



Town of Waynesville, NC

Town Council Regular Meeting

Town Hall, 9 South Main Street, Waynesville, NC 28786

Date: December 9th, 2025 Time: 6:00 p.m.

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(828) 452-2491 cpoolton@waynesvillenc.gov

A. CALL TO ORDER- Mayor Gary Caldwell

B. CONSENT AGENDA

All items below are routine by the Town Council and will be enacted by one motion. There will be no separate discussion on these items unless a Councilmember so requests. In which event, the item will be removed from the Consent Agenda and considered with other items listed in the Regular Agenda.

1.
 - a. November 18th, 2025 Regular Scheduled Meeting Minutes
 - b. Amended Contract for Martin Starnes Auditing
 - c. Budget Amendment for the Downtown Waynesville Commission
 - d. Approval of Town of Waynesville's Unified Planning Work Program Grant Application to the French Broad River MPO.
 - e. Appointment of Justin Jamison to the Waynesville Recreation Advisory Commission
 - f. Approval of Revised Summer Camp Fee Schedule for 2026 Season
 - g. Approve State Revolving Loan offer of \$5,000,000 with 100% principal forgiveness
 - h. Renewing approval of internal controls
 - i. ERC Contract Renewal
 - j. Proposed 2026 Council Meeting Schedule

Motion: To approve the consent agenda as presented.

C. COUNCILMEMBERS' OATHS OF OFFICE

2. Oath of Office Administered to Councilmember Julia Boyd Freeman and Councilmember Anthony Sutton.
 - Chief District Court Judge Roy Wijewickrama *

D. ELECTION OF MAYOR PRO TEMPORE

E. COMMENTS BY COUNCILMEMBERS

F. PUBLIC COMMENT

G. OTHER BUSINESS

H. COMMUNICATION FROM STAFF

3. Manager's Report

- Town Manager Rob Hites

4. Town Attorney Report

- Town Attorney Martha Bradley

I. ADJOURN

**A photographer will take pictures of the members' oaths of office and at the end of the meeting, she will take group pictures of the Councilmembers behind the dais. She will take individual pictures of Councilmembers and staff for the Town's media files.*

MINUTES OF THE TOWN OF WAYNESVILLE TOWN COUNCIL
Special Meeting
November 18, 2025

THE WAYNESVILLE TOWN COUNCIL held a special called meeting on Tuesday, November 18, 2025, at 6:00pm in the Town Hall Board Room located at 9 South Main Street Waynesville, NC.

A. CALL TO ORDER

Mayor Pro Tempore Chuck Dickson called the meeting to order at 6:01 pm with the following members present:

Mayor Pro Tempore Chuck Dickson
Councilmember Jon Feichter
Councilmember Anthony Sutton
Councilmember Julia Freeman

The following staff members were present:

Rob Hites, Town Manager
Jesse Fowler, Deputy Manager
Candace Poolton, Town Clerk/Assistant to the Manager
Martha Bradley, Town Attorney
Luke Kinsland, Recreation Director
Beth Gilmore, DWC Director
Elizabeth Teague, Development Services Director
Alex Mumby, Land Use Administrator
Ricky Bourne, Public Services Director
Hutch Reese, Deputy Director of Operations
Fire Chief Chris Mehaffey
Police Chief David Adams
Page McCurry, Human Resources Director

The following members of the media were present:

Paul Nielsen, The Mountaineer

1. Welcome/Calendar/Announcements

Mayor Pro Tempore Chuck Dickson welcomed everyone and announced that the next Council meeting on November 25th was cancelled because of Thanksgiving, the Christmas Tree Lighting will be this Saturday, Town Offices will be closed November 27th and 28th, the Christmas Parade is December 1st, the Hazelwood Parade is the 7th, and the next Council meeting will be December 9th.

Lake Silvers reported that Congressman Chuck Edwards' office secured \$2.97 million for the Hazelwood fire station construction.

B. PUBLIC COMMENT

Makylia Blair- Ms. Blair spoke in favor of the social district for the TDA Ice Block Party and American Travel Writers Dine-In event. She said that social districts enhance visitors' experience, foster connection, and encourage people to walk and visit places they might not have otherwise.

Kirk Noonan- Mr. Noonan said he is also in support of the social district for the TDA events. He said as co-owner of a Main Street business, he hears a lot of interest in the establishment of a social district on Main Street.

Jerry Jackson- Mr. Jackson said that he also supports a social district and it is supported by merchants who are committed to enforcing safety guidelines.

C. ADDITIONS OR DELETIONS TO THE AGENDA

A motion was made by Councilmember Sutton, seconded by Councilmember Feichter, to approve the agenda as presented. The motion passed unanimously.

D. CONSENT AGENDA

All items below are routine by the Town Council and will be enacted by one motion. There will be no separate discussion on these items unless a Councilmember so requests. In which event, the item will be removed from the Consent Agenda and considered with other items listed in the Regular Agenda.

2. a. Motion to approve the October 28, 2025 Regular Meeting Minutes

A motion was made by Councilmember Freeman, seconded by Councilmember Feichter, to approve the consent agenda as presented. The motion passed unanimously.

E. PROCLAMATION

3. Veterans Appreciation Month Proclamation
 - Mayor Pro Tem Chuck Dickson

Mayor Pro Tem Dickson congratulated the Waynesville Police Department on another successful de-escalation of a potentially deadly situation. He proceeded to read the Proclamation, proclaiming November as Veterans Appreciation Month.

F. PRESENTATIONS

4. Haywood Christian Ministries- Food Pantry

- Blake Hart/John Brejot

Mr. Blake Hart with Haywood Christian Ministries reviewed the history of the organization and their ability to fill in gaps where there are needs in the area. He said their new focus is building food security in the community, offering farm resources, providing commissary kitchens, consolidating food sources, and delivering food to areas that may have trouble getting to the food distribution hubs.

Fire Chief Mehaffey reported that Waynesville recently donated five carts full of food and raised \$3037 to be donated to HCM.

5. Presentation on the Town of Waynesville's America 250 NC Grant Mural

- Alex Mumby, Land Use Administrator

Land Use Administrator Alex Mumby presented a video showcasing the new mural on Wall Street. He said the grant that paid for the mural was funded through the America 250 NC grant fund from the State of North Carolina.

Councilmember Feichter asked how long the mural will last, Mr. Mumby said at least 15 years per the easement, but the mural is sealed and will last longer.

G. PUBLIC HEARINGS

6. Public Hearing to consider text amendments to Flood Damage Prevention Ordinance, Land Development Standards (LDS) 12.3.3.B.

- Olga Grooman, Assistant Director of Development Services

Assistant Director of Development Services Olga Grooman reported that during a recent visit by FEMA and the NC Department of Public Safety, Emergency Management Division, that was conducted to ensure the Town's compliance with floodplain permitting requirements, the auditors noted that the Town's ordinance has a mandatory survey requirement. She said the ordinance currently requires a plot plan certified by a licensed surveyor or engineer for all development applications within the floodplain, which would include minor projects, such as HVAC replacements, heat pump changes, or interior remodels. Ms. Grooman stated that staff find the requirement to be unreasonable for smaller projects as it places unnecessary cost burdens on property owners and causes construction delays. She said the proposed amendment would remove the mandatory survey requirement for all projects in the floodplain, and instead, the requirement would be left to the discretion of the Floodplain Administrator, who will determine the need for the certified survey based on the scope of the project.

There was no public comment.

A motion was made by Councilmember Sutton, seconded by Councilmember Freeman, to close the public hearing at 6:35pm. The motion passed unanimously.

A motion was made by Councilmember Sutton, seconded by Councilmember Feichter, to find that the Ordinance is consistent with the 2035 Comprehensive Plan and that it is reasonable and in the public interest

in that it continues to promote smart growth principles in land use planning and zoning and encourages infill, mixed-use and context-sensitive development. The motion passed unanimously.

A motion was made by Councilmember Sutton, seconded by Councilmember Feichter, to adopt the Ordinance as presented in that it promotes conservation design and preserves important natural resources. The motion passed unanimously.

7. Public Hearing to consider a request for annexation for the 5.48-acre parcel at 1399 Plott Creek Rd, Waynesville, NC (PIN 8605-32-8929).
 - Olga Grooman, Assistant Director of Development Services

A motion was made by Councilmember Sutton, seconded by Councilmember Feichter, to open the public hearing at 6:36pm. The motion passed unanimously.

Assistant Director of Development Services Olga Grooman reported that on September 18, 2025, the Town received a Petition for Annexation for a contiguous area from Herman E. Ratchford Jr, Manager of Triangle Real Estate of Gastonia, Inc for a parcel at 1399 Plott Creek Road, Waynesville, NC (PIN 8605-32-8929). She said the 5.48 acre parcel is contiguous to the existing corporate limits of Waynesville, and it is a proposed site of the second Phase of the Palisades at Plott Creek apartment complex, adjacent to the existing Phase I. Ms. Grooman stated that the property is currently located entirely within Haywood County and outside of the Town's extraterritorial jurisdiction (ETJ). Upon annexation, she explained that the property would be incorporated into the corporate limits of Waynesville and would be eligible for municipal services, including sewer service. Ms. Grooman showed that the closest main sewer line is located off Will Hyatt Road, and the Phase I development ran an additional 8-inch sewer line to their property and an existing 8-inch water main line is located across Plott Creek Road. She explained that if Council votes to annex the property, the applicant will proceed with the zoning assignment process.

Councilmember Sutton said the property is entirely in Haywood County, which means there are no restrictions on what can be done with the property. Ms. Grooman said town standards are stricter. She added that the property is on the Future Land Use map as urban services boundary and expansion of utilities was expected for this area.

Public Comment:

Thom Morgan- Mr. Morgan said he is not anti-growth or anti-apartment or anti-progress. He said the apartments are changing the rural character of the Plott Creek area. He expressed concern over the sewer system capacity. He said there is property within city limits that apartments could be built on without having to annex more property into the town.

William Ratchford, Applicant- Mr. Ratchford said a reason they want to add to the apartment complex is to have two entrances. There was a discussion about sidewalk maintenance. Mr. Ratchford said the complex is responsible for all sidewalk and road maintenance within the apartment complex, and Ms. Teague said a sidewalk is required of all major site plans and the town would maintain any sidewalk outside of the complex. Councilmember Feichter asked Mr. Bourne to get an estimate on the cost of maintenance per linear foot of sidewalk.

Deborah Malpharus- Ms. Malpharus asked if the property is not annexed, will the town not provide sewer services. She said that if they do not get annexed, then septic permitting will limit what can be built there. Councilmember Sutton said they could put a pig or chicken farm, and the applicant said it could even be storage units. Ms. Malpharus asked if there was a deed restriction on the undeveloped part of the property the applicant currently owns. Ms. Grooman said no, and they could develop the other acreage, but the slope is very steep.

Brad Ruthers- Mr. Ruthers said his concern is the location of the proposed complex next to the school. He is worried about sexual predators living next to an elementary school. Ms. Grooman presented criminal reports from the Palisades and said there were just minor disturbances. The applicant said they do background checks on residents and people on the sex offender registry are not allowed to live there.

Kevin Fitzgerald- Mr. Fitzgerald said he was in opposition of Phase 1. He said over \$1000 for a one-bedroom apartment is not affordable, and the developer had originally said it was going to be. He said the apartments were built in an area subject to flooding. Mr. Fitzgerald stated the apartments have obnoxious lighting, increase flooding and affect the water quality. He added that the other part of the Palisades is not developed, but they never signed a conservation easement, so they could develop it.

A motion was made by Councilmember Sutton, seconded by Councilmember Feichter, to close the public hearing at 7:03pm. The motion passed unanimously.

Councilmember Feichter said he voted against the Phase I project. He said after reflecting on the last seven years, he realized the concerns of the original development such as traffic were not much of an issue. He said that growth is inevitable, and it's best to manage it the best we can. He added that it's important to not lose sight of what makes Waynesville special. Councilmember Feichter said he asked if this proposal is the right thing for the Town of Waynesville, and do the people who live here today benefit? He added that if this project is built and that property is annexed, the Town must maintain it forever. He said rent and housing costs have not gone down, but they continue to climb. Councilmember Feichter agreed that Waynesville needs places for people to live, but it's important to approve the right projects in the right time.

Councilmember Sutton said the Palisades complex have been great neighbors, they take great care of the neighborhood, there's no additional traffic, and Waynesville still needs housing. Councilmember Freeman added that if approved, this would be a small expansion. Mayor Pro Tem Dickson said he opposed the initial project because it was taking up beautiful farmland, but traffic has been fine, surrounding property values increased, and crime is very low. He remarked that the only way apartments can be affordable housing is with government assistance. He agreed that adding a second entrance to the Palisades is a good idea. He expressed concern that the upper portion was never dedicated into a conservation easement, but they may be limited by height requirements of the steep slope ordinance. He suggested looking into development going up Plott Creek, because they may not want that.

