

**THE ERWIN BOARD OF COMMISSIONERS
OCTOBER 2024 REGULAR MEETING
THURSDAY, OCTOBER 10, 2024 @ 7:00 P.M.
ERWIN MUNICIPAL BUILDING BOARDROOM**

AGENDA

1. MEETING CALLED TO ORDER

- A. Invocation
- B. Pledge of Allegiance

2. AGENDA ADJUSTMENTS /APPROVAL OF AGENDA

3. CONSENT

All items on Consent Agendas are considered routine, to be enacted on one motion without discussion. If a Board member or citizen requests discussion of an item, the item will be removed from the Consent Agenda and considered under New Business.

- A. Regular Workshop on August 26, 2024 **(Page 3)**
- B. Regular Meeting on September 5, 2024 **(Page 10)**
- C. Stormwater Grant Project Ordinance **(Page 16)**
- D. Parker Family ETJ Removal Resolution **(Page 17)**
- E. Pay Study RFP- MAPS Group **(Page 18)**
- F. BOA-2025-04 **(Page 25)**
- G. Electronic Funds Transfer Policy **(Page 26)**
- H. Resolution Authorizing Electronic Payments **(Page 28)**
- I. Surplus Street Sweeper **(Page 29)**
- J. Internal Control Policy **(Page 30)**
- K. Subaward Policy and Appendix 3 Monitoring Form **(Page 34)**
- L. Program Income Policy **(Page 52)**
- M. 601 Lucas Road Bid- Martin Edwards & Associates Inc. **(Page 57)**

4. PUBLIC HEARING

- ~~A. ZT-2024-005 **(Page 60)**~~
- B. Chapter 30 Updates **(Page 120)**
- C. Chapter 36 Updates **(Page 123)**

5. PUBLIC COMMENT

Each speaker is asked to limit comments to 3 minutes, and the requested total comment period will be 15 minutes or less. Citizens should sign up prior to the start of the meeting. Please provide the clerk with copies of any handouts you have for the Board. Although the Board is interested in hearing your concerns, speakers should not expect Board action or deliberation on the subject matter brought up during the Public Comment segment. Thank you for your consideration of the Town Board, staff, and other speakers. §160A-81.1

6. MANAGER'S REPORT

7. **ATTORNEY'S REPORT**

8. **CLOSED SESSION**

A. Pursuant to General Statute 143-318.11(a) (3) for the Purpose of Preserving the Attorney-Client Privilege

9. **ADJOURNMENT**

IN ACCORDANCE WITH ADA REGULATIONS, PLEASE NOTE THAT ANYONE WHO NEEDS AN ACCOMMODATION TO PARTICIPATE IN THE MEETING SHOULD NOTIFY THE TOWN CLERK AT (910) 591-4202 AT LEAST 48 HOURS PRIOR TO THE MEETING.

ERWIN BOARD OF COMMISSIONERS**REGULAR MINUTES****OCTOBER 10, 2024****ERWIN, NORTH CAROLINA**

The Board of Commissioners for the Town of Erwin with Mayor Baker presiding held its Regular Meeting in the Erwin Municipal Building Board Room on Thursday, October 10, 2024, at 7:00 P.M. in Erwin, North Carolina.

Board Members present were Mayor Randy Baker, Mayor Pro Tem Ricky Blackmon, and Commissioners Timothy Marbell, David Nelson, and Billy Turnage.

Board Members absent were Commissioners Alvester McKoy and Charles Byrd.

Town Manager Snow Bowden, Town Clerk Lauren Evans, Town Attorney Tim Morris, Town Planner Dylan Eure, Code Enforcement Officer Chris Jones, and Police Chief Jonathan Johnson were present.

Mayor Baker called the meeting to order at 7:00 PM.

Commissioner Nelson gave the invocation.

Commissioner Blackmon led the Pledge of Allegiance.

AGENDA ADJUSTMENT/APPROVAL OF AGENDA

Town Manager Snow Bowden requested to remove item A under Public Hearing, ZT-2024-005, due to the fact that the developer was unable to attend the meeting.

Commissioner Blackmon made a motion to approve the agenda as amended and was seconded by Commissioner Nelson. **The Board voted unanimously.**

CONSENT

Commissioner Blackmon made a motion to approve **(ITEM A)** Minutes of Regular Workshop on August 26, 2024 **(ITEM B)** Minutes of Regular Meeting on September 5, 2024 **(ITEM C)** Stormwater Grant Project Ordinance **(ITEM D)** Parker Family ETJ Removal Resolution **(ITEM E)** Pay Study RFP- MAPS Group **(ITEM F)** BOA-2025-04 **(ITEM G)** Electronic Funds Transfer Policy **(ITEM H)** Resolution Authorizing Electronic Payments **(ITEM I)** Surplus Street Sweeper **(ITEM J)** Internal Control Policy **(ITEM K)** Subaward Policy and Appendix 3 Monitoring Form **(ITEM L)** Program Income Policy **(ITEM M)** 601 Lucas Road Bid- Martin.



TOWN OF ERWIN

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William R. Turnage

Grant Project Ordinance Amendment

ORD 2023-2024 : 008

Town of Erwin

Storm water Management

**NCDEQ – Division of Water Infrastructure
S.L. 2023-134 Water/Sewer Directed Projects**

BE IT ORDAINED by the Town council of the Town of Erwin, North Carolina that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted:

Section 1: This ordinance is to adopt a budget for the project funded by the NCDEQ Division of Water Quality, Division of Water Infrastructure for S.L. 2023-134 Water/Sewer Directed Projects. The Town of Erwin (Town) will receive the amount of \$485,000 for a storm water Management Plan. These funds will be used for the following category of Engineering Cost: Engineering Design \$485,000. to the extent authorized by state law.

Section 2: The following amounts are appropriate for the project and authorized for expenditure:

Project Budget	Funding Amount	Total Cost Amount
	From S.L. 2023-134	
Engineering Cost/Design	\$492,500	\$492,500

Section 3: The following revenues will be available to complete the project:

NCDEQ, Division of Water Infrastructure Funds:	\$492,500
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Adopted this 10th day of October 2024


Randy Baker
Mayor

ATTEST:


Lauren Evans NCCMC
Town Clerk



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**RESOLUTION REQUESTING HARNETT COUNTY TO
ADMINISTER PLANNING AND DEVELOPMENT
REGULATIONS IN A CERTAIN PORTION OF THE
TOWN OF ERWIN'S EXTRATERRITORIAL JURISDICTION
2024-2025--008**

WHEREAS, the Town of Erwin administers a one-mile extraterritorial jurisdiction (ETJ) for planning and development purposes outside the town limits of the Town of Erwin, as allowed by NCGS 160D-202; and

WHEREAS, Benjamin Glenn Parker owns Harnett County Tax PINs 0598-83-1713.000 and 0598-94-0052.000 which are located on the edge of the Town of Erwin's ETJ; and

WHEREAS, Harnett County Tax PIN 0598-83-1713.000 lies entirely within the Town of Erwin's ETJ, and Harnett County Tax PIN 0598-94-0052.000 lies partly within the Town of Erwin's ETJ, where planning and development is under the jurisdiction of the Erwin Board of Commissioners, and partly outside the Town of Erwin's ETJ, where planning and development is under the jurisdiction of the Harnett County Board of Commissioners; and

WHEREAS, because Harnett County Tax PIN 0598-94-0052.000 is split between the planning and development jurisdiction of the Town of Erwin and Harnett County, planning, development approval, and inspections are different, presenting challenges to the property owner and Town and County planning staff; and

WHEREAS, NCGS 160D-202 allows for a municipal governing body to request that the county governing body administer planning and development related functions within a specified area of the extraterritorial jurisdiction.

THEREFORE, the Town of Erwin Board of Commissioners respectfully requests that the Harnett County Board of Commissioners assume responsibility for all planning and development related functions within the aforementioned portion of the Town of Erwin's extraterritorial jurisdiction and the Town of Erwin forfeits its ability to administer planning and development regulations, and collect fees for such activities, until such time as requested by the Erwin Board of Commissioners.

ADOPTED, this the 10th day of October, 2024.

ATTEST:

Randy Baker
Mayor

Lauren Evans NCCMC
Town Clerk



Management and Personnel Services Group
Providing Human Resources Services to the Public and
Non-Profit Sectors in North Carolina Since 1983

August 30, 2024

Lauren Evans
Town Clerk/HR Director
Town of Erwin
P.O. Box 459
Erwin, NC 28339

RE: Proposal for Town of Erwin Classification and Compensation Study

Dear Ms. Evans:

We are pleased to be able to offer the enclosed proposal to the Town of Erwin to perform a classification and compensation study and the specified personnel services as described herein.

If selected, the contract will be performed through an agreement between the North Carolina League of Municipalities and the MAPS Group. The MAPS Group is a private consulting firm consisting of personnel professionals in the public sector who specialize in human resources and general management. They are, or have been, employed in human resources departments at the state and municipal level of government and undertake consulting assignments for the North Carolina League of Municipalities.

I will have overall responsibility for this project to determine that all contractual obligations of this study are successfully met.

If you have any questions, please feel free to reach out to me.

Sincerely,

A handwritten signature in cursive script that reads "Erika Phillips".

Erika Phillips
MAPS Group Consultant
(919) 758-9122
ephillips@themapsgroup.com

Enclosures

CLASS AND COMPENSATION STUDY PROPOSAL

**for the
Town of Erwin**

**The MAPS
Group**

Executive Recruitment. Class and Pay Studies. HR Consulting Services.

**PROPOSAL FOR A CLASSIFICATION AND COMPENSATION STUDY
FOR THE
TOWN OF ERWIN**

Proposal Objective

This proposal is designed to assist the Town of Erwin in the completion of a classification and compensation study. The proposal objective is to ensure that the Town of Erwin has a competitive class and pay plan that allows for the successful recruitment and retention of staff.

Summary of The MAPS Group

The Management and Personnel Services Group (The MAPS Group) is a team of consultants specializing in human resource management and development. The MAPS Group provides quality, affordable, human resources services to public and non-profit organizations. Human Resources services include recruitment and selection, personnel policy development, classification and compensation studies, appraisal process development, and supervisory training. The MAPS Group consultants are all current or retired local and state human resources professionals committed to providing quality services and helping clients enhance their own organizational capacities. All consultants have a minimum of 15-20 years of experience working in a human resources management position in North Carolina state and local government agencies. We have worked for small organizations as well as large North Carolina cities and counties.

The team lead for this study will be Erika Phillips with additional staff assisting as needed. Ms. Phillips has over 30 years of public sector human resources experience in both municipal and state government and has conducted classification and compensation studies for multiple organizations.

Scope of Work

The classification and compensation study for the Town of Erwin will include the following work study objectives:

- Study and evaluate all positions covered by the NCLGERS within the Town for the purpose of determining the appropriate position classification and corresponding salary range.
- Conduct a comprehensive salary survey of appropriate public sector organizations to determine if the Town's salaries, benefits and wages are competitive in the applicable job market.
- Prepare or update class specifications for each position class based upon current job duties and requirements, outlining appropriate ADA information.
- Prepare a pay plan for the Town as required to maintain a competitive system of salaries.
- Identify and recommend positions that the Town may consider exempt from the Wage and Hour Provisions of the Fair Labor Standards Act (FLSA).
- Review and make recommendations concerning the effectiveness of the Town's overall compensation system including compression issues.

Study Work Components

The process of the classification and compensation include the followings steps and work components:

- Conduct meetings with the Town Manager and department heads to discuss the various work components of the study and to explain the study methodology and approach. At this meeting we will also discuss the appropriate labor market for surveying salary data and the project schedule.
- Conduct study orientation sessions with employees. The meetings will cover the purpose of a study, steps involved in the study and study methodology, review of position questionnaire instructions, and to answer any employee questions. These meetings help establish realistic expectations with employees and reduce misinformation.
- Review and study existing employee positions. This task will involve a review of the completed employee position description questionnaires, desk audits with representative employees in each class, and conferences with each department head to review and verify information presented on the questionnaires and in the desk audits. The purpose of this task is to determine that The MAPS Group obtains comprehensive, factual, and accurate data and information. This task also resolves any conflicting information or data.
- Following the review and field audit of existing employee positions, class specifications (often called job descriptions) will be prepared. These class specifications will be written to comply with OSHA and ADA regulations. The MAPS Group will use the following factors to classify jobs:
 - Difficulty, complexity, and variety of work
 - Education and work experience requirements for the job
 - Nature and extent of public contact
 - Physical effort and hazards of the job
 - Supervision given and received
- Conduct a salary survey of public sector jurisdictions to ensure the Town's salary ranges are competitive and sufficient to attract and retain qualified employees.
- Prepare an updated classification and pay plan with updated classification titles and corresponding salary ranges. We will also prepare an employee allocation list with recommendations for each individual employee's position, salary grade, and salary.
- Costs for several different implementation options of the plan will be provided. Options will be designed specifically to address salary compression if needed and desired.
- Conduct a comprehensive review of the Town's Personnel Policy and make recommendations for updates as needed to be consistent with modern and effective human resources management and current laws and regulations.

Communication with the Town

During the study, MAPS consultants will be available to Town management to clarify any steps, current stage of the study, or other issues related to the study by phone or email. In addition, while MAPS consultants are on site for orientation meetings and/or interviews, we are available to meet with management as needed.

