fiscal Recovery Funds interim final rule (86 FR 26786, applicable May 17, 2021 through March 31, 2022) and final rule (87 FR 4338, applicable January 27, 2022 through the end of the ARP/CSLFRF award term), and other subsequent regulations implementing Section 603 of the Social Security Act (42 U.S.C. 803).
- **Guidance Documents.** Applicable guidance documents issued from time-to-time by the US Department of Treasury, including the currently applicable version of the Compliance and Reporting Guidance: State and Local Fiscal Recovery Funds.

This Agreement is also subject to all applicable laws of the State of North Carolina.

#### **2. Conflicts of Interest; Gifts & Favors.**

The Municipality understands that (1) it will use Fiscal Recovery Funds to pay for the cost of this Agreement, and (2) the expenditure of Fiscal Recovery Funds is governed by the League's Conflict of Interest Policy and the Federal and State regulatory requirements (including, without limitation, N.C. Gen. Stat. § 14- 234(a)(1) and N.C. Gen. Stat. § 14-234.3(a)).

The Municipality certifies that, as of the date hereof, to the best of its knowledge after reasonable inquiry, no employee, officer, or agent of the Municipality involved in the selection, award, or administration of this Agreement (each, a "Covered Individual"), nor any member of a Covered Individual's immediate family, nor a Covered Individual's partner, nor an organization which employs or is about to employ a Covered Individual, has a financial or other interest in or has received a tangible personal benefit from Fiscal Recovery Funds, except as to the funds legally expended in this Agreement. Should the Municipality obtain knowledge of any such interest, or any tangible personal benefit described in the preceding sentence after the date hereof, the Municipality shall promptly disclose the same to the League in writing.

The Municipality certifies to the League that it has not provided, nor offered to provide, any gratuities, favors, or anything of value to an officer, employee, or agent of the League. Should the Municipality obtain knowledge of the provision, or offer of a provision, of any gratuity, favor, or anything of value to an officer, employee, or agent described in the preceding sentence after the date hereof, the Municipality shall promptly disclose the same to the League in writing.

### **3. Records Retention and Access.**

The Municipality shall maintain all records, books, papers and other documents related to its performance of Approved Activities under this Agreement (including without limitation personnel, property, financial and medical records) through at least December 31, 2031, or such longer period as is necessary for the resolution of any litigation, claim, negotiation, audit, or other inquiry involving this Agreement. The Municipality shall make all records, books, papers and other documents that relate to this Agreement, unless otherwise privileged, available at all reasonable times for inspection, review or audit by the authorized representatives of the League, the North Carolina State Auditor, the US Department of Treasury, the US Government Accountability Office, and any other authorized state or federal oversight office.

### **4. Suspension and Debarment.**

The Municipality shall comply with the Office of Management and Budget (OMB) Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement) in 2 CFR Part 180, as adopted by the U.S. Department of Treasury at 31 CFR Part 19. The Municipality represents that neither it, nor any of its principals has been debarred, suspended, or otherwise determined ineligible to participate in federal assistance awards or contracts. The Municipality further agrees that it will notify the League immediately if it, or any of its principals, is placed on the list of parties excluded from federal procurement or nonprocurement programs available at [www.sam.gov](http://www.sam.gov).

### **5. Byrd Anti-Lobbying Amendment.**

The Municipality certifies to the League that it has not used and will not use Federally appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. § 1352. The Municipality shall disclose any lobbying with non-Federally appropriated funds that takes place in connection with obtaining any Federal award. This certification is a material representation of fact upon which the League has relied when entering this Agreement and all liability arising from an erroneous representation shall be borne solely by the Municipality.

### **6. Publications.**

Any publications produced with funds from this Agreement shall display the following language: “This project is supported, in whole or in part, by federal award number SLFRP0129 awarded to NC League of Municipalities through the State of North Carolina by the U.S. Department of the Treasury.”

## **7. Equal Opportunity and Other Relevant Federal Laws**

The Municipality agrees during the performance of this Agreement the following:

### **Civil Rights Laws.**

The Municipality shall comply with 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.

### **Fair Housing Laws.**

The Municipality shall comply with 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.

### **Disability Protections.**

The Municipality shall comply with section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance.

### **Age Discrimination.**

The Municipality shall comply with the Age Discrimination Act of 1975 (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 CFR Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance.

### **Americans with Disabilities Act.**

The Municipality shall comply with Title II of the Americans with Disabilities Act of 1990 (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.

### **Clean Air Act.**

The Municipality agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq. The Municipality agrees to report each violation to Unit and understands and agrees that Unit will, in turn, report each violation as required to the U.S. Department of the Treasury, and the appropriate Environmental Protection Agency Regional Office.

### **Federal Water Pollution Control Act.**

The Municipality agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 et seq. The Municipality agrees to report each violation to Unit and understands and agrees that Unit will, in turn, report each violation as required to assure notification to the U.S. Department of the Treasury, and the appropriate Environmental Protection Agency Regional Office.

**Hatch Act.**

The Municipality agrees to comply, as applicable, with requirements of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328), which limit certain political activities of State or local government employees whose principal employment is in connection with an activity financed in whole or in part by this federal assistance.

**Protections for Whistleblowers.**

In accordance with 41 U.S.C. § 4712, the Municipality may 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.

**Uniform Relocation Assistance and Real Property Acquisitions Act of 1970.**

(42 U.S.C. §§ 4601-4655) The Municipality will implement standards for predictable real property acquisition and relocation expenses for homeowners and tenants of land acquired through eminent domain.

**Governmentwide Requirements for Drug-Free Workplace.**

31 C.F.R. Part 20. The Municipality will implement required statements, policies and procedures.

**Increasing Seat Belt Use in the United States.**

Pursuant to Executive Order 13043, 62 Fed. Reg. 19216 (Apr. 18, 1997), The Municipality encourages its employees to adopt and enforce on-the-job seat belt policies and programs for its employees when operating company-owned, rented or personally owned vehicles.

**Reducing Text Messaging While Driving.**

Pursuant to Executive Order 13513, 74 Fed. Reg. 51225 (Oct. 6, 2009), The Municipality encourages its employees to adopt and enforce policies that ban text messaging while driving.

**Article V. Limitations of Liability**

**1. Limitations of Liability.**

In no event shall the League have any liability to the Municipality or any third party for damages resulting from Municipality's use of services provided through this Agreement or any separate agreement between the Municipality and the Contractor identified in Exhibit B (and other Contractors identified in subsequent Exhibits as applicable)

In no event shall the League be liable for any loss of profit or revenue, including but not limited to loss revenue caused by a cyber security breach, by the Municipality or any consequential, indirect, incidental, special, punitive, or exemplary damages incurred or suffered by the Municipality, even if the League has been advised of the possibility of such

loss or damage. Further, except for claims based on U.S. Patent or U.S. Copyright infringement or for personal injury or physical loss or damage to real or tangible personal property caused by the negligence of the League, Municipality agrees that the League's total liability for all claims of any kinds arising as a result of, or related to, this Agreement, whether based on contract, tort, (including but not limited to strict liability and negligence) warranty, or on other legal or equitable grounds, shall be limited to general money damages and shall not exceed the amounts actually received by Municipality under this Agreement.

THE REMEDIES PROVIDED HEREIN ARE EXCLUSIVE AND IN LIEU OF ALL OTHER REMEDIES, EXCEPT FOR THE WARRANTIES SET FORTH IN THIS AGREEMENT. THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, WHETHER ORAL OR WRITTEN, WITH RESPECT TO THE GOODS AND SERVICES COVERED BY OR FURNISHED PURSUANT TO THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES (I) OF MERCHANTABILITY, (II) OF FITNESS FOR A PRACTICAL PURPOSE, OR (III) ARISING FROM COURSE OF PERFORMANCE OR DEALING, OR FROM USAGE OF TRADE.

#### **Article VI. General Conditions.**

##### **1. Venue and Jurisdiction.**

This Agreement will be governed by and construed in accordance with the laws of North Carolina. The exclusive forum and venue for all actions arising out of this Agreement is the appropriate division of the North Carolina General Court of Justice in Wake County. Such actions may not be commenced in, nor removed to, federal court unless required by law.

##### **2. Nonwaiver.**

No action or failure to act by the League constitutes a waiver of any of its rights or remedies that arise out of this Agreement, nor shall such action or failure to act constitute approval of or acquiescence in a breach of this Agreement, except as specifically agreed in writing.

##### **3. Limitation of Authority.**

Nothing contained in this Agreement may be deemed or construed to in any way stop, limit, or impair the Municipality from exercising or performing any regulatory, policing, legislative, governmental, or other powers or functions.

##### **4. Assignment.**

The Municipality may not assign or delegate any of their rights or duties that arise out of this Agreement without the League's written consent.

##### **5. Integration.**

This Agreement contains the entire agreement between the parties pertaining to the subject matter of this Agreement. With respect to that subject matter, there are no promises, agreements, conditions, inducements, warranties, or understandings, written or oral, expressed, or implied, between the parties, other than as set forth or referenced in this Agreement.

**6. North Carolina Public Records Law**

Notwithstanding any other provisions of this Agreement, this Agreement and all materials submitted to the Municipality by the League are subject to the public records laws of the State of North Carolina and it is the responsibility of the League to properly designate materials that may be protected from disclosure as trade secrets under North Carolina law as such and in the form required by law prior to the submission of such materials to the Municipality. League understands and agrees that the Municipality may take any and all actions necessary to comply with federal, state, and local laws and/or judicial orders and such actions will not constitute a breach of the terms of this Agreement. To the extent that any other provisions of this Agreement conflict with this paragraph, the provisions of this section shall control.

**7. E-Verify**

League shall comply with E-Verify, the federal E-Verify program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law and as in accordance with N.C.G.S. §64-25 et seq. In addition, to the best of League's knowledge, any subcontractor employed by League as a part of this contract shall be in compliance with the requirements of E-Verify and N.C.G.S. §64-25 et seq.

**8. Iran Divestment Act**

League certifies that, as of the date listed below, it is not on the Final Divestment List as created by the State Treasurer pursuant to N.C.G.S. § 147-86.55, et seq. In compliance with the requirements of the Iran Divestment Act and N.C.G.S. § 147-86.59, League shall not utilize in the performance of the contract any subcontractor that is identified on the Final Divestment List.

**9. Companies Boycotting Israel Divestment Act**

League certifies that it has not been designated by the North Carolina State Treasurer as a company engaged in the boycott of Israel pursuant to N.C.G.S. 147-86.81.

*[Remainder of page left blank intentionally. Signatures are on following page.]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by digital signature on the respective dates below, and this Agreement shall be effective upon the date of the Municipality's signature.

**NC LEAGUE OF MUNICIPALITIES:**

**MUNICIPALITY:  
CITY OF GRAHAM**

\_\_\_\_\_  
a North Carolina municipal corporation

By:

By:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Rose Vaughn Williams

\_\_\_\_\_  
Name

\_\_\_\_\_  
Executive Director

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date of Signature

\_\_\_\_\_  
Date of Signature

ATTEST:

\_\_\_\_\_  
City/Town/Village Clerk (or designee)

## **Exhibit A League Services**

**In addition to the Contractor Services set out in Exhibit B, the League may provide some or all of the services described below.**

### **1. Cyber Security Assessment**

The League's Cyber Security Advisor, or Cyber Field Technician ("Security Team"), will conduct a comprehensive assessment of the Municipality's overall cyber security posture ("Security Assessment") against the current standardized framework established by the Center for Internet Security ("CIS"). The Security Team will review approximately 155 security controls in coordination with the Municipality's management, and will provide IT support to establish a baseline security posture matrix. The Security Team will review the results and make appropriate hardware, software, policy, and procedure recommendations in accordance with industry best practices and the baseline standards set by the CIS assessment framework.