A motion was made by Councilmember Sutton, seconded by Councilmember Freeman, to adopt the attached Ordinance to approve the annexation of the described property. Councilmembers Freeman, Dickson, and Sutton voted in the affirmative. Councilmember Feichter voted against. The motion passed three to one.

8. Public Hearing to consider a map amendment (rezoning) for the 5.48-acre parcel at 1399 Plott Creek Rd, Waynesville, NC 28786 (PIN 8605-32-8929).
 - Olga Grooman, Assistant Director of Development Services

A motion was made by Councilmember Sutton, seconded by Councilmember Feichter, to open the public hearing at 7:14pm. The motion passed unanimously.

Assistant Director of Development Services Olga Grooman reported that the applicant is requesting to rezone the property to the Plott Creek Neighborhood Residential (PC-NR) zoning district, which is the same zoning as the adjacent district and abuts the Palisades at Plott Creek Apartments. She said the rezoning would allow for a multifamily residential development on this property by the same developer. Ms. Grooman reported that on October 20, 2025, the Planning Board reviewed the map amendment application and recommended assigning the property the Plott Creek Neighborhood Residential (PC-NR) zoning district, which aligns with the adjacent district and with Phase I of the development by the same owner.

William Ratchford, Applicant- Mr. Ratchford stated that he would be willing to do a written conservation easement on the other part of the Palisades property to quell concerns of development. He said the new apartments will be kept to two stories.

There was no public comment.

A motion was made by Councilmember Sutton, seconded by Councilmember Feichter, to close the public hearing at 7:34pm. The motion passed unanimously.

A motion was made by Councilmember Sutton, seconded by Councilmember Freeman, to find that the map amendment request for the property PIN 8605-32-8929 is consistent with the 2035 Comprehensive Plan and that it is reasonable and in the public interest in that it continues to promote smart growth principles in land use planning and zoning, encourages infill, mixed-use, and context-sensitive development and promotes conservation design to preserve important natural resources. Councilmembers Freeman, Dickson, and Sutton voted in the affirmative. Councilmember Feichter voted against. The motion passed three to one.

A motion was made by Councilmember Sutton, seconded by Councilmember Freeman, to adopt the map amendment and the attached Ordinance as presented in that it creates a range of housing opportunities and choices and promotes a diverse housing stock including market rate, workforce housing, and affordable options that appeal to a variety of households. Councilmembers Freeman, Dickson, and Sutton voted in the affirmative. Councilmember Feichter voted against. The motion passed three to one.

H. NEW BUSINESS

9. Presentation of TDA Winter Events, Establishment of Downtown Social District for Ice Block Party, and Society of American Travel Writers Dine Around.
 - Corrina Ruffieux and Rob Hites

Visit Haywood (TDA) Director Corrina Ruffieux presented an overview of weekend events for Ice Fest. She noted that most tickets were sold locally, and the majority of additional activities done by visitors besides Ice Fest was shopping and dining locally. She introduced the Event Impact Calculator and stated that Ice Fest directly impacted the economy in the following ways-138 jobs supported, \$18,286 local taxes made, and \$566,086 in business sales. For 2026 Ice Fest, Ms. Ruffieux said the TDA surveyed 34 Main Street business owners. She reported that 94% said they would stay open for Ice Fest and 28 out of 34 requested they close Main Street for the event. Ms. Ruffieux said they will also be hosting the Society of American Travel Writers (SATW) October 4-8, 2026. She proposed a special event social district for Ice Block Party on January 30th, 2026, and the SATW October 6th, 2026. She said out of the Main Street merchants surveyed, 52% responded, and 49 supported a social district and three said no. Ms. Ruffieux said that GS 160A-205/4 and 18B-300.1 permit municipalities to create and manage Social Districts. She overviewed the requirements of the district including signage, cups, designated areas, etc. Councilmember Freeman asked if they will include Frog Level in the social district. Ms. Ruffieux said not at this time, that they will see how this goes and may expand it in the future. She added that the Haywood TDA will buy and provide cups to ABC businesses, but businesses will have to buy their own stickers for their cups. She emphasized that no businesses are required to participate, it is completely up to them.

Councilmember Freeman asked if the Downtown Waynesville Commission has been involved in the process. Ms. Ruffieux said that Beth Gilmore had attended meetings, and every DWC member who owns a Main Street responded to the survey. Councilmember Feichter, acting Chair of the DWC, said he thought the DWC was not involved in the discussion. He requested that anything involving a social district or anything in downtown should involve discussions with the DWC.

A motion was made by Councilmember Sutton, seconded by Councilmember Feichter, to receive the presentation. The motion passed unanimously.

10. Approval of Ordinance Creating a Social District for the Ice Block Party on January 30th, 2026 and Society of American Writers Dine-In on October 6, 2026
 - Corrina Ruffieux

A motion was made by Councilmember Feichter, seconded by Councilmember Sutton, to adopt the attached ordinance for a Social District for events to be held on January 30th, 2026, from 5-8pm and Society of Writes Dine-In on October 6th, 2026 from 5-9pm. The motion passed unanimously.

11. Special Event Permit for January 30, 2026 Ice Block Party and October 6, 2026, Society of Travel Writers Dine-In.
 - Corrina Ruffieux

A motion was made by Councilmember Sutton, seconded by Councilmember Freeman, to approve the Special Events Permit in accordance with the actions the Council took in previous items. The motion passed unanimously.

12. Position reclassification for the Fire Department
 - Cody Parton, Assistant Fire Chief

Assistant Fire Chief Cody Parton reported that the Fire Department is requesting the reclassification of four fire engineer positions to four Lieutenants. He explained that there is a need to reclassify one of three engineer positions on each of the four shifts to a supervisory position and with the increase of fire station two having to work autonomously from station one, the need for another supervisor position is requested. He explained that the addition of a lieutenant position on each shift would strengthen the department's supervisory structure, improving operational efficiency, and enhancing safety both on emergency incidents and during daily station activities. Chief Parton said the existing organizational framework places significant supervisory responsibility on the shift captain, often resulting in an unmanageable span of control, which means the structure can impede effective communication, reduce oversight capability, and limit the department's ability to maintain consistency in training, performance, and safety standards. He added that the most senior engineer on each shift is already performing this work and deserves compensation. Chief Parton said they currently have 23 full time staff, but they need 42 based on their call volume.

A motion was made by Councilmember Freeman, seconded by Councilmember Sutton, to approve the Fire Department Reclassification request. The motion passed unanimously.

13. Request to permit Michael and Mary Lodico to be permitted to contract for the new Solar Rate Schedule retroactive to the installation of their solar system.
 - Michael Lodico

Town Manager Rob Hites explained that a rate schedule must be applied for by the customer and may not be retroactively changed by the utility. He said the Town is required to keep the original fee schedule for solar customers that applied for service before the new rates were adopted is because the State prohibited the town from eliminating previous schedules. Mr. Hites explained that he sent a letter out to the Town's six solar customers in town notifying them of the rate. He said he did not receive an application for the new rate from the Lodico's. Mr. Hites said they would like to apply for it and make it and retroactive.

A motion was made by Councilmember Feichter, seconded by Councilmember Freeman, to permit the six solar customers to apply for the new solar rate schedule and make it retroactive. The motion passed unanimously.

14. Deannexation
 - Rob Hites, Town Manager

Town Manager Rob Hites reported that the owner of 86 Magellan Drive, Mr. Michael A. Robinson, has submitted a deannexation request to the Town Council. He explained that there is no statutory mechanism in the State of North Carolina for municipalities to deannex properties. Mr. Robinson said he spoke with Mark Pless and Mr. Pless suggested that Council write a to him and Kevin Corbin to be deannexed. He added that he understands Council doesn't want to set a precedence, but his situation is unique given that he is two miles away from town limits and did not receive discounted utility rates.

A motion was made by Councilmember Feichter, seconded by Councilmember Freeman, for staff to write a letter of support to Mr. Robinson's deannexation request to his State Representative. The motion passed unanimously.

15. Approval of Service Contract with Davis Engineering and Consultants PLLC

- Rob Hites, Town Manager

Town Manager Rob Hites reported that Louis Davis has been serving as one of the Town's electrical Engineers for the past 11 years. He outlined his extensive experience, including assisting the Town with negotiating a contract with Santee Cooper. He requested that Council approve the contract so he can continue to negotiate wholesale which is up in January.

A motion was made by Councilmember Feichter, seconded by Councilmember Freeman, to approve the contract with Davis Engineering and Consultants PLLC. The motion passed unanimously.

I. COMMUNICATION FROM STAFF

16. Manager's Report

- Town Manager, Rob Hites

Mr. Hites reported that he and Luke Kinsland are finishing the specs for the ball parks. He said they will put bids out by the December 9th Council meeting so they can bring them to Council.

17. Town Attorney's Report

- Town Attorney, Martha Bradley

There was nothing to report.

J. COMMUNICATIONS FROM THE MAYOR AND COUNCIL

Councilmember Freeman requested Council get a vehicle for the Christmas parade.

Councilmember Feichter said a former staff member asked him why former staff members are no longer invited to the annual staff luncheon. He requested that staff reconsider and continue to allow former staff members to attend.

K. ADJOURN

A motion was made by Councilmember Freeman, seconded by Councilmember Sutton, to adjourn at 8:36pm. The motion passed unanimously.

ATTEST:

Gary Caldwell, Mayor

Robert W. Hites, Jr. Town Manager

Candace Poolton, Town Clerk

**TOWN OF WAYNESVILLE COUNCIL MEETING
REQUEST FOR BOARD ACTION
Meeting Date: 12.09.2025**

SUBJECT: Amended Contract for Martin Starnes Auditing

AGENDA INFORMATION:

Agenda Location: Consent Agenda
Item Number:
Department: Finance
Contact: Ian Barrett
Presenter: Ian Barrett

BRIEF SUMMARY: Due to the federal government shutdown, there was a delay in releasing the 2025 compliance supplement. This has caused a delay across municipalities in being able to submit Audit work. There is no additional cost for the Town of Waynesville. The LGC has changed the due date to February, 2026 and this contract reflects that.

MOTION FOR CONSIDERATION: Approve the amended audit contract.



Ian Barrett, Finance Director

12.01.25

Date

ATTACHMENTS:

MANAGER'S COMMENTS AND RECOMMENDATIONS:

Whereas	Primary Government Unit Town of Waynesville, NC
and	Discretely Presented Component Unit (DPCU) (if applicable) N/A
and	Auditor Martin Starnes & Associates, CPAs, P.A.

entered into a contract in which the Auditor agreed to audit the accounts of the Primary Government Unit and DPCU (if applicable)

for	Fiscal Year Ending 06/30/25	and originally to be submitted to the LGC on	Date 12/31/25
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hereby agree that it is now necessary that the contract be modified as follows.

<input checked="" type="checkbox"/> Modification to date submitted to LGC <input type="checkbox"/> Modification to fee	Original date 12/31/25	Modified date 02/12/26
	Original fee	Modified fee

Primary Other
(choose 1)(choose 0-2)

Reason(s) for Contract Amendment

- Change in scope
- Issue with unit staff/turnover/workload
- Issue with auditor staff/turnover/workload
- Third-party financial statements not prepared by agreed-upon date
- Unit did not have bank reconciliations complete for the audit period
- Unit did not have reconciliations between subsidiary ledgers and general ledger complete
- Unit did not post previous years adjusting journal entries resulting in incorrect beginning balances in the general ledger
- Unit did not have information required for audit complete by the agreed-upon time
- Delay in component unit reports
- Software - implementation issue
- Software - system failure
- Software - ransomware/cyberattack
- Natural or other disaster
- Other (please explain)

Plan to Prevent Future Late Submissions

If the amendment is submitted to modify the date the audit will be submitted to the LGC, please indicate the steps the unit and auditor will take to prevent late filing of audits in subsequent years. Audits are due six months after fiscal year end (ten months after fiscal year end for housing authorities). Indicate NA if this is an amendment due to a change in cost only.

N/A - this contract amendment is due to the late release of the 2025 compliance supplement

Additional Information

Please provide any additional explanation or details regarding the contract modification.

This contract amendment is due to the late release of the 2025 compliance supplement.

By their signatures on the following pages, the Auditor, the Primary Government Unit, and the DPCU (if applicable), agree to these modified terms.

