TOWN OF BLACK MOUNTAIN

Town Hall, 160 Midland Avenue, Black Mountain, NC 28711

Date: **May 9, 2022** Time: **6:00 p.m.** **Regular Session Agenda**

*The agenda and all related documentation may be accessed electronically via Wi-Fi in Town Hall. From your laptop or smartphone, access the Town's website at **www.townofblackmountain.org**. **Click** on **Town Government** and select **Mayor and Council** to download materials for all Town Council meetings.*

Conserve resources; print only when necessary.

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(828) 419-9300 / TDD (800) 735-2962

1. CALL TO ORDER

- Welcome
- Prayer – Rev. Michael Carter, Unitarian Universalist Congregation
- Pledge of Allegiance
- Announcements

2. PROCLAMATIONS, AWARDS & RECOGNITION

A. Public Works Appreciation Week

3. CITIZEN COMMENTS

*Individuals wishing to address the Council are asked to sign in at the entrance to the Council room, indicating the topic(s) or agenda item(s) you wish to discuss, so that the chair may group speakers according to topic. The chair will recognize individuals requesting to address the Council. **Comments by any one speaker shall be limited to three (3) minutes**.*

To send comments prior to the meeting, please call Town Hall at 828-419-9310 or email comments to Comments@townofblackmountain.org. The Clerk will compile them and present them to the Mayor for consideration.

4. COMMUNICATIONS FROM STAFF, COUNCILS, COMMISSIONS & AGENCIES

5. CONSENT AGENDA

All items on the consent agenda are considered routine, to be enacted by one motion without discussion. If a member of the governing body requests discussion of an item, the item will be removed from the consent agenda and considered separately.

A. Adoption of Minutes

Motion: *To adopt the minutes of the April 11, 2022 Regular Session Meeting, and the April 7, 2022 Agenda Meeting.*

B. In-The-Oaks Resolution #R-22-12

Motion: *To approve resolution #R-22-12 as presented.*

C. Extension of Buncombe County Tax Collection Agreement

Motion: *To approve the tax collection agreement as presented.*

D. Call for Public Hearing to Close Portion of Unopened, Platted Portion of Buckeye Street

Motion*: To call for the public hearing to close an unopened, platted portion of Buckeye Street (east end) to be held on Monday, July 11, 2022, at 6:00 p.m. or as soon thereafter as possible, in the Board Room of Town Hall at 160 Midland Avenue.*

E. Approving Selection of Auditor

Motion*: To approve the selection of Gould Killian CPA Group as auditors.*

Consent Motion: To approve consent item A-E as presented.

6. CITIZEN COMMENTS

*The chair will recognize individuals requesting to address the Council regarding the specific **New Business or Unfinished Business items below**. Comments by any one **speaker shall be limited to three (3) minutes**.*
*If the topic you wish to discuss pertains to a **public hearing** scheduled for this meeting, please reserve your comment for the applicable public hearing.*

To send comments prior to the meeting, please call Town Hall at 828-419-9310 or email comments to Comments@townofblackmountain.org. The Clerk will compile and present written comments to the Mayor for consideration.

7. UNFINISHED BUSINESS

A. American Rescue Plan – Adoption of Policies and Procedures

Motion*: To approve the American Rescue Plan Policies and Procedures as presented.*

8. NEW BUSINESS

A. Lease Agreements for Billboard and Collocation on Communication Tower

Motion: *To authorize the Town Manager to negotiate lease agreements.*

B. Stormwater Management Utility and Stormwater Management Enterprise Fund Ordinance Amendments **#O-22-03**

Motion: *To approve and adopt **Ordinance #O-22-03** as presented [or as amended].*

C. Golf Course Rates

Motion: *To approve 2022-23 rate schedule for Black Mountain Golf Course as presented.*

D. Storybook Trail Proposal at Lake Tomahawk

Motion: *To approve or deny the project as presented or as amended.*

9. PUBLIC HEARING

The chair will recognize individuals requesting to address the Council regarding the specific topic of the public hearing. ***Public hearing comments by any on speaker shall be limited to ten (10) minutes****. The Mayor reserves the right to alter time limits and other rules of procedure at the beginning of each Public Hearing.*

10. COMMUNICATION FROM STAFF

A. Town Attorney – Ron Sneed

B. Town Manager – Josh Harrold

11. COMMUNICATION FROM MAYOR AND TOWN COUNCIL

12. CLOSED SESSION

A. Closed session to discuss the potential acquisition of property as permitted by North Carolina General Statutes 143-318.11 (5) and to consult with the Town Attorney as permitted by North Carolina Statutes 143-318.11 (a)(3).

13. ADJOURNMENT

Josh Harrold
Town Manager

PUBLIC NOTICE

BLACK MOUNTAIN TOWN COUNCIL

JUNTA DEL AYUNTAMIENTO

Thursday, May 5 2022 at 5:00 p.m.
Jueves 5 de Mayo de 2022 a las 5:00 p.m.

The Black Mountain Town Council will meet for their monthly Agenda Workshop Meeting on **Thursday, May 5, 2022 at 5:00 p.m.** in the Board Room in the Town Hall Building, 160 Midland Avenue, Black Mountain, NC.

The meeting is open to the public.
Está abierta al público.

Savannah Parrish
Savannah Parrish
Town Clerk

The Town of Black Mountain is committed to providing accessible facilities, programs and services for all people in compliance with the Americans with Disabilities Act (ADA). Should you need assistance or a particular accommodation for this meeting please contact, Savannah Parrish, Town Clerk at 419-9310 or by email at townclerk@townofblackmountain.org

Estamos comprometidos a proporcionar instalaciones, programas y servicios accesibles para todas las personas de conformidad con la Ley de Estadounidenses con Discapacidades (ADA). Si necesita ayuda o una adaptación en particular para esta reunión, comuníquese con Savannah Parrish, secretaria municipal al 419-9300 o por correo electrónico a townclerk@townofblackmountain.org

Please visit www.townofblackmountain.org to obtain agenda packets and other meeting information.
Visite www.townofblackmountain.org para obtener paquetes de la agenda y otra información.

Posted to the Town Bulletin Board 04/13/2022

PUBLIC NOTICE
NOTICIA PÚBLICA

BLACK MOUNTAIN TOWN COUNCIL

REGULAR SESSION MEETING

JUNTA DEL AYUNTAMIENTO

Monday, May 9, 2022 at 6:00 p.m.
Lunes 9 de Mayo 2022 a las 6:00 p.m.

The Black Mountain Town Council will meet for their monthly Regular Session Meeting on **Monday, May 9, 2022 at 6:00 p.m.** in the Board Room in the Town Hall Building, 160 Midland Avenue, Black Mountain, NC.

The meeting is open to the public.
Está abierta al público.

Savannah Parrish

Savannah Parrish
Town Clerk

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Visite www.townofblackmountain.org para obtener paquetes de la agenda y otra información.

Posted to the Town Bulletin Board 4/13/22

Proclamation

"Public Service Appreciation Week"

WHEREAS, The Town of Black Mountain Public Works Department provides services and infrastructure that are an integral part of our daily lives and are critical to addressing the needs of a growing community.

WHEREAS, Public Works Departments are typically comprised of multiple disciplines delivering a wide range of services. Our Town's Public Services Department provides the community with Roadway Construction and Maintenance, Residential and Commercial Sanitation Services, Recycling, Fleet Maintenance, Facilities Maintenance, and Stormwater Management Services.

WHEREAS, The quality and effectiveness of these services and operations are dependent upon the training, skill, dedication, and efforts of Public Works employees.

WHEREAS, the health, safety and economic vitality of this community greatly depends on these services and operations.

NOW, THEREFORE, I, Larry B. Harris, Mayor of the Town of Black Mountain, do hereby proclaim the week of May 15-21, 2022 as:

"PUBLIC SERVICE APPRECIATION WEEK"

in Black Mountain, and I call upon citizens and civic organizations to acquaint themselves with the issues involved in providing the aforementioned services and to recognize the contributions which Public Work employees make every day to our health, safety, comfort, quality of life, and overall vitality of the community.

Proclaimed this, the 9th day of May 2022.

Attest: Larry B. Harris, Mayor

Savannah Parrish, Town Clerk

TOWN OF BLACK MOUNTAIN TOWN COUNCIL
AGENDA WORKSHOP MEETING MINUTES
April 7, 2022

THE BLACK MOUNTAIN TOWN COUNCIL held an agenda workshop Thursday, April 7, 2022 at 5:00 p.m. in the board room of Town Hall, 160 Midland Avenue, Black Mountain, NC. The purpose of the meeting was to review the agenda for the regular monthly meeting scheduled for Monday, April 11, 2022 at 6:00 p.m.

1. CALL TO ORDER

Mayor Larry B. Harris called the meeting to order at 5:00 p.m. *with the following members present*:

Mayor Larry B. Harris
Vice Mayor Ryan Stone
Council Member Archie Pertiller
Council Member Pam King - absent
Council Member Doug Hay
Council Member Bill
Christy

The following staff members were present:

Josh Harrold, Town Manager – absent
Savannah Parrish, Town Clerk
Ron Sneed, Town Attorney

Mayor Larry Harris opened the meeting. Town Clerk, Savannah Parrish presented the proposed agenda to the Town Council.

Attorney Sneed gave a brief overview of Item 8A – American Rescue Plan Policies and Procedures, which must be adopted to continue spending the funds received from the American Rescue Plan Act.

Savannah Parrish concluded the presentation of the agenda items. There was no discussion.

Council Member Archie Pertiller moved to adopt the proposed agenda as amended. The motion was approved by a vote of 4-0.

There being no further discussion Mayor Larry B. Harris adjourned the meeting at 5:08 p.m.

ATTEST:

Savannah Parrish, Assistant to Manger/Town Clerk — Larry B. Harris, Mayor

TOWN OF BLACK MOUNTAIN

Town Hall, 160 Midland Avenue, Black Mountain, NC 28711

Date: **April 11, 2022** Time: **6:00 p.m.** **Regular Session Minutes**

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(828) 419-9300 / TDD (800) 735-2962

1. CALL TO ORDER

Mayor Larry Harris called the meeting to order at 6:00 p.m. with the following members present:

Mayor Larry B. Harris
Vice Mayor Ryan Stone
Council Member Archie Pertiller
Council Member Bill Christy
Council Member Doug Hay
Council Member Pam King

The following staff members were present:
Josh Harrold, Town Manager
Savannah Parrish, Town Clerk
Ron Sneed, Town Attorney

Mayor Harris welcomed the public and led the Pledge of Allegiance and prayer. Rob Robinson, Board Chair of Christian Friends of Korea offered an invocation. Mayor Harris reminded the public that leaders of all faiths are invited to pray.

2. PROCLAMATIONS, AWARDS & RECOGNITION - None

3. CITIZEN COMMENTS

Dr. Heath Rada sent in a comment, which was read by Manager Harrold, in favor of a resolution of support for the Energy Innovation and Carbon Dividend Act.

Claire Danielson sent in a comment, read by Manager Harrold, expressing her support of the Dr. John Wilson Community Garden and her hope that the Town Council will continue to support and expand the garden.

Karen Hatley sent in a comment, read by Manager Harrold, in support of the Dr. John Wilson Community Garden and thanking Diana McCall for her years of service to the garden.

Elizabeth Keiser sent in a comment, read by Manager Harrold, asking the Town Council to address climate change by supporting a federal bill to reduce carbon.

Vaidila Satvika sent in a comment, read by Manager Harrold, requesting that the Town Council's support of the Citizens Climate Lobby and the Energy Innovation and Carbon Dividend Act.

Hannah Webber sent in a comment, read by Manager Harrold, expressing support for the policy prioritizing the purchase of electric vehicles and in support of other carbon-reducing policies.

Doug Brock sent in a comment, read by Manager Harrold, requesting that the Town purchase all electric vehicles and to further address climate change.

Patricia Thomson sent in a comment, read by Manager Harrold, endorsing the Energy Innovation and Carbon Dividend Act and asking the Town Council to consider supporting a resolution of support.

Andy Gibbon sent in a comment, read by Manager Harrold, to express concern regarding climate change and in support of the Energy Innovation and Carbon Dividend Act. Mr. Gibbon requested that the Town Council consider supporting the Carbon Dividend Act.

Bud Rainey sent in a comment, read by Manager Harrold, requesting that the Town Council pass a resolution of support for the Energy Innovation and Carbon Dividend Act.

Louise Lorton sent in a comment, read by Manager Harrold, requesting that the Town Council's support of the Citizens Climate Lobby. Ms. Lorton also requested that the Town Council pass a resolution in support of the Energy Innovation and Carbon Dividend Act.

Anthony Pascone addressed the Town Council to request a resolution of support for the Energy Innovation and Carbon Dividend Act.

Steffi Rauch expressed concern about climate change and spoke in favor of a resolution of support for the Energy Innovation and Carbon Dividend Act.

Bob Cumbie also spoke in favor of the Energy Innovation and Carbon Dividend Act.

Jane Galthwait addressed the Town Council to request a resolution of support for the Energy Innovation and Carbon Dividend Act.

Ann Lutz expressed her concern about development in the Town of Black Mountain. She requested a robust tree ordinance be put in place.

Tracy Munn requested that the crosswalk on Broadway be replaced.

4. COMMUNICATIONS FROM STAFF, COUNCILS, COMMISSIONS & AGENCIES

Council Member Archie Pertiller moved to add the annual report of the Black Mountain Beautification Committee to the agenda. The motion was approved by a vote of 5-0.

- **A.** The Black Mountain Beautification Committee
- **B.** Annual Water Report
- **C.** Parks and Recreation Annual Report

5. CONSENT AGENDA

Manager Harrold presented the consent agenda to the Town Council.

A. Adoption of Minutes

Motion: *To adopt the minutes of the March 14, 2022 Regular Session Meeting, and the March 10, 2022 Agenda Meeting.*

B. US70 Waterline Engineer Selection

Motion: *To approve engineering firm for US70 waterline project.*

C. Martin Luther King, Jr. Marker Letter of Support

Motion: *To approve sending a letter of support for the Martin Luther King, Jr. Marker.*

D. Budget Amendment Underpass Pedestrian Connection

Motion*: To approve the budget amendments as presented.*

E. Call for Public Hearing to Close Portion of Unopened, Platted Portion of Buckeye Street

Motion: *To call for the public hearing to close an unopened, platted portion of Buckeye Street to be held on Monday, June 13, 2022, at 6:00 p.m. or as soon thereafter as possible, in the Board Room of Town Hall at 160 Midland Avenue.*

F. Budget Amendment Black Mountain Beautification Committee Grant

Motion: *To approve the budget amendment as presented.*

Council Member Archie Pertiller moved to approve consent item A-F as presented. The motion was approved by a vote of 5-0.