### **2. IT Evaluation**

Prior to the installation of accounting software, including Black Mountain software, the League's IT technicians ("Technical Team") will review and evaluate the IT System's environment ("IT Evaluation") of the Municipality to verify the system is adequate to operate the software. The Technical Team will review the computer system for minimum security controls such as password protection, firewall installation and operation, and up to date antivirus programs. The Technical Team will act as a liaison to assist with communications between the software Contractor, which may include Black Mountain Software, and the Municipality. The Technical Team will make appropriate hardware and software recommendations if any deficiencies are found during the IT Evaluation.

### **3. Hardware and Software Acquisition**

In the event that hardware or software deficiencies are found during the IT Evaluation, the League, utilizing funds from the **Municipal Accounting Services and Cybersecurity Grant**, will acquire and transfer title to the Municipality sufficient hardware and software to meet the "Minimum Requirements" as determined by the accounting software Contractor, which may include Black Mountain Software. As determined by the League's IT Director, Cyber Security Advisor, or Cyber Field Technician, computer hardware may be provided under this Agreement, which may include the following: 2 Computers, 1 Laser Printer, 1 Scanner, 2 Monitors, 2 Keyboards, 2 mouse devices, 2 UPS devices. Computer software to be provided under this Agreement may include a Microsoft Office license (if organization has no license).

In the event specific security hardware or software gaps are found during the Security Assessment, the League, utilizing funds from the Cybersecurity Grant, will acquire and transfer title to the Municipality sufficient hardware and software to meet the "Baseline Requirements" as determined by the Security Assessment. As determined by the League's Cyber Advisor, security hardware may be provided under this Agreement, which may include the following: ("NGFW") Next Generation Firewall, Layer 3 Network Switch. Security software may be provided under this agreement, which may include the following: Endpoint Detection & Response ("EDR"), Endpoint



Protection Platform (“EPP”), Extended Detection and Response (“XDR”), or Multi-Factor Authentication (“MFA”).

**All hardware and software shall be used only for governmental purposes and primarily used for MAS purposes. The Municipality is responsible for the security, operation, support and maintenance of the provided assets.**

#### **4. Hardware and Software Installation**

Hardware and software provided by the League will be installed by the Municipality’s IT professionals. If the Municipality has no IT service provider, the League, utilizing funds from the **Municipal Accounting Services and Cybersecurity Grant**, will contract for a third-party IT professional installer to set up and load the hardware and software provided pursuant to this Agreement.

#### **5. Finance Evaluation and Assistance During Implementation**

Prior to the installation of the accounting software, which may include Black Mountain software, the League’s Finance Team (“Finance Team”), in consultation with the Municipality and the software Contractor, which may include Black Mountain Software, will determine the appropriate accounting software to be installed. League MAS representatives will further work with accounting software Contractor during the pre-implementation period to prepare the Municipality for conversion actions and assist the Municipality in adopting best practice options for the new system.

#### **6. Ongoing Cyber Security Consulting**

Following the initial Security Assessment described in Section 1, the Security Team will consult with the Municipality on an ongoing basis to assist with meeting the recommendations set forth in the assessment and municipal-related cyber security concerns that would typically be addressed by a Chief Information Security Officer (“CISO”).

#### **7. Accounting Assistance Efforts**

During the term of this Agreement (as described in Article I, Paragraph 6 above), League Accounting Assistance personnel will provide the Municipality with ongoing assistance with accounting issues, review and assist with best practice accounting and finance processes, and generally assist the Municipality to be current with its bookkeeping and accounting. An emphasis will be placed on ensuring participating Municipalities are prepared for their annual audit. The implementation of best practices and timely preparation should improve the audit experience for both the Municipality and the firm performing the audit.

#### **8. Communication Services**

The League’s ARP Communications Specialist will provide the Municipality with communications services to help document and describe how the Municipality utilized ARP/CSLFRF grant funding and the impact of those efforts on the community. Communication activities include, but are not limited to, conducting interviews of municipal staff and officials, researching plans and investment strategies, verifying details of grant investments to deliver community outreach strategies and a press conference.

**9. Duties of the Municipality**

The Municipality further agrees to: (1) give the League access to data managed by the Municipality in order to facilitate implementation of the Municipal Accounting Services and Cybersecurity Grant; (2) provide on-line “read only” access into the Municipal Accounting System by the League’s Accounting Assistance personnel; (3) permit the League to contact applicable Contractor, including but not limited to Black Mountain Software, on behalf of the Municipality as needed to facilitate implementation of the League’s Grants; (4) make reasonable efforts to maintain industry standards for cybersecurity, which may include allowing the League to perform security audits in the League’s sole discretion; (5) if applicable, use the Standardized Chart of Accounts as provided in the accounting software installation; (6) respond to all requests from the League or Contractor, as applicable, to verify accuracy of monthly invoices submitted to the League by Contractor for grant-funded services provided by Contractor on behalf of the Municipality; and (7) for an Engineering or Planning Project funded under Grant 66 where the estimated professional fee is in an amount less than fifty thousand dollars (\$50,000), the Municipality hereby exempts the particular Project from the provisions of G.S. 143-64.31 (the Mini-Brooks Act) as permitted under G.S. 143-64.32.

**10. Duties of the League Related to Data Security**

The League agrees to: (1) access only the Municipality’s data that is necessary to implement the software; (2) restrict access to the Municipality’s data to designated League employees and agents; and (3) take reasonable measures to safeguard the Municipality’s data.

## Exhibit B – Description of Services, Compensation, and Expenses

The services for which the League is providing the **City of Graham** through NCLM's Consultant, **Witt O'Brien's**, is titled **Grant Services**.

### **Description of Services:**

The League is prepared to provide up to \$30,000 worth of Grant Services, unless otherwise amended by the League and agreed upon by the City of Graham, to invest in Graham's pursuit of alternative funding options, including grants, appropriations or other mechanisms deemed appropriate, to fulfill its objectives and maximize or leverage their ARP LFRF allocation.

There are a total of three possible phases for these Grant Services, each having a maximum budget available to apply towards eligible associated costs as defined by:

**Phase 1: *Project identification, project prioritization, and available funding source identification based on alignment, eligibility, timeline, and the municipality's ability to meet requirements or criteria.*** This phase will require exploration by the Consultant, Witt Obrien's, to determine the appropriate and optimal paths, including discussion with the appropriate municipal point of contact(s) about what the needs are, what projects have already been identified as needs, and working through an analysis to determine the most competitive options. Once these decisions are mutually made between the Consultant and the Municipality, the Municipality will have the opportunity to proceed with Phase 2, prepare grant application(s), or opt not to proceed.

Phase 1 is eligible for up to \$10,000 for the work to perform the scope of services within this phase. Costs are covered by the League, up to \$10,000, and paid directly to the Consultant.

To proceed to Phase 2 and be eligible for an additional service valued up to \$10,000, the Municipality, the League, and the Consultant will communicate their interests to proceed. The League can authorize the Consultant to proceed via written notification at that time.

**Phase 2: *Preparation and submittal of the grant application(s).*** This phase covers all of the work the Consultant will do to prepare an application(s) that meets the criteria and requirements of the grantor and the grant program, to the best of their ability, based on the Municipality 's responsiveness to questions, data, and the information requested by the Consultant.

Phase 2 is eligible for up to \$10,000 for the work required by the Consultant to perform the scope of services within the phase. Costs are covered by the League, up to \$10,000, and paid directly to the Consultant.

To proceed to Phase 3 and be eligible for an additional service valued up to \$10,000, the Municipality, the League, and the Consultant will communicate their interests to proceed. The League can authorize the Consultant to proceed via written notification at that time.

**Phase 3: *Grant Award Management.*** Work in this phase includes:

- Finalizing the grant agreements between the grantor and the grantee, identifying and preparing required compliance measures and documents.
- Drafting or updating appropriate policies and procedures, helping to implement necessary internal controls, and providing staff training as appropriate.
- Establishing a method to meet reporting requirements (may include reporting activities).

This phase may or may not be appropriate or available for funding, depending on the following scenarios:

1. The Consultant and Municipality must secure a grant award to be eligible for a Grant Award Management, and
2. The timeline for which the compliance and reporting requirements are necessary surpasses the availability of the League's Grant Services for towns due to the obligation and expenditure deadlines of the U.S. Treasury and the American Rescue Plan program. See the timeline below for more details.

Phase 3 is eligible for up to \$10,000 for the work required by the Consultant to perform the scope of services within the phase. Costs covered by the League, up to \$10,000, and paid directly to the Consultant.

**Timeline:**

Costs associated with the scope of services outlined above are available for reimbursement by the League by paying the Consultant through December 31, 2026. The Consultant and the Municipality will determine grant service project schedules individually. The League can only support costs and pay for services rendered before January 1, 2027.

**Additional Terms:**

1. Neither the League nor Witt O'Brien's can guarantee a successful grant award. Many factors, including those out of the Consultant's control, can impact the outcome of a grant application. The Municipality understands and accepts this reality. However, a grant application reflective of a responsive, thoughtful, and prepared effort is valuable and can be utilized for future opportunities that benefit the Municipality. The grant application package's contents will be the Municipality's property to use as they wish for future needs.
2. The Consultant and the League will remain in active communication through their work with a Municipality. Through the League's Agreement with Witt O'Brien's, the Consultant has agreed to notify the League if a service is reaching the maximum amount of costs associated with the scope and phase of the project. Therefore, there shall be no surprises of extra expenses exceeding the maximum threshold unless deemed acceptable by the Municipality to be borne at their cost.
3. The Municipality understands that Witt O'Brien's will require their time and resources to obtain data and information to complete assessments, applications, and management services, if applicable. By signing this Agreement, the Municipality understands and accepts that responsibility.

4. When the Municipality is granted an award through the successful grant application by the Consultant, it is not the League's intent to require the Municipality to accept the award officially. While we would prefer the town's acceptance of the grant to meet the interests of this program, we understand and appreciate that circumstances can change over time. However, it should be noted that a decision not to proceed at this stage in the process may result in the League's inability to invest in future/additional grant awards for the Municipality and will likely be looked upon unfavorably by the granting source, thus possibly making the Municipality non-competitive with that grantor in future funding cycles.

These services are provided to the undersigned Municipality pursuant to the NCLM-66 grant. This constitutes guidance and technical services proved to the Municipality to assist in development of the Municipality's ARP project funded in part by the Municipality's ARP Local Fiscal Recovery Funds or State Fiscal Recovery Funds, (ARP funds) or ARP enabled funds.

("ARP enabled funds" are described in numerous UNC SOG publications. See American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund: Reimbursements - Coates' Canons NC Local Government Law (unc.edu)).