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Martin Starnes & Associates, CPAs, P.A.	
Authorized Firm Representative* (typed or printed) Amber Y. McGhinnis	Signature* <i>Amber Y. McGhinnis</i>
Date* 11/28/25	Email Address amcghinnis@msa.cpa

GOVERNMENTAL UNIT

Governmental Unit* Town of Waynesville, NC	
Date Primary Government Unit Governing Board Approved Amended Audit Contract* (If required by governing board policy)	
Mayor/Chairperson* (typed or printed) Gary Caldwell, Mayor	Signature*
Date	Email Address gcaldwell@waynesvillenc.gov

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

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

ONLY REQUIRED IF FEES ARE MODIFIED IN THE AMENDED CONTRACT

(Pre-audit certificate not required for hospitals)

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

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

Primary Governmental Unit Finance Officer* N/A	Signature*
Date of Pre-Audit Certificate*	Email Address*

**SIGNATURE PAGE – DPCU
(complete only if applicable)**

DISCRETELY PRESENTED COMPONENT UNIT

DPCU N/A	
Date DPCU Governing Board Approved Amended Audit Contract (If required by governing board policy)	
DPCU Chairperson (typed or printed)	Signature
Date	Email Address

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

DPCU – PRE-AUDIT CERTIFICATE
ONLY REQUIRED IF FEES ARE MODIFIED IN THE AMENDED CONTRACT
(Pre-audit certificate not required for hospitals)

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

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

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

Ordinance No. O-48-25

Amendment No. 23 to the 2025-2026 Budget Ordinance

WHEREAS, the Town Council of the Town of Waynesville wishes to amend the 2025-2026 Budget Ordinance.

NOW, THEREFORE, BE IT ORDAINED by the Town Council of the Town of Waynesville that the 2025-2026 Budget Ordinance be amended as follows:

General Fund:

Increase the following revenues:

Miscellaneous Income	\$2,000
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Increase the following appropriations:

Downtown Waynesville Commission	\$2,000
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Adopted this 9th day of December 2025.

Town of Waynesville

Gary Caldwell
Mayor

Attest:

Candace Poolton
Town Clerk

Approved As To Form:

Martha Sharpe Bradley
Town Attorney

**TOWN OF WAYNESVILLE COUNCIL
REQUEST FOR COUNCIL ACTION
Meeting Date: December 9th, 2025**

SUBJECT: Approval of Town of Waynesville’s Unified Planning Work Program Grant Application to the French Broad River MPO.

AGENDA INFORMATION:

Agenda Location: Consent Agenda
Item Number:
Department: Development Services
Contact: Alex Mumby, Land Use Administrator
Presenters: Alex Mumby, Land Use Administrator

BRIEF SUMMARY:

The French Broad River Metropolitan Planning Organization coordinates regional planning efforts and projects related to transportation. They have put out a call for planning projects for their Unified Planning Work Program. These projects provide planning funds to MPO member communities to assist with small area or corridor plans, or other studies to enhance future transportation planning. Project proposals are due at the end of the month with project approvals occurring in March. These projects require a 20% local match, which would be budgeted starting in Fiscal Year 26/27 if approved.

The proposal would create a small area plan for Frog Level, in accordance with recommendations of the 2035 Comprehensive Plan. Frog Level a National Register Historic District, a central connection point of the Richland Creek Greenway, and a valued business district that was severely impacted by Hurricane Helene. The plan would study streetscape, bicycle, and pedestrian improvements, environmental resilience measures, and determine alignment and integration of the greenway through the district and adjacent streets. Staff is requesting permission from the Town Council to apply for this grant which is due by December 30th.

MOTIONS FOR CONSIDERATION:

Approve staff to apply for the UPWP grant.

FUNDING SOURCE/IMPACT:

The total project budget will be \$28,000 with an 80/20 split. The grant would provide \$22,400 and the Town would need to provide \$5,600 of matching funds. Allocation will be included in the FY 26/27 budget.

ATTACHMENTS:

Grant information.

MANAGER’S COMMENTS AND RECOMMENDATIONS:

1. Title of Proposed Project:

Frog Level Small Area Plan

2. What area does the project cover? (Include map separately emailed to mpo@landofsky.org)

The plan will encompass the Frog Level Historic District as well as the roadways which extend out of it, primarily to the east, west, and north. It will follow Boundary St and Buffalo Lane to the east, Depot St to the north, and Richland St and Killian St terminating at Boyd Ave to the West.

3. Scope of Project:

The project will create a small area plan for Frog Level with the focus of improving the safety, accessibility, and attractiveness of the roadways and sidewalks, and to integrate the Richland Creek Greenway based on the Town's 2020 Greenway Feasibility Study. The Plan will determine the alignment and traffic controls needed for the greenway from the connection at Russ Avenue through Frog Level to the connection at Boyd Avenue with the heart of Frog Level as its central hub. It will also provide recommendations for economic revitalization and environmental resilience through infrastructure and streetscape improvements.

4. Who are the anticipated partners that would participate in the planning effort?

We would work with the local business owners in Frog Level, local bicycle and pedestrian safety advocates, the Haywood County Greenway Council, and the Town Planning Board and Council. The project will work towards realizing the vision of Frog Level as an arts and retail destination, and the center of the Waynesville Greenway. The Town has established partnerships with Pigeon River Bikes, Haywood County Transit, Haywood Waterways, and local business owners who will help inform the planning process.

5. What is the expected outcome of the planning effort? (Corridor Study, Feasibility Study, Small Area Plan, Identified Projects, Concept Design, etc.)

The goal of the project is to create a small area plan that positions Frog Level to be a safe and attractive business center that serves as the central connection hub for the Richland Creek Greenway. Previous studies have pointed to Frog Level as the central connection but have not determined specific alignments, traffic control measures, and pedestrian safety improvements. This plan would create details for improvements to turn Frog Level into a Bicycle and Pedestrian Safety Zone.

In addition to bicycle and pedestrian safety, the plan will include an environmental resilience element. The flooding from Hurricane Helene demonstrated the susceptibility of the district to flooding. This is an opportunity to look at measures that could be taken to mitigate potential hazards of future storms. The buildings which were elevated (Frog Level Brewing and Panacea Coffeehouse) successfully weathered the hurricane, while other businesses suffered inventory loss and severe building damage. We want to ensure that future businesses opening in the district feel as safe as possible from future events.

6. Describe the need for the project as well as the prospective benefits. Why is this project a priority for your community?

Frog Level is a dynamic area of Waynesville. It was the commercial area hit hardest by the flooding during Hurricane Helene in Waynesville, which forced many of the businesses to move out of the district or close permanently. Panacea Coffee House and Frog Level Brewing survived the floods and continue to

anchor the area. Giles Chemical also continues to operate in Frog Level. Recently, Astro Record Shop opened and repairs are finishing for another building.

Part of revitalizing Frog Level will be providing connections to the greenway and creating an identity centered around outdoor activities and community. The rear seating area of Panacea and Frog Level Brewing is regularly used for live music and other community events. The district has been rated highly among residents during surveys asking about their favorite places in Waynesville. Connecting the two segments of the greenway together will also provide a safe method for residents to traverse the town without a car.

Environmental resilience and protection is a key part of the development of greenways. They ensure that the floodplain and floodway along side creeks is kept safe. They also work to bring users into direct contact with nature. As part of this plan will determine the greenway alignment, it will also include an environmental resilience element. The only way that businesses will feel safe opening in Frog Level is if they know that they are not at a high risk of losing everything. While this risk cannot be mitigated entirely, the plan will look at improvements that can be made to slow the rate of floodwater and assist building owners with floodproofing their properties.

7. How does the project have a regional impact? Is the project likely to impact multiple jurisdictions? Does it contribute to regional planning efforts?

Haywood County has adopted a county wide greenway plan which will eventually connect all the jurisdictions in the county by greenway. Waynesville is a member of the advisory council which oversees the implementation of that plan. The revitalization of Frog Level as the center of the Waynesville greenway would continue to support that planning effort. Waynesville is at the forefront of greenway development with the longest contiguous segments in Haywood County. The Haywood County greenway will also connect regionally to the Hellbender Trail Network.

8. How close is the proposed project to implementation? Is the project considered funded already? Being considered for funding? Prioritized in long-range plans?

There have been previous visioning plans of how the greenway will continue through Frog Level, but none have determined the final alignment. This along with the addition of bike lanes and other safety improvements to the area would work towards the vision of Frog Level as a bike/ped safety zone. The greenway segments are funded as grants would become available. This plan would include a cost estimate to help target future funding.

9. How is the proposed project in alignment with MPO Plans? (CTP, MTP, CMP, Safe Streets for WNC, etc)

This plan fulfills Goal 1 of the Elevate2050 plan by expanding existing bicycle and pedestrian facilities and routes along the Richland Creek Greenway. It also supports Goal 6 by supporting the local and regional economy by revitalizing an area heavily impacted by Hurricane Helene. This plan will adhere to the 6 principles in the Safe Streets for WNC plan by ensuring that the streets in Frog Level are safer for pedestrians by providing space for every mode. This will reduce crashes and ensure that when crashes do happen that they are at a slower speed and less dangerous.

10. How does the project advance multimodal access and safety in the region?

Waynesville is very car dependent with its greenway segments not fully connected. In order for people to use the greenway for transportation, it must connect residential and commercial areas safely and completely. The work of this project will be towards filling one of the major gaps in the greenway network. This plan will work to increase the accessibility of Frog Level and make it safer for residents and families to spend time there.

11. How does the project align with the MPO's Preferred Growth Scenario from the MTP? I.E. how does this project likely impact development patterns in the region?

The preferred growth projection as adopted in the Elevate2050 plan was the consolidated growth projection. As Frog Level is one of the centers of urbanized Waynesville, it should be accessible for all modes of transit. It is nearby to dense infill housing, on the Haywood County Transit route, and the center point of the town's greenway. It is also an alternate route to the business districts of downtown Waynesville and Hazelwood, reducing congestion on Russ Avenue and potentially reducing vehicle miles traveled.

12. Total Cost of the Proposed Project?

The project is estimated to cost \$28,000.

13. Federal funding requested for the project (80% of the total cost):

The federal funding will be \$22,400.

14. Local funding provided for the project (20% of the total cost)

The town will pay \$5,600 towards the project.

**TOWN OF WAYNESVILLE TOWN COUNCIL
REQUEST FOR COUNCIL ACTION
Meeting Date: December 9th, 2025**

SUBJECT: Appointment of Justin Jamison to the Waynesville Recreation Advisory Commission

AGENDA INFORMATION

Agenda Location: Consent Agenda
Item Number:
Department: Administration
Contact: Luke Kinsland, Parks and Recreation Director
Presenter: Jesse Fowler, Assistant Town Manager

BRIEF SUMMARY

The Waynesville Recreation Advisory Commission has one vacancy. If appointed, Mr. Jamison’s term would end June 30th, 2026.

MOTIONS FOR CONSIDERATION

Motion to appoint Justin Jamison to the Waynesville Recreation Advisory Commission.

ATTACHMENTS:

MANAGER’S COMMENTS AND RECCOMENDATIONS

**TOWN OF WAYNESVILLE TOWN COUNCIL
REQUEST FOR COUNCIL ACTION
Meeting Date: 12/9/2025**

SUBJECT: Approval of Revised Summer Camp Fee Schedule for 2026 Season

AGENDA INFORMATION:

Agenda Location: Consent

Item Number:

Department: Recreation

Contact: Cameron Kanetzke

Presenter: Luke Kinsland/Cameron Kanetzke

BRIEF SUMMARY:

The Waynesville Parks & Recreation is requesting approval of a revision to the Summer Camp fee schedule for the 2026 sign-up season. The 2025 camp season was highly successful, serving more than 100 campers and generating over \$115,000 in revenue, with strong family satisfaction and minimal complaints. However, post-season feedback indicated that multi-child households experienced financial challenges when paying full rates for each child.

To address this, staff propose keeping the current full weekly rates (\$175 resident / \$190 non-resident) while adding a new discounted rate for additional children within the same household: **\$90 for residents and \$100 for non-residents**. This structure aligns with the Town's after-school program, increases accessibility for families, and keeps Waynesville's camp competitive with similar regional programs. Revenue projections show the new schedule would continue to exceed the department's seasonal revenue goals while reducing cost barriers for families.

MOTION FOR CONSIDERATION:

To approve the revision to the Town of Waynesville Fee Schedule by adopting the proposed Summer Camp additional-child discounted rates, setting the weekly fee at \$90 for each additional resident child and \$100 for each additional non-resident child within the same household, effective for the 2026 summer camp season.