6. CITIZEN COMMENTS - None

7. UNFINISHED BUSINESS - None

8. NEW BUSINESS

A. American Rescue Plan – Adoption of Policies and Procedures

The Final Rule for the American Rescue Plan was issued on January 6, 2022. That final rule contains a number of regulations that local governments must follow when expending Federal Funds, including a variety of policies and procedures. The required policies were presented to the board by Attorney Sneed. The Financial and Internal Control Policy was removed from the agenda and will be placed on May's agenda.

Council Member Doug Hay moved to approve the American Rescue Plan Policies and Procedures as presented. The motion was approved by a vote of 5-0.

B. Planning Board Memo asking Town Council to consider initiating a petition to close the remainder of Buckeye Street.

At the March meeting the Planning Board voted 4 to 0 (with one abstention) to make a recommendation to the Town Council to initiate the closure of the open right-of-way between Cragmont Park and the lower parcel also owned by the town. Planning Board made this recommendation because if closed, the right-of-way is split in half and added to the abutting parcel This allows for the right-of-way to be included in the development of Cragmont Park.

Council Member Bill Christy moved to initiate the application process to close the remainder of Buckeye Street. The motion was approved by a vote of 5-0.

C. Policy Prioritizing the purchase of Electric Vehicles

This policy establishes that town staff will seek bids for electric vehicles when purchasing for the fleet, when a comparable electric vehicle exists. Black Mountain will be committed to increasing the number of electric vehicles in the town's fleet whenever possible.

Council Member Pam King moved approve the policy of purchasing electric vehicles when a comparable EV exists. The motion was approved by a vote of 5-0.

D. Acceptance of Park Amenities for Cragmont Park

The VFW is requesting that Town Council allow them to donate a workout station for Cragmont Park. The VFW would build and maintain this piece of equipment.

Archie Pertiller moved to approve the acceptance of the project as presented. The motion was approved by a vote of 5-0.

9. PUBLIC HEARING

The chair will recognize individuals requesting to address the Council regarding the specific topic of the public hearing. ***Public hearing comments by any on speaker shall be limited to ten (10) minutes****. The Mayor reserves the right to alter time limits and other rules of procedure at the beginning of each Public Hearing.*

A. Public Hearing to Add Text for Mobile Food Vendors and Mobile Food Vendor Courts

The proposed text amendments provide a list of requirements to operate as a mobile food vendor or mobile food vendor court and the districts in which they are allowed. The amendments will also align with the requirements of the Buncombe County Health Department.

Council Member Pam King moved to open the public hearing for Ordinance #O-22-02 for amendments to add text for mobile food vendors and mobile food vendor courts. The motion was approved by a vote of 5-0.

There were no public comments.

Council Member Pam King moved to close the public hearing. The motion was approved by a vote of 5-0.

Council Member Pam King moved to Ordinance #O-22-02 as presented. The motion was approved by a vote of 5-0.

10. COMMUNICATION FROM STAFF

Town Manager Josh Harrold reminded the Town Council and the public that all town offices close on Friday, April 15th for Good Friday. Manager Harrold also stated that the funds from FEMA were now going to be more than first anticipated. He expects that the projects at the golf course and greenway will be fully funded.

11. COMMUNICATION FROM MAYOR AND TOWN COUNCIL

Mayor Harris wished the public a Happy Easter. Council Member King shared more information regarding the commemorative marker for Martin Luther King, Jr.

12. CLOSED SESSION

A. Closed session to discuss the potential acquisition of property as permitted by North Carolina General Statutes 143-318.11 (5) and to consult with the Town Attorney as permitted by North Carolina Statutes 143-318.11 (a)(3).

Council Member Bill Christy moved to enter into closed session. The motion was approved by a vote of 5-0.

Vice Mayor Ryan Stone moved to return to open session. The motion was approved by a vote of 5-0.

13. ADJOURNMENT

Vice Mayor Ryan Stone moved to adjourn the April 11, 2022 Town Council Meeting. The motion was approved by a vote of 5-0.

There being no further business, Mayor Harris adjourned the meeting at 7:55 p.m.

ATTEST:

____
Savannah M. Parrish Town Clerk

____
Larry B. Harris, Mayor

____
Josh Harrold, Town Manager

R-22-12

RESOLUTION OF
SUPPORT FOR THE RESTORATION OF IN-THE-OAKS

WHEREAS, In-the-Oaks is a historic estate on the National Historic Register located on Montreat College's Campus in Black Mountain, North Carolina; and

WHEREAS, The Town of Black Mountain recognizes the In-the-Oaks as a vital community anchor which boasts magnificent architecture, historical significance, and uniqueness; and

WHEREAS, In-the-Oaks is in need of restoration in order to be more broadly visited and utilized by the public; and

WHEREAS, The Town of Black Mountain supports Montreat College as they seek funding opportunities for the restoration of In-the-Oaks;

NOW, THEREFORE, BE IT RESOLVED that the Town Council of the Town of Black Mountain believes a healthy and vibrant Montreat College is good for Black Mountain and Buncombe County, and supports the restoration of this treasure, In-the-Oaks.

Adopted this the 9th day of May, 2022.

____
Larry B. Harris
Mayor

Attest:

____
Savannah M. Parrish
Town Clerk

TOWN OF BLACK MOUNTAIN
TOWN COUNCIL
REQUEST FOR BOARD ACTION
Meeting Date: May 9th, 2022

SUBJECT: Extension of Interlocal Agreement of Tax Collections with Buncombe County

AGENDA INFORMATION

Agenda Location: **CONSENT AGENDA**
Item Number: **5C**
Department: Finance
Contact: Tammy Holland, Finance Director
Presenter: Tammy Holland, Finance Director

BRIEF SUMMARY:

The Town's original agreement with Buncombe County for ad valorem tax listing and collection services was entered into around May 13, 2019 for a 3 year period. This amendment extends the interlocal agreement from July 1, 2022 until June 30, 2025.

Budget Impact:
none

MOTION FOR CONSIDERATION: To approve extension of interlocal tax collection agreement with Buncombe County

ATTACHMENTS: Extension of Tax Collections Agreement

MANAGER'S COMMENTS AND RECOMMENDATIONS: To approve as presented.

STATE OF NORTH CAROLINA
COUNTY OF BUNCOMBE

EXTENSION OF TAX COLLECTIONS AGREEMENT

This Extension of Tax Collections Agreement made and entered into effective as of July 1, 2022 by and between County of Buncombe, a political subdivision of the State of North Carolina (hereinafter sometimes "County") and the Town of Black Mountain, a municipal corporation organized and existing under the laws of the State of North Carolina (hereinafter sometimes referred to herein as "Town") collectively herein sometimes referred to as the "Parties."

Witnesseth:

Whereas, on or about May 13, 2019 the Parties entered into a tax collections agreement "(Agreement") pursuant to General Statutes 153A-445 and Article 20 of Chapter 160A of the North Carolina General Statutes in order to jointly exercise any function which they have been granted the power to exercise alone and to enter into contracts or agreements to specify the details of these joint undertakings;

Whereas, the Agreement provides that the County will bill and collect both the County and Town taxes upon the terms and conditions set forth therein for a Three (3) year period beginning July 1, 2019 and ending June 30, 2022; and

Whereas, as provided in the Agreement, the Parties desire to extend the Agreement for an additional term of three (3) years.

Now Therefore, in consideration of the mutual covenants of the parties hereto and for the purposes aforesaid, it is hereby agreed between the County and Town as follows:

A. That as provided in paragraph 2 of the Agreement, the Parties agree to extend the Agreement for a new term of three (3) years beginning July 1, 2022 and ending June 30, 2025.

B. The individual signatories below have the expressed and implied authority on behalf of their respective Boards to execute this Agreement. The Parties may execute this Agreement in separate counterparts and the execution of a copy shall have the same effect as the execution of an original. Such execution may be by facsimile or PDF attachment to an email.

C. That each and every other of the terms and conditions of the said original Agreement remain in full force and effect except as modified herein.

{Signatures on Following Pages}

IN WITNESS WHEREOF, the parties have executed this Extension of Tax Collections Agreement as of the day and year set forth below.

BUNCOMBE COUNTY

By: ______________________________
Avril M. Pinder, County Manager

ATTEST:

____
Lamar Joyner, Clerk to the Board

TOWN OF BLACK MOUNTAIN

By: ______________________________

____

____

ATTEST:

____
___________, Town Clerk

This instrument has been preaudited
in the manner required by The Local
Government Budget and Fiscal Control Act

____
Name:
Finance Officer, Town of Black Mountain

TOWN OF BLACK MOUNTAIN TOWN COUNCIL
REQUEST FOR COUNCIL ACTION
Meeting Date: May 9, 2022

SUBJECT: Call for Public Hearing to Close Portion of Unopened, Platted Portion of Buckeye Street ***#R-22-11***

AGENDA INFORMATION

Agenda Location:	**CONSENT AGENDA**
Item Number:	5D
Department:	Planning & Development
Contact:	Jessica Trotman, Planning Director
Presenter:	Jessica Trotman, Planning Director

BRIEF SUMMARY: The Planning Board recommended that the Town Council initiate a petition to close the east end of the unopened, platted portion of Buckeye Street at their March 28th meeting. The Town Council voted unanimously at their April 11th meeting to initiate the petition. The requested closure is approximately 200 feet in the length and 42 feet wide. The right-of-way is not identified in any adopted plans nor is part of a proposed greenway or roadway system. The right-of-way is not part of a stormwater system nor is it in any drainage area. If closed, the right-of-way will be split down the middle with the Town receiving both halves of the right-of-way. The Planning Board recommended the closure with a vote of 6-1, with Shawn Slome voting against the motion, at the April 25, 2022, meeting.

The Town has the authority to close dedicated but unopened streets within its jurisdiction on its own motion.

MOTION FOR CONSIDERATION: To call for the public hearing to close an unopened, platted portion of Buckeye Street (east end) to be held on Monday, July 11, 2022, at 6:00 p.m. or as soon thereafter as possible, in the Board Room of Town Hall at 160 Midland Avenue.

FUNDING SOURCE: N/A

ATTACHMENTS: Resolution of Intent ***#R-22-11***

MANAGER'S COMMENTS AND RECOMMENDATIONS: To call for the public hearing to be held at the next regularly scheduled meeting or as soon thereafter as possible.

LEGAL NOTICE

BLACK MOUNTAIN TOWN COUNCIL

PUBLIC HEARING

Monday, July 11, 2022, at 6:00 p.m.

The Black Mountain Town Council will meet on **Monday, July 11, 2022, at 6:00 p.m**. in the Board Room in the Town Hall Building, 160 Midland Avenue, Black Mountain, NC. The purpose of this meeting is to hold a public hearing for a right-of-way closure for the unopened, platted portion of Buckeye Street (east end).

The meeting is open to the public.

Savannah Parrish
Town Clerk

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Posted to the Town Bulletin Board 05/19/2022
Published in the Black Mountain News 05/26/2022, 06/02/2022, 06/09/2022, 06/16/2022

www.townofblackmountain.org

TOWN OF BLACK MOUNTAIN
160 Midland Avenue
Black Mountain, NC 28711

Town Council Regular Session
May 09, 2022
Agenda Item

RESOLUTION OF INTENT # *R-22-11*

RESOLUTION DECLARING THE INTENT OF THE TOWN COUNCIL OF THE TOWN OF BLACK MOUNTAIN TO CONSIDER THE CLOSING OF AN UNOPENED, PLATTED PORTION OF BUCKEYE STREET (EAST END) AND TO HOLD A PUBLIC HEARING ON THIS ISSUE JULY 11, 2022

WHEREAS, G.S. 160A-299 authorizes the Town Council of the Town of Black Mountain to permanently close public streets or alleys; and

WHEREAS, the Town Council has initiated a petition to close that unopened, platted portion of Buckeye Street (east end); and

WHEREAS, the Planning Board for the Town of Black Mountain did recommend that the unopened, platted portion of Buckeye Street (east end) be closed; and

WHEREAS, the Town Council of the Town of Black Mountain must set a public hearing to consider any comments concerning the above referenced request before taking any action; and

WHEREAS, in accordance therewith, the Town Council of the Town of Black Mountain desires to take the following actions:

DESCRIPTION:

LYING AND BEING in the Town of Black Mountain, Black Mountain Township, Buncombe County, North Carolina and being more particularly described as follows:

BEGINNING

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Black Mountain:

Section 1. Pursuant to G.S. 160A-299, the Town Council declares its intent to close the unopened, platted portion of Buckeye Street (east end).

Section 2. A public hearing on the question of closing said street is hereby called at Town Hall, 160 Midland Avenue, Black Mountain, N.C. 28711 on Monday, July 11, 2022, at 6:00 p.m.

Section 3. Following the public hearing called hereby, the Town Council shall consider the passage of an order closing the street identified above.

Section 4. The Town of Black Mountain Town Clerk is hereby directed to publish this Resolution once a week for four successive weeks in the Black Mountain News, or other newspaper of general circulation in the area.

Section 5. The Town of Black Mountain Zoning Administrator is hereby directed to transmit by registered or certified mail to each owner of property abutting upon that portion of said street a copy of this Resolution.

Section 6. The Town of Black Mountain Zoning Administrator is further directed to cause adequate notices of the proposed closing and of the public hearing to be posted as required by G.S. 160A-299.

I move the adoption of the foregoing resolution:

____
Councilperson

READ, APPROVED AND ADOPTED, by a vote of ____ to ____ this the 9th day of May, 2022.

ATTEST:

____
Larry Harris, Mayor

____
Savannah Parrish, Town Clerk

____
Josh Harrold, Town Manager

TOWN OF BLACK MOUNTAIN
TOWN COUNCIL
REQUEST FOR BOARD ACTION

Meeting Date: May 9th, 2022

SUBJECT: Approving Selection of Auditor

AGENDA INFORMATION

Agenda Location: **CONSENT AGENDA**
Item Number: **5E**
Department: Finance
Contact: Tammy Holland, Finance Director
Presenter: Tammy Holland, Finance Director

BRIEF SUMMARY:

The Town is now preparing for the Fiscal Year 2022 audit. With the acceptance of ARPA funds, the Town is required to follow The Uniform Guidance governing federal grants which states that the Town's audit be procured in accordance with 2 CFR Part 200G.S. Also, the Town's 3-year Audit contract with Mauldin Jenkins had come to an end with the conclusion of the Fiscal Year 2021 Audit.