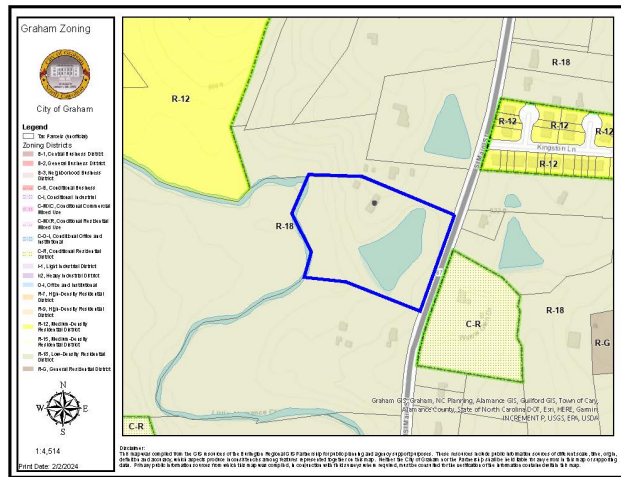
**Last Revised: 9/8/23**

  
**CITY OF GRAHAM**  
 NORTH CAROLINA  
**STAFF REPORT**

<b>SUBJECT:</b>	ANNEXATION OF 8.70 +/- ACRES
<b>PREPARED BY:</b>	CAMERON WEST, PLANNER

**REQUESTED ACTION:**

Approve the Annexation Ordinance to Extend the Corporate Limits of the City of Graham, North Carolina for a tract of land totaling 8.70 +/- acres located off of South Main Street



**BACKGROUND/SUMMARY:**

The attached petition is a request for the Council’s approval for an extension of the corporate limits to include the subject properties. The area being considered for annexation is located off of South Main Street and contains approximately 8.70 +/- acres total. Water and sewer are located adjacent to this property within the South Main Street right of way, and the applicants wish to tie onto the City’s infrastructure.

**FISCAL IMPACT:**

New residential property generally creates positive tax revenue for the City, and because the public services are being connected at this site, the cost to the City is minimal.

**STAFF RECOMMENDATION:**

Approval.

**SUGGESTED MOTION(S):**

1. I move we approve the Annexation Ordinance to Extend the Corporate limits of the City of Graham, North Carolina, for 8.70 (+/-)acres off of South Main Street.

# Graham Zoning



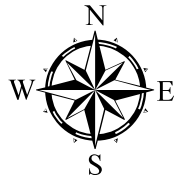
City of Graham

## Legend

□ Tax Parcels (unofficial)

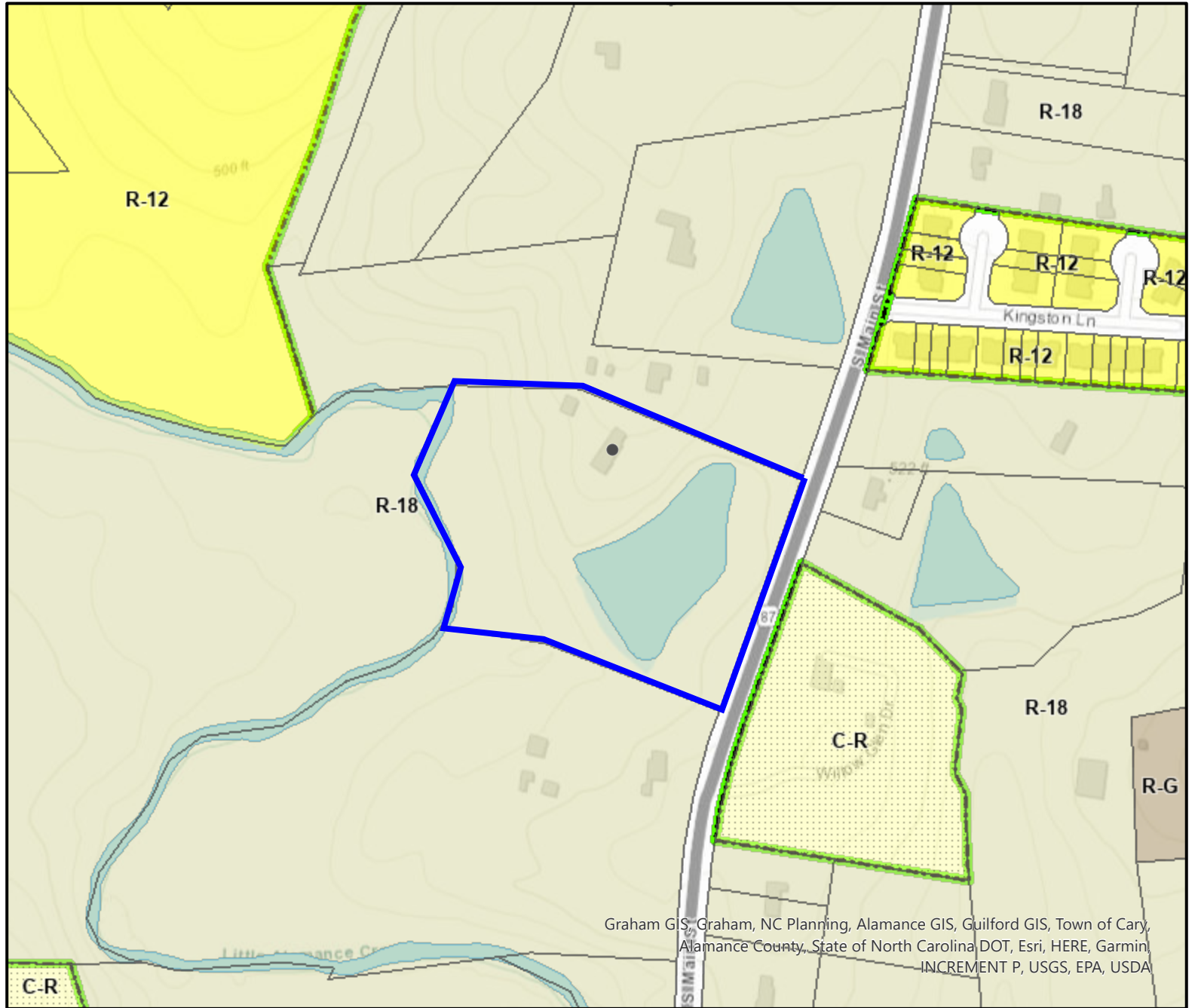
### Zoning Districts

- B-1, Central Business District
- B-2, General Business District
- B-3, Neighborhood Business District
- C-B, Conditional Business
- C-I, Conditional Industrial
- C-MXC, Conditional Commercial Mixed Use
- C-MXR, Conditional Residential Mixed Use
- C-O-I, Conditional Office and Institutional
- C-R, Conditional Residential District
- I-1, Light Industrial District
- I-2, Heavy Industrial District
- O-I, Office and Institutional
- R-7, High-Density Residential District
- R-9, High-Density Residential District
- R-12, Medium-Density Residential District
- R-15, Medium-Density Residential District
- R-18, Low-Density Residential District
- R-G, General Residential District



1:4,514

Print Date: 2/2/2024

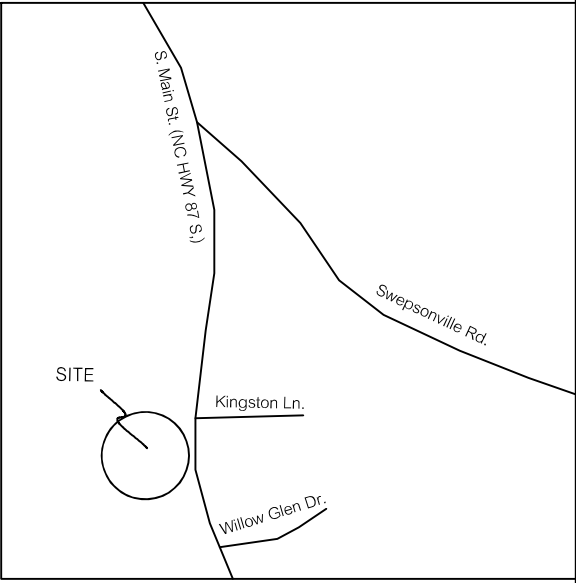


Graham GIS, Graham, NC Planning, Alamance GIS, Guilford GIS, Town of Cary, Alamance County, State of North Carolina DOT, Esri, HERE, Garmin, INCREMENT P, USGS, EPA, USDA

**Disclaimer:**

This map was compiled from the GIS resources of the Burlington Regional GIS Partnership for public planning and agency support purposes. These resources include public information sources of different scale, time, origin, definition and accuracy, which aspects produce inconsistencies among features represented together on this map. Neither the City of Graham nor the Partnership shall be held liable for any errors in this map or supporting data. Primary public information sources from which this map was compiled, in conjunction with field surveys where required, must be consulted for the verification of the information contained within this map.

Vicinity Map



Property Information:

Parcel ID: 142876  
 Owner: Jean Monnett Ross  
 Owner Address: 2027 S Main Street  
 Graham, N.C. 27253  
 Parcel Address: 2077 S Main Street  
 Graham, N.C. 27253  
 Deed Reference: D.B. 3618, Pg. 103  
 Plat Reference: P.B. 78, Pg. 59

SURVEYOR'S CERTIFICATION

I, Randall K. Page, certify that this plat was drawn under my supervision from an actual survey made under my supervision (deed description recorded in Book 3618, Page 103.); that the boundaries not surveyed are clearly indicated as drawn from information found in Plat Book 78, Page 59; that the ratio of precision as calculated is 1:10,000; that this plat was prepared in accordance with G.S. 47-30 as amended; that the survey is one of an existing parcel or parcels of land and does not create a new street or change an existing street;

Witness my original signature, registration number and seal this 15th day of December, A.D., 2023.

Professional Land Surveyor L-4566

PRELIMINARY PLAT

Not Intended for recordation, conveyance or sale



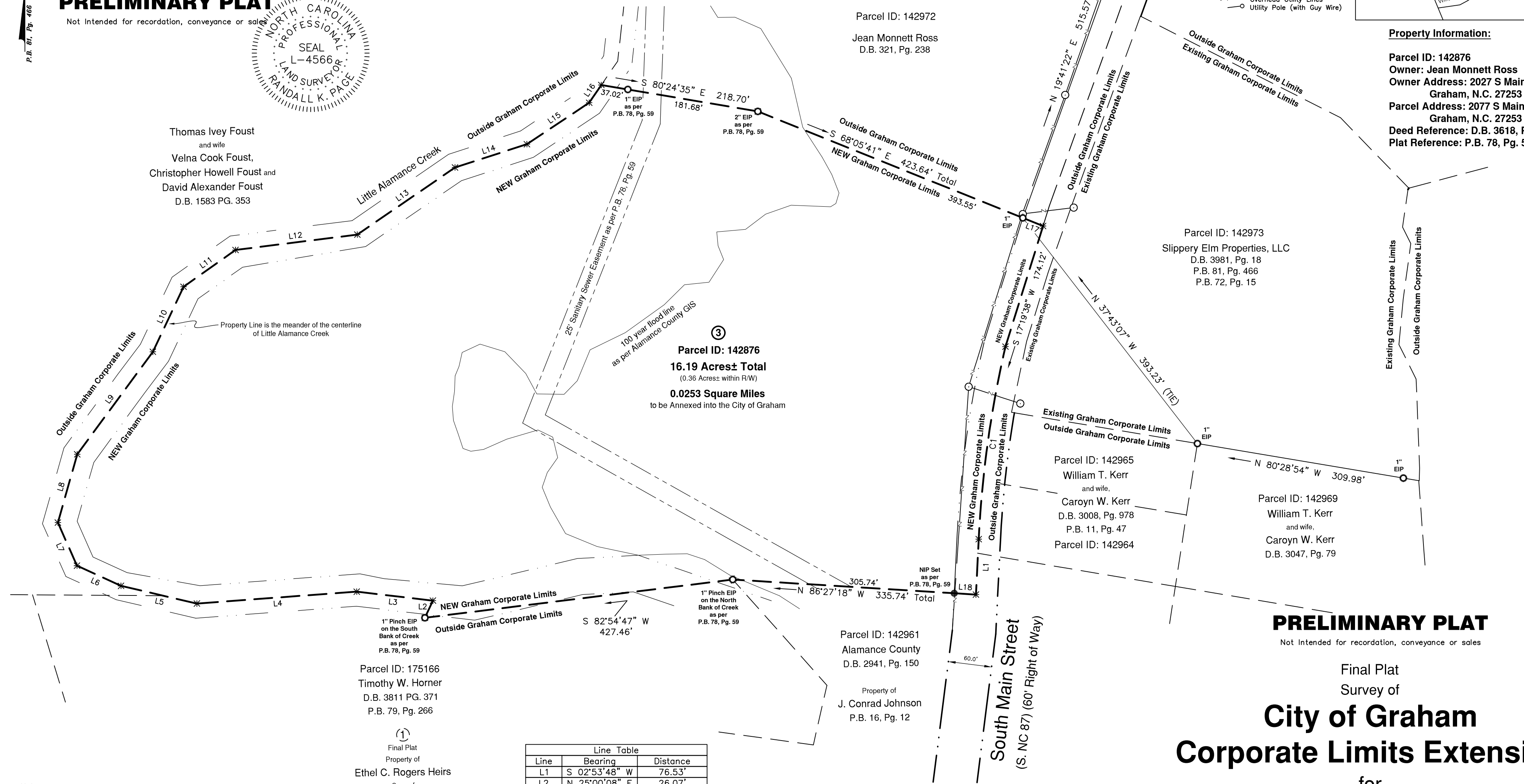
Thomas Ivey Foust and wife  
 Velna Cook Foust,  
 Christopher Howell Foust and  
 David Alexander Foust  
 D.B. 1583 PG. 353