FUNDING SOURCE/IMPACT: n/a

ATTACHMENTS: fee schedule justification

MANAGER'S COMMENTS AND RECOMMENDATIONS: See above



Waynesville Recreation Center Programs Department

Justification Report: Summer Camp Fee Schedule Adjustment

Presented by: Cameron Kanetzke & Allison Fuller, WRC Department

Date: October 31, 2025 | Presented on Board Agenda

Reasoning for Report

The purpose of this report is to present a proposed **Fee Schedule Adjustment for Summer Camp Rates for Families** for the upcoming 2026 summer season. This adjustment is intended to promote community accessibility, encourage multi-child household participation, and maintain the high-quality standards that define the Waynesville Recreation Center's summer programming.

Background and Overview

The Waynesville Recreation Center's 2025 Summer Camp was one of our most successful programs to date. With **over 100 camp spots filled** and a **total revenue exceeding \$115,000**, the program demonstrated both strong community support and operational success.

Our team is immensely grateful to our **dedicated staff, supportive families**, and the **Waynesville community** for making this possible. We also extend our appreciation to the **Haywood Health Foundation** for their partnership and sponsorship contributions to allow the **Broyhill Baptist Children's Home** to participate in the summer camp program this past summer.

Additional highlights of the 2025 summer camp season include:

- **Over 100 total campers served** throughout the summer.
- **\$115,000+ total revenue** generated through registration fees.
- **Only one recorded complaint** during the entire summer.
- **High satisfaction and return interest** among families.
- **Strong staff retention and morale**, enabling consistent programming quality.

This past season reaffirmed the Recreation Center's mission: to provide **high-quality programs for the people of Waynesville and surrounding communities in a cost-effective, inclusive manner.**

Community Feedback & Evaluation

Following the 2025 summer session, feedback was collected from both participating and non-participating families. The results revealed a consistent theme—**many families with multiple children expressed financial challenges** when enrolling more than one child at the full rate.

While families praised the **quality of care, activities, and structure**, the desire for a **more accessible rate structure for multiple children** was clearly voiced. Families compared the summer camp fee schedule to that of the afterschool program, where a discounted “additional child” rate helps alleviate financial burden.

This feedback, combined with our department’s goal of being a **community-first and cost-effective** provider, inspired the following proposal breakdown.

Proposed Fee Adjustment

The Waynesville Recreation Center proposes maintaining the current full-rate structure while adding a **supplemental discounted rate** for additional children within the same household. **With no multiple-week discount for summer camp, this new proposal for an additional child supplemental discount rate ensures transparency, competitiveness, fairness, and consistency across the board when understanding revenue, signup processes, and family inclusiveness.**

Category	Current Rate	Proposed Rate	Additional Child Rate (New)
Resident	\$175	\$175	\$90
Non-Resident	\$190	\$190	\$100

This structure mirrors the **after-school program’s family-friendly model**, while still maintaining the financial integrity of the camp’s (and Town’s) revenue goals.

Clarification of Eligibility

All additional children within the **same household** (as verified under the same household or family account in the Recreation Center RecTrack system) will qualify for the discounted additional child rate, **regardless of household size.**

This ensures that larger families benefit equally, aligning with our community-first philosophy and making our summer camp one of the most inclusive and family-friendly options in the region.

Comparison to Local Competition

To provide further context and justification, it’s helpful to compare how these rates stack up against nearby recreational programs.

For a two-child resident family, the total cost under the proposed fee structure would be:

- $\$175 + \$90 = \$265$

For a two-child non-resident family, the total cost would be:

- \$190 + \$100 = \$290

By comparison, Camp X (Example: Skate-ways) offers two-child summer enrollment at approximately \$350 total. **This positions the Waynesville Recreation Center as both a competitive and resourceful choice for families seeking quality care, structured activities, and affordability.**

This rate not only provides families with substantial savings but also reinforces our image as the **most accessible, high-quality summer camp option in our area.**

Projected Benefits

- 1. Increased Accessibility for Families:**
Encourages participation from multi-child households that previously may have been unable to afford full rates for multiple children.
- 2. Higher Enrollment & Spot Fill Rates:**
By lowering the financial barrier for second or third children, we anticipate greater participation, effectively filling more available camp spots earlier in the registration process. This also creates a **competitive advantage** for us when matching against/with other camps that have either the same or lower rates.
- 3. Sustainable Revenue Growth:**
Although individual household costs may decrease slightly, total participation rates are projected to increase—resulting in **greater total revenue.**
- 4. Greater Community Trust & Engagement:**
A visible effort to make summer camp more affordable reinforces the Town’s commitment to being **“for the people”** and delivering **high-quality programs for our community.**
- 5. Consistency with Town Mission & Fee Core Principles:**
Aligns with the Recreation Center’s core mission to provide affordable, accessible, and enriching recreation opportunities for all families.

Statistical Breakdown & Projections

- **2025 Household Participation Breakdown:**
 - 60% Resident
 - 40% Non-Resident
- **Average Household Size (Camp Participants):**
 - 2 children per household (median)

- **Estimated Revenue Scenarios for 2026:**

The following table will demonstrate revenue projections for 2026 under the proposed fee adjustment, compared to maintaining current rates.

Table 1: Revenue — Current Fee Structure					
Cost Per Week (Current)	x	Number of Weeks	Number of Spots (if strictly all res or nonres)	x	Total Maximum Projected Revenue
\$175	x	8	115	x	\$161,000
\$190	x	8	115	x	\$174,800
Table 2: Revenue – Current Fee Structure Resident/Non-Resident					
Cost Per Week (Proposed)	x	Number of Weeks	Number of Spots (if 60% res or 40% nonres)	x	Total Projected Revenue (Res/Nonres)
\$175	x	8	69 (60% of 115 total spots)	x	\$96,600
\$190	x	8	46 (40% of 115 total spots)	x	\$69,920
			Total		\$166,520
Tables 3: NEW Proposed Fee Schedule with Additional Child Fee (Resident/Nonresident)					
Cost Per Week (Current)	50% Number of spots with the mean household of 2	Number of Weeks	Additional Child Fee	50% Number of spots with the mean household of 2	Total Projected Revenue
\$175	34.5 (out of 69)	8	\$90	34.5 (out of 69)	\$48,300 + \$24,840 = \$73,140
\$190	23 (out of 46)	8	\$100	23 (out of 46)	\$34,960 + \$18,400 = \$53,360
				Total	\$126,500

Table 3 Breakdown:

Resident:

\$175 weekly rate x 34.5 spots (half of the 69 projected resident spots – household median of 2) x 8 weeks = **\$48,300**

\$90 additional child fee x 34.5 spots (half of the 69 projected resident spots – household median of 2) x 8 weeks = **\$24,840**

Total: \$73,140 in RESIDENT ALONE

Nonresident:

\$190 weekly rate x 23 spots (half of the 46 projected nonresident spots – household median of 2) x 8 weeks = **\$34,960**

\$100 additional child fee x 23 spots (half of the 46 projected nonresident spots – household median of 2) x 8 weeks = **\$18,400**

Total: \$53,360 in NONRESIDENT ALONE

Total Projected Revenue with NEW Proposal (115 spots): \$126,500

Projected Revenue Goal: \$90,000 (+ \$36,500 in exceeded earnings)

Secondary Tables: IF we were to reduce to 100 spots a week for summer camp

Table 1: Revenue — Current Fee Structure					
Cost Per Week (Current)	x	Number of Weeks	Number of Spots (if strictly all res or nonres)	x	Total Maximum Projected Revenue
\$175	x	8	100	x	\$140,000
\$190	x	8	100	x	\$152,000
Table 2: Revenue – Current Fee Structure Resident/Non-Resident					
Cost Per Week (Proposed)	x	Number of Weeks	Number of Spots (if 60% res or 40% nonres)	x	Total Projected Revenue (Res/Nonres)
\$175	x	8	60 (60% of 100 total spots)	x	\$84,000
\$190	x	8	40 (40% of 100 total spots)	x	\$60,800
			Total		\$144,800
Tables 3: NEW Proposed Fee Schedule with Additional Child Fee (Resident/Nonresident)					
Cost Per Week (Current)	50% Number of spots with the mean household of 2	Number of Weeks	Additional Child Fee	50% Number of spots with the mean household of 2	Total Projected Revenue
\$175	30 (out of 60)	8	\$90	30 (out of 60)	\$42,000 + \$21,600 = \$63,600
\$190	20 (out of 40)	8	\$100	20 (out of 40)	\$30,400 + \$16,000 = \$46,400
				Total	\$110,000

Table 3 Breakdown:

Resident:

\$175 weekly rate x 30 spots (half of the 60 projected resident spots – household median of 2) x 8 weeks
= **\$42,000**

\$90 additional child fee x 30 spots (half of the 60 projected resident spots – household median of 2) x 8 weeks = **\$21,600**

Total: \$63,600 in RESIDENT ALONE

Nonresident:

\$190 weekly rate x 20 spots (half of the 40 projected nonresident spots – household median of 2) x 8 weeks = **\$30,400**

\$100 additional child fee x 20 spots (half of the 40 projected nonresident spots – household median of 2) x 8 weeks = **\$16,000**

Total: \$46,400 in NONRESIDENT ALONE

Total Projected Revenue with NEW Proposal (100 spots): \$110,000

Projected Revenue Goal: \$90,000 (+ \$20,000 in exceeded earnings)

These tables will show that, assuming a **60/40 resident/nonresident mean split** with an average of **two children per family**, the proposed fee structure is expected to **increase overall registration and surpass our total revenue goal over \$90,000** while reducing per-family cost barriers. While these are not exact measurements, it enables us to see the projections **IF** we were to move forward with this proposal.

Conclusion

The Waynesville Recreation Center's summer camp program continues to be a cornerstone of our Parks & Recreation offerings—strengthening families, fostering community togetherness, and ensuring every child has the opportunity to experience an enriching, safe, and fun summer.

We firmly believe that implementing this **new additional child fee structure** will:

- Attract more families to our programs.
- Strengthen community relationships.
- Encourage participation across diverse economic backgrounds, enabling us to appeal to all families.
- Help us **surpass our 2026 summer camp revenue goal of \$90,000** while still remaining affordable and accessible.

This fee adjustment reflects our department's dedication to being **for the people** and providing **high-quality programs for our community and the ones surrounding it.**

Prepared By:

Cameron Kanetzke

Programs Supervisor – Waynesville Recreation Center

Signature: ___C.M.K_____

Date: ___10/31/2025_____

Allison Fuller

Programs Specialist – Waynesville Recreation Center

Signature: _____A.F._____

Date: _____10/31/2025_____

**TOWN OF WAYNESVILLE TOWN COUNCIL
REQUEST FOR COUNCIL ACTION
Meeting Date: 12/9/2025**

SUBJECT Approve State Revolving Loan offer of \$5,000,000 with 100% principal forgiveness

AGENDA INFORMATION:

Agenda Location: Consent

Item Number:

Department:

Contact: Rob Hites

Presenter: Rob Hites

BRIEF SUMMARY The Town applied for an \$8,490,531 SRF Loan to fund the conversion of a junction box located on the property of Little Champion to a low-pressure pump station. The State limited the loan amounts to a maximum of \$5,000,000. DEQ awarded Waynesville the maximum loan amount of \$5,000,000 with 100% principal forgiveness. The Town will have to pay a 2% loan processing fee on the front end. The State followed the process with a second round of funding. We applied for the balance of the loan, \$3,490,531. DEQ should announce the awards of that process in late December.

MOTION FOR CONSIDERATION:

Accept the State's offer of a \$ million dollar SRF Loan with 100% principal forgiveness.

FUNDING SOURCE/IMPACT Sewer Fund

ATTACHMENTS Loan Offer

MANAGER'S COMMENTS See Above



NORTH CAROLINA
Environmental Quality

November 14, 2025

JOSH STEIN
Governor
D. REID WILSON
Secretary
SHADI ESKAF
Director

Rob Hites, Town Manager
Town of Waynesville
16 South Main Street
Waynesville, NC 28786

Subject: Letter of Intent to Fund
Town of Waynesville
Little Champion Sewer Improvements
SRF Helene Rolling Application Cycle
SWIA Award Date: September 17, 2025
Project No.: SRF-W-HEL-0004
Agreement ID: 2000086612

Dear Manager Hites:

The Division of Water Infrastructure (Division) has reviewed your funding application for the project listed in the subject heading, and the State Water Infrastructure Authority (SWIA) has approved your project as eligible to receive funding from the State Revolving Fund Supplemental Appropriations for Hurricanes Helene and Milton and the Hawai'i Wildfires (referred to by the Division as the "SRF Helene" funds). The funds must be used to build infrastructure resilience to reduce flood risk and vulnerability and/or to enhance resiliency to rapid hydrologic change or natural disasters. The funding information is as follows:

Funding Information

Funding Source/Type:	Clean Water State Revolving Fund (CWSRF Loan) Helene Funds
Funding Amount*:	\$5,000,000 total funding including: \$5,000,000 at 100% Principal Forgiveness (PF), plus the remainder at 75% Principal Forgiveness and 25% Loan with the loan term specified below. Total award includes \$5,000,000 in PF and \$0 in Loans
Loan Term:	0% interest rate over 20 years
Total Project Cost:	\$8,490,531
Fee:	2% to be invoiced after bids are received (can be financed with Principal Forgiveness awarded in the project)



Manager Hites, Town Manager

November 14, 2025

Page 2 of 5

* Funding amount is limited to an initial cap of \$10,000,000. This project may receive additional funds in the April 2026 SWIA meeting if SRF Helene funds remain available and the project remains not fully funded by all other sources. Eligibility to receive additional funds will be based on the project’s priority points.