As a result of these items, staff prepared and issued a Request for Proposal (RFP) in March 2022 for audit services, which is recommended but not required. The RFP was emailed to all audit firms listed on the NC LGC website as approved auditors serving WNC, as well as posted on the Town's website. Four firms provided proposals, Mauldin Jenkins LLC, Gould Killian CPA Group, P.A., RH CPA's, Thompson, Price, Scott, & Adams Co.

After an evaluation of the criteria detailed within the RFP, staff recommends to the board Gould Killian CPA Group to provide audit services.

Per GS § 159-34 Each unit of local government and public authority shall have its accounts audited as soon as possible after the close of each fiscal year by a certified public accountant or by an accountant certified by the Commission as qualified to audit local government accounts. The auditor shall be selected by and shall report directly to the governing board.

Budget Impact:

none

MOTION FOR CONSIDERATION: To approve or deny the contract

ATTACHMENTS: Evaluation Matrix, Gould Killian Contract and Agreement to Provide Services

MANAGER'S COMMENTS AND RECOMMENDATIONS: To approve as presented.

GOULD KILLIAN
CPA GROUP, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

April 28, 2022

To the Honorable Mayor and
Members of Town Council
Town of Black Mountain
160 Midland Avenue
Black Mountain, NC 28711

Agreement to Provide Services

This agreement to provide services (the "Agreement") is intended to describe the nature and scope of our services.

Objectives and Scope of the Audit

As agreed, Gould Killian CPA Group, P.A. ("GK" or "we") will audit the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of Town of Black Mountain as of and for the year ended June 30, 2022. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Town of Black Mountain's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Town of Black Mountain's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis

2. Required schedules for Law Enforcement Officers' Special Separation Allowance
3. Required schedules for the Local Government Employees' Retirement System
4. Required schedules for the Retiree Health Benefit Fund

We have also been engaged to report on supplementary information other than RSI that accompanies Town of Black Mountain's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. We will provide an opinion on it in relation to the financial statements as a whole, in a separate written report accompanying our auditor's report on the financial statements:

1. Combining and individual fund statements, budgetary schedules, other schedules
2. Schedule of expenditures of federal and state awards (when applicable)

The introductory and statistical sections will not be subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we will not express an opinion or provide any assurance on them.

Audit Objectives

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually-or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on —

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

Auditor’s Responsibilities for the Audit of Financial Statements and Single Audit (if applicable)

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we will exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable ,to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will bring these misstatements to your attention as proposed adjustments. At the conclusion of our audit we will communicate to those charged with governance (as defined below) all uncorrected misstatements. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit, if applicable. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

We have identified the following significant risk of material misstatement as part of our audit planning:

1. Management's override of internal controls

Audit Procedures—Internal Control

We will obtain an understanding of the Town and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and to obtain evidence sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

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

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Town of Black Mountain's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

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

Management Responsibilities for the Financial Statements and Single Audit (if applicable)

Our audit will be conducted on the basis that you (management) acknowledge and understand that you are responsible for (1) establishing and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that Town programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal and state awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under *Government Audit Standards* and under Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the Town from whom we determine it necessary to obtain audit evidence.

Management's responsibilities also include identifying and informing us of significant contractor relationships in which the contractor is responsible for program compliance and for the accuracy and completeness of that information.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Town involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Town received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Town complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal and state awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

If a Single Audit is required, you are responsible for identifying all federal and state awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal and state awards (including notes and noncash assistance received, and COVID-19 related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal and state awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal and state awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal and state awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal and state awards no later than the date the schedule of expenditures of federal and state awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal and state awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal and state awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and state awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal and state awards, and related notes, and any other non-audit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal and state awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal and state awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the non-audit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Reproduction of Audit Report

If the Town plans any reproduction or publication of a document that includes our report, or any portion of it, and that is assembled differently from any paper or electronic version that we have previously reviewed (e.g., by the addition of financial statements and/or accompanying information that you have produced), a copy of the entire document in its final form should be submitted to us in sufficient time for our review and written approval before printing. You also agree to provide us with a copy of the final reproduced material for our written approval before it is distributed. If, in our professional judgment, the circumstances require, we may withhold our written approval.

Posting of Audit Report and Financial Statements on Your Website

You agree that, if you plan to post an electronic version of the financial statements and audit report on your website, you will ensure that there are no differences in content between the electronic version of the financial statements and audit report on your website and the signed version of the financial statements and audit report provided to management by GK. You also agree to indemnify the GK from any and all claims that may arise from any differences between the electronic and signed versions.

Review of Documents In Connection With Offering of Sale of Debt

The audited financial statements and our report thereon should not be provided or otherwise made available to lenders, other financial institutions or sources of financing, or others (including advisors to such parties) in connection with any document to be used in the process of obtaining capital, including, without limitation, by means of the sale of securities (including securities offerings on the Internet) without first submitting copies of the document to us in sufficient time for our review and written approval. If, in our professional judgment, the circumstances require, we may withhold or condition our written approval.

Availability of Records and Personnel

You agree that all records, documentation, and information we request in connection with our audit will be made available to us (including those pertaining to related parties), that all material information will be disclosed to us, and that we will have the full cooperation of, and unrestricted access to, your personnel during the course of the engagement.

You also agree to ensure that any third-party valuation reports that you provide to us to support amounts or disclosures in the financial statements (a) indicate the purpose for which they were intended, which is consistent with your actual use of such reports; and (b) do not contain any restrictive language that would preclude us from using such reports as audit evidence.

Assistance by Your Personnel

We also ask that your personnel prepare various schedules and analyses for our staff. However, except as otherwise noted by us, no personal information other than names related to Town employees and/or customers should be provided to us. In addition, we ask that you provide high-speed Internet access to our engagement team, if practicable, while working on the Town's premises. This assistance will serve to facilitate the progress of our work.

Peer Review Reports

Government Auditing Standards requires that we provide you with a copy of our most recent quality control review report. Our latest peer review report accompanies this letter.

Other Services

We are always available to meet with you and members of Town Council at various times throughout the year to discuss current business, operational, accounting, and auditing matters affecting the Town. Whenever you feel such meetings are desirable, please let us know. We are also prepared to provide services to assist you in any of these areas. We will also be pleased, at your request, to attend governing board meetings.

We will also assist in preparing the financial statements, schedule of expenditures of federal and state awards (if applicable), and related notes of Town of Black Mountain in conformity with U.S. generally accepted accounting principles based on information provided by you. These non-audit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

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

Independence

Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to the Town in the performance of our services. Any discussions that you have with personnel of GK regarding employment could pose a threat to our independence. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

In order for us to remain independent, professional standards require us to maintain certain respective roles and relationships with you with respect to the non-attest services described above. Prior to performing such services in conjunction with our audit, management must acknowledge its acceptance of certain responsibilities.

We will not perform management functions or make management decisions on behalf of the Town. However, we will provide advice and recommendations to assist management of the Town in performing its functions and fulfilling its responsibilities.

The Town agrees to perform the following functions in connection with our performance of the financial statement services:

a. Make all management decisions and perform all management functions with respect to the financial statement services provided by us.
b. Assign Tammy Holland to oversee the financial statement services and evaluate the adequacy and results of the services.
c. Accept responsibility for the results of the financial statement services.

The services are limited to those outlined above. We, in our professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as making management decisions or performing management functions. The Town must make all decisions with regard to our recommendations. By signing this Agreement, you acknowledge your acceptance of these responsibilities.

Engagement Administration, Fees, and Other

We will provide copies of our reports to the members of Town Council of the Town of Black Mountain; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

Many banks have engaged a third party to electronically process cash or debt audit confirmation requests, and certain of those banks have mandated the use of this service. Further, such third party confirmation processors also provide for the electronic (and manual) processing of other confirmation types (e.g., legal, accounts receivable, and accounts payable). To the extent applicable, the Town hereby authorizes GK to participate in such confirmation processes, including through the third party's website (e.g., by entering the Town's bank account information to initiate the process and then accessing the bank's confirmation response), and agrees that GK shall have no liability in connection therewith.

The audit documentation for this engagement is the property of Gould Killian CPA Group, P.A. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the North Carolina Local Government Commission or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Gould Killian CPA Group, P.A. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the federal or state oversight agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit in June 2022 and to issue our reports no later than October 31, 2022. Daniel R. Mullinix is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fixed charges to the Town for the services described above of $30,000 are expected to be $23,500 for the financial statement audit and $6,500 for financial statement preparation. An additional variable fee of $4,500 per major program will be charged should a federal or state single audit be necessary.

The fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. We anticipate the time necessary to complete your audit will approximately 210 hours in total. If significant additional time is necessary (over 250 hours), we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

This fee structure does not take into consideration effects that any future standards promulgated by the Governmental Accounting Standards Board and/or other professional bodies will have on our audit procedures. As we become aware of additional audit procedures resulting from these circumstances, we will notify you of the situation and the estimated additional cost.

As a result of future services to you, we might be requested or required to provide information or documents to you or a third party in a legal, administrative, arbitration, or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be deemed billable to you as a separate engagement. We shall be entitled to compensation for our time and reasonable reimbursement for our expenses (including legal fees) in complying with the request. For all requests we will observe the confidentiality requirements of our profession and will notify you promptly of the request.

Reporting

We will issue written reports upon our completion of the audit. Our reports will be address to the members of the Town Council for the Town of Black Mountain, North Carolina. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs to our auditor's report, or if necessary, withdraw from this engagement. If our opinions on the financial statements or the Single Audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue reports, or may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. If applicable, the Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We believe the foregoing letter accurately summarized the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please acknowledge this by signing and returning to us a copy of this Agreement and retaining a copy for your files. We will forward the signed engagement letter and LGC contract to the Local Government Commission.

Very truly yours,

Daniel R. Mullinix
Certified Public Accountant

RESPONSE:

This letter correctly sets forth the understanding of Town of Black Mountain.

Management signature: ______________________________

Title: ______________________________

Date: ______________________________

Governance signature: ______________________________

Title: ______________________________

Date: ______________________________

CONTRACT TO AUDIT ACCOUNTS

The	Governing Board Town Council
of	Primary Government Unit Town of Black Mountain, NC
and	Discretely Presented Component Unit (DPCU) (if applicable) n/a

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

and	Auditor Name Gould Killian CPA Group, P.A.
	Auditor Address 100 Coxe Avenue, Asheville, NC 28801

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/22	Audit Report Due Date 10/31/22

Must be within four months of FYE

hereby agree as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;

b) the status of the prior year audit findings;

c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and

d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.

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

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

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

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

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

FEES FOR AUDIT SERVICES

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

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

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

Name:	***Title and Unit / Company:***	***Email Address:***
Tammy Holland	Finance Director/Black Mtn	tammy.holland@tobm.org

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

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

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

PRIMARY GOVERNMENT FEES

Primary Government	Town of Black Mountain
Unit Audit Fee (fixed fee)	$ 23,500
Additional Fees Not Included in Audit Fee:	
Fee per Major Program (variable fee)	$ 4,500
Writing Financial Statements (fixed fee)	$ 6,500
All Other Non-Attest Services	$
75% Cap for Interim Invoice Approval ***(not applicable to hospital contracts)***	$ 16,875 (2021 total fee was $ 22,500)

DPCU FEES (if applicable)

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

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Gould Killian CPA Group, P.A.	
Authorized Firm Representative (typed or printed)* Daniel R. Mullinix	Signature*
Date* 4/28/2022	Email Address* dmullinix@gk-cpa.com

GOVERNMENTAL UNIT

Governmental Unit*	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S.159-34(a) or G.S.115C-447(a))	
Mayor/Chairperson (typed or printed)*	Signature*
Date	Email Address

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

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

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

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

Primary Governmental Unit Finance Officer* (typed or printed) Tammy Holland, Finance Director	Signature*
Date of Pre-Audit Certificate*	Email Address* tammy.holland@tobm.org

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

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

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

DPCU – PRE-AUDIT CERTIFICATE

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

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

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

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

PRINT

TOWN OF BLACK MOUNTAIN
Agenda Item Summary
Meeting Date: May 9th, 2022

SUBJECT: America Rescue Plan- Adoption of Polices and Procedures

AGENDA INFORMATION

Agenda Location: **UNFINISHED BUSINESS**
Item Number: **7A**
Department: Finance
Contact: Tammy Holland, Finance Director
Presenter: Tammy Holland, Finance Director

BRIEF SUMMARY:

The Final Rule for the American Rescue Plan was issued on January 6, 2022. That final rule contains a number of regulations that local governments must follow when expending Federal Funds, including a variety of policies and procedures.

The following required policies are being presented to the board to review and adopt as presented.

1. Financial and Internal Control Policy
2. Supplemental Conflict of Interest Policy

MOTION FOR CONSIDERATION: To approve or deny changes to the Town of Black Mountain Financial and Internal Control Policy

ATTACHMENTS: Town of Black Mountain Financial and Internal Control Policy, Financial and Internal Control Resolution, Supplemental Conflict of Interest Policy Resolution

MANAGER'S COMMENTS AND RECOMMENDATIONS: To approve as presented.

Resolution # R-22-07

RESOLUTION
FINANCIAL AND INTERNAL CONTROL POLICY

WHEREAS the Town of Black Mountain, has a responsibility to provide taxpayers with reasonable assurance that government finances are adequately controlled; and

WHEREAS an environment with strong internal controls reflects the reliability of the accounting records and financial statements; and

WHEREAS strong internal controls aid in the prevention of fraud and the detection of accidental errors and oversight in the accounting process; and

WHEREAS cash handling procedures are necessary to ensure proper internal controls, segregation of duties, and adequate safeguard of the Town's assets; and

WHEREAS to fully maximize the use of public monies is in the best interest of the public; and

WHEREAS it is the desire of the Town of Black Mountain Council to have firm guidelines in place to detail the Town's handling of funds

BE IT RESOLVED that the governing board of Town of Black Mountain hereby adopts and enacts the following Financial Policy for the Town of Black Mountain.

Duly adopted by the Town Council of Black Mountain on this the 9th day of May 2022.

____

Larry B. Harris
Mayor

ATTEST:

____

Savannah Parrish
Town Clerk

Town of Black Mountain Financial and Internal Control Policy

Authority: North Carolina General Statutes; Governmental Accounting StandardsBoard Standards and Guidance

Review Responsibility: Finance Director

Date: May 9, 2022

Table of Contents

INTRODUCTION

This policy is to serve as guidance for all Town departments in execution of financial operations within the Town of Black Mountain organization. While it does not address all possible scenarios relatedto financial operations in the Town, it does create a framework to allow the Town to meet the needs of its citizens, as well as the goals and priorities set forth by Town Council.

Any exception or override to the policies listed in this document will require written approval by the Finance Director, the Town Manager, or his/her designee.