A draft of the study will be sent to management for review and The MAPS Group will make a visit to discuss management reactions to the study prior to finalizing it. After the draft review, The MAPS Group will make a presentation to the Town Board, if requested, and then return to respond to discussion and questions.

Involvement of Town Staff

Town staff members will be requested to complete position description questionnaires for each position, draft organization charts, participate in interviews if selected (all department directors will be interviewed), provide current employee data including copies of current salary plan and employee information by department with name, current classification, current grade, date of hire, date of last promotion, and current annual salary. These last components are needed for calculating the costs of implementation options.

Results of the Study

The study will result in the publication and delivery to the Town of the report to include the classification plan, class specifications, salary survey, and implementation costs. The MAPS representative will formally present the study to the Town Board if requested and be available to respond to questions.

Plan Maintenance

Once the study is complete and implemented, the MAPS Group will provide assistance to Town staff on maintenance of the plan including the classification of new or revised positions, market revisions to the pay plan, and other assistance as needed. The MAPS Group will provide telephone consultation and will classify new or revised positions as needed for up to two years following the study. Additional work may be performed on a maintenance contract.

In addition, the MAPS Group will provide the Town with a linked spreadsheet that will allow for market adjustments (cost of living increases) to automatically update the salary schedule and class listings and provide the Town with a digital copy of all class specifications.

Project Staff

The study for the Town of Erwin will be led by Erika Phillips. Additional team members will be subject to approval by the Town.

Cost of Services

The fee for the proposed classification and compensation study is \$11,800.

In addition, consultant travel time is billed at \$25 per hour plus mileage at the IRS mileage rate.

Professional fees are billed in three equal installments throughout the recruitment, one at the beginning, one at the halfway point, and one upon completion of the project. All invoices are due within 30 days of receipt. Proposal cost is good for 120 days from August 30, 2024.

The MAPS Group does not mark up expenses and we work diligently to keep expenses at a minimum and maintain records of all expenditures.

Sample/Proposed Timeline

The time for performance will be approximately four months for this project. The study can be started in late October 2024 and completed no later than early March 2025. Below is a proposed sample timeline. The timeline can be adjusted based on discussions with the Town.

Date	Study Task
Week of October 28, 2024	Employee Orientation Meetings
Week of November 25, 2024	Employee Desk Audits/Interviews
Early - Mid January 2025	Draft Report Presented to Town
Early February 2025	Final Report with Class Specifications Ready
End of February 2025	Personnel Policy Review Complete

References

Town of Highlands

Town Manager, Josh Ward
josh.ward@highlandync.org
828-526-2118

Town of Benson

Town Manager, Kimberly Pickett
kpickett@townofbenson.com
919-894-3553

Town of Butner

Administrative and Human Resources Manager, Liz Davis
liz.davis@butnerps.org
919-575-6561

Additional Information

A vendor application, E-Verify Compliance Statement, W-9 form and other required documents will be provided in the event of contract award.

Contact Information

Erika Phillips

ephillips@themapsgroup.com

919-758-9122

www.themapsgroup.com

Submittal Date: August 30, 2024

**BUDGET ORDINANCE AMENDMENT
BOA 2025 – 04
FISCAL YEAR 2024-2025**

BE IT ORDAINED by the Governing Board of the Town of Erwin, North Carolina that the following amendments are made to the annual budget ordinance for the fiscal year ending June 30, 2025.

Section 1. This Budget Ordinance Amendment seeks to Decrease Expenditure (Board of Commissioners-Contingency) and Increase Expenditure (Non Departmental Contracted Services) by \$11,800.00. These funds will be used to hire the MAPS group to conduct a job classification and compensation study.

Section 2. To amend the General Fund: The Expenditures are to be changed as follows:

Account	Description	Current Approp.	Increase/Decrease	Amended Appropriation
10-4100-990	Contingency	14,070	(-) \$11,800	\$2,270

Section 3. To amend the General Fund: The Expenditures are to be changed as follows:

Account	Description	Current Approp.	Increase/Decrease	Amended Appropriation
10-4201-450	Contracted Serv.	172,485	(+) \$11,800	\$ 184,285

Section 4. Copies of this budget amendment shall be furnished to the Clerk, the Governing Board, the Budget Officer and the Finance Director for their direction.

Adopted this 10th day of October 2024.



Randy Baker
Mayor

ATTEST:


Lauren Evans NCCMC
Town Clerk



TOWN OF ERWIN

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Town of Erwin Electronic Funds Transfer Policy

This policy sets forth the Town of Erwin's written policy prescribing the accounting and control procedures under which any funds under its control are allowed to be moved by electronic funds transfer ("EFT") for any purpose, including direct deposit, wire transfer, withdrawal, or investment.

STATEMENT OF POLICY

The Town Manager has delegated to the Finance Director the authority to operate and administer the Town's financial policies and controls in accordance with applicable law, and with the resolutions, regulations and policies of the Town of Erwin and to the Town Clerk/HR Director.

The Finance Director is responsible for the daily management of the Town's bank balances and the general oversight of EFT activity and ensuring appropriate accounting and control procedures are in place.

PURCHASING POLICY AND PROCEDURES

Policy Outlining Procedures for Pre-Auditing Obligations That Will Be Incurred by Electronic Payments and for Disbursing Public Funds by Electronic Transaction
The Town Council has authorized the Town of Erwin to engage in electronic payments as defined by G.S. 159.28 by adoption of Resolution No. 2023-2024-007. As required by NC Administrative Code 20 NCAC 03 .0409 and NC Administrative Code NCAC 03 .0410, this policy outlines procedures for pre-auditing obligations that will be incurred by electronic payments and procedures for disbursing public funds by electronic transaction.

Procedures for Pre-Auditing Obligations That Will Be Incurred by Electronic Payments

1. Credit Cards

- a. Each Department's adopted budget specifies the spending limits to be placed on the purchasing level. Approved Requisitions/PO's are required for all purchases \$500 and above. Requested card purchases are based on normal operational spending needs.
- b. The Finance Director records encumbrances through a purchase order to Town of Erwin's Credit Card vendor in the Town's financial system. These encumbrances are charged to the budget for the department's specified line item expenditure account(s) and are based on estimated spending limits established. Essentially there is a blanket discretionary authority to spend up to the annual spending limit and the process of encumbering these funds either through PO's or regular accounting procedures pre-audits

these transactions by checking for budgetary authority to spend up to these spending limits.

c. When actual Credit Card transactions are entered into the Town's financial system, items that require a PO of \$500 or above are liquidated from that Departments line item encumbrances. After all the Credit Card transactions for the month have been entered into the Town's financial system, any remaining Credit Card encumbrances for the year remain to be used as needed.

2. Fuel Cards

a. The Finance Director records monthly encumbrances through a purchase order in the Town's financial system. These encumbrances are charged to the budgets for the departments' fuel accounts and are based on estimated fuel card expenditures annually. Employees authorized to purchase fuel for their departments essentially have blanket discretionary authority to spend up to the monthly encumbered amount and the process of encumbering these funds pre-audits these transactions by checking for budgetary authority to spend up to that estimated encumbrance.

b. When actual fuel card transactions are recorded into the Town's financial system, equivalent amounts are liquidated from that month's fuel department's encumbrances. After all actual fuel card transactions for the month have been recorded into the Town's financial system, any department's remaining fuel encumbrances for the year remain to be used as needed.

3. Electronic Funds Transfers

The Town does generally engage in purchasing or incurring obligations by electronic funds transfers, in the form of, ACH or wire payments. These transactions will be pre-audited and the pre-audit language required in G.S. 159-28(a1) affixed to the documentation.

Procedures for Disbursing Public Funds by Electronic Payments

The Town does currently pay some invoices that are processed through its accounts payable system by creating an ACH file for transmittal. These payments will be pre-audited with the pre-audit language required in G.S. 159-28(a1) and affixed to the documentation. In order to ascertain that the Town has sufficient cash to cover the payment, these electronic payments are included in computing cash requirements prior to disbursement.

AUTHORITY

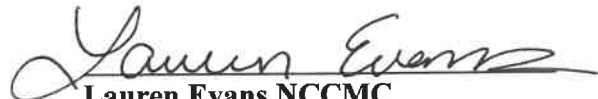
This policy is adopted pursuant to the requirements of the North Carolina General Statutes (N.G.C.S.) 159-28.

Duly Adopted, this the 10th day of October 2024.

ATTEST:



Randy Baker
Mayor



Lauren Evans NCCMC
Town Clerk



TOWN OF ERWIN

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RESOLUTION AUTHORIZING THE TOWN OF ERWIN TO ENGAGE IN ELECTRONIC PAYMENTS AS DEFINED BY G.S. 159-28 2024-2025—005

Mayor
Randy L. Baker
Mayor Pro Tem
Ricky W. Blackmon
Commissioners
Alvester L. McKoy
Timothy D. Marbell
Charles L. Byrd
David L. Nelson
William R. Turnage

WHEREAS, it is the desire of the Mayor and Board of Commissioner that the Town of Erwin is authorized to engage in electronic payments as defined by G.S. 159-28.

WHEREAS, it is the responsibility of the Finance Director, who is appointed by and serves at the pleasure of the Town Manager to adopt a written policy outlining procedures for pre-auditing obligations that will be incurred by electronic payments as required by NC Administrative Code 20 NCAC 03 .0409;

WHEREAS, it is the responsibility of the Finance Director, who is appointed by and serves at the pleasure of the Town Manager, to adopt a written policy outlining procedures for disbursing public funds by electronic transaction as required by NC Administrative Code 20 NCAC 03.0410;

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Board of Commissioners of the Town of Erwin

Section 1. Authorizes the Town of Erwin to engage in electronic payments as defined by G.S. 159-28;

Section 2. Authorizes the Finance Director to adopt a written policy outlining procedures for pre-auditing obligations that will be incurred by electronic payments as required by NC Administrative Code 20 NCAC 03 .0409

Section 3. Authorizes the Finance Director to adopt a written policy outlining procedures for disbursing public funds by electronic transaction as required by NC Administrative Code 20 NCAC 03 .0410; and Section 4. This resolution shall take effect immediately upon its passage.

ADOPTED, this the 10th day of October, 2024.

ATTEST:

Randy Baker
Mayor

Lauren Evans NCCMC
Town Clerk

Erwin Board of Commissioners

REQUEST FOR CONSIDERATION

To: The Honorable Mayor and Board of Commissioners

From: Snow Bowden, Town Manager

Date: October 10, 2024

Subject: Surplus Street Sweeper

We are trying to clean up the site of Erwin Public Works. We have already sold a lot of our surplus equipment. Town Staff wishes to surplus the old Tymco Street Sweeper. We have let the Town of Lillington borrow the old street sweeper a handful of times and they have always been very appreciative of us letting them borrow that piece of equipment. The Town of Lillington has let us borrow equipment when we were in a serious need in the past before as well. I feel like it is important that we support each other when we can. I would like to ask you to consider allowing us to give the old street sweeper to the Town of Lillington. The old sweeper is in rough shape and we could not get much for it on GOVDEALS. I think it would be much better suited to give it to the Town of Lillington.

- 2006 Isuzu -VIN J77904226



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TOWN OF ERWIN INTERNAL CONTROL POLICY

Definitions

- **Management** refers to employees who have direct responsibility for the day-to-day operations of the entity, including the implementation of internal controls. For the purposes of this policy, “management” includes: [Town Manager, Finance Director, Finance Officer, and Human Resources Director].
- **Oversight Body**, as referenced in the Government Accountability Office’s Standards for Internal Control in the Federal Government, refers to an appointed body designated to perform oversight at the direction of the governing board. The oversight body of a local government is, by default, the Erwin Board of Town Commissioners

Policy Overview and Purpose

Internal control is a process effected by an entity’s oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved. This policy outlines the internal control process established by the Town of Erwin to provide reasonable assurances that the unit will expend ARP/CSLFRF award funds in compliance with governing laws and regulations. This document is adopted in accordance with the following directive from U.S. Treasury’s Compliance and Reporting Guidance: “Per 2 CFR Part 200.303, your organization must develop and implement effective internal controls to ensure that funding decisions under the ARP/CSLFRF award constitute eligible uses of funds, and document determinations.”²

Internal Control Framework:

The Town of Erwin’s internal controls are modeled after the internal control framework set forth in the Government Accountability Office’s Standards for Internal Control in the Federal Government (the “Green Book”). As described in the Green Book, Management is responsible for establishing and maintaining the internal control system in compliance with the duties outlined in this policy. The Oversight Body’s primary role is to ensure management performs its internal control responsibilities. However, every employee bears some responsibility for the internal control process.

The Green Book Recognizes Five Components of Internal Control: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring

The Town of Erwin understands that each component must be present and functioning for the internal control process to operate at the optimal level. The responsibilities tied to each of the components are discussed below.

1. Control Environment

The control environment is the foundation for all other components of internal control, providing discipline and structure. Management values integrity, ethics, and competence in all operations,

including the administration of federal awards. Management communicates and reinforces its expectations throughout the organization. Examples of management's commitment to internal controls over expenditures of ARP/CSLFRF funds include, but are not limited to, the following:

- Management demonstrates a commitment to integrity and ethical values through its leadership, communications, personnel practices, and daily actions.
- Management conducts ongoing risk assessments to identify internal control weaknesses that may negatively impact the proper administration of the ARP/CSLFRF award.
- Management is committed to educating itself and staff on the compliance requirements tied to the administration of the ARP/CSLFRF award.
- Management adopts policies necessary to ensure compliance with the Uniform Guidance and the ARP/CSLFRF award terms and conditions.