Division’s Project Manager(s)

Logan Kluttz (PM):

logan.kluttz@deq.nc.gov
(919) 618-6064

Shane Beeson (VU Contact for local governments designated as Distressed)

shane.beeson@deq.nc.gov
(919) 707-3614

Please note that this intent to fund is contingent on the Division receiving funds from the US EPA, approval of the loan portion through the Local Government Commission (if applicable), and on meeting all of the following milestones:

<u>Milestone*</u>	<u>Date</u>
Engineering Report Submittal	7/15/2026
Engineering Report Approval**	12/1/2026
Bid and Design Package Submittal	6/1/2027
Bid and Design Package Approval	10/1/2027
Advertise Project, Receive Bids, Submit Bid Information, <u>and</u> Receive Authority to Award	2/2/2028
Execute Construction Contract(s)	5/2/2028

*Failure to meet any milestone may result in the forfeiture of funding for the proposed project.

**Funding offer will be prepared after Engineering Report approval.

The first milestone is the submittal of an Engineering Report by the date shown above. The Engineering Report must be developed using the guidance found on our website’s *I Have Funding* webpage under the Engineering Report section. Failure to meet any milestone may result in the forfeiture of funding for the proposed project. A funding offer will be prepared after approval of the Engineering Report.

The Division’s *I Have Funding* webpage at <https://www.deq.nc.gov/about/divisions/water-infrastructure/i-have-funding> contains guidance, checklists and templates to use for funded projects.

Upon detailed review of the project during the funding process, it may be determined that portions of your project are not eligible for funding and the total funding amount may be reduced. Additionally, changes in the scope or priority points awarded – based on additional information that becomes apparent during project review – may also result in changes to the total funding amount and loan terms.

Manager Hites, Town Manager

November 14, 2025

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Engineering Services Procurement

All projects must comply with North Carolina General Statute 143-64.31, Article 3D Procurement of Architectural, Engineering, and Surveying Services. Projects cannot be exempted from qualification-based selection of these services under N.C.G.S. 143-64.32. Any services provided that were not selected in compliance with federal requirements will be ineligible for reimbursement.

Davis-Bacon Requirements and American Iron and Steel Provisions

Projects funded through the State Revolving Fund (SRF) programs must comply with Davis -Bacon wage requirements and American Iron and Steel provisions. You can find standard specifications covering these requirements on our website's *I Have Funding* section.

Approval of Debt by Local Government Commission

Projects funded with a Division of Water Infrastructure repayable loan component must receive approval from the Local Government Commission (LGC). Final approval of debt must be coordinated directly with the LGC after construction bids are received. Materials must be emailed to srf@nctreasurer.com.

Joint Legislative Committee on Local Government Notification Requirements

In accordance with G.S. 120-157.2, local government units with projects that require debt to be issued greater than \$1,000,000 **must** submit a letter to Committee Chairs, Committee Assistant, and the Fiscal Research Division of the General Assembly at least 45 days prior to presentation before the Local Government Commission. You are responsible for submitting that letter and providing a copy to the Division.

Local Government Units Must Be Current on Annual Audits

Units of local government must be current on their annual audits to receive disbursements from the loan or grant award. Funded local government units must submit their audited financial statement of the latest fiscal year to the Local Government Commission by July 1 of the following calendar year to comply with this requirement.

Extended Term Loan

Projects that qualify for a targeted interest rate and demonstrate in the Engineering Report a weighted average design life for the major components of the project greater than 20 years are eligible for an extended loan term up to the calculated weighted average design life, but not to exceed 30 years. Request an extended term by contacting your project manager and provide the necessary calculation (see the design life workbook in the Engineering Report section of the *I Have Funding* webpage).

Submittal of Project Documents to the Division on Laserfiche

All project documents are to be submitted to the Division via Laserfiche at the following link: <https://edocs.deq.nc.gov/Forms/DW-Document-Upload-Form>.

Manager Hites, Town Manager

November 14, 2025

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Disbursement of Funds

Funds are disbursed to the Recipient for eligible costs that are documented as part of the project only after the costs have been incurred by the Recipient and all necessary documentation has been received and approved by the Division beforehand. If the Recipient requests funds prior to paying contractors, the Recipient will have three business days to pay contractors upon receipt of funds. Costs incurred since the onset of the hurricane may be eligible if they are related to the project scope and all SRF Helene requirements had been met by the time costs have been incurred.

Prior to requesting the first disbursement on your project, you will be asked to submit to the Division, via the Laserfiche link above, several required documents including but not limited to:

1. One copy of the original funding offer-and-acceptance document, executed by the Authorized Representative for the project, along with the “Conditions and Assurances”. Note that the funding offer will be prepared after approval of the Engineering Report.
2. A Resolution adopted by the governing body accepting the funding offer and making the applicable assurances contained therein.
3. Federal Tax ID/Unique Entity ID (UEID) Form (attached).
4. Sales Tax Certification, if applicable (attached).
5. One copy of all executed service agreements and/or contracts.

The Division will communicate with you when these documents will be required. In addition, loans (if applicable) must be approved by the Local Government Commission prior to disbursement.

Once all documents have been received and approved, the Recipient will request disbursements via the Division’s EBS System Log-in located at <https://www.ebs.nc.gov/logon/index.html>. A reference copy of the Division’s Disbursement Request Form, a link to the online EBS portal, and a list of frequently asked questions can be accessed from the Division’s webpage at <https://www.deq.nc.gov/construction-disbursement-funds>.

Please Submit the UEID Form

Upon receipt of this letter of intent to fund, please fill out the attached Federal Tax ID & Unique Entity ID (UEID) form and submit it through LaserFiche using the link provided above.

Coordination of Funding from Other Sources

Funding must not be used to cover the costs of the Recipient for which alternative funding from another state or federal agency has already been secured. In order to avoid duplication of funding and to streamline project review and approvals, please inform the Division’s project manager if you already have secured or are seeking funding from another state or federal agency (including FEMA-Public Assistance) for any part of the scope for this project.

Manager Hites, Town Manager

November 14, 2025

Page 5 of 5

Declination of Intent of Funding

If you choose to decline the potential for funding as identified in this Letter of Intent to Fund, please submit a signed letter on official letterhead from the Authorized Representative as identified in the funding application within 30 days of receipt of this letter.

In accordance with the Division's policy, this project will only be eligible for additional funding if there are documented unfunded project costs. The funding amount identified in this Letter of Intent to Fund will not be considered in future funding applications. If you intend to seek different funding terms for the same project and costs through a different Division of Water Infrastructure funding source, you must reapply for the project and formally decline this potential for funding prior to the application deadline.

If you have any questions, please contact the assigned Project Manager, Logan Kluttz.

Congratulations on the selection of your application for a funding award.

Sincerely,

DocuSigned by:

6300A872077B4C5...

Shadi Eskaf, Director
Division of Water Infrastructure, NCDEQ

Enclosures: Federal Tax ID/Unique Entity ID (UEID) Form

EC: Rob Hites, Town of Waynesville, rhites@waynesvillenc.gov
Lauren Elliott, McGill Associates, lauren.elliott@mcgillassociates.com
Logan Kluttz (via email)
Shane Beeson (via email)
DWI Agreement ID 2000086612 (COM – LOIF)

**TOWN OF WAYNESVILLE COUNCIL MEETING
REQUEST FOR BOARD ACTION
Meeting Date: 12.09.2025**

SUBJECT: Renewing approval of internal controls

AGENDA INFORMATION:

Agenda Location: Consent Agenda
Item Number:
Department: Finance/ Admin
Contact: Ian Barrett
Presenter: Rob Hites

BRIEF SUMMARY: The town is reviewing policies pertinent to ARPA and SRF projects. We would like to put these policies forward for council approval

MOTION FOR CONSIDERATION: Adopt policies



Ian Barrett, Finance Director

12.01.25

Date

ATTACHMENTS:

MANAGER'S COMMENTS AND RECOMMENDATIONS:



TOWN OF WAYNESVILLE, NORTH CAROLINA

Administrative Policies and Procedures

CONFLICT OF INTEREST POLICY

Effective Date: June 28, 2022

Finance Department (828) 456-3515

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

* * * * *

I. Scope of Policy

- a. Purpose of Policy. This Conflict of Interest Policy (“*Policy*”) establishes conflict of interest standards that (1) apply when THE Town of Waynesville (“*Unit*”)¹ enters into a Contract (as defined in Section II hereof) or makes a Subaward (as defined in Section II hereof), and (2) meet or exceed the requirements of North Carolina law and 2 C.F.R. § 200.318(c).
- b. Application of Policy. This Policy shall apply when the Unit (1) enters into a Contract to be funded, in part or in whole, by Federal Financial Assistance to which 2 C.F.R. § 200.318(c) applies, or (2) makes any Subaward to be funded by Federal Financial Assistance to which 2 C.F.R. § 200.318(c) applies. If a federal statute, regulation, or the terms of a financial assistance agreement applicable to a particular form of Federal Financial Assistance conflicts with any provision of this Policy, such federal statute, regulation, or terms of the financial assistance agreement shall govern.

II. Definitions

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

- a. “*COI Point of Contact*” means the individual identified in Section III(a) of this Policy.
- b. “*Contract*” means, for the purpose of Federal Financial Assistance, a legal instrument by which the Unit purchases property or services needed to carry out a program or project under a Federal award.
- c. “*Contractor*” means an entity or individual that receives a Contract.

- d. “*Covered Individual*” means a Public Officer, employee, or agent of the Unit.
- e. “*Covered Nonprofit Organization*” means a nonprofit corporation, organization, or association, incorporated or otherwise, that is organized or operating in the State of North Carolina primarily for religious, charitable, scientific, literary, public health and safety, or educational purposes, excluding any board, entity, or other organization created by the State of North Carolina or any political subdivision of the State (including the Unit).
- f. “*Direct Benefit*” means, with respect to a Public Officer or employee of the Unit, or the spouse of any such Public Officer or employee, (i) having a ten percent (10%) ownership interest or other interest in a Contract or Subaward; (ii) deriving any income or commission directly from a Contract or Subaward; or (iii) acquiring property under a Contract or Subaward.
- g. “*Federal Financial Assistance*” means Federal financial assistance that the Unit receives or administers in the form of grants, cooperative agreements, non-cash contributions or donations of property (including donated surplus property), direct appropriations, food commodities, and other Federal financial assistance (except that the term does not include loans, loan guarantees, interest subsidies, or insurance).
- h. “*Governing Board*” means the Board of Aldermen of the Unit.
- i. “*Immediate Family Member*” means, with respect to any Covered Individual, (i) a spouse, and parents thereof, (ii) a child, and parent thereof, (iii) a parent, and spouse thereof, (iv) a sibling, and spouse thereof, (v) a grandparent and grandchild, and spouses thereof, (vi) domestic partners and parents thereof, including domestic partners of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with the Covered Individual is the equivalent of a family relationship.²
- j. “*Involved in Making or Administering*” means (i) with respect to a Public Official or employee, (a) overseeing the performance of a Contract or Subaward or having authority to make decisions regarding a Contract or Subaward or to interpret a Contract or Subaward, or (b) participating in the development of specifications or terms or in the preparation or award of a Contract or Subaward, (ii) only with respect to a Public Official, being a member of a board, commission, or other body of which the Public Official is a member, taking action on the Contract or Subaward, whether or not the Public Official actually participates in that action.
- k. “*Pass-Through Entity*” means a non-Federal entity that provides a Subaward to a Subrecipient to carry out part of a Federal program.
- l. “*Public Officer*” means an individual who is elected or appointed to serve or represent the Unit (including, without limitation, any member of the Governing Board), other than an employee or independent contractor of the Unit.