Upon activation of the Town of Black Mountain Emergency Operations Plan, this policy is hereby inactive, and the Town of Black Mountain will follow the financial operation policies and procedures outlined in the Emergency Operations Plan.

Thispolicy shall be effective immediately upon Town Council approval and shall supersede all previous financial policies.

The Finance Director shall monitor and enforce financial operations for the Town,as outlined by this policy document. This includes signing Town of Black Mountain purchase orders, contracts, and agreements as part of the Pre-Audit Certification for the disbursement of funds, as well as signing Town of Black Mountain cash disbursements, as authorized by NC General Statute 159-28. The town council previously approved a Town Procurement and Utility Billing Policy that will be used in conjunction with this policy.

Statutory Requirements

The following controls are state statutory requirements and are town-wide across all departments.

- All minutes of the governing body should be maintained in final form in the permanent records of the unit.
- All funds remaining unclaimed after one year should be escheated to the State as required by G.S. Chapter 116B.
- The unit should develop, adopt and approve its budget according to G.S. 159-13.
- All employees who handle public monies or have access to inventories must be bonded either individually or under a blanket bond (G.S. 159-29).

- The Finance Director must be individually bonded for at least $50,000 (G.S. 159-29). The tax collector (if applicable) must be individually bonded at an amount set by the governing board.

- A complete schedule of insurance coverage and limits should be maintained, showing expiration dates, premiums, and other essential information.

ACCOUNTS PAYABLE

The Town procures goods and services through a decentralized purchasing process and maintains the ability to process payments of all invoices by manual check, electronic funds transfer, and purchasing cards. Invoices for goods and services are addressed to, and received by, the various Town departments. Town departments are responsible for establishing controls to ensure items invoiced have been received in accordance with Town policies and procedures.

INVOICE PROCESSING

All Town departments are responsible for ensuring that purchases that require payment by manual check or electronic funds transfer, are with an established vendor within the town finance software. This ensures that all mandatory documentation has been processed and payment can be processed promptly. Departments need to ensure that all vendors are remitting invoices to the Accounts Payable Department and new vendors have completed and remitted a vendor packet.All Town departments are responsible for ensuring all items invoiced have been received. The invoice entry and approval process are completed within the Town's Financial Software.

All goods and services over $1,000 must be purchased via Purchase Order. All purchases, by any method, made by the Town must be pre-audited by the Town Finance Director, or Deputy Finance Director (s), in accordance with NCGS 159-28, except for those specific items listed within the purchasing policy that are exempt from pre-auditing and purchase order requirements.

To ensure the Town compliance of G.S. 159-28 (d), the Finance Directormust provide sufficient internal controls to ensure the guidelines below are followed:

- All expenditures must be authorized by the annual budget ordinance or an adopted capital budget. Items not budgeted originally will require a budget amendment approved by the Town Council.
- Sufficient remaining budget amounts must be available before a purchase is made.
- Adequate cash balances must be available to fund the purchase.
- All purchases must follow the Town of Black Mountain Purchasing Policy.
- All purchases must be transacted exclusively for the operations and capitalized spending of the Town. Purchases cannot be transacted for personal benefit.

PURCHASING CARDS

All Town employees in possession of a purchasing card "PCard" must adhere to the expectations set forth inthis Financial Policy and the Town Purchasing Policy. Cardholders must also sign a purchase card employee agreement before issuance of a Town PCard. Any violation of these policies and procedures requires immediate action. Repeated violations result in cancellation of the purchasing card and can resultin disciplinary action up to and including termination, in accordance with the Town's Personnel Policies. Each Department Head is required to approve all of the department's monthly transactions.

NEW VENDOR SET-UP/MODIFICATION

The Town requires all businesses and contractors to be an active vendor in the Town's financial system to disperse payment. In order to become an active vendor, all businesses must register with the Town through the approved registration methods found on the Town website. Vendors with incomplete registration information will not be accepted.

The Finance Department shall be responsible for all administration of new vendor set-up and shall maintain access to monitor vendor additions and updates in the financial system for completeness.

SYSTEM ACCESS CONTROLS

The Finance Department establishes the system access framework for the financial system. All financialsystem access is restricted with password protection, with functionality restricted through user roles. All requests for access must be approved by a Department Head and the Finance Director. All access control is granted and removed by the Finance Director. To ensureadequately segregated functions, the following system securities exist within the financial management software:

- At the department level, the Department Head has the ability to see budgets and input purchase orders. Department Heads may request access for other users (roles) that may need to see or process purchase orders within that department.
- The Finance Department staff that approves purchase orders does not process invoices for payment unless under extreme conditions and lack of staff.
- Invoice Disbursements must be approved by the Finance Director prior to the check writing process.
- The Finance Department staff is responsible for ensuring that all of the necessary documents havebeen properly matched prior to issuing payment(s) to the vendor.

INTERNAL CONTROLS

Within any accounting system, an organization is always exposed to a certain level of risks. The Town of Black Mountain has implemented certain controls in efforts to prevent and reduce risk exposure.While these controls are set in place, they are only able to provide reasonable assurance of effectiveness because it is impossible to completely eradicate the occurrence or the possible occurrence of fraudulent activity. The controls have been listed below:

- Payments are only issued with an accompanying invoice and other supporting documentation.
- All invoices entered in the system are approved by the proper workflow and by the Finance Director or designee.
- Purchase requisitions are prepared by Town Department Heads or designee
- Purchase orders are generated by the Finance Department and approved by Finance Director or designee.
- Upon receiving merchandise, the departments perform the necessary receiving procedures.to ensure all merchandise is received.
- All Invoices are approved and allocated to expense lines by the Department Head.
- Maintenance to the master vendor file is restricted to the appropriate personnel.
- Check numbers are automatically generated by the financial system.
- Positive pay services are used so that any check not previously registered by number and amount with the bank and uploaded by the check writing software will automatically be rejected unless manually approved by the proper authority.
- Vendor Statements are reconciled monthly to Accounts Payable records.
- A budget ordinance with appropriate budget is adopted annually to ensure funds are available for spending.
- Encumbrances are utilized within the Financial System to ensure that sufficient monies remain available in an appropriation to cover the amount that is expected to be paid out during the current fiscal year.

FINANCIAL RESERVES

Unassigned Fund Balance, as defined by GASB Statement 54, will be the portion of fund balance remaining after all other categories have been determined. These other categories are non-spendable amounts, commitments, and restrictions for future expenditures, and required reserves as defined by State statutes. The Town will maintain a minimum of 30% of the previous fiscal year's actual expenditures and outgoing transfers.

DEBT MANAGEMENT

The Town will confine long-term borrowing to capital improvement or projects that cannot be paid for from current revenues or fund balance except where approved justification is provided. The Town will utilize a balanced approach to capital funding utilizing debt financing, draws on capital reserves and/or fund balances in excess of policy targets, and current-year (pay-as-you-go) appropriations.

When the Town finances capital improvements or other projects by issuing bonds or entering into capital leases, it will repay the debt within a period not to exceed the expected useful life of the project.

Where feasible, the Town will explore the usage of special assessment, revenue, or other self-supporting bonds instead of general obligation bonds.

Prior to the issuance of new General Obligation (GO) debt, consideration shall be given to forecasted tax rate requirements, ratio of net GO debt to assessed taxable value, net GO debt per capita, and debt service payments to General Fund operating budget.

The Town recognizes the importance of underlying and overlapping debt in analyzing financial condition. The Town will regularly analyze total indebtedness including underlying and overlapping debt.

The Town may employ municipal finance professionals to assist in developing a bond issuance strategy, preparing bond documents, and marketing bonds to investors.

The Town shall use the Annual Comprehensive Financial Report (the "ACFR") as the disclosure document for meeting its obligation under SEC Rule 15c2-12 to provide certain annual financial information to the secondary debt market via various information repositories. Continuing Disclosure is required by January 31 of each year.

The Town will select a method of sale that is the most appropriate in light of the financial market, transaction-specific conditions, Town-related conditions, and in accordance with State law.

The Town will use fixed-rate debt in most cases to finance its capital needs; however, the Town may use variable-rate debt up to 15 % of its total debt portfolio, when necessary.

The Town may undertake refinancing of outstanding debt:

- When such refinancing allows the Town to realize significant debt service savings (net present value savings equal to at least 2.0 percent of the refunded par amount) without lengthening the term of refinanced debt and without increasing debt service in any subsequent year; or
- When the public policy benefits outweigh the costs associated with the issuance of new debt and any increase in annual debt service; or
- When a restrictive covenant is removed to benefit of the Town.

The Finance Director shall maintain a system of record keeping and reporting to meet the arbitrage rebate compliance requirements for the federal tax code.

BUDGET DEVELOPMENT

The Town will develop the budget in conjunction with a stated program of performance objectives and measures in which to gauge progress toward meeting those objectives.

The Finance Department will maintain a system for monitoring the Town's budget duringthe fiscal year. This system will provide opportunity for departments and management to monitorand evaluate monthly financial information on expenditures and performance at both the department and fund level. Included will be provisions for amending the budget during the year to address unanticipated needs, emergencies, or compliance with State of North Carolinabudgetary statutes.

For services that benefit specific users, the Town shall establish and collect fees to recover the costs of those services. The Town Council shall determine the appropriate cost recovery level when establishing user fees. Where feasible and desirable, the Town shall seek to recover full direct and indirect costs. User fees shall be reviewed on a regular basis to calculate their full cost recovery attainment levels, to compare them to the current fee structure, and to recommend adjustments where necessary.

The Town shall take immediate corrective actions if at any time during the fiscal year expenditure and revenue updates are such that an operating deficit (i.e., projected expenditures in excess of projected revenues) is projected at year-end. Corrective actions can include a hiring freeze, expenditure reductions, fee increases, and/or use of fund balance.

The tax rate will be set each year based on the cost of providing general governmental services and paying debt service. Consideration will be given to future net revenue requirements for capital improvement project operational expenditure impacts and programmed debt service.

Expenditure budgets are reviewed by staff, the Finance Director, the Town Manager, and Town Council prior to adoption and are continually monitored throughout the budget year. Budgeted funds will be spent for the categorical purposes for which they were intended. The annual operating budget ordinance definesstaff authorization for operating budget adjustments. No appropriations of the proceeds of a debtinstrument will be made except for the purpose for which such debt instrument was issued. Donations will be spent only toward the intent for which they were given.

PAYROLL DISBURSEMENTS-INTERNAL CONTROLS

Each employee should have a secure personnel file that includes, at a minimum, the following:

- hiring authorization,
- salary history,
- hours authorized to work,
- federal and state withholding forms,
- health insurance and retirement deduction information, and
- authorization for all other payroll deductions.
- Payroll checks should be handled like other cash disbursements except that a time record will be the supporting documentation (either electronic or hard copy).
- Personnel policies prohibiting employment practices resulting in nepotism, conflicts of interest or discrimination.

Human Resources is responsible for entering employee information. The payroll process is completed by the finance department. The finance department does not update employee's personnel information.

CASH MANAGEMENT AND INVESTMENTS

The Town's cash management approach consolidates cash balances from all funds to maximize investment earnings (pooling of funds). The accounting for the individual fund cash balances will continue to be maintained separately. Investment income will be allocated to the individual funds based on their respective participation and in accordance with generally accepted accounting principles. Where applicable, this policy also incorporates the following Government Accounting Standards Board Statements:

- GASB Statement No. 31 - *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, implemented July 1, 1997. It should be noted that GASB Statement No. 32 amends No. 31, but only as it applies to Section 457 plans.

- GASB Statement No. 40 – *Deposit and Investment Risk Disclosure, effective July 1, 2004.*

- All investments should be in compliance with G.S. 159-30.

- Per G.S. 159-30(a), the Finance Director is responsible for managing investments subject to the law and to whatever additional restrictions and directions the governing board may impose.

The Town will abide by the following to provide safe and responsible guidelines for the investment of idle funds in the best interest of the public while fully maximizing the rate of return.

- Safety of principal is the highest objective of the Investment Policy. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to minimize credit risk and interest rate risk.

- The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the maturity of investments to meet the anticipated cash needs. Since all possible cash demands cannot be anticipated, the portfolio will consist largely of securities with active resale markets.

- The portfolio shall be designed with the objective of attaining a market rate of return. Return on investment is of secondary importance compared to the above-described safety and liquidity objectives. The investments prescribed in this policy are limited to relatively low-risk securities; therefore, management anticipates the investment portfolio will earn a fair return relative to the risk being assumed.

- Electronic access to securities and brokerage accounts is limited to Finance personnel authorized by the Finance Director. Any securities physically held by the unit will be maintained under strict dual control.

- All interest is credited as due for the proper amount and to the proper funds.

- When using on-line banking, proper controls will be maintained in the banking application.

Wires and Automated Clearing House (ACH) transactions will require dual authorizations.

- Banking Positive Pay system is to be used. This allows the bank to compare checks presented against a unit's account to a list of checks authorized and issued by the unit. It will uncover instances where the amount has been altered, a counterfeit has been created using a different check number, or the payee name does not match. These differences will only be allowed if approved by authorized Town employee.

- Each Employee requiring banking access is assigned an individual login to the banking system restricting banking features to only items needed by that position. Employees are prohibited from sharing logon and password information with other employees.

- Employee access to the electronic banking system will be revoked or modified based on personnel changes. Employees that terminate employment for whatever reason will have passwords deactivated immediately upon termination

The Finance Director will prepare an investment report quarterly for management to ensure consistency with aforementioned policy requirements.

INTERNAL CONTROLS OVER DEPOSITS IN FINANCIAL INSTITUTIONS

In addition to providing a deterrent to misuse, a good internal control system over a unit's deposits held in financial institutions should detect quickly any errors made by those institutions. Units rely on their institutions to provide accurate records, yet as a part of the stewardship responsibilities over public funds, the Finance Director must be prepared to ensure the accuracy of such records.
Critical internal control procedures for deposits in financial institutions include the following:

a) All deposits should only be in institutions authorized by the governing body of the unit.
b) All funds held by financial institutions must either be insured by the FDIC or fully collateralized in accordance with G.S. 159-31(b). Units should insure that their accounts are classified as public depositories with the bank.
c) The financial institutions that hold the unit's funds should be instructed to notify the governing body, or their delegate, of any unusual items or transactions occurring on the account, such as insufficient funds notices or checks made payable to cash.
d) Current signature cards and other documents required by the institution(s) should be maintained on file with the unit's financial institution(s) at all times, indicating which staff members can sign checks on which accounts. These documents should be in strict accordance with the authorizations to sign checks as approved by the governing body. Terminated employees should be removed from signature cards and other bank documents immediately.
e) All bank statements should be reconciled promptly to help identify any errors or discrepancies. Reconciliation will be done upon receipt by a staff member independent of the cash receipts and disbursements functions.
f) All discrepancies should be reported to the finance director immediately. All reconciling items should be investigated and approved by the finance director. Upon completion, all reconciliations should be reviewed by the finance director.