City of Graham Certification  
 Recommended by the Graham Planning and Zoning Commission on the \_\_\_ day of \_\_\_, 20\_\_.  
 Chairman of Planning and Zoning Commission  
 Date

Approved by the Graham City Council on the \_\_\_ day of \_\_\_, 20\_\_ provided that the plat be recorded within sixty (60) days of final approval.  
 Mayor  
 Date

State of North Carolina  
 County of Alamance  
 Review Officer of Alamance County, certify that the map or plat to which this certification is affixed meets all statutory requirements for recording.  
 Review Officer  
 Date

P.B. 81, Pg. 466



Parcel ID: 142876  
 16.19 Acres± Total  
 (0.36 Acres± within R/W)  
 0.0253 Square Miles  
 to be Annexed into the City of Graham

- Notes:
- 1) No title search was performed by this firm during the course of this survey.
  - 2) The property shown herein is subject to all easements of record affecting same.
  - 3) This firm makes no guarantee as to the existence or location of any burial sites, underground improvements, or utilities across this property. Any underground utilities or improvements shown herein have been located from visible evidence and available information.
  - 4) No internal inspection of this property was made by this firm during the course of this survey.
  - 5) Areas are calculated by coordinate geometry.
  - 6) No geodetic monuments were found within 2000' of the subject property.
  - 7) Water boundaries are subject to change due to natural causes and may or may not represent actual location of the limit of title.

Parcel ID: 175166  
 Timothy W. Horner  
 D.B. 3811 PG. 371  
 P.B. 79, Pg. 266

Final Plat  
 Property of  
 Ethel C. Rogers Heirs  
 Care of  
 Dixie Rogers  
 P.B. 79, Pg. 266

Line	Bearing	Distance
L1	S 02°53'48" W	76.53'
L2	N 25°00'08" E	26.07'
L3	N 83°14'51" W	105.71'
L4	S 85°44'26" W	220.85'
L5	N 76°53'22" W	107.39'
L6	N 65°18'54" W	66.75'
L7	N 23°53'36" W	64.91'
L8	N 15°48'16" E	97.88'
L9	N 36°25'45" E	175.50'
L10	N 25°15'18" E	99.15'
L11	N 54°40'54" E	87.76'
L12	N 82°47'32" E	169.19'
L13	N 55°30'39" E	163.29'
L14	N 72°01'20" E	104.21'
L15	N 56°19'05" E	103.06'
L16	N 34°23'39" E	29.63'
L17	S 68°05'41" E	30.09'
L18	N 86°27'18" W	30.00'

Curve	Chord Bearing	Chord	Radius	Length
C1	S 07°53'33" W	267.92'	1507.51'	268.27'



GRAPHIC SCALE 100 0 50 100 (IN FEET)

BOSWELL SURVEYORS, INC.  
 505 East Davis Street  
 Burlington, NC 27215  
 336.227.8723 (phone)  
 336.222.9917 (fax)  
 boswellsurveyors.com

Date: 12/14/2023  
 Scale: 1"= 100'  
 Drawn By: RKP  
 Job No.: 23-444-800  
 Page 12 of 117

PRELIMINARY PLAT  
 Not Intended for recordation, conveyance or sales  
 Final Plat  
 Survey of  
**City of Graham**  
**Corporate Limits Extension**  
 for  
**Parcel ID: 142876**

Boone Station Township, Alamance County, North Carolina  
 Randall K. Page L-4566  
 Firm License Number C - 664

Parcel ID: 142961  
 Alamance County  
 D.B. 2941, Pg. 150  
 Property of  
 J. Conrad Johnson  
 P.B. 16, Pg. 12

Parcel ID: 142965  
 William T. Kerr  
 and wife,  
 Caroy W. Kerr  
 D.B. 3008, Pg. 978  
 P.B. 11, Pg. 47  
 Parcel ID: 142964

Parcel ID: 142969  
 William T. Kerr  
 and wife,  
 Caroy W. Kerr  
 D.B. 3047, Pg. 79

Parcel ID: 142973  
 Slippy Elm Properties, LLC  
 D.B. 3981, Pg. 18  
 P.B. 81, Pg. 466  
 P.B. 72, Pg. 15

Parcel ID: 142972  
 Jean Monnett Ross  
 D.B. 321, Pg. 238

Parcel ID: 142971  
 James Edward Ross, Jr.  
 D.B. 3925, Pg. 904



**ANNEXATION ORDINANCE  
TO EXTEND THE CORPORATE LIMITS OF  
THE CITY OF GRAHAM, NORTH CAROLINA  
FOR 8.70 ACRE TRACT OF LAND OFF OF SOUTH MAIN STREET (AN2401)**

**WHEREAS**, the Graham City Council has been petitioned under G.S. 160A-31 to annex the area described below; and

**WHEREAS**, the Graham City Council has by resolution directed the City Clerk to investigate the sufficiency of the petition; and

**WHEREAS**, the City Clerk has certified the sufficiency of the petition, and a public hearing on the questions of this annexation was held at City Hall, 201 S Main Street, Graham at 6:00 P.M. on April 9, 2024, after due notice by publication March 28, 2024; and

**WHEREAS**, the Graham City Council finds that the petition meets the requirement of G.S. 160A-31.

**NOW, THEREFORE, BE IT ORDINATED** by the City Council of the City of Graham, North Carolina that:

**Section 1.** By virtue of the authority granted by G.S. 160A-31, the following described territory is hereby annexed and made part of the City of Graham as of April 9, 2024:

**Legal Description GPIN#: 8882392474**

That certain tract or parcel of land lying and being in Graham Township, Alamance County, North Carolina, bounded by South Main Street (S. N.C. 87) on the east, Jean Monnett Ross to the south, Little Alamance Creek to the west, and James Edward Ross Jr. to the north and being more particularly described as follows:

Beginning at a 1" existing iron pipe, on the western margin of the 60-foot right of way of South Main Street (S. N.C. 87), and in the line of Lot 3 of the plat "Existing Parcel Boundary Survey for Jean Monnett Ross" as prepared by Boswell Surveyors, Inc., J. Leo Boswell, Professional Land Surveyor, dated September 13, 2016, Job No. 16-185-400, which plat is dully recorded in Plat Book 78, Page 59, in the Office of the Register of Deeds of Alamance

County, North Carolina and being the property of Jean Monnett Ross, and said existing pipe being N 37°43'07" W, 393.23 feet from a 1" existing iron pipe, a corner between the properties of William T. Kerr and wife Carolyn W. Kerr and in the line of Slippery Elm Properties, LLC; Thence from said Beginning point, along the line of said Lot 3, Jean Monnett Ross property, N 68°05'41" W, 393.55 feet to a 2" existing iron pipe, a corner with said Lot 3, Jean Monnett Ross property, thence along the line of said Lot 3, Jean Monnett Ross property, N 80°24'35" W, 218.70 feet to a point in the center of Little Alamance Creek, thence along the centerline of Little Alamance Creek the following courses and distances; N 34°23'39" E, 39.78 feet; N 06°24'35" E, 107.83 feet; N 25°34'25" W, 200.00 feet; N 24°04'37" E, 199.92 feet to a 1" existing iron pipe on the north bank of Little Alamance Creek, a corner with Lot 1 of said plat, James Edward Ross Jr. property, thence along the line of said Lot 1, James Edward Ross Jr. property, S 87°59'25" E, 264.50 feet to an existing axle, corner with said Lot 1, James Edward Ross Jr. property, thence along the line of said Lot 1, James Edward Ross Jr. property, S 67°25'23" E, 528.67 feet to a point in the centerline of South Main Street (S. N.C. 87), a corner with said Lot 1, James Edward Ross Jr. property, thence along the centerline of South Main Street (S. N.C. 87) the following courses and distances; S 19°49'21" W, 486.07 feet to a point and S 17°19'38" W, 29.22 feet to a point, a corner with said Lot 3, Jean Monnett Ross property, thence along the line of said Lot 3, Jean Monnett Ross property, N 68°05'41" W, 30.09 feet to the point and place of Beginning, containing 8.70 acres ± and being all of Lot 2 as shown on plat entitled "Existing Parcel Boundary Survey for Jean Monnett Ross" as prepared by Boswell Surveyors, Inc., J. Leo Boswell, Professional Land Surveyor, dated September 13, 2016, Job No. 16-185-400, which plat is dully recorded in Plat Book 78, Page 59, in the Office of the Register of Deeds of Alamance County, North Carolina.

**Adopted this, the 9th day of April 2024.**

\_\_\_\_\_  
Jennifer Talley, Mayor, City of Graham

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Renee M. Ward, City Clerk

\_\_\_\_\_  
Bryan Coleman, City Attorney



# STAFF REPORT

SUBJECT:	SESQUICENTENNIAL PARK
PREPARED BY:	MEGAN GARNER

## REQUESTED ACTION:

Provide direction to staff in advance of the budget process regarding Council’s desire for the Sesquicentennial Park in downtown Graham. The proposed budget will be given to Council at the May 14<sup>th</sup> meeting.

## BACKGROUND/SUMMARY:

City Council discussed preliminary options for the floor of the Sesquicentennial Park at the March 12, 2024 meeting. At the conclusion of the conversation, staff was directed to determine if the deed contained any restrictions that would need to be considered with any alternative for the property. The City Attorneys have conducted a title search and will report the findings at the meeting.

In order to appropriately budget for any projects related to the park, staff is requesting direction from City Council. Several initial options are as follows:

- 1). Remove the structure to appropriately repair the base and re-install the shelter and floor. This would require a to-be-determined amount of dirt to be removed and new dirt brought in before the shelter can be reassembled. Estimated cost is \$50,000 but could vary once the work has begun.
- 2). Declare the property surplus and dispose of property as provided by law. Name bricks that were purchased would be removed and could either be offered to the individual or re-purposed at another City location.