- m. “*Recipient*” means an entity, usually but not limited to a non-Federal entity, that receives a Federal award directly from a Federal awarding agency. The term does not include Subrecipients or individuals that are beneficiaries of the award.
- n. “*Related Party*” means (i) an Immediate Family Member of a Covered Individual, (ii) a partner of a Covered Individual, or (iii) a current or potential employer (other than the Unit) of a Covered Individual, of a partner of a Covered Individual, or of an Immediate Family Member of a Covered Individual.
- o. “*Subaward*” means an award provided by a Pass-Through Entity to carry out part of a Federal award received by the Pass-Through Entity. It does not include payments to a contractor or payments to a contractor or payments to an individual that is a beneficiary of a Federal program.
- p. “*Subcontract*” means mean any agreement entered into by a Subcontractor to furnish supplies or services for the performance of a Contract or a Subcontract. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders.
- q. “*Subcontractor*” means an entity that receives a Subcontract.
- r. “*Subrecipient*” means an entity, usually but not limited to a non-Federal entity, that receives a subaward from a Pass-Through Entity to carry out part of a Federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.
- s. “*Unit*” has the meaning specified in Section I hereof.

III. COI Point of Contact.

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

IV. Conflict of Interest Standards in Contracts and Subawards

- a. North Carolina Law. North Carolina law restricts the behavior of Public Officials and employees of the Unit involved in contracting on behalf of the Unit. The Unit shall conduct the selection, award, and administration of Contracts and Subawards in accordance with

the prohibitions imposed by the North Carolina General Statutes and restated in this Section III.

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

b. Federal Standards.

- i. Prohibited Conflicts of Interest in Contracting. Without limiting any specific prohibition set forth in Section IV(a), a Covered Individual may not participate in the selection, award, or administration of a Contract or Subaward if such Covered Individual has a real or apparent conflict of interest.
 1. Real Conflict of Interest. A real conflict of interest shall exist when the Covered Individual or any Related Party has a financial or other interest in or a tangible personal benefit from a firm considered for a Contract or Subaward. Exhibit A attached hereto provides a non-exhaustive list of examples of (i) financial or other interests in a firm considered for a Contract or Subaward, and (ii) tangible personal benefits from a firm considered for a Contract or Subaward.

2. Apparent Conflict of Interest. An apparent conflict of interest shall exist where a real conflict of interest may not exist under Section IV(b)(i)(1), but where a reasonable person with knowledge of the relevant facts would find that an existing situation or relationship creates the appearance that a Covered Individual or any Related Party has a financial or other interest in or a tangible personal benefit from a firm considered for a Contract or Subaward.
- ii. Identification and Management of Conflicts of Interest.
 1. Duty to Disclose and Disclosure Forms
 - a. Each Covered Individual expected to be or actually involved in the selection, award, or administration of a Contract or Subaward has an ongoing duty to disclose to the COI Point of Contact potential real or apparent conflicts of interest arising under this Policy.
 - b. Prior to the Unit's award of a Contract or Subaward, the COI Point of Contact shall advise Covered Individuals expected to be involved in the selection, award, or administration of the Contract or Subaward of such duty.
 - c. If the value of a proposed Contract or Subaward exceeds \$250,000, the COI Point of Contact shall collect a Conflict of Interest Disclosure Form contained in Exhibit C (for Contracts) and Exhibit E (for Subawards) from each Covered Individual and file such Conflict of Interest Disclosure Form in records of the Unit.
 2. Identification Prior to Award of Contract or Subaward.
 - a. Prior to the Unit's award of a Contract or Subaward, the COI Point of Contact shall complete the appropriate Compliance Checklist contained in Exhibit B (for Contracts) and Exhibit D (for Subawards) attached hereto and file such Compliance Checklist in the records of the Unit.
 3. Management Prior to Award of Contract or Subaward
 - a. If, after completing the Compliance Checklist, the COI Point of Contact identifies a potential real or apparent conflict of interest relating to a proposed Contract or Subaward, the COI Point of Contact shall disclose such finding in writing to the Town Manager and to each member of the Governing Board. If the Governing Board desires to enter into the proposed Contract or

Subaward despite the identification by the COI Point of Contact of a potential real or apparent conflict of interest, it may either:

- i. accept the finding of the COI Point of Contact and direct the COI Point of Contact to obtain authorization to enter into the Contract or Subaward from (a) if Unit is a Recipient of Federal Financial Assistance, the Federal awarding agency with appropriate mitigation measures, or (b) if Unit is a Subrecipient of Federal Financial Assistance, from the Pass-Through Entity that provided a Subaward to Unit; or
 - ii. reject the finding of the COI Point of Contact and enter into the Contract or Subaward. In rejecting any finding of the COI Point of Contact, the Governing Board shall in writing document a justification supporting such rejection.
- b. If the COI Point of Contact does not identify a potential real or apparent conflict of interest relating to a proposed Contract or Subaward, the Unit may enter into the Contract or Subaward in accordance with the Unit's purchasing or subaward policy.

4. Identification After Award of Contract or Subaward.

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

5. Management After Award of Contract or Subaward.

- a. Following the receipt of such disclosure of a potential real or apparent conflict of interest pursuant to Section IV(b)(ii)(4), the Governing Board may reject the finding of the COI Point of Contact by documenting in writing a justification supporting such rejection. If the Governing Board fails to reject the finding of the COI Point of Contact within 15 days of receipt, the COI Point of Contact shall:
 - i. if Unit is a Recipient of Federal Financial Assistance funding the Contract or Subaward, disclose the conflict to the Federal awarding agency providing such Federal

Financial Assistance in accordance with 2 C.F.R. § 200.112 and/or applicable regulations of the agency, or

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

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

- a. **Subrecipients of Unit Must Adopt Conflict of Interest Policy.** Prior to the Unit's execution of any Subaward for which the Unit serves as a Pass-Through Entity, the COI Point of Contact shall ensure that the proposed Subrecipient of Federal Financial Assistance has adopted a conflict of interest policy that satisfies the requirements of 2 C.F.R. § 200.318(c)(1), 2 C.F.R. § 200.318(c)(2), and all other applicable federal regulations.
- b. **Obligation to Disclose Subrecipient Conflicts of Interest.** The COI Point of Contact shall ensure that the legal agreement under which the Unit makes a Subaward to a Subrecipient shall require such Subrecipient to disclose to the COI Point of Contact any potential real or apparent conflicts of interest that the Subrecipient identifies. Upon receipt of such disclosure, the COI Point of Contact shall disclose such information to the Federal awarding agency that funded the Subaward in accordance with that agency's disclosure policy.

VI. **Gift Standards**

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

VII. **Violations of Policy**

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

EXHIBIT A

Examples

<i>Potential Examples of a “Financial or Other Interest” in a Firm or Organization Considered for a Contract or Subaward</i>	<i>Potential Examples of a “Tangible Personal Benefit” From a Firm or Organization Considered for a Contract or Subaward</i>
<p>Direct or indirect equity interest in a firm or organization considered for a Contract or Subaward, which may include:</p> <ul style="list-style-type: none"> - Stock in a corporation. - Membership interest in a limited liability company. - Partnership interest in a general or limited partnership. - Any right to control the firm or organization’s affairs. For example, a controlling equity interest in an entity that controls or has the right to control a firm considered for a contract. - Option to purchase any equity interest in a firm or organization. 	<p>Opportunity to be employed by the firm considered for a contract, an affiliate of that firm, or any other firm with a relationship with the firm considered for a Contract.</p> <p>A position as a director or officer of the firm or organization, even if uncompensated.</p>
<p>Holder of any debt owed by a firm considered for a Contract or Subaward, which may include:</p> <ul style="list-style-type: none"> - Secured debt (e.g., debt backed by an asset of the firm (like a firm’s building or equipment)) - Unsecured debt (e.g., a promissory note evidencing a promise to repay a loan). <ul style="list-style-type: none"> o Holder of a judgment against the firm. 	<p>A referral of business from a firm considered for a Contract or Subaward.</p>
<p>Supplier or contractor to a firm or organization considered for a Contract or Subaward.</p>	<p>Political or social influence (e.g., a promise of appointment to an local office or position on a public board or private board).</p>

EXHIBIT B

COMPLIANCE CHECKLIST FOR OVERSIGHT OF CONTRACT CONFLICTS OF INTEREST

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

Instructions for Completion

1. The COI Point of Contact shall complete Steps 1 through 5 of the Checklist below.
2. If the value of the proposed Contract exceeds \$250,000, the COI Point of Contact shall collect a Conflict of Interest Disclosure Form from each Covered Individual.
3. If the COI Point of Contact identifies a potential real or apparent conflict of interest after completing this Compliance Checklist, the COI Point of Contact shall report such potential conflict of interest to the Town Manager and to each member of the Governing Board.

Definitions.

1. *Covered Individual.* Each person identified in Section 1 of this Checklist is a “Covered Individual” for purposes of this Compliance Checklist and the Policy.
2. *Immediate Family Member* means, with respect to any Covered Individual, (i) a spouse, and parents thereof, (ii) a child, and parent thereof, (iii) a parent, and spouse thereof, (iv) a sibling, and spouse thereof, (v) a grandparent and grandchild, and spouses thereof, (vi) domestic partners and parents thereof, including domestic partners of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with the Covered Individual is the equivalent of a family relationship.
3. *Related Party* means (i) an Immediate Family Member of a Covered Individual, (ii) a partner of a Covered Individual, or (iii) a current or potential employer (other than the Unit) of a Covered Individual, of a partner of a Covered Individual, or of an Immediate Family Member of a Covered Individual.

Step			
1	Identify the proposed Contract, counterparty, and the subject of the Contract.	<u>Name of Contract:</u> _____	
		<u>Name of Counterparty</u> _____	
		<u>Subject of Contract:</u> _____	
2	Identify all individuals involved in the selection, award, or administration of the Contract. These individuals are “Covered Individuals”. Ensure that each Covered Individual has been provided with a copy of the Conflict of Interest Policy.		
	<u>Public Officials</u>	<u>Employees</u>	<u>Agents</u>
3	Identify whether any Covered Individual has a (i) financial or other interest in, or (ii) tangible personal benefit from the firm considered for a Contract. [If the estimated Contract amount exceeds \$250,000, ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact.]		
Any identified interest in Step 3 is a potential “real” conflict of interest.	<u>Public Officials</u>	<u>Employees</u>	<u>Agents</u>
4	Identify whether any Related Party has a (i) financial or other interest in or (ii) tangible personal benefit from the firm considered from a Contract. If the estimated Contract amount exceeds \$250,000, ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact.		
Any identified interest in Step 4 is a potential “real” conflict of interest.	<u>Public Officials – Related Party</u>	<u>Employees – Related Party</u>	<u>Agents – Related Party</u>

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

COI Point of Contact: _____

Signature of COI Point of Contact: _____

Date of Completion: _____

EXHIBIT C

**CONTRACT CONFLICT OF INTEREST DISCLOSURE FORM
FOR OFFICIALS, EMPLOYEES, AND AGENTS**

The Town of Waynesville (“Unit”) has adopted a Conflict of Interest Policy (“Policy”) that governs the Unit’s expenditure of Federal Financial Assistance (as defined in Section II of the Policy). The Policy designates the Finance Director as the “COI Point of Contact.”

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

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

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

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

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

Yes _____ No _____ Unsure: _____

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

7. Benefits to Employers

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

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

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

* * * * *

Sign Name: _____

Print Name: _____

Name of Employer _____

Job Title: _____

Date of Completion: _____

* * * * *

EXHIBIT D

COMPLIANCE CHECKLIST FOR SUBAWARD OVERSIGHT

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

Instructions for Completion

1. The COI Point of Contact shall complete Steps 1 through 5 of the Checklist below.
2. If the value of the proposed Subaward exceeds \$250,000, the COI Point of Contact shall collect a Conflict of Interest Disclosure Form from each Covered Individual.
3. If the COI Point of Contact identifies a potential real or apparent conflict of interest after completing this Compliance Checklist, the COI Point of Contact shall report such potential conflict of interest to the Town Manager and to each member of the Governing Board.

Definitions.

1. *Covered Individual.* Each person identified in Section 1 of this Checklist is a “Covered Individual” for purposes of this Compliance Checklist and the Policy.
2. *Immediate Family Member* means, with respect to any Covered Individual, (i) a spouse, and parents thereof, (ii) a child, and parent thereof, (iii) a parent, and spouse thereof, (iv) a sibling, and spouse thereof, (v) a grandparent and grandchild, and spouses thereof, (vi) domestic partners and parents thereof, including domestic partners of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with the Covered Individual is the equivalent of a family relationship.
3. *Related Party* means (i) an Immediate Family Member of a Covered Individual, (ii) a partner of a Covered Individual, or (iii) a current or potential employer (other than the Unit) of a Covered Individual, of a partner of a Covered Individual, or of an Immediate Family Member of a Covered Individual.