2. . Risk Assessment

Management is committed to identifying and managing the risks that may arise during the administration of the ARP/CSLFRF award. The risk assessment component of internal control involves management evaluating the risks the entity faces that could negatively impact its ability to achieve its objectives. These objectives include:

- **Operational Objectives:** All assets are appropriately safeguarded against risks of fraud, theft, loss, or abuse.
- **Reporting Objectives:** Finance systems and processes produce accurate and reliable financial reporting for federal award expenditures. The Town of Erwin's Schedule of Expenditures of Federal Awards (SEFA) is complete and accurate.
- **Compliance Objectives:** Ensure ARP/CSLFRF awards funds are expended in compliance with the award terms and conditions, federal and state law, and U.S. Treasury guidance.

Risk Identification

Management shall identify risks that may impair the Town of Erwin's ability to achieve its objectives. Management shall focus its risk assessment on areas of opportunity for employees to commit fraud. Specific areas and types of risk include:

- rapid growth in operations,
- changes in personnel,
- organizational restructuring, such as centralizing or decentralizing,
- new activities or service areas,
- new or revised information systems,
- new technologies in service delivery or information systems,
- changes in the operating or regulatory environment, and
- new or updated accounting and/or financial reporting practices.

Uniform Guidance Compliance & Risk Identification

There are specific risks that arise in the administration of a grant award. Management will identify areas of risk that may impair the Town of Erwin's ability to comply with the ARP/CSLFRF award's terms and conditions and/or applicable state and federal law and regulations.

Specifically, the Town of Erwin will evaluate risks of non-compliance in the following compliance areas:

- Eligibility,
- Allowable Costs/Cost Principles,
- Period of Performance,
- Financial Management,
- Property Management,
- Procurement,
- Subrecipient Monitoring, and

- Program Income.

Risk Analysis

Management shall determine the potential severity of liabilities associated with the risks identified by weighing the likelihood of occurrence against the degree of impact.

Likelihood × Impact = Risk Priority

After rating each risk for likelihood & impact, multiply to identify which risks are highest priority to control for.

		Risk Priority				
Likelihood	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5

Priority Rank Scale	
Low	1 to 4
Moderate	5 to 9
High	10 to 19
Very High	20+

Impact

Risk Response

Management shall review the results of the risk analysis and determine whether to implement control activities to mitigate risks. Management will respond to identified risks in one of three ways:

- accept the risk,
- reduce the risk by implementing control activities to help prevent or detect issues, or
- avoid the risk by not pursuing certain activities.

Management shall consider the relative cost of implementing controls versus the benefit(s) offered in deciding whether to mitigate risk(s) through the implementation of control activities. When possible, control activities will be implemented to mitigate risks that rate “High” or “Very High” on the Likelihood/Impact scale.

3. Control Activities

Control activities are the actions taken by management to respond to risks that may prevent the entity from achieving its objectives. The internal control activities are either preventative or detective. The Town of Erwin uses a variety of control activities that support strong internal controls, including, but not limited to the following:

- written policies and procedures,
- segregation of duties: separating authorization, custody, record-keeping, and reconciliation functions,
- authorizations to undertake projects/programs/expenditure,
- reconciliation of accounts and records,
- documentation and record-keeping,
- physical controls, including locks, physical barriers, and security systems to protect physical assets,
- IT controls, including passwords, access logs, and firewalls to protect sensitive data and restrict access to electronic data and files,
- staff training, or
- a combination of the above.

4. Information and Communication

The Town of Erwin communicates accurate and quality information to internal staff and personnel and to external stakeholders and community members. Communication plays an integral role in the internal control system by helping to promote transparency regarding the use of public funds. Management shall be responsible for communicating internal control processes to those employees directly involved in finance and/or grant administration. Management will communicate its policies, procedures, and internal controls through various handbooks, programs, training, and electronic communication.

Information regarding pertinent policies, processes, and control activities will flow down, across, and up the organizational structure. Internal control deficiencies should be reported upstream, with serious matters reported immediately to top-level management and/or to the governing board. Employees are required to report any critical issues within the internal control system to management as soon as possible after the discovery.

To ensure transparency regarding the use of ARP/CSLFRF funds, the Town of Erwin shall communicate quality information to community members and external stakeholders. The communication channels may include:

- Provide a copy of the current and previous two budgets on Town website
- Provide a copy of the past three approved audits
- Project and Expenditure reports are posted to the ARP/CSLFRF webpage.
- Governing board members and management are willing to engage directly with community members and answer questions via email and/or provide updates during regularly scheduled meetings.

5. Monitoring

The Town of Erwin shall conduct ongoing monitoring of the internal control system to identify its strengths and weaknesses. Internal and external audits will be conducted pursuant to federal and state law. These audit processes will test the effectiveness of internal controls over federal and state awards.

Duly Adopted, this the 10th day of October 2024.

ATTEST:



Randy Baker
Mayor



Lauren Evans NCCMC
Town Clerk



TOWN OF ERWIN

P.O. Box 459 • Erwin, NC 28339
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TOWN OF ERWIN SUBAWARD AND MONITORING POLICY

1. POLICY OVERVIEW

[Title 2 U.S. Code of Federal Regulations Part 200](#), (2 CFR 200) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, commonly called Uniform Guidance (UG), specifically Subpart D, defines requirements of pass-through entities initiating subaward agreements with Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARP/CSLFRF). The Town of Erwin, hereinafter Town shall adhere to all applicable subaward and monitoring requirements governing the use of ARP/CSLFRF. This policy establishes procedures for classifying, making an award to, and monitoring a sub-recipient consistent with ARP/CSLFRF grant award terms and all applicable federal regulations in the UG.

Responsibility for following these guidelines lies with the Town Manager and Finance Director, who are charged with the administration and financial oversight of the [ARP/CSLFRF].

2. DEFINITIONS

The definitions in 2 CFR 200.1 apply to this policy, including the following:

Contract: for the purpose of Federal financial assistance, a legal instrument by which a recipient or subrecipient purchases property or services needed to carry out the project or program under a Federal award. For additional information on subrecipient and contractor determinations, see [§ 200.331](#). See also the definition of *subaward* in this section.

Contractor: an entity that receives a contract as defined in this section.

Pass-through Entity: a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

Recipient: an entity, usually but not limited to non-Federal entities that receives a Federal award directly from a Federal awarding agency. The term recipient does not include subrecipients or individuals that are beneficiaries of the award.

Subaward: an award provided by a pass-through entity to a subrecipient for the subrecipient 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 an individual who is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

Subrecipient: an entity, usually but not limited to non-Federal entities 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.

3. SUBRECIPIENT CLASSIFICATION

The Town must make a case-by-case determination whether an agreement with another government entity or private entity, that is not a beneficiary, casts the party receiving the funds in the role of a subrecipient or contractor. 2 CFR 200.331.

A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient. Characteristics which support the classification of the non-Federal entity as a subrecipient include when the non-Federal entity:

- (1) Determines who is eligible to receive what Federal assistance;
- (2) Has its performance measured in relation to whether objectives of a Federal program were met;
- (3) Has responsibility for programmatic decision-making;
- (4) Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and
- (5) In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

A contract is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor. Characteristics indicative of a procurement relationship between the non-Federal entity and a contractor are when the contractor:

- (1) Provides the goods and services within normal business operations;
- (2) Provides similar goods or services to many different purchasers;
- (3) Normally operates in a competitive environment;
- (4) Provides goods or services that are ancillary to the operation of the Federal program; and
- (5) Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

In determining whether an agreement between a pass-through entity and another non-Federal entity casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement. All of the characteristics listed above may not be present in all cases, and the pass-through entity must use judgment in classifying each agreement as a subaward or a procurement contract.

The Town will use the above criteria to determine if an agreement involving the expenditure of ARP/CSLFRF is a contract or subaward. The Town Manager and/or Finance Director will document the determination in the Subrecipient or Contractor Classification Checklist in Appendix 1. ([Appendix 1: Subrecipient or Contractor Classification Checklist.](#))

If the agreement involves a contractor relationship (including a contract for services), the Town must follow its UG Procurement Policy when entering into a contract.

If the agreement involves a subrecipient relationship, the Town must proceed to Sections IV, through VII, below.

4. ASSESSMENT OF RISK

Before engaging in a subaward, the Town must evaluate a subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward to determine whether to award the subaward and the appropriate subrecipient monitoring.

The Town Manager and/or the Finance Director will conduct the risk assessment, which will include consideration of the following factors:

- (1) The subrecipient's prior experience with the same or similar subawards;
- (2) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with 2 CFR 200 Subpart F and the extent to which the same or similar subaward has been audited as a major program;
- (3) Whether the subrecipient has new personnel or new or substantially changed systems; and
- (4) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency). 2 CFR 200.332(b).

The results of the risk assessment must be documented in the Subrecipient Assessment of Risk form in Appendix 2 and will be used to dictate the types and degree of subrecipient monitoring. (Appendix 2: Subrecipient Assessment of Risk) The Town will assign an overall risk level to the subrecipient indicating the following:

Low Risk	Moderate Risk	High Risk
There is a low risk that the subrecipient will fail to meet project or programmatic objectives or incur significant deficiencies in financial, regulatory, reporting, or other compliance requirements.	There is moderate risk that the subrecipient will fail to meet project or programmatic objectives or incur significant deficiencies in financial, regulatory, reporting, or other compliance requirements.	There is high risk that the subrecipient will fail to meet project or programmatic objectives or incur significant deficiencies in financial, regulatory, reporting, or other compliance requirements.

If a proposed subrecipient is deemed high risk, the Town Manager must provide written justification to proceed with the subaward. The justification must be approved by the Town Attorney.

5. SUBRECIPIENT MONITORING

The Town will develop and implement a subrecipient monitoring plan for the particular subaward based on the findings of the Subrecipient Assessment of Risk. According to 2 CFR 200.332(d), the monitoring plan must involve:

- (1) Reviewing financial and performance reports required by the pass-through entity.
- (2) Following up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and written confirmation from the subrecipient, highlighting the status of actions planned or taken to address Single Audit findings related to the particular subaward.
- (3) Issuing a management decision for applicable audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through entity as required by 2 CFR 200.521.
- (4) The pass-through entity is responsible for resolving audit findings specifically related to the subaward and not responsible for resolving crosscutting findings. If a subrecipient has a current Single Audit report posted in the Federal Audit Clearinghouse and has not otherwise been

excluded from receipt of Federal funding (e.g., has been debarred or suspended), the pass-through entity may rely on the subrecipient's cognizant audit agency or cognizant oversight agency to perform audit follow-up and make management decisions related to cross-cutting findings in accordance with section 2 CFR [200.513\(a\)\(3\)\(vii\)](#). Such reliance does not eliminate the responsibility of the pass-through entity to issue subawards that conform to agency and award-specific requirements, to manage risk through ongoing subaward monitoring, and to monitor the status of the findings that are specifically related to the subaward.

The Town's monitoring plan will vary based on the overall subrecipient risk assessment as low risk, medium risk, or high risk, detailed as follows:

Subrecipient Deemed Low-Risk	Subrecipient Deemed Medium Risk	Subrecipient Deemed High Risk
<ul style="list-style-type: none"> • Payment validations (monthly) • Report reviews (quarterly) • Desk reviews (at least once per year and more frequently if requested by the Town or subrecipient) • Onsite reviews (upon request of Town or subrecipient) • Audit review (yearly) 	<ul style="list-style-type: none"> • More detailed financial reporting • Payment validations (monthly) • Report reviews (bi-monthly) • Desk reviews (within 6 months of project start and every six months thereafter) • Onsite reviews (within 12 months of project start and annually thereafter, or more frequently as requested by [County/City/Town/Village] or subrecipient) • Audit review (yearly) • Procedures engagement (if subrecipient not subject to Single Audit Act; yearly) 	<ul style="list-style-type: none"> • More detailed financial reporting • Compliance training (one-time) • Prior approvals for certain expenditures • Payment validations (monthly) • Report reviews (monthly) • Desk reviews (within 3 months of project start and at least quarterly thereafter) • Onsite reviews (within 6 months of project start and bi-annually thereafter, or more frequently as requested by the Town or subrecipient) • Audit review (yearly) • Procedures engagement (if subrecipient not subject to Single Audit Act; yearly)

Payment validation: All subrecipient documentation for project expenditures must be reviewed by the Town for compliance with subaward requirements. Any non-compliant expenditures will be denied and the subrecipient will be provided a reasonable description of the reason for denial and an opportunity to cure the deficiency. For a subrecipient on a reimbursement-based payment structure, the validation will occur before a reimbursement payment is approved. For a subrecipient that received an up-front payment, any funds found to have been expended in violation of the subaward requirements must be repaid to the Town.

Report review: A subrecipient must submit quarterly financial and performance reports, based on the schedule set forth in the subaward. The nature and scope of the reports will depend on the project and be spelled out in the subaward. The reports will be reviewed by the Town Manager. Any deficiencies or other performance concerns will be addressed with the subrecipient in a

timely manner and could trigger additional monitoring requirements or other interventions, as specified in the subaward.

Desk review: The Town will conduct a meeting to review the subrecipient's award administration capacity and financial management. The meeting may be held virtually or in person. Topics covered will depend on project scope and subrecipient risk assessment and may include governance, budgeting, accounting, internal controls, conflict of interest, personnel, procurement, inventory, and record keeping. The Town will produce a report which summarizes the results and any corrective actions if deemed necessary. The report will be shared in a timely manner with the subrecipient.