Should the City Council elect to declare the property surplus, three methods of disposal for real property are as follows:

- 1). Sealed bids – This process begins by City Council adopting a resolution authorizing the sale and staff publishing an ad at least 30 days in advance of the bid opening. Once bids are received, they may be opened, and the City Council could either award to the highest responsive, responsible bidder or reject all bids.
- 2). Upset bids – The city may receive, solicit, or negotiate an offer to purchase property and advertise it for upset bids. When an offer is made and the council proposes to accept it, the Council shall require the offeror to deposit five percent (5%) of the bid with the City Clerk, and shall publish a notice of the offer. The notice shall contain a general description of the property, the amount and terms of the offer, and a

notice that within 10 days any person may raise the bid by not less than ten percent (10%) of the first one thousand dollars (\$1,000) and five percent (5%) of the remainder. When a bid is raised, the bidder shall deposit with the City Clerk five percent (5%) of the increased bid, and the clerk shall re-advertise the offer at the increased bid. This procedure shall be repeated until no further qualifying upset bids are received, at which time the council may accept the offer and sell the property to the highest bidder. The council may at any time reject any and all offers.

3). Public auction – This process begins by City Council adopting a resolution authorizing the sale and staff publishing an ad at least 30 days in advance of the auction. If electronic auction, Council may authorize electronic-only notice. Sale may be completed to the highest bidder without any further action of Council.

City Council may also consider other options such as leases, the process for which would vary depending on the term of the proposed lease, and special conveyances.

**FISCAL IMPACT:**

Cost will depend on the alternative selected by City Council.

**STAFF RECOMMENDATION:**

Staff is requesting direction from City Council regarding this property so it can be properly budgeted in the upcoming fiscal year.

**SUGGESTED MOTION(S)**

## Step-By-Step Procedures for Disposal of Surplus Property For North Carolina Local Governments

Method	Type of Property	Procedural Requirements			
<i>Competitive Sales</i>					
Sealed bids (G.S. 160A-268)	Real property Personal property	<b>Step 1:</b> Board adopts resolution authorizing sale by sealed bid	<b>Step 2:</b> Publish advertisement for sealed bids at least 30 days before the bid opening for real property; 7 days for personal property	<b>Step 3:</b> Receive and open sealed bids	<b>Step 4:</b> Award to highest responsive, responsible bidder or reject all bids
Upset bids (G.S. 160A-269)	Real property Personal property	<b>Step 1:</b> Unit received offer to purchase property	<b>Step 2:</b> Board adopts resolution accepting offer and authorizing upset bid procedure; offeror deposits 5% of bid amount with clerk while upset procedure takes places	<b>Step 3:</b> Publish advertisement for upset bids. Qualifying upset bid must be an amount at least 10% of the first \$1000 of the original offer and 5% of the remainder. Bidders must submit qualifying upset bids within 10 days after date of advertisement and be accompanied by a 5% bid bond or deposit.	<b>Step 4:</b> If qualifying upset bid received, repeat advertisement and upset bid process until no additional qualifying upset bid is received, then award to highest bid or reject all bids

Method	Type of Property	Procedural Requirements			
Public auction – <u>real</u> property (G.S. 160A-270); may be live or electronic auction	Real property	<b>Step 1:</b> Board adopts resolution authorizing sale by auction	<b>Step 2:</b> Publish advertisement of auction at least 30 days before auction is conducted. (If <i>electronic</i> auction, board may authorize electronic-only notice)	<b>Step 3:</b> Conduct auction	<b>Step 4:</b> Report highest bid to board; must accept or reject within 30 days of date bid is reported to board; complete sale to highest bidder at any time after board approval
Public auction – <u>personal</u> property (G.S. 160A-270); may be live or electronic auction	Personal property	<b>Step 1:</b> Board adopts resolution authorizing official to dispose of property at public auction	<b>Step 2:</b> Publish advertisement of auction at least 10 days before auction is conducted. (If electronic auction, board may authorize electronic-only notice)	<b>Step 3:</b> Conduct auction	<b>Step 4:</b> Complete sale to highest bidder (board approval of sale not required)
<b>“Small Item” Sales (Personal Property Valued Less Than \$30,000)</b>					
Private sale with board approval (authority to conduct sale not delegated) (G.S. 160A-267)	Personal property valued at less than \$30,000	<b>Step 1:</b> Board adopts resolution authorizing an official or employee to dispose of property by private sale at a negotiated price	<b>Step 2:</b> Publish notice of sale at least once	<b>Step 3:</b> Complete sale no sooner than 10 days after notice is published	

Sample resolutions and advertisements available online at [www.ncpurchasing.unc.edu](http://www.ncpurchasing.unc.edu) (click on “Forms”).  
 Reference: Lawrence, David M., *Local Government Property Transactions in North Carolina* (2nd ed., 2000)

Method	Type of Property	Procedural Requirements			
Private sale without board approval of each sale (authority to conduct sale delegated) <i>(G.S. 160A-266(c))</i>	Personal property valued at less than \$30,000	<b>Step 1:</b> Board adopts policy authorizing an official or employee to conduct sales. Policy must be designed to secure fair market value for property sold.	<b>Step 2:</b> Official or employee negotiates and conducts private sales. Must keep a record of property sold and the sale price. Board approval and published notice not required.		
<b>Leases</b>					
Leases – total term more than 10 years <i>(G.S. 160A-272)</i>	Real property Personal property	Must use one of the competitive sale procedures for real property—sealed bid, upset bid, or public auction. <i>(If leasing real property for housing for low- and/or moderate-income persons, may use GS 160A-278)</i>			
Leases – total term more than 1 year and less than 10 years <i>(G.S. 160A-272)</i>	Real property Personal property	<b>Step 1:</b> Publish notice at least 30 days before <i>regular</i> meeting of the board at which resolution authorizing lease will be considered	<b>Step 2:</b> At a <i>regular</i> meeting, board adopts resolution authorizing lease	<b>Step 3:</b> Execute lease at any time after board adopts resolution	
Leases – total term one year or less <i>(G.S. 160A-272)</i>	Real property Personal property	No procedural requirements – board may delegate authority to approve leases			

Method	Type of Property	Procedural Requirements			
Leases for affordable housing (G.S. 160A-278)	Real property, but only to construct housing for the benefit of low and moderate income persons	<b>Step 1:</b> Publish notice at least 10 days before <i>regular</i> meeting of the board at which resolution authorizing lease will be considered	<b>Step 2:</b> At a <i>regular</i> meeting, board adopts resolution authorizing lease	<b>Step 3:</b> Execute lease at any time after board adopts resolution	
<i>Special Conveyances</i>					
Exchange (G.S. 160A-271)	Real property Personal property	<b>Step 1:</b> Unit develops a tentative agreement for exchange of property for full and fair consideration	<b>Step 2:</b> Publish notice at least 10 days before <i>regular</i> meeting of the board at which resolution authorizing exchange will be considered	<b>Step 3:</b> At a <i>regular</i> meeting, board adopts resolution authorizing exchange	<b>Step 4:</b> Complete exchange at any time after board adopts resolution
Trade-in (G.S. 143-129.7)	Personal property	<b>Step 1:</b> Unit follows competitive bidding requirements to solicit bids for new item(s); bid specifications must include notice for bidders to submit trade-in price for purchasing unit's used items	<b>Step 2:</b> Unit awards bid to lowest responsive, responsible bidder taking into account price offered for new items and trade-in price offered for unit's used items		



Method	Type of Property	Procedural Requirements			
Economic development projects <i>(G.S. 158-7.1(d))</i>	Real property, but only for economic development activities listed in G.S. 1587.1(b)	<b>Step 1:</b> Unit determines the probable average hourly wage to be paid to workers by the business to be located at the property to be conveyed and the fair market value of the interest. The consideration for the conveyance may not be less than that value.	<b>Step 2:</b> Publish notice at least 10 days before <i>regular</i> meeting of the board at which the resolution authorizing sale or lease will be considered	<b>Step 3:</b> At <i>regular</i> meeting, board adopts resolution approving sale or lease	<b>Step 4:</b> Complete sale or lease at any time after board adopts resolution
Community development projects <i>(G.S. 160A-457)</i>  <b>Cities only</b>	Real property, but only for sale to a redeveloper in accordance with a community development program as described in G.S. 160A-456 and -457	<b>Step 1:</b> Publish notice of sale once a week for two successive weeks, first notice must be published not less than 10 days nor more than 25 days preceding the public hearing	<b>Step 2:</b> Board conducts public hearing on the sale. At the public hearing the appraised value of the property to be sold, exchanged or transferred shall be disclosed; the consideration for the conveyance shall not be less than the appraised value.	<b>Step 3:</b> Board adopts resolution approving the sale, exchange, or transfer	<b>Step 4:</b> Complete conveyance at any time after board adopts resolution

Sample resolutions and advertisements available online at [www.ncpurchasing.unc.edu](http://www.ncpurchasing.unc.edu) (click on "Forms").  
 Reference: Lawrence, David M., *Local Government Property Transactions in North Carolina* (2nd ed., 2000)

Method	Type of Property	Procedural Requirements			
Conveyance to other governments in North Carolina (G.S. 160A-274)	Real property Personal property	<b>Step 1:</b> Board adopts resolution approving the conveyance; no other procedures required			
Artistic/historic properties (G.S. 160A-266(b))	Real or personal property, but only the type of property described in G.S. 160A-266(b) and only if conveyed to a nonprofit in accordance with G.S. 160A-266(b)	<b>Step 1:</b> Board adopts resolution authorizing an official or employee to dispose of property by private sale at a negotiated price	<b>Step 2:</b> Publish notice summarizing contents of resolution once after resolution is adopted	<b>Step 3:</b> Complete sale at least 10 days after notice is published	
Fire departments and rescue squads (G.S. 160A-277)	Real property, but only for constructing or expanding fire department or rescue squad facilities	<b>Step 1:</b> Publish notice at least 10 days before <i>regular</i> meeting of the board at which resolution authorizing conveyance will be considered	<b>Step 2:</b> At <i>regular</i> meeting, board adopts resolution authorizing lease, sale, or conveyance	<b>Step 3:</b> Complete conveyance at any time after board adopts resolution	

Sample resolutions and advertisements available online at [www.ncpurchasing.unc.edu](http://www.ncpurchasing.unc.edu) (click on “Forms”).  
 Reference: Lawrence, David M., *Local Government Property Transactions in North Carolina* (2nd ed., 2000)

Method	Type of Property	Procedural Requirements			
Conveyance to nonprofit organizations <i>(G.S. 160A-279)</i>  <b><i>Cities and counties only</i></b>	Real or personal property, but only if conveyed to an entity carrying out a public purpose for which that the city or county is authorized to appropriate funds	<b>Step 1:</b> Board adopts resolution authorizing an appropriate official or employee to convey property	<b>Step 2:</b> Publish notice summarizing contents of resolution once after the resolution is adopted	<b>Step 3:</b> Complete conveyance at least 10 days after notice is published	
Conveyance without monetary consideration <i>(G.S. 160A-280)</i>  <b><i>Does not apply to schools</i></b>	Personal property only, conveyed to a governmental unit, sister city (as defined in G.S. 160A-280), nonprofit, or charter school	<b>Step 1:</b> Post public notice at least 5 days before meeting of the board at which resolution authorizing will be considered	<b>Step 2:</b> Board adopts resolution approving conveyance	<b>Step 3:</b> Complete conveyance at any time after board adopts resolution	

Sample resolutions and advertisements available online at [www.ncpurchasing.unc.edu](http://www.ncpurchasing.unc.edu) (click on "Forms").  
 Reference: Lawrence, David M., *Local Government Property Transactions in North Carolina* (2nd ed., 2000)



# STAFF REPORT

SUBJECT:	AMERICAN RESCUE PLAN ACT FUNDS
PREPARED BY:	MEGAN GARNER

## REQUESTED ACTION:

Approve the Eligible Use, Conflict of Interest, Non-Discrimination, Records Retention, and Allowable Cost Policies and the new ARPA project ordinance electing to take the standard allowance, as authorized by 31 CFR Part 35.6(d)(1) and expend all the ARPA funds for the provision of government services.