CASH HANDLING

This policy governs the handling of Town Cash in accordance with North Carolina General Statutes (N.C.G.S.) 159-32.

Town Cash is defined as currency, coin, checks, credit, charge and debit card payments, other electronic payment media, and other negotiable instruments payable in money to the Town. Employees of the Town shall conduct their cash transactions in a manner that is consistent with the law and the Town values of Ethics and Professionalism. All Town employees are expected to comply with the cash handling procedures outlined in this policy and any subsequent procedures approved by the Finance Director.
The Finance Director is authorized to issue procedures consistent with this policy. Cash Handling Procedures issued by the Finance Department will be considered an addendum to this policy.

All Departments must follow the Rules and Procedures for handling Town cash.

Responsibility for custodianship of Town Cash

- All employees who handle funds must be bonded either individually or under a blanket bond according to G.S. 159-29. The Finance Director must be individually bonded for at least $50,000. All others may be included in a blanket bond.
- Cash collection should be centralized to the maximum extent possible without hindering operations.
- The department receiving cash has primary responsibility for care of Town Cash in its custody until deposited or entrusted to the centralized collection location authorized by the Finance Director.
- Town employees are responsible for Town Cash in their possession until it is deposited or passed, in a manner consistent with established procedures, to established centralized collections.
- Whenever possible, cash should be tied to goods or services provided, to verify amount of revenue that should have been received.
- Receipts are to be prenumbered form or software, all issued numbers should be accounted for. Voided receipts should be marked and recorded as such and not destroyed. Unissued receipts should be controlled by the staff members authorized to receive cash.
- Bank deposits should be made daily (NCGS 159-32). Deposits should be taken to the bank by someone other than the person who prepared the deposit. All deposits should be made in official depositories.
- Cash maintained on the premises should be kept to a minimum. All cash maintained should be in either a cashier's change fund or a petty cash fund. In either case, the staff member directly responsible for it should maintain the cash under strict sole control; no one else should have access to the cash. In other words, cashiers should never work out of each other's cash drawers.
- Cashiers should reconcile their change funds at the end of each day and maintain written

reconciliations bearing their signatures as evidence that the reconciliations were performed. If possible, reconciliations should be conducted in the presence of another person for verification purposes. Periodic surprise cash counts should be conducted for both change funds and petty cash funds by finance staff members other than those responsible for the cash. These counts should be documented and should include the reconciler's signature. Any discrepancies in a cash reconciliation should be reported immediately to the finance director and supervisor.

- Funds not deposited should be in a safe location, such as a safe on the premises. Access to the safe should be controlled.
- Prohibit transactions that are not directly related to the business of the Town. This includes cashing checks for Town employees and accepting checks for more than the transaction amount and providing cash back to a customer.
- Departments must:
    - Collaborate with the Finance Director or his/her designee to establish and maintain a system of procedures, documentation and reporting on receipts handling and deposit of Town cash and assigning the responsibilities for safeguarding the cash drawer keys.
    - Notify the Finance Director of any loss or theft of Town Cash immediately upon discovery. Written notice shall be given no later than twenty-four (24) hours after discovery.
    - Allow the Finance Director or his/her designee to make on-site inspections and observe the processing of Town Cash, and to make inspections of departmental collection records.

Employees may be subject to disciplinary action, up to and including termination for failure to comply with this policy, departmental policies, and/or duties described in this Policy.

PETTY CASH

Petty cash funds shall be approved by the Finance Director and shall be maintained on an impress (reimbursement) basis. All Petty Cash funds shall be governed by this policy, the Purchasing Policy, and the laws of the State of North Carolina. Petty cash is not to be used for cashing checks and borrowing from petty cash is also prohibited. Petty cash funds shall be audited at least annually by the Finance Department or as deemed necessary. Any deviation from this policy shall result in the department petty cash use being terminated.
Petty cash reimbursements are limited to $20 or less. Petty cash is meant for reimbursement of small dollar purchases.

PETTY CASH PROCEDURE

- Petty Cash is to be kept in a secured locked location with access only allowed by authorized employees.
- An original receipt must be presented for reimbursement of petty cash funds.
- Department will complete a check request with all signed receipts attached. The check request lists all expense account codes to be charged and matches the backup receipts total. The check request must be signed by the department head.
- A check will be issued by the Finance Department to replenish the petty cash fund. The check is made payable to PETTY CASH and includes the department it is for.

- All petty cash receipts regardless of the amount must be remitted to the finance department prior to June 30th to ensure allocation in appropriate budget year.

IDENTITY THEFT PREVENTION, FRAUD, WHISTLEBLOWER

The Town will follow Federal Trade Commission (FTC) requirements with respect to protecting consumer identity and customer identity information theft prevention.

The Town of Black Mountain recognizes the importance of protecting the Town, its taxpayers, its employees, and its assets against financial risks, operational breaches, and unethical activities. This policy establishes guidelines to enforce controls to aid in the prevention and detection of fraud and for responding to allegations of embezzlement, theft, misappropriations of public funds or property, and other types of fraud related to the business of the Town of Black Mountain.
It is the intent of the Town Council to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and the conduct of investigations. Our goal is to establish and maintain an environment of fairness, ethics, and honesty for our employees, our citizens, our suppliers, and any other person(s) or organizations(s) engaging in business on behalf of the Town. To maintain such an environment requires the active assistance of every employee every day.

For purposes of this policy, fraud includes any willful or deliberate act committed with the intention of obtaining an unauthorized benefit, such as money or property, by misrepresentation, deception, or other unethical means.
The Town is committed to upholding the public trust. All employees are expected to support this policy by avoiding behaviors and actions that could he perceived as fraud. Further, employees are expected to support efforts meant to prevent and detect such activities. Proper internal controls are designed to prevent fraud and require that transactions are properly authorized, recorded, and reported, and that all assets are safeguarded. Accordingly, internal controls that are appropriate and adequate, given the size and nature of operations at the Town will he maintained. Department heads and supervisors have an even greater responsibility to uphold the Town's policy. They are responsible for initiating preventative measures when appropriate as well as being familiar with the types of improprieties that might occur within their areas of responsibility and being alert for any indication of fraud. Management will assess the vulnerability of the Town to fraudulent activity, including financial statement fraud, misappropriation of assets and corruption. The Town will conduct fraud risk meetings on a regular basis (at least once a year, and more often as conditions warrant) to include management, employees and Council members as deemed necessary.

In observance of this policy, as in other acceptable business conduct, there is no substitute for sound professional judgement. Each employee should apply this policy with common sense and seek full compliance by reporting any irregularity that is detected or suspected that could he perceived as fraud. The policy of the Town is zero tolerance to fraud. All fraud will be investigated and followed up by the application of all remedies available within the full extent of the law.

For purposes of this policy, the following acts will be referred to as "Fraud", but are not limited to:

- Any dishonest or fraudulent act
- Misappropriation of funds, securities, supplies, or other assets
- Claim for reimbursement of expenses that are not job-related or authorized under current policies
- Impropriety in the handling or reporting of money or financial transactions
- Forgery or intentional and inappropriate alteration of a check, bank draft, or any other financial document
- Profiteering because of insider knowledge of Town operations
- Disclosing confidential information to other parties
- Accepting or seeking anything of material value from vendors, contractors, or other parties in exchange for or to induce favorable consideration concerning services, materials, supplies, equipment, or other work provided to the Town
- Destruction, disappearance, or inappropriate use of records, furniture, fixtures, or equipment
- Any act of embezzlement, theft, misappropriation, or fiscal irregularities

An employee or citizen who suspects fraud should immediately follow the procedures referred to in this policy and should not attempt to conduct investigations or interviews/interrogations related to the suspected fraud personally. (Refer to Reporting Procedures section below).

To protect the reputations of innocent parties, to avoid potential civil liability, and to protect the possibility of recovery, activities associated with ongoing investigations will be discussed with parties affiliated with the Town who have a need to know and with representatives of law enforcement and/or regulatory agencies.

Employees must exercise professional and mature judgement in reporting suspected fraud as to avoid wrongful accusations or compromising a potential investigation.

1. Employees shall read and understand this policy. Additionally, suspected or known fraudulent acts by employees shall be immediately reported to the Town Manager directly. If necessary, the Police Department or other law enforcement and/or regulatory agencies will be notified of each reported incident and will keep the Town Manager abreast of the investigation. The Town Manager is responsible for carrying out the full investigation and documentation of suspected fraud for each incident.
2. In certain justified circumstances, an employee may direct suspected or known fraudulent acts to the Town Manager by an anonymous letter to the Town Manager.
3. Supervisors and department heads shall a) communicate the provisions of this policy to all staff: b) take no action without consulting the Town Manager; c) recommend appropriate disciplinary action when there is evidence of wrongdoing; and d) if

suspension or termination is recommended, consult with the Human Resources Department.

4. All participants in the fraud investigation shall keep the details and results of the investigation confidential. The reporting individual should be informed of the following: a) Do not contact the suspected individual in an effort to determine facts or demand restitution and b) Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Police Department or Legal Department.
5. Any employees reporting an act of fraud; or assisting, testifying or participating in a fraud investigation, acting in accordance with the requirement of this policy, shall not be subject to any adverse employment action unless it is determined the employee is culpable for such action and/or made an allegation knowing it was false.

We encourage citizens, suppliers, and any other person(s) or organizations(s) engaging in business on behalf of the Town to also come forward with any suspicion of fraudulent acts. Written notifications can be addressed to the Town Manager and delivered in person or by mail to town hall, please mark notifications as confidential.

Anyone reporting any irregularity that is detected or suspected must be acting in good faith and have reasonable grounds for believing the information provided. Allegations made maliciously or with knowledge of their falsity will not be tolerated. False allegations of suspected fraud with the intent to disrupt or cause harm to another may be subject to disciplinary action up to and including termination of employment.

Whistleblower Protection

The Town of Black Mountain Council, management or employees may not retaliate against a whistleblower for reporting an activity which that person believes to be fraudulent or dishonest with the intent or effect of adversely affecting the terms and conditions of employment (including, but not limited to, threats of physical harm, dismissal, transfer to an undesirable job assignment, demotion, suspension, or impact on salary or wages). A whistleblower is defined as an employee who informs a supervisor, or department head about an activity which that person believes to be fraudulent or dishonest.

Whistleblowers who believe they have been retaliated against may file a written complaint to the Town Attorney. Any complaint of retaliation will be promptly investigated by the Town Attorney and reported to Town Council. Town Council will determine if appropriate remedial measures should be taken if allegations of retaliations are proven. This protection against retaliation is not intended to prohibit management from acting, including disciplinary action, in the usual scope of their duties and on the basis of valid performance-related factors.

If an investigation results in a recommendation to pursue internal discipline, civil and/or criminal fraud proceedings, the recommendation must be reviewed and approved by the Human Resources Director and the Town Attorney. The Town Attorney will determine whether the recommendation and results of the investigation warrant civil and/or criminal actions and will initiate disclosure to the proper law enforcement or other entities

Department heads will be expected to discuss this policy with all current and new Town employees. All permanent, temporary and contract employees, full and or part-time will be

required to read, understand, abide by and follow this policy.
A copy of this signed form will be submitted to Human Resources and placed in each employee's file.

REVENUE COLLECTION

The determination of the need for an allowance for doubtful accounts and write-offs will be based on an established method of calculation and computed and adjusted annually.

For write-offs of delinquent balances, the policy establishes thresholds to permit the timely write-off of all receivable categories. Thresholds vary dependent upon the types and circumstances of the revenue and the related State law.

a) Property Taxes-Collected by Buncombe County. The Town will follow Buncombe County's established write-off policy for property taxes. Taxes will still be due even when written off of the revenue books.
b) Utilities- Past Due Amounts are written off after 6 months of non-payment.
c) Beer and Wine License- Written off at the end of the fiscal year

CAPITAL IMPROVEMENT PLAN

The Town will develop a five-year plan for capital improvement projects, review and update the plan at least biennially, and make all capital improvements in accordance with the adopted plan.

The Town will maintain its physical capital assets at a level adequate to protect the Town's capital investment and to minimize future maintenance and replacement costs. Accurate information on condition, lifespan, and estimated replacement cost of these assets will be maintained wherever possible.

The Town, as part of its capital planning process, will project its capital equipment and maintenance costs out to five years and will update this projection yearly. From this projection, a maintenance and replacement schedule will be developed. The CIP budget will provide for adequate maintenance and orderly replacement of physical capital assets from current revenue where possible.

The Town will coordinate development of the CIP budget with development of the operating budget. Future operating costs associated with new capital improvement projects will be projected and included in operating budget forecasts.

The Town will match the financing of major capital assets to the debt schedules that closely assign payments with the expected major asset life span to insure intergenerational equity.

In general, effective maintenance and operations of capital facilities should be given priority over acquisition of new facilities, unless a cost/benefit analysis indicates to the contrary. In addition, State or Federal mandates or new service demands may require acquisition of new facilities even when maintenance needs are not fully met. The Town shall have an ongoing 10-year Facilities Improvement Plan to respond to maintenance and operational needs timely.

The Town will coordinate development of the capital improvement budget with development of the operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budget forecasts.

The Town will seek intergovernmental assistance to finance those capital improvements that are consistent with the capital improvement plan and Town priorities, and whose operating, and maintenance costs have been included in operating budget forecasts.

The Town will project its equipment replacement and maintenance needs for five years and will update that projection at least every two years. Using this projection, a maintenance and replacement schedule will be developed.

The Town will identify the estimated costs and potential funding sources for each capital project proposed before it is submitted for approval.

The Town will attempt to determine the most cost effective and flexible financing method for all new projects.

The Town will match the financing of major capital assets to the debt schedules that closely assign payments with the expected major asset life span to insure intergenerational equity.

The capitalization for fixed assets resulting from purchases shall be $5,000. Depending on the category, the threshold may apply to individual or groups of fixed assets. Fixed assets will only be capitalized if meet the definition of a fixed asset, as having a life span of over one year and a value of over $5,000 per item. A physical inventory of capitalized fixed assets will be performed,either simultaneously or on a rotating basis, so that all fixed assets are physically accounted for annually.

FIXED ASSETS

The criteria for an item to be capitalized as a fixed asset are:

- **Useful Life**—The benefit provided by the asset is reasonably expected to last beyond one year.

- **Cost Basis**—The cost basis, including purchase price and other costs incurred in acquiring the asset and placing it into service, must meet or exceed the minimum capitalization threshold. The capitalization threshold for the Town of Black Mountain is $5,000 for all assets.