Onsite review: The Town will conduct an on-site meeting at the subrecipient's location to review the subrecipient's project performance and compliance. Topics covered will depend on project scope and subrecipient risk assessment and may include project procurement, data systems, activity and performance tracking, project reporting, inventory, and software systems. The Town will produce a report which summarizes the results and any corrective actions deemed necessary. The report will be shared in a timely manner with the subrecipient.

Audit review: The Town must verify that every subrecipient is audited as required by [2 CFR 200 Subpart F](#) (Single Audit) when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2 CFR [200.501](#). The Town must obtain a copy of the subrecipient's Single Audit from the Federal Audit Clearinghouse (FAC). Within six months of the acceptance of the audit report by the FAC, the Town will issue a management decision for any audit findings related to the subaward. The decision will clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments or take other action. (The decision will include reference numbers the auditor assigned to each finding.) The decision will provide a timetable for responsive actions by the subrecipient. Prior to issuing the management decision, the Town may request additional information or documentation from the auditee, including a request for auditor assurance related to the documentation, as a way of mitigating disallowed costs.

Procedures engagement: Applicable only to subrecipients who are not subject to the Single Audit Act. An auditor will perform specific procedures and report on findings. The scope must be limited to the following compliance requirements: activities allowed or unallowed; allowable costs/cost principles; eligibility; and reporting. The review will be arranged and paid for by the Town. The Town will verify completion of the procedures engagement. Within six months of the acceptance of the procedures engagement report, the Town will issue a management decision for any findings related to the subaward. The decision will provide a timetable for responsive actions by the subrecipient. Prior to issuing the management decision, the Town may request additional information or documentation from the subrecipient, including a request for auditor assurance related to the documentation, as a way of mitigating disallowed costs.

The specific monitoring plan for each subrecipient, including the type and frequency of reviews, will be detailed in the subaward agreement. For all requirements beyond those listed under the Low-Risk category above, the Town will notify the subrecipient of the following in the subaward:

- (1) The nature of the additional requirements;
- (2) The reason why the additional requirements are being imposed;
- (3) The nature of the action needed to remove the additional requirement, if applicable;
- (4) The time allowed for completing the actions if applicable; and
- (5) The method for requesting reconsideration of the additional requirements imposed.

To implement the monitoring plan, the Town Manager and Finance Director must perform periodic reviews and document findings in the Subrecipient Monitoring Form ([Appendix 3: Subrecipient Monitoring Form](#)).

6. SUBRECIPIENT INTERVENTIONS

The Town may adjust specific subaward conditions as needed, in accordance with 2 CFR 200.208 and 2 CFR 200.339. If the Town determines that the subrecipient is not in compliance with the subaward, the Town may institute an intervention. The degree of the subrecipient's performance or compliance deficiency will determine the degree of intervention. All possible interventions must be indicated in the subaward agreement.

The Town must provide written notice to the subrecipient of any intervention within thirty days of the completion of a report review, desk review, onsite review, audit review, or procedures engagement review or as soon as possible after the Town otherwise learns of a subaward compliance or performance deficiency.

Pursuant to 2 CFR 200.208, the written notice must notify the subrecipient of the following related to the intervention:

- (1) The nature of the additional requirements;
- (2) The reason why the additional requirements are being imposed;
- (3) The nature of the action needed to remove the additional requirement, if applicable;
- (4) The time allowed for completing the actions if applicable; and
- (5) The method for requesting reconsideration of the additional requirements imposed.

The following interventions may be imposed on a subrecipient, based on the level of the compliance or performance deficiency:

Level 1 Interventions. These interventions may be required for minor compliance or performance issues.

- (1) Subrecipient addresses specific internal control, documentation, financial management, compliance, or performance issues within a specified time period
- (2) More frequent or more thorough reporting by the subrecipient
- (3) More frequent monitoring by the Town
- (4) Required subrecipient technical assistance or training

Level 2 Interventions. These interventions may be required, in addition to Level 1 interventions, for more serious compliance or performance issues.

- (1) Restrictions on funding payment requests by subrecipient
- (2) Disallowing payments to subrecipient
- (3) Requiring repayment for disallowed cost items
- (4) Imposing probationary status on subrecipient

Level 3 Interventions. These interventions may be required, in addition to Level 1 and 2 interventions, for significant and/or persistent compliance or performance issues.

- (1) Temporary or indefinite funding suspension to subrecipient
- (2) Nonrenewal of funding to subrecipient in subsequent year
- (3) Terminate funding to subrecipient in the current year
- (4) Initiate legal action against subrecipient

7. SUBAWARD AGREEMENT & EXECUTION

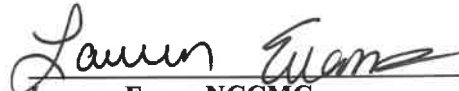
The subaward agreement will be drafted by the Town Manager using the Subaward Agreement Template. Contract terms and conditions may vary based on several factors, including subrecipient risk assessment findings, as documented in the Subrecipient Assessment of Risk. After review by the Finance Director, the Town Manager may fully execute the subaward agreement, subject to any required budget amendments by the Town's governing board, pre-audit requirements, [AND OTHER CONTRACT EXECUTION PREREQUISITES SET BY THE Town].

Duly Adopted, this the 10th day of October 2024.

ATTEST:



Randy Baker
Mayor



Lauren Evans NCCMC
Town Clerk



TOWN OF ERWIN

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TOWN OF ERWIN BOARD OF COMMISSIONERS RESOLUTION ADOPTING THE SUBAWARD AND MONITORING POLICY FOR THE EXPENDITURE OF ARP/CSLFRF FUNDS 2024-2025—006

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

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

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

WHEREAS the ARP/CSLFRF are subject to the provisions of the federal Uniform Grant Guidance, 2 CFR Part 200 (UG), as provided in the [Assistance Listing \(21.027\)](#); and

WHEREAS the ARP/CSLFRF authorizes the Town of Erwin to enter subaward agreements with subrecipients to assist the Town of Erwin in carrying out the terms of the ARP/CSLFRF; and

WHEREAS if the Town of Erwin enters into a subaward as a subrecipient, it acts as a pass-through entity, as described in 2 CFR 200.1; and

WHEREAS the [Compliance and Reporting Guidance for the State and Local Fiscal Recovery Funds](#) (v.3.0 February 2022) provides, in relevant part:

Subrecipient Monitoring. SLFRF recipients that are pass-through entities as described under 2 CFR 200.1 are required to manage and monitor their subrecipients to ensure compliance with requirements of the SLFRF award pursuant to 2 CFR 200.332 regarding requirements for pass-through entities.

First, your organization must clearly identify to the subrecipient: (1) that the award is a subaward of SLFRF funds; (2) any and all compliance requirements for use of SLFRF funds; and (3) any and all reporting requirements for expenditures of SLFRF funds.

Next, your organization will need to evaluate each subrecipient's risk of noncompliance based on a set of common factors. These risk assessments may include factors such as prior experience in managing Federal funds, previous audits, personnel, and policies or procedures for award execution and oversight. Ongoing monitoring of any given subrecipient should reflect its assessed risk and include monitoring, identification of deficiencies, and follow-up to ensure appropriate remediation.

Accordingly, your organization should develop written policies and procedures for subrecipient monitoring and risk assessment and maintain records of all award agreements identifying or otherwise documenting subrecipients' compliance obligations.

Recipients should note that non-entitlement units of local government (NEUs) are not subrecipients under the SLFRF program. They are SLFRF recipients who will report directly to the Treasury.

Recipients should also note that subrecipients do not include individuals and organizations that received SLFRF funds as end users to respond to the negative economic impacts of COVID-19 on these organizations. Such individuals and organizations are beneficiaries and not subject to audit pursuant to the Single Audit Act and 2 C.F.R. Part 200, Subpart F.

Separately or in addition, many recipients may choose to provide a subaward (e.g., via contract or grant) to other entities to provide services to other end—users. For example, a recipient may provide a grant to a nonprofit to provide homeless services to individuals experiencing homelessness. In this case, the subaward to a nonprofit is based on the services that the Recipient intends to provide, assistance to households experiencing homelessness, and the nonprofit is serving as the subrecipient, providing services on behalf of the recipient. Subrecipients are subject to audit pursuant to the Single Audit Act and 2 CFR part 200, subpart F regarding audit requirements; and

WHEREAS Subpart D of the UG dictates subrecipient and award requirements for expenditure of [ARP/CSLFRF] funds; and

WHEREAS 2 CFR 200.332 states that:

All pass-through entities must:


- (a) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the [required] information at the time of the subaward. When some of [the required information] are not available, the pass-through entity must provide the best information available to describe the Federal award and subaward.
- (b) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.
- (c) Consider imposing specific subaward conditions upon a subrecipient if appropriate as described by 2 CFR 200.208.
- (d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.
- (e) Depending upon the pass-through entity's assessment of the risk posed by the subrecipient, [specific] monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals.
- (f) Verify that every subrecipient is audited as required by [2 CFR 200, Subpart F] when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2 CFR 200.501.
- (g) Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.
- (h) Consider taking enforcement action against noncompliant subrecipients as described in 2 CFR 200.339 and in program regulations.

BE IT RESOLVED that the governing board of the Town of Erwin hereby adopts and enacts the following Subaward and Monitoring Policy for the expenditure of ARP/CSLFRF funds.

ADOPTED, this the 10th day of October, 2024.

ATTEST:


Randy Baker
Mayor


Lauren Evans NCCMC
Town Clerk

APPENDIX 3: Subrecipient Monitoring Form

This report reflects the Town’s substantive assessment of the subrecipient’s project implementation and subaward compliance. The Town’s project manager assigned to the subaward or finance officer must complete this report for each payment validation, report review, desk review, site review, and audit or procedures engagement review during the subaward term (and, as appropriate, after the expiration or termination of the subaward). Upon completion, and following review by the Town Manager, the original will be filed in the subaward file. Any required subrecipient corrective actions will be detailed in writing and provided to the subrecipient within thirty days of the completion of this report.

I. Subaward Overview (complete this section for all reviews)

STAFF INFORMATION

Reviewed conducted by:		Date:
Type (programmatic, financial, or both)		Date:
Review confirmed by:		Date:

SUBRECIPIENT INFORMATION

Subrecipient Name:	
Subrecipient Program Personnel (who participated in the review):	
Subrecipient Contact Phone Number:	
Subrecipient Fiscal/Audit Personnel (who participated in the review):	
Subrecipient Fiscal Contact Phone Number:	

GRANT REVIEW INFORMATION

Grant	Project #	Award \$	POP Begin	POP End	Review Period	
					Beginning Date	Ending Date

TYPE OF MONITORING

	Type of Monitoring	Date Completed	Comments
<input type="checkbox"/>	Payment Validation (Complete this column, but not the rest of the form.)		
<input type="checkbox"/>	Report Review (Complete this column, but not the rest of the form.)		

<input type="checkbox"/>	Audit or Procedures Engagement Review (Complete this column, but not the rest of the form.)		
<input type="checkbox"/>	Desk Review (If desk review, complete the rest of the form.)		
<input type="checkbox"/>	Onsite Review (If onsite review, complete the rest of the form.)		

II. Desk and Onsite Reviews (complete this section for desk and onsite reviews only)

PRE-MEETING NOTES

List any issues, concerns, or other specialty items for follow-up during review.

- 1.
- 2.

SUMMARY OF PROGRESS

Subrecipient must submit a written summary of the major workplan milestones during the review period at least one week prior to the review. The summary must address 1) number of clients served as compared with projections; 2) staffing; 3) activities undertaken; and 4) significant accomplishments. A copy of that summary will be appended to this written review report.

MONITORING OVERVIEW

PROGRAM IMPLEMENTATION

Indicate milestones met this quarter and identify milestones as scheduled to occur in the following quarter.

ACTIVITIES/PRODUCTS

Identify any reports or products that were submitted during the quarter, and identify those due the following quarter.

CORRECTIVE ACTIONS FROM PRIOR REVIEWS

Indicate actions taken in response to prior review issues.

ASSESSMENT OF QUALITY OF IMPLEMENTATION

Is the project being implemented on schedule? Are the activities impacting the goals and objectives as outlined in approved application?

ISSUES/PROBLEMS

Discuss significant new issues/problems with respect to projected milestones, audits, staffing, client flow, departures from approved goals, late reports, etc.

MONITORING SPECIFICS (Complete all fields that are applicable to the subaward.)

Activity Goals	<input type="checkbox"/> N/A	Yes	No	N/A
Scope of Service, Number of People to be Served, and any Special Terms stated within the Subaward Agreement.				
1. Has there been a change in the activity goals, scope of service, number of people to be served or other special terms as indicated in the Agreement between the Subrecipient and the Recipient?		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(a) If yes, was the Recipient informed of the change?		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Did the activity conform to any additional or special terms as reflected in the Subaward Agreement?		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Is the subrecipient providing the full scope of services as stated in the application and Subaward Agreement?		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Are the actual accomplishments at the time of this review the same as the planned accomplishments? Is the activity achieving the expected quantifiable levels of performance (number of persons served, achieving goals set for clients, etc.) reaching the intended client group?		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Is the overall activity performance schedule being met in a timely manner (i.e. goal for number of clients served, expenditure of funds in timely manner, reporting requirements)?		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Did the activity operate within the approved budget as detailed in the Subaward Agreement? (i.e., budgetary line items both accurate and realistic for activity expenses; source and use of match funds accurate)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Did the activity funding source change?		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Was there a change in make-up or responsibility of staff for the activity?		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Were invoices for reimbursement payments submitted with support documentation?		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Were reports outlined in the Subaward Agreement submitted on time?		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General Comments				

General Compliance	Yes	No	N/A
Request a copy of all applicable policies and procedures required by the ARP/CSLFRF award terms and Uniform Guidance.			
11. Does the subrecipient have written policies and procedures to adequately administer the ARP/CSLFRF subaward?			
12. Does the subrecipient have a written conflict of interest policy for their employees?			
13. Are there sufficient internal controls in place to protect against waste, fraud and abuse of Federal funds (segregation of duties, etc.)?			