Approve the revised project ordinance amending previously designated ARPA projects to ARPA enabled projects.

## BACKGROUND/SUMMARY:

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law. This bill included direct financial assistance to local governments that have faced revenue losses and added safety expenses in dealing with the COVID-19 pandemic as well as making investments in water, sewer, and broadband infrastructure. On June 8th, 2021, the Graham City Council approved a resolution to create an ARPA Local Fiscal Recovery Fund to receive the allocation of \$4,986,340.21. The Graham City Council has approved revisions as recently as March 2024 increasing the encumbered total to \$4,908,621.

Richard Marvin, ARPA Field Representative with the NC League of Municipalities, will present the reclassification of expenditures option under the standard allowance. At the conclusion, should City Council desire to move forward with the revenue replacement, we are requesting adoption of two project ordinances: a new ARPA Project Ordinance in the amount of \$4,986,340.21 and a revised ARPA enabled project ordinance in the amount of \$4,908,621. The amount of the ARPA enabled project ordinance is not changing and there remains \$77,719 for Council to allocate at a future date.

## FISCAL IMPACT:

The amount of the fiscal impact (\$4,986,340.21) will remain unchanged. The previously adopted ARPA projects would be referred to as ARPA enabled projects moving forward.

## STAFF RECOMMENDATION:

Approval

## **SUGGESTED MOTION(S)**

I move we approve the Eligible Use, Conflict of Interest, Non-Discrimination, Records Retention, and Allowable Cost Policies and the new ARPA project ordinance electing to take the standard allowance, as authorized by 31 CFR Part 35.6(d)(1) and expend all the ARPA funds for the provision of government services.

I move we approve the revised project ordinance amending previously designated ARPA projects to ARPA enabled projects.

**Project Ordinance for the City of Graham American Rescue Plan Act of 2021:**

**Coronavirus State and Local Fiscal Recovery Funds**

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

**Section 1:** This ordinance is to establish a budget for a project to be funded by the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARP/CSLFRF). The City of Graham (City) has received \$4,986,340. These funds may be used for the following categories of expenditures, to the extent authorized by state law.

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

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

**Section 3:** The following amounts are appropriate for the project and authorized for expenditure:

<b>Department</b>	<b>Actual Salaries</b>	<b>Appropriation of ARPA Funds</b>
Police	\$3,397,561.70	\$ 2,600,000.00
Fire	\$ 845,764.61	\$ 845,000.00
Administration	\$1,235,191.40	\$ 400,000.00
Public Works	\$1,417,098.69	\$ 1,141,340.21
		<b>\$ 4,986,340.21</b>

\*Figures based on calendar year 2023 salary expenses.

**Section 4:** The following revenues are anticipated to be available to complete the project:

**ARP/CSLFRF Funds:** \$4,986,340.21

**General Fund Transfer:** \$0

**Total:** \$4,986,340.21

**Section 5:** The Finance Officer is hereby directed to maintain sufficient specific detailed accounting records to satisfy the requirements of the grantor agency and the grant agreements, including payroll documentation and effort certifications, in accordance with 2 CFR 200.430 & 2 CFR 200.431 and the City's Uniform Guidance Allowable Costs and Cost Principles Policy

**Section 6:** The Finance Director shall report on the financial status of this project as directed by the City Council and will inform the Council of any unusual occurrences

**Section 7:** Copies of this grant project ordinance shall be furnished to the Budget Officer, the Finance Officer, and to the Clerk to City Council.

**Section 8:** This grant project ordinance expires on December 31, 2026, or when all the ARP/CSLFRF funds have been obligated and expended by the City, whichever occurs sooner.

**Adopted this the 9<sup>th</sup> day of April 2024.**

---

Jennifer Talley – Mayor

ATTEST:

---

Renee Ward – City Clerk

**RESOLUTION ESTABLISHING THE BUDGET FOR  
ARPA ENABLED FUNDS GRANT ORDINANCE**

**WHEREAS**, on March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by the President;

**WHEREAS**, Section 9901 of ARPA amended Title VI of the Social Security Act (the Act) to add section 602, which establishes the Coronavirus State Fiscal Recovery Fund, and section 603, which established the Coronavirus Local Fiscal Recovery Fund (together, the Fiscal Recovery Funds);

**WHEREAS**, on June 8, 2021, the City Council of the City of Graham hereby created an American Rescue Plan Act (ARPA) Local Fiscal Recovery Fund.

**WHEREAS**, the Grant Project Ordinance was amended numerous times to include various projects throughout the City Departments; and

**WHEREAS**, on April 9, 2024, the City Council of the City of Graham approved to use the revenue replacement option for use of the ARPA funds.

**WHEREAS**, by such action, the previously designated ARPA projects are now considered ARPA enabled projects;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAHAM, NORTH CAROLINA**, that pursuant to Section 13.2, Chapter 159 of the General Statutes of North Carolina, the following Project Ordinance is hereby revised to include additional projects:

Section 1. The Project authorizes the use of ARPA Funds to be designed as revenue replacement, which allowed funding previously designated for personnel related expenses to be transition to ARPA enabled projects.

Section 2. The officials of the City of Graham are hereby directed to proceed with this project within the terms of the project. Staff is authorized to execute change orders within the budget ordinance.

Section 3. The following revenues are anticipated to be available to the City to complete the project:

ARPA Enabled Revenue Replacement	\$4,986,340
<b>TOTAL</b>	<u>\$4,986,340</u>

Section 4. The following amounts are appropriated for this project at this time:



10" Water Line Replacement	\$3,500,000
GPD Positions Equipment	\$ 62,101
Vehicles	\$ 204,033
Fuel Master System Upgrade	\$ 18,000
Civic Center Repairs – Roof & Floor	\$ 66,343
Camera at Parks – Entrances	\$ 11,128
GM Lake – Ramp Renovation	\$ 195,000
Albright Ave Water Line Replacement	\$ 550,000
Public Works Building	\$ 215,000
Fire Department Equipment	\$ 33,016
Employee dental	\$ 54,000
<b>TOTAL</b>	<b>\$4,908,621</b>

Section 5. The Finance Director shall report on the financial status of this project as directed by the City Council and will inform the Council of any unusual occurrences.

Section 6. Copies of this project ordinance shall be made available to the City Manager and the Finance Director for direction in carrying out this project.

Section 7. This ordinance shall take effect upon passage.

**This the 9<sup>th</sup> day of April 2024.**

\_\_\_\_\_  
Jennifer Talley – Mayor

ATTEST:

\_\_\_\_\_  
Renee Ward – City Clerk

**EXPENDITURE OF AMERICAN RESCUE PLAN ACT OF  
2021 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS  
BY THE CITY OF GRAHAM**

**WHEREAS** the City of Graham 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 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.3.0 \(February 28, 2022\)](#) dictating implementation of the ARP/CSLFRF award terms and compliance requirements; and

**WHEREAS** the Compliance and Reporting Guidance states on page 6 that Per 2 CFR Part 200.303, your organization must develop and implement effective internal controls to ensure that funding decisions under the SLFRF award constitute eligible uses of funds and document determinations.

**BE IT RESOLVED** that the City of Graham 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 City of Graham] will spend its ARP/CSLFRF funds.

**I. PERMISSIBLE USES OF ARP/CSLFRF FUNDING**

US Treasury issued its [Final Rule](#) regarding the use of ARP 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 the 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 ARP funds.

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

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

## **II. PROHIBITED USES OF ARPA FUNDING**

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

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

7. For any expenditure that would violate other applicable federal, state, and local laws and regulations.

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

### III. PROCEDURES FOR PROJECT APPROVAL

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

1. Requests for ARP/CSLFRF funding, must be made in writing and include all the following:
  - a. Brief description of the project
  - b. Identification of ARP/CSLFRF Expenditure Category (EC) (A list of ECs in 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 ARP funding should review the [Final Rule](#) and [Final Rule Overview](#) before submitting a proposal.
  - d. Proposed budget, broken down by cost item, in accordance with the [City of Graham]'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 City Manager Megan Garner for approval. All requests will be reviewed by City Manager Garner and Assistant City Manager Aaron Holland for ARP/CSLFRF compliance and by City Manager Garner for allowable costs and other financial review.
3. No ARP/CSLFRF may be obligated or expended before final written approval by City Manager Garner and after City Council approval of budget amendments.
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 City Manager Garner and may require a budget amendment before proceeding. Any delay in the projected project completion date shall be communicated to the City Manager immediately.
6. City Manager Garner must collect and document required information for each EC, for purposes of completing the required Project and Expenditure reports.
7. City Manager Garner or her designee must maintain written project requests and approvals, all supporting documentation, and financial information at least until December 31, 2031.

Adopted on this 9<sup>th</sup> day of April 2024.

ATTEST:

\_\_\_\_\_  
Mayor Jennifer Talley

\_\_\_\_\_  
City Clerk Renee M. Ward

**CONFLICT OF INTEREST POLICY  
APPLICABLE TO CONTRACTS AND SUB-AWARDS OF THE  
CITY OF GRAHAM 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 Graham City Council (“Unit”) enters into a Contract (as defined in Section II hereof) or makes a Sub-award (as defined in Section II hereof), and (2) meet or exceed the requirements of North Carolina law and 2 C.F.R. § 200.318(c).
- b. Application of Policy. This Policy shall apply when the Unit (1) enters into a Contract to be funded, in part or in whole, by Federal Financial Assistance to which 2 C.F.R. § 200.318(c) applies, or (2) makes any Subaward to be funded by Federal Financial Assistance to which 2 C.F.R. § 200.318(c) applies. If a federal statute, regulation, or the terms of a financial assistance agreement applicable to a particular form of Federal Financial Assistance conflicts with any provision of this Policy, such federal statute, regulation, or terms of the financial assistance agreement shall govern.

**II. Definitions**

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

- a. “COI Point of Contact” means the individual identified in Section III(a) of this Policy.
- b. “Contract” means, for the purpose of Federal Financial Assistance, a legal instrument by which the Unit purchases property or services needed to carry out a program or project under a Federal award.
- c. “Contractor” means an entity or individual that receives a Contract.
- d. “Covered Individual” means a Public Officer, employee, or agent of the Unit.
- e. “Covered Nonprofit Organization” means a nonprofit corporation, organization, or association, incorporated or otherwise, that is organized or operating in the State of North Carolina primarily for religious, charitable, scientific, literary, public health and safety, or educational purposes, excluding any board, entity, or other organization created by the State of North Carolina or any political subdivision of the State (including the Unit).
- f. “Direct Benefit” means, with respect to a Public Officer or employee of the Unit, or the spouse of any such Public Officer or employee, (i) having a ten percent (10%) ownership interest or other interest in a Contract or Subaward; (ii) deriving any income or commission directly from a Contract or Subaward; or (iii) acquiring property under a Contract or Subaward.
- g. “Federal Financial Assistance” means Federal financial assistance that the Unit receives or administers in the form of grants, cooperative agreements, non-cash contributions or donations of property (including donated surplus property), direct appropriations, food commodities, and other Federal financial assistance (except that the term does not include loans, loan guarantees, interest subsidies, or insurance).