Step			
1	Identify the proposed Subaward, Subrecipient, and the subject of the Subaward.	<u>Name of Contract:</u> <hr/> <u>Name of Counterparty</u> <hr/> <u>Subject of Subaward:</u> <hr/>	
2	Identify all individuals involved in the selection, award, or administration of the Subaward. These individuals are “Covered Individuals”. Ensure that each Covered Individual has been provided with a copy of the Conflict of Interest Policy.		
	<u><i>Public Officials</i></u>	<u><i>Employees</i></u>	<u><i>Agents</i></u>
3	Identify whether any Covered Individual has a (i) financial or other interest in, or (ii) tangible personal benefit from the firm considered for a Subaward. [If the estimated Subaward amount exceeds \$100,000, ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact.]		
Any identified interest in Step 3 is a potential “real” conflict of interest.	<u><i>Public Officials</i></u>	<u><i>Employees</i></u>	<u><i>Agents</i></u>
4	Identify whether any Related Party has a (i) financial or other interest in or (ii) tangible personal benefit from the firm considered from a Subaward. If the estimated Subaward amount exceeds \$100,000, ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact.]		
Any identified interest in Step 4 is a potential “real” conflict of interest.	<u><i>Public Officials – Related Party</i></u>	<u><i>Employees – Related Party</i></u>	<u><i>Agents – Related Party</i></u>

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

COI Point of Contact: _____

Signature of COI Point of Contact: _____

Date of Completion: _____

EXHIBIT E

SUBAWARD CONFLICT OF INTEREST DISCLOSURE FORM

FOR OFFICIALS, EMPLOYEES, AND AGENTS

The Town of Waynesville (“Unit”) has adopted a Conflict of Interest Policy (“Policy”) that governs the Unit’s expenditure of Federal Financial Assistance (as defined in Section II of the Policy). The Policy designates the Finance Director as the COI Point of Contact.

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

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

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

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

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

Yes _____ No _____ Unsure: _____

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

7. Benefits to Employers

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

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

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

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

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

* * * * *

Sign Name: _____
Print Name: _____
Name of Employer _____
Job Title: _____
Date of Completion: _____

* * * * *



TOWN OF WAYNESVILLE, NORTH CAROLINA

Administrative Policies and Procedures

POLICY FOR ALLOWABLE COSTS AND COST PRINCIPLES FOR EXPENDITURE OF AMERICAN RESCUE PLAN ACT CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

Effective Date: June 28, 2022

Finance Department (828) 456-3515

WHEREAS the Town of Waynesville, 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 to expand access to broadband internet; and

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

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

Allowable Costs/Cost Principles. As outlined in the Uniform Guidance at 2 CFR Part 200, Subpart E regarding Cost Principles, allowable costs are based on the premise that a recipient is responsible for the effective administration of Federal awards, application of

sound management practices, and administration of Federal funds in a manner consistent with the program objectives and terms and conditions of the award. Recipients must implement robust internal controls and effective monitoring to ensure compliance with the Cost Principles, which are important for building trust and accountability.

[ARP/CSLFRF] Funds may be, but are not required to be, used along with other funding sources for a given project. Note that [ARP/CSLFRF] Funds may not be used for a non-Federal cost share or match where prohibited by other Federal programs, e.g., funds may not be used for the State share for Medicaid.

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

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

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

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

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

- (a) The non-Federal entity is responsible for the efficient and effective administration of the Federal award through the application of sound management practices.
- (b) The non-Federal entity assumes responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award.
- (c) The non-Federal entity, in recognition of its own unique combination of staff, facilities, and experience, has the primary responsibility for employing whatever form of sound organization and management techniques may be necessary in order to assure proper and efficient administration of the Federal award.
- (d) The application of these cost principles should require no significant changes in the internal accounting policies and practices of the non-Federal entity. However, the accounting practices of the non-Federal entity must be consistent with these cost principles and support the accumulation of costs as required by the principles, and must provide for adequate documentation to support costs charged to the Federal award.
- (e) In reviewing, negotiating and approving cost allocation plans or indirect cost proposals, the cognizant agency for indirect costs should generally assure that the non-Federal entity is applying these cost accounting principles on a consistent basis during their review and negotiation of indirect cost proposals. Where wide variations exist in the treatment of a given cost item by the non-Federal entity, the reasonableness and equity of such treatments should be fully considered.
- (f) For non-Federal entities that educate and engage students in research, the dual role of students as both trainees and employees (including pre- and post-doctoral staff) contributing to the completion of Federal awards for research must be recognized in the application of these principles.
- (g) The non-Federal entity may not earn or keep any profit resulting from Federal financial assistance, unless explicitly authorized by the terms and conditions of the Federal award;

BE IT RESOLVED that the governing board of the Town of Waynesville hereby adopts and enacts the following US Cost Principles Policy for the expenditure of ARP/CSLFRF funds.

ALLOWABLE COSTS AND COSTS PRINCIPLES POLICY OVERVIEW

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

types or amounts of cost items. Unallowable items fall into two categories: expenses which are by their nature unallowable (e.g., alcohol), and unallowable activities (e.g., fund raising).

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

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

GENERAL COST ALLOWABILITY CRITERIA

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

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

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

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

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

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

- The restraints or requirements imposed by factors, such as: sound business practices; arm's-length bargaining; federal, state, and other laws and regulations; and terms and conditions of the ARP/CSLFRF award.
- Market prices for comparable goods or services for the geographic area.
- Whether individuals concerned acted with prudence in the circumstances considering their responsibilities to the Town of Waynesville, its employees, the public at large, and the federal government.
- Whether the Town of Waynesville significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the ARP/CSLFRF award's cost.

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

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

- 3. Be authorized and not prohibited under state or local laws or regulations.**
- 4. Conform to any limitations or exclusions set forth in the principles, federal laws, ARP/CSLFRF award terms, and other governing regulations as to types or amounts of cost items.**
- 5. Be consistent with policies, regulations, and procedures that apply uniformly to both the ARP/CSLFRF federal award and other activities of Town of Waynesville.**
- 6. Be accorded consistent treatment.** A cost MAY NOT be assigned to a federal award as a direct cost and also be charged to a federal award as an indirect cost. And a cost must be treated consistently for both federal award and non-federal award expenditures.
- 7. Be determined in accordance with generally accepted accounting principles (GAAP), unless provided otherwise in the UGG.**

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

SELECTED ITEMS OF COST

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

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

Exhibit A identifies and summarizes the Selected Items of Cost.

DIRECT AND INDIRECT COSTS

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

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

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

For indirect costs, the Town of Waynesville may charge a 10 percent de minimis rate of modified total direct costs (MTDC). According to UGG Section 200.68 MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance the subawards under

the award). MTDC EXCLUDES equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000.

SPECIAL PROVISIONS FOR STATE AND LOCAL GOVERNMENTS

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

§ 200.444 General costs of government.

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

- (1) Salaries and expenses of the Office of the Governor of a [state](#) or the chief executive of a [local government](#) or the chief executive of an [Indian tribe](#);
- (2) Salaries and other expenses of a [state](#) legislature, tribal council, or similar local governmental body, such as a county supervisor, city council, school board, etc., whether incurred for purposes of legislation or executive direction;
- (3) Costs of the judicial branch of a government;
- (4) Costs of prosecutorial activities unless treated as a direct cost to a specific program if authorized by statute or regulation (however, this does not preclude the allowability of other legal activities of the Attorney General as described in [§ 200.435](#)); and
- (5) Costs of other general types of government services normally provided to the general public, such as fire and police, unless provided for as a direct cost under a program statute or regulation.

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

§ 200.416 COST ALLOCATION PLANS AND INDIRECT COST PROPOSALS.

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

(b) Individual operating agencies (governmental department or agency), normally charge Federal awards for indirect costs through an indirect cost rate. A separate indirect cost

rate(s) proposal for each operating agency is usually necessary to claim indirect costs under Federal awards. Indirect costs include:

- (1) The indirect costs originating in each department or agency of the governmental unit carrying out Federal awards and
- (2) The costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.

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

§ 200.417 INTERAGENCY SERVICE.

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

COST ALLOWABILITY REVIEW PROCESS

PREAPPROVAL COST ALLOWABILITY REVIEW

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

- Local government personnel must submit proposed ARP/CSLFRF projects to the Purchasing Supervisor for review. In addition to other required information, all proposed project submissions must delineate estimated costs by cost item.
- Along with a general review of project eligibility and conformance with other governing board management directives, the Finance Department must review estimated costs for specific allowable cost requirements, budget parameters, indirect rates, fringe benefit rates, and those activities/costs that require pre-approval by the US Treasury.
- If a proposed project includes a request for an unallowable cost, the Finance Department will return the proposal to the requesting party for review and, if practicable, resubmission with corrected cost items.

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

POST-EXPENDITURE COST ALLOWABILITY REVIEW

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

- All invoices or other demands for payment must include a breakdown by cost item. The cost items should mirror those presented in the proposed budget for the project. If an invoice or other demand for payment does not include a breakdown by cost item, the Finance Department will return the invoice to the project manager and/or vendor, contractor, or subrecipient for correction.
- The Finance Department must review the individual cost items listed on the invoice or other demand for payment to determine their allowability and allocability.
- If all cost items are deemed allowable and properly allocable, the Finance Department must proceed through the local government's normal disbursement process.
- If any cost item is deemed unallowable, the Finance Officer will notify the project management and/or vendor, contractor, or subrecipient that a portion of the invoice or other demand for payment will not be paid with ARP/CSLFRF funds. The Finance Officer may in their discretion, and consistent with this policy, allow an invoice or other demand for payment to be resubmitted with a revised cost allocation. If the local government remains legally obligated by contract or otherwise to pay the disallowed cost item, it must identify other local government funds to cover the disbursement. Town of Waynesville's governing board must approve any allocation of other funds for this purpose.
- The Finance Department must retain appropriate documentation of budgeted cost items per project and actual obligations and expenditures of cost items per project.

COST TRANSFERS

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

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

EXHIBIT A

Selected Items of Cost	Uniform Guidance General Reference	Allowability
Advertising and public relations costs	2 CFR § 200.421	Allowable with restrictions
Advisory councils	2 CFR § 200.422	Allowable with restrictions
Alcoholic beverages	2 CFR § 200.423	Unallowable
Alumni/ae activities	2 CFR § 200.424	Not specifically addressed
Audit services	2 CFR § 200.425	Allowable with restrictions
Bad debts	2 CFR § 200.426	Unallowable
Bonding costs	2 CFR § 200.427	Allowable with restrictions
Collection of improper payments	2 CFR § 200.428	Allowable
Commencement and convocation costs	2 CFR § 200.429	Not specifically addressed
Compensation – personal services	2 CFR § 200.430	Allowable with restrictions; Special conditions apply (e.g., § 200.430(i)(5))
Compensation – fringe benefits	2 CFR § 200.431	Allowable with restrictions
Conferences	2 CFR § 200.432	Allowable with restrictions

Contingency provisions	2 CFR § 200.433	Unallowable with exceptions
Contributions and donations	2 CFR § 200.434	Unallowable (made by non-federal entity); not reimbursable but value may be used as cost sharing or matching (made to non-federal entity)
Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements	2 CFR § 200.435	Allowable with restrictions
Depreciation	2 CFR § 200.436	Allowable with qualifications
Employee health and welfare costs	2 CFR § 200.437	Allowable with restrictions
Entertainment costs	2 CFR § 200.438	Unallowable with exceptions
Equipment and other capital expenditures	2 CFR § 200.439	Allowability based on specific requirement
Exchange rates	2 CFR § 200.440	Allowable with restrictions
Fines, penalties, damages and other settlements	2 CFR § 200.441	Unallowable with exceptions
Fund raising and investment management costs	2 CFR § 200.442	Unallowable with exceptions
Gains and losses on disposition of depreciable assets	2 CFR § 200.443	Allowable with restrictions
General costs of government	2 CFR § 200.444	Unallowable with exceptions
Goods and services for personal use	2 CFR § 200.445	Unallowable (goods/services); allowable (housing) with restrictions
Idle facilities and idle capacity	2 CFR § 200.446	Idle facilities - unallowable with exceptions; Idle capacity - allowable with restrictions
Insurance and indemnification	2 CFR § 200.447	Allowable with restrictions

Intellectual property	2 CFR § 200.448	Allowable with restrictions
Interest	2 CFR § 200.449	Allowable with restrictions
Lobbying	2 CFR § 200.450	Unallowable
Losses on other awards or contracts	2 CFR § 200.451	Unallowable (however, they are required to be included in the indirect cost rate base for allocation of indirect costs)
Maintenance and repair costs	2 CFR § 200.452	Allowable with restrictions
Materials and supplies costs, including costs of computing devices	2 CFR § 200.453	Allowable with restrictions
Memberships, subscriptions, and professional activity costs	2 CFR § 200.454	Allowable with restrictions; unallowable for lobbying organizations
Organization costs	2 CFR § 200.455	Unallowable except federal prior approval
Participant support costs	2 CFR § 200.456	Allowable with prior approval of the federal awarding agency
Plant and security costs	2 CFR § 200.457	Allowable; capital expenditures are subject to § 200.439
Pre-award costs	2 CFR § 200.458	Allowable if consistent with other allowabilities and with prior approval of the federal awarding agency
Professional services costs	2 CFR § 200.459	Allowable with restrictions
Proposal costs	2 CFR § 200.460	Allowable with restrictions
Publication and printing costs	2 CFR § 200.461	Allowable with restrictions
Rearrangement and reconversion costs	2 CFR § 200.462	Allowable (ordinary and normal)
Recruiting costs	2 CFR § 200.463	Allowable with restrictions

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



TOWN OF WAYNESVILLE, NORTH CAROLINA

Administrative Policies and Procedures

Nondiscrimination Policy

Effective Date: June 28, 2022

Finance Department (828) 456-3515

Recitals

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

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

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

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

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

Nondiscrimination Policy Statement

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

I. Governing Statutory & Regulatory Authorities

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

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

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

on the basis of age within programs or activities receiving federal financial assistance;
and

- v. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.