14. If program income will be generated by the subrecipient, have provisions been made to ensure that it is used in accordance with ARP/CSLFRF and Uniform Guidance requirements?			
What procedures does the subrecipient use to identify and account for federal property purchased with subaward funds?			
Does the subrecipient have adequate safeguards for preventing loss, damage, or theft of property held (inventory control, etc.)?			
Describe any technical assistance/training provided to subrecipient during the project period.			
General Comments			

Employee Reimbursement	<input type="checkbox"/> N/A	Yes	No	N/A
Request a copy of the employee reimbursement policy, and/or have the subrecipient describe the procedure for approving and documenting expenses that are reimbursed.				
15. Are detailed receipts (i.e., receipts that do not merely show a total, but the detail of what was purchased) provided for reimbursement?				
16. Are reimbursements reviewed and approved by a supervisor or project manager prior to being submitted to the Fiscal Officer/Accounting Staff for payment?				
17. Does the subrecipient have a Reimbursement Policy?				
Examine two or more reimbursements that were paid out of the grant being monitored.				
18. Were the detailed receipts provided to support the amounts requested?				
19. Were the expenses in compliance with grant requirements/guidelines and UG?				
20. If reimbursed for training or conference expenses, was a certificate of attendance or completion, or agenda and brochure provided to support request for reimbursement?				
General Comments				

Equipment	<input type="checkbox"/> N/A	Yes	No	N/A
What is the purchasing procedure for equipment purchased with grant funds? Attach copies of relevant policies and of any purchasing documentation during the review period.				
How is equipment inventoried, insured, and managed? Attach copies of relevant policies and current inventory information.				
What is the procedure for transferring equipment purchased with grant funds to another entity? Attach copies of relevant policies and documentation for any transfers during review period.				
Request an inventory list, physical locate selected items, and examine items to ensure compliance.				
1. Were all transactions conducted in a manner providing full and open competition, and quotations obtained from an adequate number of sources?				
2. Has all equipment indicated as purchased actually been purchased?				
3. Was equipment purchased in accordance with required procurement rules/policies?				
4. Were additions and deletions to the equipment budget made and approved prior to the purchase/procurement dates?				

5. Does a detailed expenditure list indicate any equipment purchased that is not accounted for in the subaward budget?			
6. Is equipment purchased with subaward funds in prior years still in inventory and still being used for subaward purposes?			
7. Has the inventory been updated, and did it account for all items transferred to other entities?			
8. For equipment that was transferred, aside from normal office equipment, was the transferee properly trained on the equipment, and is there a record of that training?			
9. For equipment transferred to other entities; have they added it to their inventory records and is it maintained/used for intended purposes?			
General Comments			

Financial Management	<input type="checkbox"/> N/A	Yes	No	N/A
What is the Accounting System for each grant program?				
1. Is there a separate accounting for all financial transactions for the subaward?				
2. Is a process in place to prevent co-mingling of funds?				
3. Does the accounting system prevent obligation or expenditure of funds outside the subaward's period of availability?				
4. Are accounting records supported by source documentation?				
5. Were any illegal transfers or unusual activities noted during a review of the subrecipient's fund activity reports?				
6. Does the system provide for prompt and timely recording and reporting of all financial transactions?				
7. Is proper Fiscal record retention being followed (through Dec. 31, 2031)?				
What is the process for approval and payment of expenditures and posting to the General Ledger?				
8. Are subaward costs identified as eligible prior to encumbering funds and placing an order?				
9. Were the applicable State/Federal suspension and debarment listings consulted prior to doing business with a vendor and/or contractor?				
10. Are all invoices reviewed by the project director for eligibility and marked 'okay to pay' prior to being submitted to the fiscal office or accounting staff for payment?				
11. Are disbursements fully support by invoices, requisitions, purchase orders, or similar documents?				
12. Are cancelled checks or warrants available for review?				
13. Were all subaward funds that were received disabused within the allowable timeframe?				
What is the reconciliation process, and how are errors or adjustments handled?				
14. Does the subrecipient perform routine reconciliations of its records against the General Ledger? By whom and how often?				
15. Does the subrecipient have sufficient internal controls related to reconciliations?				
16. Were actions taken to promptly correct any errors and/or resolve issues?				
General Comments				

Other Direct Costs	<input type="checkbox"/> N/A	Yes	No	N/A
How are rent, utilities, and other items allocated for the program?				
1. Are rent payments documented by a copy of the lease agreement, and canceled checks or receipts?				
2. Are receipts, bills, and invoices properly maintained?				
3. Is the actual rate and method being charged to the grant consistent with the rate and method approved in the budget?				
4. Are costs shared with other programs or funding sources? If yes, how are costs allocated?				
General Comments				

Personnel/Direct Labor	<input type="checkbox"/> N/A	Yes	No	N/A
Describe the payroll process and who is paid by the subaward.				
1. Are personnel files maintained for each employee that include current job descriptions, performance and evaluations, and changes in pay rates?				
2. Are time sheets, activity reports, or payroll files available for review? These documents should clearly show the effort toward the subaward charged.				
3. Are individual employee time sheets and attendance records:				
• Prepared and signed by each employee for each pay period?				
• Reviewed and signed by each employee's supervisor?				
• Reconciled to the payroll master ledger?				
4. Are all authorized staff positions filled for the approved budget?				
5. Are staff salaries consistent with the approved budget?				
6. Are fringe benefits the same as what is listed in the approved budget?				
General Comments				

Reporting Requirements	<input type="checkbox"/> N/A	Yes	No	N/A
Subrecipients are required to report on progress toward implementing plans described in their application/proposal.				
1. Progress reports must be submitted based on approved work plan. Have all of the reports been submitted for this reporting period?				
2. Are there any outstanding data elements that must be tracked and reported by the subrecipient? If so, detail the plan for the subrecipient to comply with this requirement.				
Comments				

Supplies & Materials	<input type="checkbox"/> N/A	Yes	No	N/A
Explain the process of allocating supply costs to the subaward.				
1. Are purchases of supplies approved and well documented by quotes, invoices, or receipts?				

2. Are expenditures for supplies consistent with the approved budget?			
3. Is there a substantial supply inventory remaining at the project termination date?			
4. Were all transactions conducted in a manner providing full and open competition, and quotations obtained from an adequate number of sources?			
General Comments			

Travel/Vehicle Mileage	<input type="checkbox"/> N/A	Yes	No	N/A
Request a copy of the subrecipient's travel policy or have them describe the procedure for approving and documenting travel expenses.				
1. Is employee travel approved in advance by a supervisor or project manager?				
2. Are travel expenditures documented with expenses reports and/or detailed receipts (i.e., receipts do not merely show total but detail of what was purchased)?				
3. Are travel expenditures appropriately supported within subaward guidelines and in the approved budget?				
4. Are mileage reimbursements supported by a mileage log or similar documentation?				
General Comments				

Single Audit Review	<input type="checkbox"/> N/A	Yes	No	N/A
Obtain a copy of the subrecipient's most recent audit from FAC. Attach it to this review form.				
1. Was the Major Programs' Compliance Opinion in the Summary of Auditor's Results in the Schedule of Findings qualified?				
2. Were there any findings and/or questioned costs for federal awards in the Schedule of Findings? Were any other operational issues such as the handling of assets, lack of policies and procedures, contract non-compliance, etc., which would impact Federal dollars received?				
3. Were past audit findings and/or questioned costs for federal awards satisfactorily resolved?				
4. Was any control issue identified which would impact the processing of Federal grant dollars (i.e., control weaknesses)?				
General Comments <i>(If yes response to questions 1, 2, and/or 4, then comment on the issues noted from the audit and how this was addressed during the onsite review).</i>				



TOWN OF ERWIN

P.O. Box 459 • Erwin, NC 28339
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Mayor
Randy L. Baker
Mayor Pro Tem
Ricky W. Blackmon
Commissioners
Alvester L. McKoy
Timothy D. Marbell
Charles L. Byrd
David L. Nelson
William R. Turnage

TOWN OF ERWIN PROGRAM INCOME POLICY

I. PURPOSE AND SCOPE

The Town of Erwin enacts the following procedures for its use of program income earned from the expenditure of CSLFRF funds to ensure compliance with the Uniform Guidance, including, but not limited to, 2 C.F.R. § 200.307, the ARP/CSLFRF award, and all applicable Federal regulations governing the use of program income. The Town {hereafter “UNIT”} agrees to administer program income according to the requirements set forth in this policy and as required by the Federal regulations and State law.

The responsibility for following this policy lies with the Town Manager and Finance Director, who are charged with the administration and financial oversight of the ARP/CSLFRF award. Questions on the use and/or reporting of program income should be directed to the Town Manager

II. DEFINITIONS

- a. *ARP/CSLFRF award* means the Federal program governing the use of Coronavirus State and Local Fiscal Recovery Funds as provided in the [Assistance Listing](#) and as administered by the U.S. Department of Treasury pursuant to the American Rescue Plan Act of 2021 (“ARPA”), Pub. L. No. 117-2 (Mar. 11, 2021).
- b. *CSLFRF funds* means the portion of Federal financial assistance from the Coronavirus State Fiscal Recovery Funds and Coronavirus Local Fiscal Recovery Funds (collectively “CSLFRF”) awarded to the [UNIT] pursuant ARPA.
- c. *Federal award* means the Federal financial assistance that a recipient receives directly from a Federal awarding agency or indirectly from a pass-through entity, as described in § 200.101. The Federal award is the instrument setting forth the terms and conditions of the grant agreement, cooperative agreement, or other agreement for assistance.
- d. *Federal awarding agency* means the Federal agency that provides a Federal award directly to a non-Federal entity.
- e. *Federal financial assistance* means the assistance that non-Federal entities receive or administer in the form of grants, cooperative agreements, non-cash contributions, direct appropriations, food commodities, or other financial assistance, including loans.
- f. *Federal program* means all Federal awards which are assigned a single Assistance Listings Number.
- g. *Non-Federal entity* means a State, local government, Indian tribe, Institution of Higher Education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient.
- h. *Period of performance* means the total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded

portions, or budget periods. The period of performance for the ARP/CSLFRF award ends December 31, 2026.

- i. *Program income* means gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance except as provided in [§ § 200.307\(f\)](#).

III. PROGRAM INCOME OVERVIEW

For purposes of this policy, program income is the gross income earned by the [UNIT] that is directly generated by a supported activity or earned as a result of the ARP/CSLFRF award during the period of performance, which closes December 31, 2026. 2 CFR 200.1.

Program income includes, but is not limited to, the following sources of income:

- The collection of fees for services performed.
- Payments for the use or rental of real or personal property.
- The sale of commodities or items fabricated under the Federal award.
- The payment of principal and interest on loans made under the Federal award.

Program income does not include fees or revenue from the following:

- The use of rebates, credits, discounts, and interest earned on any of them.
- Governmental revenues, such as taxes, special assessments, levies, or fines.
- Proceeds from the sale of real property, equipment, or supplies.¹

IV. USE OF PROGRAM INCOME

Program income earned pursuant to expenditures of CSLFRF is the property of US Treasury and shall be accounted for in one of three ways pursuant to [2 C.F.R. § 200.307\(e\)](#).

Deduction Method: Program income must be deducted from total allowable costs to determine net allowable costs. Program income shall be used to reduce Treasury's obligation under the ARP/CSLFRF award rather than to increase the funds committed a project. Program income shall be used for current costs. The [UNIT] shall track and account for program income during the period of performance and shall reimburse Treasury, as required. 2 C.F.R. § 200.307(e)(1).

Addition Method: With prior approval, program income may be added to the total amount of the ARP/CSLFRF award, thereby increasing the total amount of the award. Program income must be expended on an eligible project or program. 2 C.F.R. § 200.307(e)(2). Pursuant to the terms of the ARP/CSLFRF award, the repayment of principal and interest on loans made with CSLFRF funds that will mature or be forgiven on or before December 31, 2026, may be accounted for using the addition method (see Section VI).

Matching or Cost Sharing Method: With prior approval, program income may be used to meet the cost sharing or matching requirement of the Federal award. The amount of the Federal award shall not change.² 2 C.F.R. § 200.307(e)(3).

Unless the ARP/CSLFRF award otherwise stipulates, or the [UNIT] has received prior approval, the [UNIT] **shall apply the deduction method** to account for the use of program income.

V. ALLOCATION OF PROGRAM INCOME

¹ 2 C.F.R. 200.1 and 2 C.F.R. 200.307 each define and limit the sources of program income.