- h. “Governing Board” means the City of Graham of the Unit.
- i. “Immediate Family Member” means, with respect to any Covered Individual, (i) a spouse, and parents thereof, (ii) a child, and parent thereof, (iii) a parent, and spouse thereof, (iv) a sibling, and spouse thereof, (v) a grandparent and grandchild, and spouses thereof, (vi) domestic partners and parents thereof, including domestic partners of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with the Covered Individual is the equivalent of a family relationship.
- j. “Involved in Making or Administering” means (i) with respect to a Public Official or employee, (a) overseeing the performance of a Contract or Subaward or having authority to make decisions regarding a Contract or Subaward or to interpret a Contract or Subaward, or (b) participating in the development of specifications or terms or in the preparation or award of a Contract or Subaward, (ii) only with respect to a Public Official, being a member of a board, commission, or other body of which the Public Official is a member, taking action on the Contract or Subaward, whether or not the Public Official actually participates in that action.
- k. “Pass-Through Entity” means a non-Federal entity that provides a Sub-award to a Sub-recipient to carry out part of a Federal program.
- l. “Public Officer” means an individual who is elected or appointed to serve or represent the Unit (including, without limitation, any member of the Governing Board), other than an employee or independent contractor of the Unit.
- m. “Recipient” means an entity, usually but not limited to a non-Federal entity, that receives a Federal award directly from a Federal awarding agency. The term does not include Subrecipients or individuals that are beneficiaries of the award.
- n. “Related Party” means (i) an Immediate Family Member of a Covered Individual, (ii) a partner of a Covered Individual, or (iii) a current or potential employer (other than the Unit) of a Covered Individual, of a partner of a Covered Individual, or 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 who 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. “Sub-recipient” 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 sub-recipient may also be a recipient of other Federal awards directly from a Federal awarding agency.
- s. “Unit” has the meaning specified in Section I hereof.

### **III. COI Point of Contact**

- a. Appointment of COI Point of Contact. City Manager Garner, an [employee] of the Unit, shall have primary responsibility for managing the disclosure and resolution of potential or actual conflicts of interest arising under this Policy. In the event that City Manager Garner is unable to serve in such capacity, Assistant City Manager Holland or designee shall assume responsibility for managing the disclosure and resolution of conflicts of interest arising under this Policy. The individual with responsibility for managing the disclosure and resolution of potential or actual conflicts of interest under this Section III(a) shall be known as the “COI Point of Contact”.
- b. Distribution of Policy. The COI Point of Contact shall ensure that each Covered Individual receives a copy of this Policy.

#### **IV. Conflict of Interest Standards in Contracts and Subawards**

- a. North Carolina Law. North Carolina law restricts the behavior of Public Officials and employees of the Unit involved in contracting on behalf of the Unit. The Unit shall conduct the selection, award, and administration of Contracts and Subawards in accordance with the prohibitions imposed by the North Carolina General Statutes and restated in this Section III.
  - i. G.S. § 14-234(a)(1). A Public Officer or employee of the Unit Involved in Making or Administering a Contract or Subaward on behalf of the Unit shall not derive a Direct Benefit from such a Contract or Subaward.
  - ii. G.S. § 14-234(a)(3). No Public Officer or employee of the Unit may solicit or receive any gift, favor, reward, service, or promise of reward, including but not limited to a promise of future employment, in exchange for recommending, influencing, or attempting to influence the award of a Contract or Subaward by the Unit.
  - iii. G.S. § 14-234.3. If a member of the Governing Board of the Unit serves as a director, officer, or governing board member of a Covered Nonprofit Organization, such member shall not (1) deliberate or vote on a Contract or Subaward between the Unit and the Covered Nonprofit Corporation, (2) attempt to influence any other person who deliberates or votes on a Contract or Subaward between the Unit and the Covered Nonprofit Corporation, or (3) solicit or receive any gift, favor, reward, service, or promise of future employment, in exchange for recommending or attempting to influence the award of a Contract or Subaward to the Covered Nonprofit Organization.
  - iv. G.S. § 14-234.1. A Public Officer or employee of the Unit shall not, in contemplation of official action by the Public Officer or employee, or in reliance on information which was made known to the public official or employee and which has not been made public, (1) acquire a pecuniary interest in any property, transaction, or enterprise or gain any pecuniary benefit which may be affected by such information or other information, or (2) intentionally aid another in violating the provisions of this section.
- b. Federal Standards.

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

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

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

ii. Identification and Management of Conflicts of Interest.

1. Duty to Disclose and Disclosure Forms

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

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

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 Unit.

2. Identification Prior to Award of Contract or Subaward.

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



### 3. Management Prior to Award of Contract or Subaward

- a. If, after completing the Compliance Checklist, the COI Point of Contact identifies a potential real or apparent conflict of interest relating to a proposed Contract or Subaward, the COI Point of Contact shall disclose such finding in writing to City Manager Garner and to each member of the Governing Board. If the Governing Board desires to enter into the proposed Contract or Subaward despite the identification by the COI Point of Contact of a potential real or apparent conflict of interest, it may either:
  - i. accept the finding of the COI Point of Contact and direct the COI Point of Contact to obtain authorization to enter into the Contract or Subaward from (a) if Unit is a Recipient of Federal Financial Assistance, the Federal awarding agency with appropriate mitigation measures, or (b) if Unit is a Sub-recipient of Federal Financial Assistance, from the Pass-Through Entity that provided a Subaward to Unit; or
  - ii. reject the finding of the COI Point of Contact and enter into the Contract or Subaward. In rejecting any finding of the COI Point of Contact, the Governing Board shall in writing document a justification supporting such rejection.
- b. If the COI Point of Contact does not identify a potential real or apparent conflict of interest relating to a proposed Contract or Subaward, the Unit may enter into the Contract or Subaward in accordance with the Unit's purchasing or subaward policy.

### 4. Identification After Award of Contract or Subaward.

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

### 5. Management After Award of Contract or Subaward.

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

COI Point of Contact within 15 days of receipt, the COI Point of Contact shall:

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

**V. Oversight of Sub-recipient's Conflict of Interest Standards**

- a. Sub-recipients of Unit Must Adopt Conflict of Interest Policy. Prior to the Unit's execution of any Subaward for which the Unit serves as a Pass-Through Entity, the COI Point of Contact shall ensure that the proposed Sub-recipient 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 Sub-recipient Conflicts of Interest. The COI Point of Contact shall ensure that the legal agreement under which the Unit makes a Subaward to a Sub-recipient shall require such Sub-recipient to disclose to the COI Point of Contact any potential real or apparent conflicts of interest that the Sub-recipient identifies. Upon receipt of such disclosure, the COI Point of Contact shall disclose such information to the Federal awarding agency that funded the Subaward in accordance with that agency's disclosure policy.

**VI. Gift Standards**

- a. Federal Standard. Subject to the exceptions set forth in Section VI(b), a Covered Individual may not solicit or accept gratuities, favors, or anything of monetary value from a Contractor or a Subcontractor.
- b. Exception. Notwithstanding Section VI(a), a Covered Individual may accept an unsolicited gift from a Contractor or Subcontractor of one or more types specified below if the gift has an aggregate market value of \$20 or less per source per occasion, provided that the aggregate market value of all gifts received by the Covered Individual pursuant to this Section VI(b) does not exceed \$50 in a calendar year.
  - i. honorariums for participating in meetings;
  - ii. advertising items or souvenirs of nominal value; or
  - iii. meals furnished at banquets.
- c. Internal Reporting. A Covered Individual shall report any gift accepted under Section VI(b) to the COI Point of Contact. If required by regulation of a Federal awarding agency, the

COI Point of Contact shall report such gifts to the Federal awarding agency or a Pass-Through Entity for which the Unit is a Sub-recipient.

**VII. Violations of Policy**

- a. Disciplinary Actions for Covered Individuals. Any Covered Individual that fails to disclose a real, apparent, or potential real or apparent conflict of interest arising with respect to the Covered Individual or Related Party may be subject to disciplinary action, including, but not limited to, an employee’s termination or suspension of employment with or without pay, the consideration or adoption of a resolution of censure of a Public Official by the Governing Board, or termination of an agent’s contract with the Unit.
- b. Disciplinary Actions for Contractors and Subcontractors. The Unit shall terminate any Contract with a Contractor or Subcontractor that violates any provision of this Policy.
- c. Protections for Whistleblowers. In accordance with 41 U.S.C. § 4712, the Unit shall not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant: (i) a member of Congress or a representative of a committee of Congress; (ii) an Inspector General; (iii) the Government Accountability Office; (iv) a Treasury or other federal agency employee responsible for grant oversight or management; (v) an authorized official of the Department of Justice or other law enforcement agency; (vi) a court or grand jury; or (vii) a management official or other employee of the Unit, a Contractor, or Subcontractor who has the responsibility to investigate, discover, or address misconduct.

**Adopted this the 9<sup>th</sup> day of April 2024.**

---

Mayor Jennifer Talley

ATTEST:

---

City Clerk Renee M. Ward

**NONDISCRIMINATION POLICY FOR THE  
EXPENDITURE OF AMERICAN RESCUE PLAN ACT RECOVERY FUNDS  
BY THE CITY OF GRAHAM**

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

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

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

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

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

**Nondiscrimination Policy Statement**

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

## **I. Governing Statutory & Regulatory Authorities**

As required by the CSLFRF [Award Terms and Conditions](#), the City of Graham 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 City of Graham 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 non-discrimination;
8. Selecting a site or location of facilities with the purpose or effect of excluding persons from, denying them the benefits of, subjecting them to discrimination, or with the purpose or effect of

defeating or substantially impairing the accomplishment of the objectives of Title VI or related acts and regulations;

9. Discriminating against any person, either directly or through a contractual agreement, in any employment resulting from the program, a primary objective of which is to provide employment;
10. Committing acts of intimidation or retaliation, including threatening, coercing, or discriminating against any individual for the purpose of interfering with any right or privilege secured by any pertinent nondiscrimination law, or because an individual made a complaint, testified, assisted, or participated in an investigation, proceeding, or hearing.

### **III. Reporting & Enforcement**

1. The City of Graham shall cooperate in any enforcement or compliance review activities by the Department of the Treasury. Enforcement may include investigation, arbitration, mediation, litigation, and monitoring of any settlement agreements that may result from these actions. The City of Graham shall comply with information requests, on-site compliance reviews, and reporting requirements.
2. The City of Graham shall maintain a complaint log and inform the Treasury of any complaints of discrimination on the grounds of race, color, or national origin (including limited English proficiency covered by Title VI of the Civil Rights Act of 1964 and implementing regulations and provide, upon request, a list of all such reviews or proceedings based on the complaint, whether pending or completed, including the outcome. The City of Graham shall inform the Treasury if it has received no complaints under Title VI.
3. Any person who believes they have been aggrieved by a discriminatory practice under Title VI has a right to file a formal complaint with the Treasury. Any such complaint must be in writing and filed with the Treasury's Title VI Coordinator within one hundred eighty (180) days following the date of the alleged discriminatory occurrence.
4. Any person who believes that because of that person's race, color, national origin, limited English proficiency, familial status, sex, age, religion, or disability that he/she/they have been discriminated against or unfairly treated by the City of Graham in violation of this policy should contact the following office within 180 days from the date of the alleged discriminatory occurrence: City of Graham, City Manager Garner, 336-570-6700.