- **Ownership**—The Town of Black Mountain is identified as either the titled owner or legally responsible party for the asset. In cases where the entity which receives the "use and enjoyment" of the asset but is not the titled owner, the asset is considered a capital lease and recorded on the Town's books and records. Jointly funded capital assets paid for by twogovernmental entities should be capitalized by the entity responsible for managing the assetor future maintenance.

An asset's useful life is the estimated number of years that an asset will be able to be used for the purpose for which it was purchased or constructed. The Town of Black Mountain will review asset usefullives table a minimum of every five (5) years to ensure they are reasonable and adjust the useful lives as necessary if it becomes apparent that actual asset useful lives are measurably longer or shorter than the estimated useful lives.

Fixed Asset Cost Basis—The value of fixed assets is recorded at the full acquisition cost. This cost includes any necessary costs to place the asset into service. The book value of assets recorded at historical acquisition costs should never be increased to reflect appraised value, insurance value, replacement cost, etc.

Contributed Capital Assets (Donated or Gifted)—GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions,* defines a donation as a voluntary non-exchange transaction entered into willingly by two or more parties. Both parties may be governments (such as the Federal Government, another state, county or municipality) or one party may be a non-governmental entity (such as an individual). Donated property (land or buildings) must be recorded at the estimated fair market value on the date of acquisition using a reasonable market study. Other donated assets must be recorded at the estimated fair market value for the asset on the date of acquisition using a reasonable source of cost appraisal. Methods of cost appraisal must be fully documented and maintained on file to support the stated acquisition cost. Contributed assets should be depreciated based on asset class and useful life or estimatedremaining useful life based on age of contributed asset.

Fixed Assets Acquired with Federal or State Grants—An asset acquired with Federal or State grants, or other restrictive funding sources, often has limitations or restrictions enforced by the granting agency. Since Federal and State grants can often have very specific guidelines which may not always coincide with this policy, contact the finance department for evaluation of fixed asset purchases involving grant funds.

Capitalized Interest—For business-type activities and enterprise funds, if the asset meets the requirements prescribed under GASB 62, paragraph 5-22, Capitalization of Interest, actual or imputed interest (capitalized interest) costs associated with the asset should be calculated and added to the asset value.

Depreciation is the process of allocating the cost of a fixed asset over the period of time (useful life) during which the owner receives benefit from the use of the asset. Generally, at the end of an asset's useful life, the sum of the amounts charged for depreciation in each accounting period (accumulated depreciation) will equal the original cost basis of the asset. The Town of Black Mountain will use the straight-line depreciation method (acquisition cost divided by useful life) when processing depreciation. Certain fixed assets are considered to be "non-exhaustible assets," wheretheir useful life is unlimited and are therefore not depreciated. Examples of non-exhaustible assetsinclude land, right of way, and easements.

Disposal of a fixed asset occurs when the asset is sold, traded in, scrapped, abandoned, or otherwise removed from service. Disposals must be processed on a timely basis throughout the fiscal year to ensure the accurate calculation of depreciation. Disposal of asset requires the approval of the Town Manager and the Finance Director.

NONDISCRIMINATION

Town of Black Mountain is committed to an environment that fosters, maintains, and promotes equal employment opportunities. The Town provides an inclusive and welcoming environment and works to ensure that employment decisions are based on an individuals' abilities and qualifications.

It is the policy of Town of Black Mountain to ensure equal employment opportunity without discrimination or harassment on the basis of race, color, religion, gender, sexual orientation, age, disability, marital status, national origin or any other characteristic prohibited by law. Town of Black Mountain explicitly prohibits any such discrimination or harassment.

Employees who believe their rights under Town of Black Mountain's Non-Discrimination Policy has been compromised should contact Human Resources at 828-419-9309.

In response to a report or complaint filed with Human Resources pursuant to this policy, Town of Black Mountain will investigate promptly. To the extent possible, Town of Black Mountain will maintain confidentiality throughout the investigatory process. Retaliation against an individual for reporting discrimination, or for participation in an investigation of a claim of discrimination is a serious violation of this policy. Employees violating this policy will be subject to discipline up to and including termination.

CONFLICT OF INTEREST

Employees of Town of Black Mountain are required to comply with the Town of Black Mountain Ethics Code. As such, they are expected to actively avoid the appearance of, or the fact of, conflicting interests. Conflict of Interest guidelines are also established in the Town Purchasing Policy. Employees and Public Officials are expected to discharge their duties without favor and are expected to refrain from engaging in any outside matters of financial or personal interest incompatible with the impartial and objective performance of their duties. They shall not, directly or indirectly, seek or accept personal gain which would influence, or appear to influence, the conduct of their duties. They shall not use public property or resources for personal gain.

The purpose of this section of the policy is to establish conflicts of interest guidelines that meet or exceed the requirements under state law and local policy when procuring goods (apparatus, supplies, materials, and equipment), services, and construction or repair projects paid for in part or whole by federal funds and required under 2 C.F.R. § 200.318(c)(1).

Definitions

- Conflict of Interest (also Conflict) means a conflict, or the appearance of a conflict between the private interests and official responsibilities of a person in a position of trust. Persons in a position of trust includes all employees and public officials of Town of Black Mountain.
- Local Public Officials means an individual member of the Town Council.
- Officer(s), employee(s), and agent(s) means a person who receives all or part of his/her income from the payroll of Town of Black Mountain.

This applies when procuring goods (apparatus, supplies, materials, and equipment), services, and construction or repair projects funded in part or whole with federal financial assistance (direct or reimbursed). This policy also applies to any subrecipient of funds.

In the event of Federal Financial Assistance Award, the employee responsible for managing the award shall review the notice of award to identify any additional conflicts of interest prohibitions or requirements associated with the award, and shall notify all employees, officers, and agents, including subrecipients, of the requirements of this policy and any additional prohibitions or requirements.

Conflicts of Interest

In addition to the prohibition against self-benefiting from a public contract under G.S. 14-234, and the requirements of the Ethics Code, no officer, employee, or agent of Town of Black Mountain may participate directly or indirectly in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. A real or apparent conflict exists when any of the following parties has a financial or other interest in or receives a tangible personal benefit from a firm considered for award of a contract:

- the employee, officer, or agent involved in the selection, award, or administration of a contract.
- any member of his or her immediate family.
- his or her partner; or
- an organization which employs or is about to employ any of these parties.
- In which the person has an "Interest" as that term is defined in the Ethics Code.

Pursuant to Article 31 of NCGS § 14-234.3. "Local public officials participating in contracts benefiting nonprofits with which associated. (a) No public official shall knowingly participate in making or administering a contract, including the award of money in the form of a grant, loan, or other appropriation, with any nonprofit with which that public official is associated. The public official shall record his or her recusal with the Clerk to the Board, and once recorded, the political subdivision of this State may enter into or administer the contract."

Any officer, employee, or agent with an actual, apparent, or potential conflict of interest as defined in this policy shall report the conflict to his or her immediate supervisor. Any such conflict shall be disclosed in writing to the federal award agency or pass-through entity in accordance with applicable Federal awarding agency policy.

Gifts

In addition to the prohibition against accepting gifts and favors from vendors and contractors under G.S. 133-32, and in the Ethics Code, employees, and public officials of Town of Black Mountain are prohibited from accepting or soliciting gifts, gratuities, favors, or anything of monetary value from contractors, suppliers, or parties to subcontracts. Items of nominal value valued at less than $100 which fall into one of the following categories may be accepted:

1. promotional items.
2. honorariums for participation in meetings; or
3. meals furnished at banquets.

Any officer, employee or agent who knowingly accepts an item of nominal value allowed under this policy shall report the item to his or her immediate supervisor.

Employees violating this policy will be subject to discipline up to and including termination. Contractors violating this policy will result in termination of the contract and may not be eligible for future contract awards.

Resolution # R-22-13

SUPPLEMENT TO CONFLICT OF INTEREST POLICY

APPLICABLE TO CONTRACTS AND SUBAWARDS OF THE TOWN OF BLACK MOUNTAIN SUPPORTED BY FEDERAL FINANCIAL ASSISTANCE

WHEREAS, the Town of Black Mountain has received an allocation of funds from the "Coronavirus State Fiscal Recovery Fund" or "Coronavirus Local Recovery Fund" (together "CSLRF funds"), and the use and disbursement of such proceeds must be in compliance with the governing federal requirements, including the requirements defining and regulating conflicts of interest; and

WHEREAS, some federal requirements may vary from the definitions and requirements of state law; and

WHEREAS, the requirements of both federal and state law must be met when administering and using the CSLRF funds.

IT IS HEREBY RESOLVED by the Town Council of the Town of Black Mountain that the following policy and the laws incorporated therein shall apply to all projects utilizing CSLRF funds.

I. **Scope of Policy**

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

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

II. **Definitions**

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

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

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

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

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

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

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

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

h. "*Governing Board*" means the Town Council of the Town of Black Mountain.

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

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

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

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

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

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

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

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

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

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

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

III. COI Point of Contact.

a. Appointment of COI Point of Contact. Tammy Holland, the Finance Officer 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 Tammy Holland is unable to serve in such capacity, Josh Harrold, Town manager, shall assume responsibility for managing the disclosure and resolution of conflicts of interest arising under this Policy. The individual with responsibility for managing the disclosure and resolution of potential or actual conflicts of interest under this Section III(a) shall be known as the "*COI Point of Contact*".

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

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

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

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

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

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

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

   v. G.S. ™ 160D-109. Conflicts of Interest.
   (a) Governing Board. – A governing board member shall not vote on any legislative decision regarding a development regulation adopted pursuant to this Chapter where the outcome of the matter being considered is reasonably likely to have a direct, substantial, and readily identifiable financial impact on the member. A governing board member shall not vote on any zoning amendment if the landowner of the property subject to a rezoning petition or the applicant for a text amendment is a person with whom the member has a close familial, business, or other associational relationship.
   (b) Appointed Boards. – Members of appointed boards shall not vote on any advisory or legislative decision regarding a development regulation adopted

pursuant to this Chapter where the outcome of the matter being considered is reasonably likely to have a direct, substantial, and readily identifiable financial impact on the member. An appointed board member shall not vote on any zoning amendment if the landowner of the property subject to a rezoning petition or the applicant for a text amendment is a person with whom the member has a close familial, business, r other associational relationship.
(c) Administrative Staff. – No staff member shall make a final decision on an administrative decision required by this Chapter if the outcome of that decision would have a direct, substantial, and readily identifiable financial impact on the staff member or if the applicant or other person subject to that decision is a person with whom the staff member has a close familial, business, or other associational relationship. If a staff member has a conflict of interest under this section, the decision shall be assigned to the supervisor of the staff person or such other staff person as may be designated by the development regulation or other ordinance.
No staff member shall be financially interested or employed by a business that is financially interested in a development subject to regulation under this Chapter unless the staff member is the owner of the land or building involved. No staff member or other individual or an employee of a company contracting with a local government to provide staff support shall engage in any work that is inconsistent with his or her duties or with the interest of the local government, as determined by the local government

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 $250,000.00, 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. Management Prior to Award of Contract or Subaward

a. If 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 Tammy Holland and to each member of the Governing Board. If the Governing Board desires to enter into the proposed Contract or Subaward despite the identification by the COI Point of Contact of a potential real or apparent conflict of interest, it may either:

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

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

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

3. 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 Town 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.

4. Management After Award of Contract or Subaward.

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

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

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

V. **Oversight of Subrecipient's Conflict of Interest Standards**

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

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

VI. **Gift Standards**

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

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

  i. honorariums for participating in meetings;

  ii. advertising items or souvenirs of nominal value; or

  iii. meals furnished at banquets.

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

VII. **Violations of Policy**

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

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

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

This policy shall become effective upon its adoption.

READ, APPROVED AND ADOPTED by a vote of ______ to _______, this the _______ day of May, 2022.

____

Larry B. Harris, Mayor

ATTEST:

____

Savannah Parris, Town Clerk

EXHIBIT A

Examples

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

<u>EXHIBIT B</u>

COMPLIANCE CHECKLIST FOR OVERSIGHT OF CONTRACT CONFLICTS OF INTEREST

The Town of Black Mountain has adopted a Conflict of Interest Policy ("*Policy*") that governs the Unit's expenditure of Federal Financial Assistance (as defined in <u>Section II</u> of the Policy). The Policy designates Tammy Holland as the "COI Point of Contact." The Policy requires the COI Point of Contact to complete this Compliance Checklist to identify potential real or apparent conflicts of interest in connection with proposed Contracts (as defined in <u>Section II</u>) and file the Checklist in the records of the Unit.

<u>Instructions for Completion</u>

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

2. If the value of the proposed Contract exceeds $250,000.00, the COI Point of Contact shall collect a Conflict of Interest Disclosure Form from each Covered Individual.

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

<u>Definitions</u>.

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

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

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

Step			
1	Identify the proposed Contract, counterparty, and the subject of the Contract.	Name of Contract: ______________________________ Name of Counterparty ______________________________ Subject of Contract: ______________________________	
2	Identify all individuals involved in the selection, award, or administration of the Contract. These individuals are "Covered Individuals". Ensure that each Covered Individual has been provided with a copy of the Conflict of Interest Policy.		
	Public Officials	***Employees***	***Agents***
3	Identify whether any Covered Individual has a (i) financial or other interest in, or (ii) tangible personal benefit from the firm considered for a Contract. [If the estimated Contract amount exceeds $250,000.00, ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact.]		
Any identified interest in Step 3 is a potential "real" conflict of interest.	***Public Officials***	***Employees***	***Agents***
4	Identify whether any Related Party has a (i) financial or other interest in or (ii) tangible personal benefit from the firm considered from a Contract. If the estimated Contract amount exceeds $250,000.00 ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact.		
Any identified interest in Step 4 is a potential "real" conflict of interest.	***Public Officials – Related Party***	***Employees – Related Party***	***Agents – Related Party***

5	Identify whether a reasonable person with knowledge of the relevant facts would find that an existing situation or relationship creates the *appearance* that a Covered Individual or any Related Party has a financial or other interest in or a tangible personal benefit from a firm considered for a Contract? If yes, explain.		
Any identified interest in Step 5 is a potential "apparent" conflict of interest.	***Public Officials***	***Employees***	***Agents***

COI Point of Contact: Tammy Holland

Signature of COI Point of Contact: ________________________________

Date of Completion: ________________________________

EXHIBIT C

CONTRACT CONFLICT OF INTEREST DISCLOSURE FORM

FOR OFFICIALS, EMPLOYEES, AND AGENTS

The Town of Black Mountain ("*Unit*") has adopted a Conflict of Interest Policy ("*Policy*") that governs the Unit's expenditure of Federal Financial Assistance (as defined in Section II of the Policy). The Policy designates Tammy Holland] as the "COI Point of Contact."