² The Final Rule provides that a non-Federal entity may expend up to the amount of its reduction in revenue due to the pandemic to meet the non-federal cost-share or matching requirements of other federal programs. However, the Final Rule does not mention whether *program income* may be used to meet cost-sharing or matching requirements. A non-Federal entity should not allocate program income to cost share or matching requirements unless it receives prior approval from Treasury.

The [UNIT] shall only expend program income on costs that are reasonable, allocable, and allowable under the terms of the ARP/CSLFRF award.³ To adhere to these requirements, the [UNIT] shall comply with the cost principles included in 2 C.F.R. § 200, as outlined in the [UNIT's] [allowable cost policy]. The [UNIT] shall allocate program income to the ARP/CSLFRF award in proportion to the pro rata share of the total funding (e.g., if CSLFRF funds cover half of a project's cost, with general revenue covering the other half, the unit shall allocate 50% of any program income earned to the ARP/CSLFRF award and account for its use pursuant to § 200.307).

VI. REPAYMENT OF PRINCIPAL AND INTEREST ON LOANS MADE WITH ARP/CSLFRF FUNDS

Treasury expects that a significant share of loans made with ARP/CSLFRF funds will be repaid. Accordingly, it has issued guidance on how to appropriately account for the repayment of principal and interest. The [UNIT] agrees to appropriately account for the return of loan funds according to the ARP/CSLFRF award terms, as follows:

- **For Loans that mature or are forgiven on or before December 31, 2026:** The [UNIT] may add the repayment of principal and interest (program income) to the ARP/CSLFRF award. When the loan is made, the [UNIT] shall report the principal of the loan as an expense. The [UNIT] shall expend the repayment of principal only on eligible uses and is subject to restrictions on the timing of the use of ARP/CSLFRF funds pursuant to the ARP/CSLFRF award. Interest payments received prior to the end of the period of performance will be considered **an addition** to the total award and may be used for any purpose that is an eligible use. *The [UNIT] is not subject to restrictions under 2 CFR 200.307(e)(1) (the deduction method) in accounting for the use of program income.*⁴
- **For Loans with maturities longer than December 31, 2026:** The [UNIT] is not required to separately account for the repayment of principal and interest on loans that will mature after the ARP/CSLFRF award's period of performance. The [UNIT] may use CSLFRF for only the projected cost of the loan. The [UNIT] may estimate the subsidy cost of the loan, which equals the expected cash flows associated with the loan discounted at the [UNIT's] cost of funding. The cost of funding can be determined based on the interest rates of securities with a similar maturity to the cash flow being discounted that were either (i) recently issued by the [UNIT] or (ii) recently issued by a unit of state, local, or Tribal government similar to the [UNIT]. If the [UNIT] has adopted the Current Expected Credit Loss (CECL) standard, it may also treat the cost of the loan as equal to the CECL-based expected credit losses over the life of the loan. The [UNIT] may measure projected losses either once, at the time the loan is extended, or annually over the covered period. *Under either approach, the [UNIT] is not subject to restrictions under 2 CFR 200.307(e)(1) (the deduction method) and need not separately track repayment of principal or interest.*⁵

Revolving Loan Funds: The [UNIT] shall treat the contribution of ARP/CSLFRF funds to a revolving loan fund according to approach described above for loans with maturities longer than December 31, 2026.⁶ The [UNIT] may contribute ARP/CSLFRF funds to a revolving loan only if the loan is determined to be for eligible use and the ARP/CSLFRF funds

³ 2 C.F.R. §§ 200.404, 408.

⁴ [Final Rule](#), p. 4436

⁵(See question 4.11 in [Treasury's Interim Final Rule FAQ document](#).)

⁶See question 4.11 in [Treasury's Interim Final Rule FAQ document](#).)

ADDITIONAL PROGRAM INCOME REQUIREMENTS

- (a) **Identifying, Documenting, Reporting, and Tracking.** To ensure compliance with the requirements of program income as outlined by the Federal regulations, the terms and conditions of the ASP/CSLFRF award, and the requirements set forth herein, each department shall identify potential sources of program income and properly report the program income for the period in which it was earned and dispersed.

Program income shall be accounted for separately. The [UNIT] shall not commingle program income earned from programs supported by ARP/CSLFRF funds with the general award of ARP/CSLFRF funds the [UNIT] received from Treasury. Any costs associated with generating program income revenue shall be charged as expenditures to the ARP/CSLFRF award.

- (b) **Program Income Earned After the Period of Performance.** The [UNIT] shall have no obligation to report program income earned after the period of performance (December 31, 2026). However, the [UNIT] shall report program income expended after the period of performance if that program income was earned on or before December 31, 2026.
- (c) **Subawards.** The [UNIT] agrees to ensure that any subrecipient of ARP/CSLFRF funds abides by the award of the terms and conditions of this policy and is aware that the subrecipient is responsible for accounting for and reporting program income to the [UNIT] on a [MONTHLY/QUARTERLY/ANNUAL/OTHER] basis.
- (d) **Compliance with State law.** Program income shall not be expended for purposes prohibited under State law.
- (e) **Subject to Audit.** The [UNIT] recognizes that its use of program income may be audited and reviewed for compliance with Federal laws and regulations, State law, and the terms of the ARP/CSLFRF award.

VII. IMPLEMENTATION OF POLICY

The Town will adopt procedures to identify potential program income during the project eligibility and allowable cost review, document actual program income, and follow the requirements in this policy related to the treatment of program income.

Duly Adopted, this the 10th day of October 2024.

ATTEST:


Randy Baker
Mayor


Lauren Evans NCCMC
Town Clerk



TOWN OF ERWIN

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TOWN OF ERWIN BOARD OF COMMISSIONERS RESOLUTION ADOPTING POLICIES AND PROCEDURES FOR THE USE OF PROGRAM INCOME EARNED FROM THE EXPENDITURE OF ARP/CSLFRF FUNDS 2024-2025—007

Mayor
Randy L. Baker
Mayor Pro Tem
Ricky W. Blackmon
Commissioners
Alvester L. McKoy
Timothy D. Marbell
Charles L. Byrd
David L. Nelson
William R. Turnage

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

WHEREAS, the Town of Erwin shall comply with the terms of ARPA, and the U.S. Department of Treasury’s (“Treasury”) federal regulations governing the spending of CSLFRF funds, including the [Final Rule](#), and Treasury’s regulations governing expenditures of CSLFRF funds, including the [Award Terms and Conditions](#), [Compliance and Reporting Guidance for the State and Local Fiscal Recovery Funds](#) (together the “Federal regulations”), and any additional guidance Treasury has issued or may issue governing the spending of CSLFRF funds.

WHEREAS, the Town of Erwin shall comply with the [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part § 200](#) (the “Uniform Guidance”); and

WHEREAS, the Town of Erwin shall account for program income per the requirements set forth in the Uniform Guidance, including, but not limited to, [2 C.F.R. § 200.307](#), and as stipulated in [Compliance and Reporting Guidance for the State and Local Recovery Funds](#), which provides: “Recipients of CSLFRF funds should calculate, document, and record the organization’s program income. Additional controls that your organization should implement include written policies that explicitly identify appropriate allocation methods, accounting standards and principles, compliance monitoring checks for program income calculations, and records.

Now, therefore, be it **RESOLVED**, that the governing board of the Town of Erwin hereby adopts and enacts the following policies and procedures for the use of program income earned from the expenditure of CSLFRF funds pursuant to the ARP/CSLFRF award.

ADOPTED, this the 10th day of October, 2024.

ATTEST:

Randy Baker
Mayor

Lauren Evans NCCMC
Town Clerk



TOWN OF ERWIN
Post Office Box 459
Erwin, NC 28339
(910) 897-5648

PLANNING/INSPECTIONS DEPARTMENT

Bid Opening Date/Time: September 19th at 3PM
Bid Opening Location: Town of Erwin
Town Hall Conference Room
Property Address: 601 Lucas Road (HC TAX PIN # 1506-49-7328.000)

You may hand deliver your bid to: Town of Erwin
Attn: Chris P. Jones, Code Enforcement Officer
100 West F Street, PO Box 459
Erwin, NC 28339

or you may mail your bid to: Town of Erwin
Attn: Chris P. Jones, Code Enforcement Officer
100 West F Street, PO Box 459
Erwin, NC 28339

Bids not received by the time and date listed above will be rejected.

Certain clearance activities are to take place upon the lot described above. These include those services which are marked with an X.

Clearance of Buildings, Debris and Lot

Clearance of Lot Only

Clearance of All Buildings

X Clearance of Only the Following Building: Single-family structure with condemnation notice placed on structure

Clearance of Entire Lot

Clearance of the Following Portion of Lot:

X Additional Specific Directions: Contractor will be responsible for seeding disturbed areas.

DEFINITIONS:

Building Clearance - The complete removal of all building materials from the lot including foundation, slabs, blocks and bricks

Lot Clearance - The removal of all underbrush, trash, junk, trees less than 6" in diameter down to the bare ground in the immediate area of the structure unless otherwise specified above.

RESPONSIBILITIES OF CONTRACTOR INCLUDE:

- Coordinate with utility companies for the disconnection of all utilities and power and phone lines.
- (X) Obtain any permits required from the Town Zoning Administrator, the County Building Inspection Office, the County Health Department and the State of North Carolina
- (X) The lawful disposal, at an approved disposal site, of all building materials, trash and brush removed from lot. Provide the Code Administrator with copies of all disposal trip tickets. Burning or burying of any debris is not permitted.

RESPONSIBILITIES OF CONTRACTOR INCLUDE: (continued)

- (X) Grading and smoothing disturbed areas (to accommodate a push mower), sowing grass and covering sown areas with sufficient straw to completely cover ground.

NOTE: Prior to commencing this project, the awarded contractor will be required to provide a current Certificate of Insurance submitted to the Town of Erwin, Planning Department attention Chris P. Jones.

A. Threshold Requirements

- a. Evidence of Insurance is required to be maintained in full effect at no additional cost to the Town of Erwin for the duration of this contract the following minimum amounts of insurance:
 - i. Commercial General Liability with limits not less than \$500,000;
 - ii. Worker's Compensation as specified by State Law;
 - iii. Employer's Liability with limits not less than \$1,000,000 each occurrence;
 - iv. Automobile
 - 1. Property Damage Liability with limits not less than \$1,000,000 per occurrence.
 - 2. Bodily Injury \$500,000 each person
 - v. Prior to commencement of work, Contractor shall furnish to the Town a copy of the Certificate of Insurance from its insurance carrier verifying these coverage amounts and that shows the Town of Erwin as an additional Insured on the Certificate of Insurance.
 - vi. The contractor will hold and save the Town of Erwin, its officers, agents and employees harmless from any liability of any kind while performing under this contract.
- b. Conflict of Interest Statement & Supporting Documentation: Respondent shall disclose any professional or personal financial interests that may be a conflict of interest in representing the Town of Erwin. In addition, all Respondents shall further disclose arrangement to derive additional compensation from various investment and reinvestment products, including financial contracts.

Please fill out this bid form and **return all pages** by the Bid Date shown at the top of page 1.

Chris P. Jones
Code Administrator
910-591-4204
cpljones@erwin-nc.org

PLEASE PRINT THE FOLLOWING INFORMATION:

Bidder Information: Company Name Martin Edwards + Associates
Address 10335 Ramsey St
Linden NC 28354
Phone 910-591-7420

1. I will perform the above described services for a gross bid fee of \$ 7800⁰⁰.
2. In addition, I am willing to deduct the sum of \$ 0 for salvageable building/other materials taken from the site and in lieu of a cash payment. These materials will be used to offset the above gross demolition bid price as indicated below.

Item 1 (Gross Bid fee) \$ 7800⁰⁰

Subtract Item 2 (Salvage Materials) \$ 0

My net bid is \$ 7800⁰⁰

Seven thousand eight hundred + no/xx — Dollars
(My Net Bid in words)

Nicol D. Dunn
Printed Name of Company Representative

[Signature]
Signature of Company Representative

MINUTES CONTINUED FROM OCTOBER 10, 2024

Edwards & Associates Inc. and was seconded by Commissioner Turnage. **The Board voted unanimously.**

PUBLIC HEARING

Chapter 30 Updates

Commissioner Nelson made a motion to open the Public Hearing and was seconded by Commissioner Turnage. **The Board voted unanimously.**

Town Planner Dylan Eure came forward and informed the Board that this request was to update Chapter 30 in our Code of Ordinances which was our Subdivision text. The first amendment was to remove all language eluding to creating additional private streets as our ordinances require any additional home that fronts a town-maintained street. This amendment would not alter existing private streets or developments on those streets. The second amendment was to require developers of major subdivisions to install ADA-compliant sidewalks along at least one side of the entirety of each street created or existing road.

Mayor Baker asked if anyone was present to speak in favor of the request, in opposition to the request, or had any questions.

No one came forward.

Commissioner Blackmon made a motion to close the Public Hearing and was seconded by Commissioner Nelson. **The Board voted unanimously.**

Commissioner Blackmon made a motion, seconded by Commissioner Nelson, and **unanimously approved by the Board** to approve the test amendments to Chapter 30 as submitted.

Commissioner Blackmon made a motion, seconded by Commissioner Nelson, and **unanimously approved by the Board** to approve the Resolution on Statement of Consistency for Chapter 30-Subdivisions 2024-2025—009.