**Adopted this the 9<sup>th</sup> day of April 2024.**

---

Mayor Jennifer Talley

ATTEST:

---

City Clerk Renee M. Ward

**Record Retention Policy**  
**City of Graham**  
**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 City of Graham to follow Treasury’s record retention requirements as it expends CSLFRF pursuant to the APR/CSLFRF award. Accordingly, the City of Graham 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 the 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 sufficient evidence of compliance with section 603(c) of the Social Security Act “ARPA,” Treasury’s regulations implementing that section, and guidance issued by Treasury regarding the foregoing.
- Allow the Treasury Office of Inspector General and the Government Accountability Office, or their authorized representatives, the right of timely and unrestricted access to any records for the purpose of audits or other investigations.
- If any litigation, claim, or audit is started before the expiration of the 5-year period, the records will be retained until all litigation, claims, or audit findings involving the records have been resolved.

**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 City of Graham’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 rationale 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 sub-recipient monitoring;
- Documentation evidencing compliance with the Uniform Guidance property management standards set forth in 2 C.F.R. §§ 200.310-316 and 200.329;
- Personnel and payroll records for full-time and part-time employees compensated with CSLFRF, including time and effort reports; and
- Indirect cost rate proposals

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

**Departmental Responsibilities:** Any department or unit of the City of Graham, and its employees, who are responsible for creating or maintaining the covered documents in this policy shall comply with the terms of this policy. Failure to do so may subject the City of Graham 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.

City Manager Garner or her designee is responsible for identifying the documents that the City of Graham must or should retain and arrange for the proper storage and retrieval of records. City Manager Garner or designee shall also ensure that all personnel subject to the terms of this policy are aware of the record retention requirements set forth herein.

**Reporting Policy Violations:** The City of Graham is committed to enforcing this policy as it applies to all forms of records. Any employee who 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 City Manager Garner or Assistant City Manager Holland. The City of Graham prohibits any form of discipline, reprisal, intimidation, or retaliation for reporting incidents of inappropriate conduct of any kind, pursuing any record destruction claim, or cooperating in related investigations.

**Questions About the Policy:** Any questions about this policy should be referred to City Manager Megan Garner, City of Graham, 336-570-6700, or [mgarner@cityofgraham.com](mailto:mgarner@cityofgraham.com), who is in charge of administering, enforcing, and updating this policy.



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

**WHEREAS** the City of Graham 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 ensure that the non-Federal entity is applying these cost accounting principles on a consistent basis during their review and negotiation of indirect cost proposals. Where wide variations exist in the treatment of a given cost item by the non-Federal entity, the reasonableness and equity of such treatments should be fully considered.

- (f) For non-Federal entities that educate and engage students in research, the dual role of students as both trainees and employees (including pre and post-doctoral staff) contributing to the completion of Federal awards for research must be recognized in the application of these principles.
- (g) The non-Federal entity may not earn or keep any profit resulting from Federal financial assistance unless explicitly authorized by the terms and conditions of the Federal award.

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

## City of Graham Allowable Costs and Costs Principles Policy

### I. ALLOWABLE COSTS AND COSTS PRINCIPLES POLICY OVERVIEW

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

The City of Graham 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 City Manager Megan Garner or a designee. As questions on the 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 the reasonableness of a cost, consideration must be given to:

- Whether the cost is a type generally recognized as ordinary and necessary for the operation of the City of Graham 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 the City of Graham, its employees, the public at large, and the federal government.
- Whether the City of Graham 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 City of Graham.**

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. 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.

[Administration | City Manager Megan Garner] responsible for determining cost allowability must be familiar with the Selected Items of Cost. The [City of Graham] must follow the applicable regulations when charging these specific expenditures to the ARP/CSLFRF grant. [Administration/Finance] personnel will check costs against the selected items of cost requirements to ensure the cost is allowable and that all process and documentation requirements are followed. In addition, State laws, [City of Graham] regulations, and program-specific rules may deem a cost as unallowable, and [Administration/Finance] 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, and administrative or secretarial salaries.

For indirect costs, the City of Graham 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 sub-award 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 departments or agencies), 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, [Administration/Finance] 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 [Administration/Finance] 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, [Administration/Finance] 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 City Manager or the Assistant City Manager 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 City Manager or Assistant City Manager, 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 Officer or City Manager must perform a second review to ensure that actual expenditures comprise allowable costs.

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

- The Finance Officer or City Manager must review the individual cost items listed on the invoice or other demand for payment to determine their allowability and allocability.
- If all cost items are deemed allowable and properly allocable, the Finance Officer or City Manager must proceed through the local government’s normal disbursement process.
- If any cost item is deemed unallowable, the Finance Officer or City Manager will notify the project management and/or vendor, contractor, or sub-recipient that a portion of the invoice or other demand for payment will not be paid with ARP/CSLFRF funds. The Finance Officer or City Manager 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. The City of Graham’s governing board must approve any allocation of other funds for this purpose.
- The Finance Officer or City Manager must retain appropriate documentation of budgeted cost items per project and actual obligations and expenditures of cost items per project.

## **VII. COST TRANSFERS**

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

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

**Adopted this 9<sup>th</sup> day of April 2024.**

---

Mayor Jennifer Talley

ATTEST:

---

City Clerk Renee M. Ward



# STAFF REPORT

<b>SUBJECT:</b>	APPEARANCE COMMISSION/TREE BOARD MEMBERS
<b>PREPARED BY:</b>	AARON HOLLAND, ASSISTANT CITY MANAGER

**REQUESTED ACTION:**

Amend Code of Ordinances to decrease total members for Appearance Commission/ Tree Board.

**BACKGROUND/SUMMARY:**

City Council directed staff at the conclusion of the March 12<sup>th</sup> meeting to bring forth a text amendment to the Code of Ordinances reducing the total required members of the Appearance Commission/ Tree Board from 7 members to 5 members. Because of challenges meeting quorum requirements and a lack of applications, this would offer a more manageable number to stay compliant and move the business of the board forward.

**FISCAL IMPACT:**

N/A

**STAFF RECOMMENDATION:**

Approval

**SUGGESTED MOTION(S):**

I move to approve the Ordinance amendment to Chapter 2 (Administration), Article II, DIVISION 3. Boards and Commissions to the Code of Ordinances to reduce the total members of the Appearance Commission/ Tree Board from 7 members to 5 members.

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GRAHAM, AMENDING  
CHAPTER 2, ARTICLE II, DIVISION 3, SEC. 2-56 TO 2-58 TO THE CODE OF ORDINANCES  
OF THE CITY OF GRAHAM, NORTH CAROLINA**

The City Council of the City of Graham, North Carolina, does ORDAIN:

**Sec. 1.** That the Code of Ordinances, City of Graham, North Carolina, is hereby amended by amending sections 2-56 to 2-58, which said section shall read as follows:

---

**Chapter 2 – ADMINISTRATION**

**ARTICLE II.- MAYOR AND CITY COUNCIL**

**DIVISION 3. Boards and Commissions**

**Section 2-56. Appearance Commission**

Under authority granted by the North Carolina General Assembly through §160A-451, there is hereby created a City of Graham Appearance Commission.

**(1) Duties**

The purpose of the Appearance Commission shall be to serve as an advisor to City Council by identifying and making recommendations for ways to improve the appearance of the City of Graham.

The duties of the Appearance Commission will be to:

- a. serve as an advisory board to the mayor and city council and shall have no administrative duties;
- b. partner with citizens, private organizations, businesses, and government agencies for the purpose of bringing attention to the City of Graham through visual appeal;
- c. promote programs designed to encourage private investment in the revitalization and rehabilitation of existing properties within the corporate limits of Graham;
- d. encourage community involvement by initiating and planning events that will contribute to the City's aesthetic appeal;
- e. The appearance commission may accept gifts or bequests with the approval of city council.

**(2) Membership; appointments**

The Appearance Commission shall be limited to a total membership of ~~seven (7)~~ **five (5)** residents of the City of Graham at the time of appointment, with up to two (2) members residing in the extraterritorial jurisdiction of Graham. Members shall be appointed by the Graham City Council upon receipt of a completed application submitted to the city clerk's office. Appearance Commission members shall serve a three-year term and may be appointed to subsequent three-year terms.

**Section 2-58. Tree Board**

(a) *Created; composition; qualifications.* There is hereby created a tree board for the city, which shall consist of a total membership of ~~seven~~ **five (5)** residents of the City of Graham at the time of appointment, with up to two members residing in the extraterritorial jurisdiction of Graham. The members of the tree board shall be members of the appearance commission. A member of the city council shall serve on the tree board concurrent with their term of office on the city council. As liaison to the tree board, the council member shall not have a vote. The city horticulturist shall be the staff liaison and serve as an ex-officio member of the board.

That this Ordinance shall be in full force and effect from and after its passage, approval, and publication, as provided by law

**Adopted this the 9th day of April 2024.**

---

Mayor  
Jennifer Talley

ATTEST:

---

Renee M. Ward  
City Clerk



# STAFF REPORT

SUBJECT:	ACCESSIBLE PARKS GRANT APPLICATION AND MATCHING FUNDS
PREPARED BY:	BRIAN FAUCETTE, DIRECTOR OF RECREATION AND PARKS

## REQUESTED ACTION:

Direct the staff of the Recreation and Parks Department to apply for the 2024 Accessible Parks Grant for projects at the Graham Recreation Center and to approve matching funds if the grant is awarded.

## BACKGROUND/SUMMARY:

GRPD's Inclusion Policy adopted by Council in 2021 outlines the department's "approach to ensuring inclusive environments and equitable opportunities for all community members in parks and recreation programs." To further this goal, GRPD staff continually reviews all facilities and programs to increase accessibility. Two projects at the Graham Recreation Center that would greatly increase accessibility for all have been identified.

- 1) ADA Entryway Doors – The exterior doors will be upgraded to include ADA compliant push plate door opening mechanisms. To date, all entryway doors require someone to pull the door open to enter. The new system will allow all users to independently enter the Center by: a) pulling the door open to enter or b) pushing a button on the outside of the building to activate the automatic door opening mechanism. A similar button will be installed on the interior of the Center to activate the door for exiting.
- 2) ADA/Family Restroom – A new restroom unit will be created and will meet all ADA standards and will be labeled a "Family" restroom. To date, there are no ADA accessible restroom units in the Center. This project will reduce the overall number of restroom units in the Center from eight (4 in each restroom) to seven (3 in each traditional restroom and one ADA/family restroom unit). This reduction has been approved by the City's Inspections Director.

The need for increased accessibility has become more evident in recent years as the Center has experienced an increase in usage by the general public, most notably during early voting (15,275-total, 5,091-average for each early voting period) and voting (940-total, 188-average. each election day), an ABSS pre-K therapy program for students with a variety of special needs (69-total, 4-average/day), and the return of the congregate meal site (265-month, 14-average/day), which provides wellness programs and serves a hot lunch to seniors five days per week.

## FISCAL IMPACT:

The Accessible Parks Grant is a 5 to 1 matching grant, which means recipients must match the grant with at least \$1 of local funds for every \$5 in grant funds.

For both projects, the total cost is \$131,250. Matching funds from the City of Graham would total \$26,250.

**STAFF RECOMMENDATION:**

Direct the staff of the Recreation and Parks Department to apply for the 2024 Accessible Parks Grant for projects at the Graham Recreation Center and to approve matching funds of \$26,250 if the grant is awarded.

**SUGGESTED MOTION(S):**

I make a motion to direct the staff of the Graham Recreation and Parks Department to apply for the 2024 Accessible Parks Grant for the ADA Entryway Doors and ADA/Family Restroom projects at the Graham Recreation Center and to approve matching funds in the amount of \$26,250 if the grant is awarded.