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

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

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

privilege secured by any pertinent nondiscrimination law, or because an individual made a complaint, testified, assisted, or participated in an investigation, proceeding, or hearing.

III. Reporting & Enforcement

1. The Town of Waynesville shall cooperate in any enforcement or compliance review activities by the Department of the Treasury. Enforcement may include investigation, arbitration, mediation, litigation, and monitoring of any settlement agreements that may result from these actions. The Town of Waynesville shall comply with information requests, on-site compliance reviews, and reporting requirements.
2. The Town of Waynesville shall maintain a complaint log and inform the Treasury of any complaints of discrimination on the grounds of race, color, or national origin (including limited English proficiency covered by Title VI of the Civil Rights Act of 1964 and implementing regulations and provide, upon request, a list of all such reviews or proceedings based on the complaint, whether pending or completed, including the outcome. The Town of Waynesville shall inform the Treasury if it has received no complaints under Title VI.
3. Any person who believes they have been aggrieved by a discriminatory practice under Title VI has a right to file a formal complaint with the Treasury. Any such complaint must be in writing and filed with the Treasury's Title VI Coordinator within one hundred eighty (180) days following the date of the alleged discriminatory occurrence.
4. Any person who believes that because of that person's race, color, national origin, limited English proficiency, familial status, sex, age, religion, or disability that he/she/they have been discriminated against or unfairly treated by the Town of Waynesville in violation of this policy should contact the following office within 180 days from the date of the alleged discriminatory occurrence: Human Resources Director at 828-452-2491.



TOWN OF WAYNESVILLE, NORTH CAROLINA

Administrative Policies and Procedures

Policy for Record Retention Policy: Documents Created or Maintained Pursuant to the ARP/CSLFRF Award

Effective Date: June 28, 2022

Finance Department (828) 456-3515

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

Retention of Records: The Coronavirus Local Fiscal Recovery Funds (“CSLFRF”) [Award Terms and Conditions](#) and the [Compliance and Reporting Guidance](#) set forth the U.S. Department of Treasury’s (“Treasury”) record retention requirements for the ARP/CSLFRF award.

It is the policy of the Town of Waynesville to follow Treasury’s record retention requirements as it expends CSLFRF pursuant to the APR/CSLFRF award. Accordingly, the Town of Waynesville agrees to the following:

- Retain all financial and programmatic records related to the use and expenditure of CSLFRF pursuant to the ARP/CSLFRF award for a period of five (5) years after all CLFRF funds have been expended or returned to Treasury, whichever is later.
- Retain records for real property and equipment acquired with CSLFRF for five years after final disposition.
- Ensure that the financial and programmatic records retained sufficiently evidence compliance with section 603(c) of the Social Security Act “ARPA,” Treasury’s regulations implementing that section, and guidance issued by Treasury regarding the foregoing.
- Allow the Treasury Office of Inspector General and the Government Accountability Office, or their authorized representatives, the right of timely and unrestricted access to any records for the purpose of audits or other investigations.

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

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

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

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

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

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

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

Reporting Policy Violations: The Town of Waynesville is committed to enforcing this policy as it applies to all forms of records. Any employee that suspects the terms of this policy have been

violated shall report the incident immediately to that employee's supervisor. If an employee is not comfortable bringing the matter up with the supervisor, the employee may bring the matter to the attention of the Town Manager. The Town of Waynesville prohibits, any form of discipline, reprisal, intimidation, or retaliation for reporting incidents of inappropriate conduct of any kind, pursuing any record destruction claim, or cooperating in related investigations.

Questions About the Policy: Any questions about this policy should be referred to the Finance Director at 828-456-2026 who is in charge of administering, enforcing, and updating this policy.

**TOWN OF WAYNESVILLE COUNCIL MEETING
REQUEST FOR COUNCIL ACTION
Meeting Date: 12.09.2025**

SUBJECT: ERC Contract Renewal

AGENDA INFORMATION:

Agenda Location: Consent Agenda
Item Number:
Department: Administration
Contact: Jesse Fowler, Deputy Town Manager
Presenter: **Jesse Fowler, Deputy Town Manager**

BRIEF SUMMARY: Several Town facilities utilize ERC Broadband for internet connectivity. Attached is a renewal contract for ERC Broadband Service. This contract include an increase in speeds from 100mbps to 200mbps. ERC Broadband provides this service to the Town of Waynesville at no cost as part of a reciprocal agreement the Town has with ERC in exchange for allowing them to house equipment at Fire Station 1.

MOTION FOR CONSIDERATION:

FUNDING SOURCE/IMPACT:

ATTACHMENTS:

MANAGER'S COMMENTS AND RECOMMENDATIONS:



Quote and Service Request
 Quote Number: Q-02346
 Subscription Term: 36 Months
 Payment Terms: Net 30
 Expiration Date: 2/15/2026

Quote Prepared For:
Jesse Fowler
Town of Waynesville
 16 South Main Street, PO Box 100
 Waynesville, NC 28786
 Phone: +1 828-452-2491
 Email: jfowler@waynesvillenc.gov

Quote Prepared By:
Tamela Braswell
ERC Broadband
 151 Patton Ave, Box 170
 Asheville, NC 28801
 (828) 270-9912
 tbraswell@ercbroadband.com

Network

QTY	Item	Bandwidth	Service Location	Billing	Unit Price	Unit Disc.	Line Price	
1	Dedicated Internet Access	200.200	1022 North Main Street Waynesville NC 28786	Monthly	\$0.00		\$0.00	
Included in exchange as per May 2014 - 2024 Agreement for Reciprocal use of Services and Facilities.								
							Subtotal	\$0.00

IP Space

QTY	Item	Bandwidth	Service Location	Billing	Unit Price	Unit Disc.	Line Price	
1	/28 - IP Space		1022 North Main Street Waynesville NC 28786	Monthly	\$0.00		\$0.00	
13 Usable Static IP Designation IP: 72.250.242.176/28 Included in exchange as per May 2014 - 2024 Agreement for Reciprocal use of Services and Facilities.								
							Subtotal	\$0.00

Notes:

- All price values are in US Dollars (USD)
- Bandwidth units listed for a connection is in Mbps and designated by "Subscribed Bandwidth"."Max Speed".
- If Subscribed Bandwidth is lower than Max Speed, please review 95th percentile utilization & billing.
- Actual Speeds to an endpoint may vary based upon customer router / network equipment or upstream "in the Internet" conditions.

ERC Commitment Summary:

- Upon the Customer's signature and ERC's counter-signature of this Quote and Service Request by the specified Expiration Date, ERC agrees to provide the hardware/software necessary to deliver the above-described service(s) on or about the estimated activation date.
- ERC Agrees to provide Customer with an estimated service activation date for service as soon as practical after execution of this Quote and Service Request. Estimated activation dates are provided pending acquisition of necessary permits and network build out, and are subject to change.
- ERC agrees to provide Service Availability based on the contracted services specified in the Service Agreement and Appendices hereby incorporated by reference and updated from time to time at <https://ercbroadband.com/policies/>

Customer Commitment Summary:

- Customer's signer confirms that they are authorized to bind the Customer to this Service Request, and hereby orders the services on this Quote and Service Request, thus entering a contract with the ERC for the term, price, speed, features, hardware and/or software, and at the locations described above.

- Customer agrees to the standard terms of the ERC Service Agreement, Appendices, and all Policies posted at <https://ercbroadband.com/policies/> or <https://ercwnc.org/policies/> and updated from time to time, unless and until Customer and the ERC execute in writing a separate Service Agreement or Appendices. Colocation services require a separately executed Colocation Agreement that supplants the Service Agreement for colocation purposes only.
- Customer agrees to provide to the ERC, and/or obtain from the necessary party and confer upon the ERC, a general easement into perpetuity for purposes of ingress to and egress from the customer site for means of supporting the customer service and ERC network propagation.
- Customer acknowledges that early termination fees apply if the customer wishes to disconnect before the full contract term, such fees to be applied as described in the referenced Service Agreement.
- Customer acknowledges that timelines for activation of service generally range from 30 to 150 business days. Customer agrees to be ready for service activation upon the activation date agreed upon with the ERC.
- Customer acknowledges that if service is activated prior to the 15th of the month a partial month's charge will be billed to the Customer on the next recurring monthly invoice.
- Customer shall be responsible for payment of any applicable foreign, federal, state, local, or regulatory taxes, fees, interest, penalties, charges or similar, as further set forth in Section 4 of the ERC Service Agreement.

Company Name Town of Waynesville
Name Jesse Fowler
Title Assistant Town Manager

Company Name ERC Broadband
Name
Title

Signature

Signature

Date

Date

**TOWN OF WAYNESVILLE TOWN COUNCIL
REQUEST FOR COUNCIL ACTION
Meeting Date: December 9, 2025**

SUBJECT: Proposed 2026 Town Council Meeting Schedule

AGENDA INFORMATION:

Agenda Location: Consent Agenda
Item Number:
Department: Administration
Contact: Jesse Fowler, Assistant Town Manager
Presenter: Jesse Fowler, Assistant Town Manager

BRIEF SUMMARY:

Each year the Board must approve a meeting schedule for the upcoming year. The schedule provides the date and time of each regular meeting. The meetings will start at 6:00 pm unless otherwise noted. Additional meetings may be called for a Council Retreat in early 2026 and for Budget Development and discussion in spring 2026.

MOTION FOR CONSIDERATION:

To approve the Town Council meeting schedule for the year 2026.

FUNDING SOURCE/IMPACT: None

ATTACHMENTS: None

MANAGER'S COMMENTS AND RECOMMENDATIONS:



TOWN OF WAYNESVILLE

PO Box 100
 16 South Main Street
 Waynesville, NC 28786
 Phone (828) 452-2491 • Fax (828) 456-2000
www.waynesvillenc.gov

2026 CALENDAR

ALL COUNCIL MEETINGS TO START AT 6:00 PM IN THE BOARD ROOM LOCATED
 AT
 9 SOUTH MAIN STREET UNLESS OTHERWISE NOTED

2026	
Tues. January 13	Town Council Meeting – Regular Session
Tues. January 27	Town Council Meeting – Regular Session
Tues, February 10	Town Council Meeting – Regular Session
Tues. February 24	Town Council Meeting – Regular Session
Tues, March 10	Town Council Meeting – Regular Session
Tues. March 24	Town Council Meeting – Regular Session
Tues. April 14	Town Council Meeting – Regular Session
Tues. April 28	Town Council Meeting – Regular Session
Tues. May 12	Town Council Meeting – Regular Session
Tues. May 26	Town Council Meeting – Regular Session
Tues. June 9	Town Council Meeting – Regular Session
Tues. June 23	Town Council Meeting – Regular Session
Tues, July 14	Town Council Meeting – Regular Session
Tues. July 28	Town Council Meeting – Regular Session
Tues. August 11	Town Council Meeting – Regular Session
Tues, August 25	Town Council Meeting – Regular Session
Tues, September 8	Town Council Meeting – Regular Session
Tues. September 22	Town Council Meeting – Regular Session
Tues. October 13	Town Council Meeting – Regular Session
Tues. October 27	Town Council Meeting – Regular Session
Tues. November 10	Town Council Meeting – Regular Session
Tues. November 24	Town Council Meeting – Regular Session
Tues. December 8	Town Council Meeting – Regular Session