Chapter 36 Updates

Commissioner Blackmon made a motion to open the Public Hearing and was seconded by Commissioner Turnage. **The Board voted unanimously.**

Town Planner Dylan Eure came forward and informed the Board that this request was to update Chapter 36 in our Code of Ordinances. The first request was to add restaurants as a permitted use in B-2. The second amendment would correct contradicting statements regarding the frontage of residential properties. Next, we had an amendment to another elimination of private streets. The following text amendment dealt with the required setbacks for yards that face a street which would increase the setbacks to double side yarding. The next amendment required additional regulations for outdoor storage. The rest of the amendment was for recreation and amusements which included arcades, driving ranges, axe throwing, bowling alleys, escape rooms, laser tag, pool halls, and rage rooms.

Erwin Board of Commissioners
REQUEST FOR CONSIDERATION

To: Erwin’s Board of Commissioners

From: Dylan Eure, Town Planner

Date: October 10, 2024

Subject: Updates to Erwin’s Zoning Ordinances Chapter 30- Subdivisions

The Staff of the Town of Erwin wishes to amend its Code of Ordinances to correct issues of conflicting language, and practices throughout the Town of Erwin as well as require sidewalk exactions of major subdivision developers. These items include the removal of verbiage relating to privately maintained streets and sidewalks.

Amend Chapter 30 Article IV Section 30-107, Article III Section 30-80, 30-75, 30-77

The purpose of these amendments is to remove all language eluding to the creation of additional private streets as our ordinances require any additional home to be fronting a town-maintained street.

Proposed amended diction to eliminate the creation of private streets:

30-107

~~“Every lot shall front or abut a public street or shall have access to a public street via an approved private street or drive. Approved private streets and drives shall meet the following requirements:~~

~~A. The street or drive must be adequately designed to allow access by public service and public safety vehicles.~~

~~B. A permanent easement shall be recorded allowing use by the lot owners and building occupants; and by public service and safety agencies.~~

~~C. The developer/subdivider shall execute and record an approved statement waiving any claims for damages resulting from normal use by public service and safety agencies, waiving rights to request municipal maintenance in the future (unless designed and constructed to town street standards), acknowledging public agencies' rights to discontinue services unless the street or drive is maintained property, and establishing responsibility for continuing maintenance of the private nature of the street or drive shall also be included as covenant in all transfers of lots or units in the development.~~

~~D. Private streets and drives shall be clearly labeled "private" on all plats.”~~

30-75

“(B) A minor subdivision is defined as one involving no new public ~~or private streets or~~ roads, or right-of-way dedication, and no utility extension”

30-80

“Type of street dedication; all streets must be designated ~~either~~ "public" ~~or private.~~”

Amend Chapter 30 Article 3 Section 30-77

The purpose of this amendment is to require developers of major subdivisions to install ADA-compliant sidewalks along at least one side of the entirety of each street created or existing road.

Proposed amendment to the list of items of major subdivisions:

ADA-compliant sidewalk along at least one side of the entirety of each street created by the subdivision or existing road.



TOWN OF ERWIN

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**ERWIN BOARD OF COMMISSIONERS
RESOLUTION ON STATEMENT OF CONSISTENCY
FOR CHAPTER 30 - SUBDIVISIONS
2024-2025--009**


Mayor
Randy L. Baker
Mayor Pro Tem
Ricky W. Blackmon
Commissioners
Alvester L. McKoy
Timothy D. Marbell
Charles L. Byrd
David L. Nelson
William R. Turnage

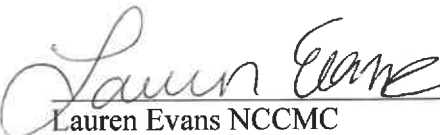
WHEREAS, the Erwin Board of Commissioners do hereby find and conclude that the proposed Ordinance Amendments to Chapter 30 - Subdivisions are reasonable and in the public interest to better reflect the desired development within the Town's Planning Jurisdiction; and

NOW THEREFORE BE IT RESOLVED, that the Mayor and Board of Commissioners of the Town of Erwin do hereby approve and adopt the proposed text amendments to Chapter 30 - Subdivisions as presented.

ADOPTED this the 10th day of October 2024.

ATTEST:


Randy Baker
Mayor


Lauren Evans NCCMC
Town Clerk

MINUTES CONTINUED FROM OCTOBER 10, 2024

Mayor Baker asked if anyone was present to speak in favor of the request, in opposition to the request, or had any questions.

No one came forward.

Commissioner Nelson made a motion to close the Public Hearing and was seconded by Commissioner Blackmon. **The Board voted unanimously.**

Commissioner Blackmon made a motion, seconded by Commissioner Nelson, and **unanimously approved by the Board** to approve the test amendments to Chapter 36 as submitted.

Commissioner Blackmon made a motion, seconded by Commissioner Nelson, and **unanimously approved by the Board** to approve the Resolution on Statement of Consistency for Chapter 36-Zoning 2024-2025—010.

PUBLIC COMMENT

Mayor Baker stated each speaker is asked to limit comments to 3 minutes, and the requested total comment period will be 15 minutes or less. Citizens should sign up prior to the start of the meeting. Please provide the clerk with copies of any handouts you have for the Board. Although the Board is interested in hearing your concerns, speakers should not expect Board action or deliberation on the subject matter brought up during the Public Comment segment. Thank you for your consideration of the Town Board, staff, and other speakers.

Joey Powell of 600 East E Street was signed up for Public Comment to comment on the rezoning. Mayor Baker informed Mr. Powell that the rezoning had been removed from the agenda and asked Mr. Powell if he still wished to speak or if we would like to wait until the Public Hearing in November.

Mr. Powell informed the Board that he wished to wait until November.

MANAGER'S REPORT

Town Manager Snow Bowden provided the Board with a detailed report at their seats. He stated if they had any questions to give him a call.

The Manager's Report is part of these minutes as an attachment.

ATTORNEY'S REPORT

Town Attorney Tim Morris thanked the Board for allowing him to be their Town Attorney.

Erwin Board of Commissioners
REQUEST FOR CONSIDERATION

To: Erwin's Board of Commissioners

From: Dylan Eure, Town Planner

Date: October 10, 2024

Subject: Updates to Erwin's Zoning Ordinances (Chapter 36)

The Staff of the Town of Erwin wishes to amend its Code of Ordinances to correct issues of conflicting language, and practices throughout the Town of Erwin as well as add items to special and permitted uses. These items include drive-through and sit-down restaurants, street access, private roads, corner lot setbacks, outdoor storage, and Amusements.

Amend Chapter 36 Article X Section 36-272 entitled Permitted principal uses and structures/ Article II Section 36-34 entitled Definitions.

For the purpose of adding both sit-down restaurants and drive-throughs. Currently, restaurants fit under the category of service establishments that are entirely contained inside of a building. However, since drive-throughs also take payment from outside, the Town of Erwin could not permit additional drive-throughs nor approve permits to add on any additional.

Proposed permitted uses to be added to B-2:

- Restaurants; drive-throughs and traditional sit-down establishments.

Proposed definition of restaurants to be added:

- A service establishment that prepares and sells food and drinks for the purpose of consumption.
-

Amend Chapter 36 Article XV Section 36-421.

To correct contradictory statements in terms of street access. Chapter 36 Article XV Section 36-421 states "No building shall be erected on a lot which does not abut a public dedicated street for a distance of at least 50 feet in an R-6 district, 75 feet in R-10 and R-15 districts, and 100 feet in a Rural District. Cul-de-sacs located in R-6, R-10, and R-15 subdivisions must abut a public dedicated street for a distance of at least 40 feet." However, within Chapter 30 Article 3 Section 30-75 states that "Any subdivision which allows a maximum of 3 lots to be created on a 50-foot easement abutting a state- or town-maintained road which meets the following requirements". Having this verbiage contradicts the amount of street frontage is required as well as makes it challenging for parcels that are limited in their road frontage to be developed.

Proposed amended diction of Chapter 36 Article XV Section 36-421:

“No building shall be erected on a lot which does not abut a public dedicated street for a distance of at least 50 feet in R-6, R-10, R-15, RMV, DMV, and RD. Culs-de-sac located within subdivisions must abut a public dedicated street for a distance of at least 40 feet. A building in a designed shopping center in a commercial district or a planned project in a residential district may be erected adjoining a parking area or other dedicated open space used in common with other lots.”

Amend Chapter 36 Article XXII Section 36-642.

The purpose of these amendments is to remove all language eluding to the creation of additional private streets as our ordinances require any additional home to be fronting a town-maintained street.

Proposed amended diction to eliminate the creation of private streets:

36-642

“The site-specific development plan shall include the following:

(3) The location and dimension of present and proposed streets ~~and private drives~~, and pedestrian facilities”

Amend Chapter 36 entitled Zoning under Articles IV,V,VI,VI-A,VII, VII-A within Sections 36-81, 36-118, 36-147, 36-156, 36-175 and 36-185.

The purpose of these amendments is to require greater side setbacks for corner lot homes within residential districts to ensure visibility throughout residential neighborhoods and to prevent accidents that may occur due to homes blocking visibility.

Proposed amendment to residential zoning district side setbacks abutting a Right-of-way:

RD: minimum required side yard abutting a right-of-way on corner lots: 24ft

R-15: minimum required side yard abutting a right-of-way on corner lots: 20ft

R-10: minimum required side yard abutting a right-of-way on corner lots: 20ft

RMV: minimum required side yard abutting a right-of-way on corner lots: 15ft

R-6: minimum required side yard abutting a right-of-way on corner lots: 16ft

DMV: minimum required side yard abutting a right-of-way on corner lots: 15ft

Amend Chapter 36 Article 2 and Article XV entitled Definitions and General Provisions.

The purpose of these amendments is to update the definition of outdoor storage along with providing additional regulations that will be required for any additional outdoor storage locations moving forward.

Proposed Amended Definition:

Outdoor storage means a business in which has storage of goods, equipment, or materials outside of an enclosed building for a period of more than 48 consecutive hours. Outdoor storage shall include vehicles not for immediate sale and those not considered junk or abandoned. The term "outdoor storage" does not refer to vehicular sales and rental, licensed vehicles in use by the person occupying the property, or other minor and incidental storage, such as items specifically designed for outdoor use, including lawn furniture, trailers, outdoor grills, dirt for sale, mulch, plants, swing sets, lawn care equipment, all which would not have a negative impact on the health, safety and general welfare of adjacent property owners and land uses.

Proposed Outdoor Storage Amended Regulations to be added:

(D)Outdoor Storage shall be entirely screened from the public right-of-way, public parking, or adjacent residential development or any other development by an 6ft 100 % visual barrier. Said barrier may be a chain-linked fence with slats, wood, or buffer vegetation that will grow to be at least 6ft spaced to entirely limit the view of the proposed site. Under no circumstance shall a plain chain-linked fence be acceptable.

(E)Outdoor Storage shall be located entirely in the rear or side of the development.

Amendment to Chapter 36 entitled Zoning under Article 2, 8, and 11.

The purpose of this amendment is to add Arcades to the list of permitted uses in CB and M-1 districts along with providing a definition.

Proposed permitted use to be added to M-1 and CB:

- Arcades

Proposed definition of arcades:

- An establishment that is tailored to entertainment through forms of arcade games such as but not limited to pinball, air hockey, skee-ball, or any other electro-mechanical games, but does not include a casino, pool halls, electronic gaming operations, or any form of gambling.
-

Amendment to Chapter 36 entitled Zoning under Article IV Section 36-78, Article 2 Section 36-34, and Article XV Section 36-440.

The purpose of these amendments is to add driving ranges to the list of permitted uses within Erwin's Rural District, as well as defining as to what is to be considered a driving range and additional regulations to ensure surrounding property owners are not damaged.

Proposed Permitted use to be added to RD: Article IV Section 36-78

- Driving Ranges

Proposed Definition: Article 2 Section 36-34

- An area equipped with distance markers, clubs, balls, and tees for practicing golf that may also contain a clubhouse, areas for refreshments, or golf equipment sales.

Proposed Regulation: Article XV Section 36-440

- The minimum distance from the tees to the end of an open driving area shall be a minimum of 1,000ft.
 - The minimum distance may be reduced to 700ft if the end of the driving area is controlled with a minimum 50ft net or other form of capture to avoid golf balls from leaving the driving area.
-

Amendment to Chapter 36 entitled Zoning under Articles 2, 8, 10, and 11.

The purpose of these amendments is to add axe throwing to the list of permitted uses in B-2, M1, and CB as well as adding a definition for axe throwing within Erwin's Code of Ordinances.

Proposed permitted uses to be added to B-2, M1, and CB:

- Axe Throwing Facility

Proposed Definition of an axe throwing facility:

- A facility in which contains at least 3 (three) 12 ft. lanes with each being separated by a minimum 9 ft. tall fencing that is a minimum of 15 ft. long for the purpose of throwing axes/knives at a designated target for sport and recreation,
-

Amendment to Chapter 36 entitled Zoning under Articles 2, 10, and 11.

The purpose of these amendments is to add bowling alleys as a permitted use in B-2 districts and as a special use in M-1 districts as well as provide a definition for bowling alleys.

Proposed permitted uses to be added to B-2:

- Bowling Alleys
-

Proposed special uses to be added to M1:

- Bowling Alleys

Proposed definition of a bowling alley:

- A long narrow track of at least 5 lanes in which balls are rolled down for the purpose of knocking down pins for competition or enjoyment.
-

Amendment to Chapter 36 entitled Zoning under Articles 2, 8, 10, and 11.

The purpose of these amendments is to add escape rooms to the list of permitted uses in B-2, M1, and CB zoning districts as well as provide a definition for escape rooms.