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

---

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

   Yes ______ No _______ Unsure: _______

   If the answer is Yes or Unsure, please explain:

   ____

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

   Yes ______ No _______ Unsure: _______

   If the answer is Yes or Unsure, please explain:

   ____

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

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

      Yes ______ No _______ Unsure: _______

      If the answer is Yes or Unsure, please explain:

      ____

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

Yes ______ No _______ Unsure: _______

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

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

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

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

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

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

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

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

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

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

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

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

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

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

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

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

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

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

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

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

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

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

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

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:
____

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

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:
____

* * * * * * * * *

Sign Name: ______________________________

Print Name: ______________________________

Name of Employer ______________________________

Job Title: ______________________________

Date of Completion: ______________________________

* * * * * * * * *

EXHIBIT D

COMPLIANCE CHECKLIST FOR SUBAWARD OVERSIGHT

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

Instructions for Completion

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

2. If the value of the proposed Subaward exceeds $250,000.00, the COI Point of Contact shall collect a Conflict of Interest Disclosure Form from each Covered Individual.

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

Definitions.

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

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

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

<table>
<tr><th>Step</th><th></th><th colspan="2"></th></tr>
<tr><td>1</td><td>Identify the proposed Subaward, Subrecipient, and the subject of the Subaward.</td><td colspan="2">Name of Contract:
____
Name of Counterparty
____
Subject of Subaward:
____________________</td></tr>
<tr><td>2</td><td colspan="3">Identify all individuals involved in the selection, award, or administration of the Subaward. These individuals are “Covered Individuals”. Ensure that each Covered Individual has been provided with a copy of the Conflict of Interest Policy.</td></tr>
<tr><td></td><td><u>Public Officials</u></td><td><u>Employees</u></td><td><u>Agents</u></td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>3</td><td colspan="3">Identify whether any Covered Individual has a (i) financial or other interest in, or (ii) tangible personal benefit from the firm considered for a Subaward. [If the estimated Subaward amount exceeds $100,000.00, ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact.]</td></tr>
<tr><td rowspan="2">Any identified interest in Step 3 is a potential “real” conflict of interest.</td><td><u>Public Officials</u></td><td><u>Employees</u></td><td><u>Agents</u></td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>4</td><td colspan="3">Identify whether any Related Party has a (i) financial or other interest in or (ii) tangible personal benefit from the firm considered from a Subaward. If the estimated Subaward amount exceeds $100,000.00, ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact.]</td></tr>
<tr><td rowspan="2">Any identified interest in Step 4 is a potential “real” conflict of interest.</td><td><u>Public Officials – Related Party</u></td><td><u>Employees – Related Party</u></td><td><u>Agents – Related Party</u></td></tr>
<tr><td></td><td></td><td></td></tr>
</table>

5	Identify whether a reasonable person with knowledge of the relevant facts would find that an existing situation or relationship creates the *appearance* that a Covered Individual or any Related Party has a financial or other interest in or a tangible personal benefit from a firm considered for a Subaward? If yes, explain.		
Any identified interest in Step 5 is a potential "apparent" conflict of interest.	***Public Officials***	***Employees***	***Agents***

COI Point of Contact: ________________________________

Signature of COI Point of Contact: ________________________________

Date of Completion: ________________________________

EXHIBIT E

SUBAWARD CONFLICT OF INTEREST DISCLOSURE FORM

FOR OFFICIALS, EMPLOYEES, AND AGENTS

The Town of Black Mountain ("*Unit*") has adopted a Conflict of Interest Policy ("*Policy*") that governs the Unit's expenditure of Federal Financial Assistance (as defined in Section II of the Policy). The Policy designates Tammy Holland as the COI Point of Contact.

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

---

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

   Yes ______ No _______ Unsure: _______

   If the answer is Yes or Unsure, please explain:

   ____

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

   Yes ______ No _______ Unsure: _______

   If the answer is Yes or Unsure, please explain:

   ____

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

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

      Yes ______ No _______ Unsure: _______

      If the answer is Yes or Unsure, please explain:

      ____

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

Yes ______ No _______ Unsure: _______

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

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

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

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

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

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

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

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

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

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

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

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

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

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

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

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

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

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

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

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

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:

____

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

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

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:
____

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

Yes ______ No _______ Unsure: _______

If the answer is Yes or Unsure, please explain:
____

* * * * * * * * *

Sign Name: ______________________________

Print Name: ______________________________

Name of Employer ______________________________

Job Title: ______________________________

Date of Completion: ______________________________

* * * * * * * * *

TOWN OF BLACK MOUNTAIN TOWN COUNCIL
REQUEST FOR COUNCIL ACTION

Meeting Date: May 9, 2022

SUBJECT: Lease Agreements for Billboard and Collocation on Communication Tower

AGENDA INFORMATION

Agenda Location:	**NEW BUSINESS**
Item Number:	**8A**
Department:	Administration
Contact:	Josh Harrold, Town Manager
Presenter:	Josh Harrold, Town Manager

BRIEF SUMMARY: Staff needs Council direction on two lease agreements. The first agreement being the billboard located on the Clevenger property. The Town doesn't have a lease agreement with the billboard company. The second agreement being Skyrunner internet located on the communications tower on the Public Safety building. Staff requests authorization from Council to negotiate lease agreements.

MOTION FOR CONSIDERATION: To authorize the Town Manager to negotiate lease agreements.

FUNDING SOURCE: N/A

ATTACHMENTS: N/A

MANAGER'S COMMENTS AND RECOMMENDATIONS: Authorize staff to negotiate lease agreements.

TOWN OF BLACK MOUNTAIN TOWN COUNCIL
REQUEST FOR COUNCIL ACTION
Meeting Date: May 9, 2022

SUBJECT: Stormwater Management Utility and Stormwater Management Enterprise Fund Ordinance Amendments

#O-22-03

AGENDA INFORMATION

Agenda Location:	**NEW BUSINESS**
Item Number:	**8B**
Department:	Planning and Development Department
Contact:	Jessica Trotman, Planning Director
Presenter:	Jessica Trotman, Planning Director

BRIEF SUMMARY: The revisions to the stormwater utility ordinance are based on lessons learned after the first billing cycle. The structure for the utility remains the same an no rate changes are proposed. The changes are administrative in nature intended to create a less complicated process for citizens and staff. Staff will be able to generate a more accurate billing databased by updating billing information close to the billing date, and a process is established to handle the few properties that may change hands in the few weeks between the bills being generated and the bills being received. This information will be included with the invoices in the second billing cycle. Additional examples are provided for the flat tiers for clarity. Text is added to clarify means of collection for unpaid utility bills. Text regarding a future credit system is corrected to remove specifics that cannot be determined without multiple years of revenue data and evaluation of the rate system and methods first be conducted.

MOTION FOR CONSIDERATION: To approve and adopt ***Ordinance #O-22-03*** as presented [or as amended].

FUNDING SOURCE: N/A

ATTACHMENTS: ***Ordinance # O-22-03***

MANAGER'S COMMENTS AND RECOMMENDATIONS: To adopt ***Ordinance #O-22-03*** as presented.

ORDINANCE #0-22-03

AN ORDINANCE TO AMEND CHAPTER 48, ARTICLE V, DIVISION 1 AND DIVISION 2, STORMWATER MANAGEMENT UTILITY AND STORMWATER MANAGEMENT ENTERPRISE FUND

WHEREAS, the Black Mountain Code of Ordinances was adopted by the Town Council on the 13th day of December, 1993, and the Black Mountain Land Use Code was adopted by the Town Council on the 11th day of January, 2010; and

NOW, THEREFORE, BE IT RESOLVED that Chapter 48, Article V, Division 1 and Division 2, Stormwater Management Utility and Stormwater Management Enterprise Fund, of the Town of Black Mountain Code of Ordinances, be amended to the following:

Article V. – STORMWATER

Division 1. – Generally

Sec. 48-250. Authority

Pursuant to N.C.G.S. Article 16 of Chapter 160A, the Town of Black Mountain is authorized to establish an enterprise fund to furnish the town and its citizens with stormwater management programs.

Sec. 48-251. Purpose

It is the purpose of this section to establish a stormwater management utility and an associated stormwater management enterprise fund as an identified fiscal and accounting fund to finance the cost of comprehensively addressing the stormwater management needs of the town and its citizens. This Article provides a schedule of rates, fees, charges, and penalties necessary to assure that all aspects of the stormwater management program are managed in accordance with all federal, state and local laws, rules, and regulations.

Sec. 48-252. Establishment

(a) There is hereby established a stormwater management utility to provide for the management, protection, control, regulation, use, construction, and enhancement of the Town's stormwater system and facilities. The utility will be administered by the Planning Director, who shall, with consent of the Town Manager, have the authority to designate another town employee, within or without the planning department, to carry out those duties and responsibilities required for management of the utility and the programs it administers.

(b) There is hereby established a stormwater management enterprise fund. The enterprise fund is established for the purpose of dedicating and protecting all funding applicable to the purposes and responsibilities of the stormwater services utility including but not limited to, rents, rates, fees, charges and penalties as may be established, after notice and a public hearing by the ~~city~~ **town** council and other funds that may be transferred or allocated to the stormwater ~~services~~ **management** utility. All revenues and receipts of the stormwater ~~services~~ **management** utility shall be placed in the stormwater ~~services~~ **management** enterprise fund and all expenses of the utility shall be paid from the stormwater ~~services~~ **management** enterprise fund, except that other revenues, receipts, and resources not accounted for in the stormwater ~~services~~ **management** enterprise fund may be applied to stormwater management programs, and stormwater and drainage systems as deemed appropriate by ~~city~~ **town** council.

Sec. 48-253. Jurisdiction

The boundaries and jurisdiction of the stormwater management utility shall extend to the corporate limits of the town, including all areas hereafter annexed thereto.

Sec. 48-254. Definitions

For purposes of this Article, words, terms, and phrases used herein shall have the meaning giving to them in ~~Section 1.2, Chapter 1~~ **Chapter 1, Section 1.2.3**, of the Land Use Code, except those words, terms, and phrases defined as follows:

(a) Impervious surface area: Impervious surface area is a developed area of land that prevents or significantly impedes the infiltration of stormwater into the soil. Typical impervious surface areas include, but are not limited to, the following: roofs, sidewalks, walkways, patios, private driveways, parking lots, access extensions, alleys and other paved, engineered, compacted or gravel surfaces, provided, however, that swimming pools and wooden decks are not considered impervious surfaces for purposes of this ordinance.

Sec. 48-255 ~~thru~~ **through** -259. Reserved

Division 2 – Stormwater Service Charges

Sec. 48-260. Fees Charged

(a) A stormwater utility fee shall be assessed each calendar year to the owner**(s)** of record ~~as of January 1 of~~ each parcel of land located wholly or partially within the corporate limits of the Town of Black Mountain, except those parcels owned by the United States of America, the State of North Carolina, Buncombe County, or the Town of Black Mountain. The owner of each parcel of land annexed into the Town shall be assessed a stormwater utility fee for the then-current calendar year, which fee shall ~~assessed~~ **be assessed** on the date the annexation petition is approved by the Town Council and shall not be subject to proration.

Sec. 48-261. Schedule of rates, fees, charges, and penalties

(a) The annual stormwater utility fee shall be assessed according to a schedule of rates, fees, charges, and penalties adopted annually by the Town Council.

(b) Fees shall be assessed using a flat tiered system based on the intensity of the principal use of each parcel. Any parcel classified as mixed-use shall be assessed the stormwater utility fee associated with the most intensive use occurring on the property. The principal use shall be determined by the Planning Director who shall base such determination on:

   (1) Any zoning certificate issued for the parcel;
   (2) Classification of parcels made by the Buncombe County Tax Assessor;
   (3) Use categories assigned in the Permitted Uses Table of Chapter 4 of the Black Mountain Land Use Code;
   (4) Images and personal observations of the use occurring on the property; and
   (5) Any other resource tending to show the principal use actually occurring on the parcel.

(c) The principal use of each parcel shall be categorized as ~~residential~~ **minimal**, ~~commercial~~ **moderate**, ~~institutional,~~ ~~industrial~~ **significant**, or undeveloped.

(d) The following tier classifications shall be used to determine the annual stormwater utility fee assessed to each parcel:

   (1) Tier 1 – ~~Residential,~~ Minimal Impact. Each parcel upon which the primary use is single-family residential dwellings, including **each unit of** duplexes, condominiums, and townhomes, shall be assessed at the Tier 1 rate.
   (2) Tier 2 – ~~Commercial and Institutional,~~ Moderate Impact. Each parcel upon which the principal use is neither residential nor industrial, including, but not by way of limitation, **hotels, motels, bed and breakfasts, markets**, retail establishments, **garden** ~~medical~~ retailers, **medical** offices, restaurants, professional ~~services~~ **offices**, automotive ~~services~~ **facilities**; professional ~~services~~ **offices and facilities**; fitness centers, spas and salons; **banks** ~~medical services~~; educational institutions and childcare facilities; religious services; apartment complexes; and residential care facilities, shall be assessed at the Tier 2 rate.
   (3) Tier 3 – Undeveloped. Each parcel upon which there is no residential, industrial, commercial, institutional, or other non-residential use and which remains in its natural, vegetative state, shall be assessed at the Tier ~~4~~ **3** rate.
   (4) Tier 4 – Exempt Impacts. Each parcel owned by the Town of Black Mountain, Buncombe County, the State of North Carolina, or the United States of America.
   (5) Tier 5 – ~~Industrial, Heavy~~ **Significant** Impacts. Each parcel upon which the principal use is light or heavy industrial, including, but not by way of limitation, asphalt, mining, warehousing, and processing facilities, **strip retail development, grocery stores, mulch sand and stone facilities**, shall be assessed at the Tier ~~3~~ **5** rate.

Sec. 48-262. Exemptions and credits.

(a) There shall be no exception, credit, offset, or other reduction in stormwater service charges granted based upon age, race, tax status, economic status, or religion of the customer, or any other condition unrelated to the stormwater utility's cost of providing stormwater management services and facilities.

~~(b) The owner of any parcel shall be eligible to receive an annual credit against the assessed stormwater utility fee in recognition of on-site or off-site systems, facilities, measures, and actions taken by customers that exceed minimum requirements for stormwater~~

~~management, provided that such credit shall be conditioned upon the continuing performance of the systems, facilities, measures, or actions upon which the credits are granted for the remainder of the calendar year, and the maximum credit shall not exceed fifty percent (50%) of the original assessed fee.~~

~~(c)~~ ~~The Planning Director shall prepare a Stormwater Credit and Incentive Manual setting forth the appropriate credit application process, eligibility criteria, and standards upon which such credits are given.~~

~~(d)~~ **(b)** Credits shall be in the amounts set forth in the schedule of rates, fees, charges, and penalties adopted annually by the Town Council.

~~(e)~~ **(c)** This subsection shall be effective January 1, 2024.

Sec. 48-263. Billing and Collection.

(a) **Bills will be issued to property owners each calendar year of every parcel of land subject to this ordinance and property owners shall be liable for payment of the annual stormwater utility fees, along with any associated charges and penalties.**

(b) **If the parcel is under new ownership when** ~~with~~ **the bill is received, it is the responsibility of the property owner to notify the Planning Director within 45 days of the billing postmark. A new bill will be provided to the new owner of record.** ~~The owner of record as of January 1 of each calendar year of every parcel of land subject to this ordinance shall be liable for payment of the annual stormwater utility fees, along with any associated charges and penalties.~~

(c) Bills for stormwater utility fees shall be sent at regular, periodic intervals no less frequently than annually.

(d) Billing and collection of stormwater utility fees shall be administered by the Planning Director who is hereby authorized to develop such policies and procedures as are necessary to effectuate the purpose and intent of this section.

(e) Failure to receive a stormwater utility fee bill is not a basis for nonpayment.

(f) Stormwater utility fees not paid by the date when due shall be declared delinquent and shall be subject to additional fees and charges as provided in the schedule of rates, fees, charges, and penalties adopted annually by the Town Council.

(g) **Stormwater utility fees and assessed late fees not paid by the final notice deadline will be referred to debt set off services or debt collection services.**

(h) A violation of this section subjects the offender to a civil penalty pursuant to the authority granted by N.C.G.S. § 160A-175 and does not subject the offender to criminal penalties.

Sec. 48-264. Reserved.

Sec. 48-265. Appeals

(a) In the event a property owner disputes the stormwater utility charges assessed to that owner's property, including determination of the applicable tier rate or determination of applicable credits, the owner may apply for a redetermination by the Planning Director. The application must include factual evidence in support of the redetermination **and be received within 45 days of the billing date**. The Planning Director shall make a decision to approve or deny the application within thirty (30) days of receipt of the completed application. The Planning Director's decision shall be in writing, and if a denial, shall state the reasons for the denial.

(b) In the event the application for redetermination is denied, the applicant may appeal the denial to the Town Manager by filing a written notice of appeal with the Office of the Town Manager within ten (10) calendar days of the date of the denial. The Town Manager shall review the application for redetermination, including supporting evidence provided with the application, and make a decision to allow or deny the appeal within thirty (30) days of receipt of the completed notice of appeal. The decision shall be in writing and, if denied, shall state the reasons for the denial.

(c) The decision of the Town Manager may be appealed to Superior Court in the nature of certiorari.

(d) If an application for redetermination is approved, the stormwater fee shall be adjusted accordingly for the specific parcel and the adjusted rate shall apply to the next regularly generated bill for the entirety of the billing period.

Sec. 49-266. Use of Funds

Revenues generated from stormwater service utility fees, charges, and penalties shall be held in the enterprise fund, which shall be and remain separate and apart from other city funds and shall be used only to fund stormwater management programs and infrastructure. Service charges and fees shall not be used for general or other governmental or proprietary purposes of the town except to pay for costs incurred by the town in rendering services to the stormwater management utility.

READ, APPROVED AND ADOPTED, by a vote of _____ to _____ on this the 9th day of May, 2022.

____

Larry Harris, Mayor

ATTEST:

____

Savannah Parrish, Town Clerk

TOWN OF BLACK MOUNTAIN TOWN COUNCIL
REQUEST FOR COUNCIL ACTION

Meeting Date: May 09, 2022

SUBJECT: Approval of 2022-23 rates for Black Mountain Golf Course

AGENDA INFORMATION

Agenda Location:	**NEW BUSINESS**
Item Number:	**8C**
Department:	Administration
Contact:	Josh Harrold, Town Manager
Presenter:	Josh Harrold, Town Manager

BRIEF SUMMARY: Because the golf season begins before the 2022-23 fiscal year, the Golf Course needs an updated rate schedule for 2020-21. The proposed schedule affects the majority of rates at the golf course. There were no rate increases in the 2022-23 budget. The proposed rates are competitive for the area and will allow the course to become more economically viable.

MOTION FOR CONSIDERATION: To approve 2022-23 rate schedule for Black Mountain Golf Course as presented.

FUNDING SOURCE: N/A

ATTACHMENTS: BMGC Proposed Rate Schedule and Competitor Rates

MANAGER'S COMMENTS AND RECOMMENDATIONS: To approve as presented.

2022 Rate Proposal To Take Effect 5/1/22

2022 Proposed Annual Pass Rates

Family	$2000 (Up $250 from 2021)
Individual	$1400 (Up $200 from 2021)

2022 Proposed Cart Fees

Ride 18	$22
Ride 9	$11

*Riding (Cart Fee) is required on weekdays before 10am and weekends before 12pm by all players 5/1 thru 9/30. Walking will be allowed anytime 10/1 thru 4/31.

2022 Proposed Greens Fees

Weekday (Monday – Thurs)

Ride 18	$45
Ride 9	$25 (After 11am)
Walk 18	$23
Walk 9	$12

Weekend (Friday, Saturday and Sunday)

Ride 18	$55
Ride 9	$30 (After 11am)
Walk 18	$33
Walk 9	$19

Senior Riding 18 Only (Mon-Thur) $37

Weekday Twilight After 2pm

Ride 18	$33 (Up $2 from 2020)
Ride 9	$22 (Up $2 from 2020)
Walk 18	$20
Walk 9	$10

Weekend Twilight After 2pm

Ride 18	$40
Ride 9	$25
Walk 18	$25
Walk 9	$15

Player's Pass Program

The Player's Pass will be $200 for the year and good until December 31st, 2022. A round is included the day of the purchase and then allows the golfer $10 off the rack rate (highest rate of the day) every time they play until December 31st, 2022. If the rack rate is $45 during the week, the Player's Pass Holder will play for $35. Weekends would be $55 so the pass holder will play for $45. The discount is not eligible for any other rate (senior, 9 hole, twilight) we offer other than the rack rate.

Daily Rates For Our Competitors As Of 4/1/22

Course Name	Weekday	Weekend	
Broadmoor	$55.00	$60.00	
Reems Creek	$60.00	$70.00	Public can book after 12 only and r
Asheville	$43.00	$43.00	
Etowah	$54.00	$58.00	
Bald Mountain	$65.00	$75.00	
Apple Valley	$75.00	$85.00	
Marion Lake Club	$32.00	$41.00	(Playing With Member)
Connestee Falls	$84.00	$84.00	
Black Mountain	**$40.00**	**$50.00**	(current)

Competitors Membership Rates 2022

Marion Lake Club Membership (public)

Stockholder Membership / Non-Stockholder

Family - Multi Player $1500 / $1550
Family - Single Player $1370 / $1420
Single $1280 / $1335
Under 36 (31 -36) $1020 / $1070

Cart Fees
18 Hole Cart $20
9 Hole Cart $11

Reems Creek Golf Membership (semi-private)

Single $2000
Family $2400

Cart Fees
Trail Fee Single $1000 Family $1600 (Bring your own cart)
18 Hole Cart $22
9 Hole Cart $15

Mimosa Hills Golf Membership (semi-private)

Individual $3180 + $300 Initiation Fee
Family $3780 + $300 Initiation Fee
Out of County Individual $1800 First Year, $2400 Second year

Cart Fees
18 Hole Cart $21
9 Hole Cart $11

Etowah Golf Membership (public)

Individual $2250 + $250 Initiation Fee + $350 Food
Family $2650 + $250 Initiation Fee + $500 Food
Non Resident (60 Miles Away) $1650 + $250 Initiation Fee + $250 Food
Young Professional (39 years and younger) $1750 + $250 Initiation Fee + $350 Food

Cart Fees

$23 Per Player (9 or 18)

Asheville Golf Course Membership (public)

Individual $1150
Family $1700
Senior Weekday Only $900

Cart Fees

18 Hole Cart $19
9 Hole Cart $10
65 Prepaid carts $1000 (Add $1000 for family)

Connestee Falls (semi-private)

Individual $2111
Family $2942

Cart Fees

18 Hole Cart $22
9 Hole Cart $12

Rumbling Bald Resort (resort)

Individual $3396
Family $5676

Broadmoor Golf Membership (public)

Not Available – Daily Fee Only

TOWN OF BLACK MOUNTAIN TOWN COUNCIL
REQUEST FOR COUNCIL ACTION
Meeting Date: May 9, 2022

SUBJECT: Acceptance of Storybook Trail Proposal at Lake Tomahawk

AGENDA INFORMATION

Agenda Location:	**NEW BUSINESS**
Item Number:	**8D**
Department:	Administration
Contact:	Steve Cochran, Greenways and Trails Committee, (828) 545-1467
Presenter:	Josh Henderson, Recreation Director

BRIEF SUMMARY: The Black Mountain Greenways and Trails Committee is proposing the purchase, installation and maintenance of a storybook trail around the lake at Lake Tomahawk. The proposed Storybook Trail would consist of 18 free-standing 'stations' approximately 4 feet high with an 18 inch by 32 inch panel affixed to each anchored post. Each panel would consist of two side-by-side pages of a selected (and changeable) story book with an intended user audience of children from Kindergarten to Fifth Grade level.

MOTION FOR CONSIDERATION: Approve the acceptance of the project as presented or request amendments to the proposal as the council sees fit.

FUNDING SOURCE: N/A

ATTACHMENTS: Project proposal

MANAGER'S COMMENTS AND RECOMMENDATIONS:

Story Book Trail Proposal

Steve Cochran <scochran305@gmail.com>
Mon 4/25/2022 2:49 PM
To: Joshua Henderson <joshua.henderson@tobm.org>

1 attachments (2 MB)
2021 Storybook Trail Handbook.pdf;

To: Josh Henderson, Director: Black Mountain Parks and Recreation

From: Steve Cochran: Committee Member, Black Mountain Greenways and Trails Committee

Re: **Proposal to Install a 'Story Book Trail' on the Existing Pathway Encircling Lake Tomahawk**

Dear Mr. Henderson:

Thank you for your interest in and support of investigating the possibility of establishing a 'Story Book Trail' along the existing .55 mile pathway encircling Lake Tomahawk in the Town of Black Mountain. Per your request the various supporting partner organizations for this effort are pleased to submit this informational proposal to you in your official capacity. You have indicated that after receipt, review and acceptance of the proposal you will present the proposal to the Black Mountain Town Council, hopefully at the scheduled May 09 meeting. We will have a representative available for that meeting as well. Again, thank you for your help.

Project Scope:

The proposed Story Book Trail project is based upon and modeled after the highly-successful and state-wide 'Storybook Trail' project sponsored by the (State of Tennessee) Governor's Early Literacy Foundation. While the proposed Black Mountain Story Book project would NOT be a part of that Tennessee-based project, the proven effectiveness and success of that effort offers a useful template and step-by-step 'how-to' and best practice for implementing a similar effort. The publicly-available, not-copyrighted and simple handbook for establishing such a trail is attached to this proposal. It has been a highly-useful guidebook for exploring this project.

The proposed Story Book Trail would consist of 18 free-standing 'stations' approximately 4 feet high with an 18 inch by 32 inch panel affixed to each anchored post. Each panel would consist of two side-by-side pages of a selected (and changeable) story book with an intended user audience of children from Kindergarten to Fifth Grade level. The total of stations would include an introduction panel and a conclusion/acknowledgement panel. Each station framework consists of pressure-treated lumber with the panels consisting of Aluminum Composition Metal or Poly Metal with the story book pages printed directly on each panel. This is a highly-durable and changeable material that will enable books to be interchanged and rotated perhaps seasonally and perhaps focused upon the flora, fauna and natural features of Lake Tomahawk and its environs.

According to the attached handbook the existing .55 mile trail around the lake is the ideal distance for such a trail. As such, and based upon the projected 18 stations, each station would be approximately

160 feet apart from each other, with some perhaps 'inside' the trail on the lake side and others 'outside' the trail.

Also, according to the handbook, establishing such a trail where there are existing restrooms, playground, security, regular foot traffic and of course children present offers the best chance for success. Lake Tomahawk Park of course provides each of these elements. The logical starting point of the trail would seem to be at the existing playground area which is almost always in use.

Partnering Organizations:

The original Story Book Trail idea was proposed to the Black Mountain Greenways and Trails Committee by Melisa Pressley, Black Mountain Library Branch Manager. The Committee enthusiastically endorsed the idea and volunteered to take on appropriate research, including fact-finding and partner and funding exploration. To date and in addition to the library and the Greenways and Trails Committee, the Friends of the Library, The Arbor House Inn, and the newly-established Friends of Lake Tomahawk have actively endorsed and will support the project. In addition, the Black Mountain Beautification Committee has been invited to support the project and we await their decision. To any extent that might be appropriate of course the Town of Black Mountain's Parks and Recreation Department 's support would be most appreciated.

Books selected for the trail would be selected as appropriate by the library staff and would hopefully be able to include local authors and perhaps even specially-created stories of specific local interest and engagement.

Cost:

The attached handbook from the Tennessee project has a sample 'Trail Budget' (on Page 8) which estimates a total projected initial cost of $4,500. This figure excludes labor cost and envisions all labor for building and installing the 18 stations as volunteer labor. Between the existing and other potential supporting organizations (civic groups, garden clubs, scout groups, etc.) we believe such volunteer labor is realistically attainable

We were especially pleased when researching materials costs that several Black Mountain-based resources exist for needed materials and printing for less than half of the handbook projections; $2,200 vs $4,500. This reduced material cost does not account for the possibility of donated materials or substantial discounts. Each organization contacted for estimates was enthusiastic in their support for the project for the community.

Timing:

Assuming approval and support by the Town Council the partnering organizations are prepared to move ahead quickly to procure funding and labor sources and begin building and installing the Story Book Trail stations in the early summer with a projected 'ribbon-cutting' celebration desired by mid-late summer.

Ongoing Maintenance:

The partnering organizations would take responsibility for ongoing maintenance, cost and repair of the stations themselves with the exception of routine landscape maintenance such as grass cutting, path repair and such that the Town handles currently.

Thanks again, Josh for your help and support. Of course we'll be glad to elaborate further and answer any questions you may have. As you mentioned we will also have someone or several of the partnering organizations available for the May 09 Town Council meeting if the project is able to be on that meeting's agenda.

Sincerely -

Steve Cochran, *for the*
Black Mountain Greenways and Trails Committee
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