Proposed permitted uses to be added to B-2, M1, and CB:

- Escape Room

Proposed Definition of an escape room:

- A business in which creates rooms where individuals are voluntarily locked in a confined area requiring them to solve a series a puzzles before a certain amount of time expires.
-

Amendment to Chapter 36 entitled Zoning under Article 2, 10, and 11.

The purpose of these amendments is to add laser tag to the list of permitted uses to be added to B-2 and M1 zoning jurisdictions as well as define laser tag.

Proposed permitted uses to be added to M1 and B-2:

- Laser tag

Proposed definition of laser tag:

- An indoor recreational shooting sport where individuals use infrared-emitting light guns to tag designated targets.
-

Amendment to Chapter 36 entitled Zoning under Articles 2, 10, and 11.

The purpose of these amendments is to add pool halls to the list of permitted uses within B-2 and M1 zoning districts as well as defining pool halls.

Proposed permitted uses to be added to B-2 and M1:

- Pool Hall(s)

Proposed definition of a pool hall:

- An establishment that contains at least 3 or more pool/billiards tables with a pool table, cues, balls, and racks.
-

Amendment to Chapter 36 entitled Zoning under Articles 2, 8, 10, and 11.

The Purpose of these amendments is to add rage rooms to the list of permitted uses in B-2, M1, and CB zoning classifications as well as including a definition of rage rooms.

Proposed permitted uses to be added to B-2, M1, and CB:

- Rage Room

Proposed Definition of a rage room:

- A business in which rents out rooms located within their building for stress relief and venting anger in which items are destroyed and disposed of in a safe and cautionary manner.



TOWN OF ERWIN

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**ERWIN BOARD OF COMMISSIONERS
RESOLUTION ON STATEMENT OF CONSISTENCY
FOR CHAPTER 36 - ZONING
2024-2025--010**

Mayor
Randy L. Baker
Mayor Pro Tem
Ricky W. Blackmon
Commissioners
Alvester L. McKoy
Timothy D. Marbell
Charles L. Byrd
David L. Nelson
William R. Turnage

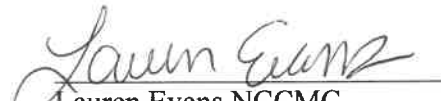
WHEREAS, the Erwin Board of Commissioners do hereby find and conclude that the proposed Ordinance Amendments to Chapter 36 - Zoning are reasonable and in the public interest to better reflect the desired development within the Town's Planning Jurisdiction; and

NOW THEREFORE BE IT RESOLVED, that the Mayor and Board of Commissioners of the Town of Erwin do hereby approve and adopt the proposed text amendments to Chapter 36 - Zoning as presented.

ADOPTED this the 10th day of October 2024.

ATTEST:


Randy Baker
Mayor


Lauren Evans NCCMC
Town Clerk



**TOWN OF ERWIN
BOARD OF COMMISSIONERS
REGULAR MEETING
THURSDAY, OCTOBER 10, 2024, AT 7 PM**

PUBLIC COMMENT- *Each speaker is asked to limit comments to 3 minutes, and the requested total comment period will be 15 minutes or less. Citizens should sign up prior to the start of the meeting. Please provide the clerk with copies of any handouts you have for the Board. Although the Board is interested in hearing your concerns, speakers should not expect Board action or deliberation on subject matter brought up during the Public Comment segment. Thank you for your consideration of the Town Board, staff and other speakers. §160A-81.1*

Name	Address	Subject
1. <i>Rebecca Kelly</i>	<i>00 B2462</i>	<i>Rezoning Professional</i>
2. <i>Joey Powell</i>	<i>600 EAST E ST.</i>	<i>Rezoning Park</i>
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		



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William R. Turnage

Memo To: Mayor and Board of Commissioners

From: Snow Bowden, Town Manager

Re: Items of Interest

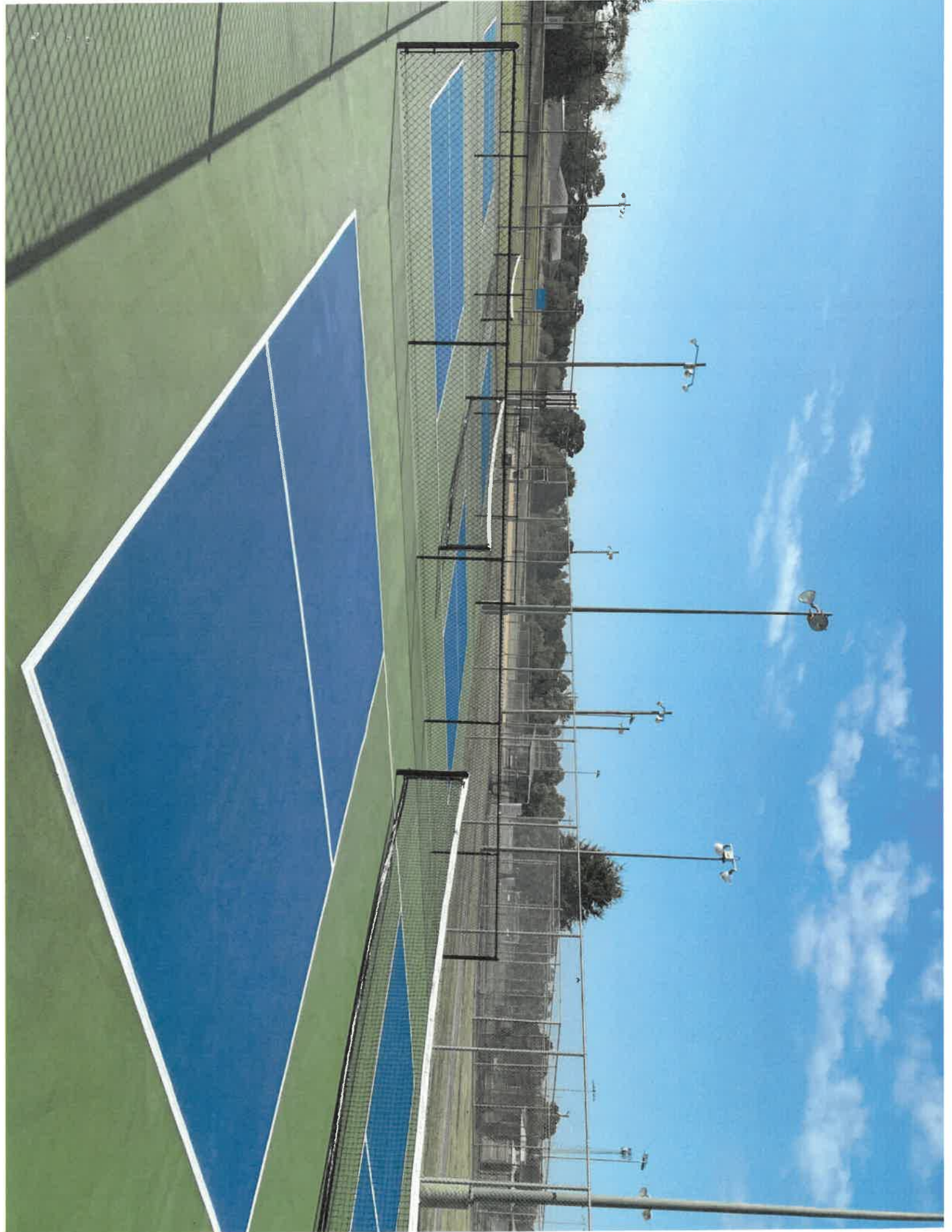
Date: October 2024 Managers Report

- I am sure some of you have already heard this but on Friday, October 4th the Erwin Area Chamber of Commerce President Frank Toth told me that the Erwin Area Chamber of Commerce was not going to be able to handle the Erwin Christmas Parade or Tree Lightening Ceremony this year due to issues involving the lack of volunteers and staffing issues. I told the Chamber a while back that the Town was here to support them but I was kind of expecting this to occur. We already had a plan of action to handle to parade if the Chamber could not handle the parade this year. I feel confident in our ability to plan and put on the Erwin Christmas Parade this year. There are costs associated with the parade that are mostly paid for by sponsorships and other vendor fees. At our October workshop, I will have an event budget to present. In the current operating budget there are not funds approved to be expended on a parade so we need to discuss these expenditures and potential revenues. The fees will be donations to the bands, local Shrine groups, port-a-jons, and other resources. The commercial floats are fully paid for by sponsorships.
 - The Town of Erwin already has a major stake in the Christmas events especially the parade. We close the roads, help with the line-up and so on. We will just be involved with getting the people signed up this year and the other planning logistics.
- We have already previously discussed this but I will remind you that we are planning on including a concert series sponsored by the Town of Erwin in the proposed Fiscal Year budget for the next Fiscal Year.
 - The Chamber is planning to get away from all events other than Denim Days based on what they have told me. They are most likely going to cut out the Chamber Banquet. I told them that they would need to have some sort of annual meeting with their board/members to remain in compliance with IRS regulations (the annual Banquet dinner serves as this meeting). So we are probably going to need to step up and do something to recognize people and give out the awards that are normally given out at the Chamber Banquet. I imagine that this is subject to change based on them getting more volunteers and/or any staffing changes with the current Chamber Administrator.

- The Town of Erwin now has three pickleball courts and a resurfaced tennis court. They completed the work this week. We are going to go ahead and open the courts up because we have had some phone calls. I am going to get a ribbon cutting ceremony set up to officially open them soon (pictures attached). We need to send a final grant report to Harnett County next month for this grant.
- The Depot has been demolished and all the debris has been removed from the site. They hauled in dirt and have planted grass on the site.
- I have been going back and forth with the company (Via One Services) that was representing V1 Fiber. V1 Fiber was the company we had a lease with to rent the yard next to Erwin Public Works. They were supposed to be out of the yard last May. Via One Services is based in Texas. V1 Fiber from what I was told went out of business. We have been paid rent for the yard. They have supposedly sold all the remaining equipment in the yard and they should be out of the yard by the end of the month. This has gone on for way too long and I apologize for that. If they are not out of the yard by the end of the month I will have to start the process to have them evicted.
- The Erwin Police Department is working with one of the owners of the home at 106 North 17th Street to get all of the current residents out of that house. We have had a lot of problems there lately.
- The Erwin Police Department is still finalizing a few items with the nuisance property at 218 Don Ron Road. Most of the work is completed but there are still a few more steps that need to be finalized.
- At our October workshop we will have a discussion about the stormwater grant proposals.
- On Wednesday, October 2nd our Town Engineer Bill Dreitzler received 95% of the construction drawings for the culvert replacement on West K Street.
- The work the City of Dunn was doing on their water line on West K Street was supposed to be completed by October 11th. It has been busy here but I will get in touch with them for an update. The last time I checked there was still work to be done on their equipment.
- Early voting will be held at the Gym at Al Woodall Park starting on Thursday, October 17th and go through Saturday, November 2nd.
 - Hours- Weekdays, October 17th-November 1st 8AM till 7:30PM
 - Saturdays, October 19th and 26th 8AM till 5PM
 - Sundays, October 20th and 27th 1PM till 5PM
 - Saturday, November 2nd (LAST DAY OF EARLY VOTING) 8AM till 3PM
 - ELECTION DAY IS NOVEMBER 5, 2024. The polling site for Erwin is at the gym at Al Woodall Park.
- We should have an update for you if we can use some of our grant funds to build a stage at Al Woodall Park at our next workshop meeting.
- The Harnett County Tax Department has started the foreclosure process for the home at 210 East I Street.
- I am going to try and get Harnett County to start the condemnation process on the home at 306 West K Street. We have done a title search before and cannot find a true heir. There are a number of heirs to this property. I think we should be able to

go through the condemnation process with this home like we did with the home on St. Matthews Road.

- The Planning Board has asked us to prepare a text amendment to remove the all-way intersection at Pope and St. Matthews Road. I will let you know how that meeting goes on October 21st.
- I am waiting for a written proposal from a contractor to fix the storm water issue on Womack Drive. We need to reroute a ditch. This is going to be a much bigger undertaking than it appears. There is an old pipe that goes under Womack Drive that carries the vast majority of the storm water from Womack Drive and dumps it on private property. There are no easements or records of this pipe being installed. From the research I have completed the pipe was there when Womack was a dirt road before it was annexed by the Town of Erwin. When the Town paved the street we just paved over the road. We have the majority of the streets storm water and water from a natural spring being redirected towards private property. We need to realign the ditch and have the water flow towards the ditch at HWY 55.
-





MINUTES CONTINUED FROM OCTOBER 10, 2024

CLOSED SESSION

Commissioner Nelson made a motion to go into Closed Session Pursuant to General Statute 143-318.11(a) (3) for the Purpose of Preserving the Attorney-Client Privilege at 7:13 PM and was seconded by Commissioner Turnage. **The Board voted unanimously.**

Commissioner Byrd arrived at 7:30 PM and joined the Closed Session.

RECONVENED

Commissioner Blackmon made a motion to go back to regular session at 7:40 PM and was seconded by Commissioner Nelson. **The Board voted unanimously.**

ADJOURNMENT

Commissioner Nelson made a motion to adjourn at 8:01 P.M. and was seconded by Commissioner Turnage. **The Board voted unanimously.**

**MINUTES RECORDED AND TYPED BY
LAUREN EVANS TOWN CLERK**

ATTEST:



Randy Baker

Mayor



Lauren Evans, NCCMC

Town Clerk