



Minutes

Board of Commissioners Work Session

7 p.m. Jan. 22, 2024

Board Meeting Room, Town Hall Annex, 105 E. Corbin St.

Present: Mayor Mark Bell and commissioners Meaghun Darab, Robb English, Kathleen Ferguson, Matt Hughes and Evelyn Lloyd

Staff: Planning and Economic Development Manager Shannan Campbell, Assistant Town Manager and Community Services Director Matt Efird, Budget and Management Analyst Josh Fernandez, Lead for North Carolina Fellow Marshall Grayson, Environmental Engineering Supervisor Bryant Green, Town Clerk and Human Resources Technician Sarah Kimrey, Town Attorney Lydia Lavelle, Finance Director Dave McCole, Town Manager Eric Peterson and Public Space and Sustainability Manager Stephanie Trueblood

1. Opening of the work session

Mayor Mark Bell called the meeting to order at 7:01 p.m.

2. Agenda changes and approval

Town Manager Eric Peterson asked to add Item 6A – Closed session as authorized by North Carolina General Statute Section 143-318.11 (a)(4) regarding economic development.

Motion: Commissioner Kathleen Ferguson moved to approve the amended agenda. Commissioner Meaghun Darab seconded.

Vote: 4-0.

3. Items for decision - consent agenda

- A. Miscellaneous budget amendments and transfers
- B. Proclamation – Black History Month 2024
- C. North Carolina League of Municipalities Operations Assistance Program Agreement
- D. Fire Station Capital Project Ordinance amendment and associated budget amendments

Motion: Ferguson moved to approve all items on the consent agenda. Commissioner Matt Hughes seconded.

Vote: 4-0.

4. In-depth discussion and topics

- A. Clean energy resolution and sustainability updates
Public Space and Sustainability Manager Stephanie Trueblood gave a presentation on the town's progress toward sustainability goals and identified needs for future improvement.

Trueblood provided an update on sustainability efforts completed since the town adopted a clean energy resolution in September 2017. The resolution supports achieving 80% clean energy for town operations by 2030 and 100% by 2050. Trueblood showcased how the town has made significant advancements in lowering the environmental impact of local government operations, concluding that Hillsborough has become a more sustainable town overall. Key milestones and progress include:

- Implementing a telecommuting policy for employees in 2022.

- Publishing the Comprehensive Sustainability Plan in 2023.
- Adopting a Vision Zero policy in 2023.

Trueblood also highlighted the importance of integrating sustainability into town departments such as community services, utilities and police. She noted these efforts are strengthened through strategic partnerships with organizations like the Central Pines Regional Council and the Southeast Sustainability Directors Network.

Trueblood also emphasized areas of concern, indicating the resolution goals will likely not be met given slower progress during the pandemic. She said the town cannot meet the clean energy goals solely through solar photovoltaic panels and must consider alternative solutions. She highlighted upcoming sustainability efforts and projects, including:

- Updating the future land use map and rewriting the Unified Development Ordinance.
- Continuing development on the net-zero ready goal for the future train station.
- Planning for electric vehicle charging and fueling infrastructure.
- Planning the Ridgewalk greenway development.

Ferguson requested more information on other jurisdictions' strategies to promote multimodal transportation usage, especially for visitors. Trueblood clarified that neighboring communities like Carrboro and Chapel Hill have greenway plans similar to the town's planned Ridgewalk development. Additionally, the future train station will provide more sustainable travel opportunities for long-distance visitors.

Trueblood explained that the town has annually allocated \$300,000 over the past three years for sustainability, totaling roughly \$900,000 in the general fund for future efforts. She highlighted potential projects that could use these funds, including:

- Solar panel development for the train station.
- Energy tracking and management software.
- A sustainability intern.
- Green Source Advantage program.
- Battery backup for climate adaptation.

Trueblood clarified that these funds could not be used for sustainability initiatives in the utilities system without dedicated funding outside the General Fund. Trueblood requested additional focus be placed on funding utility sustainability projects moving forward since 77% of the town's electrical usage originates from water and wastewater operations.

Policy needs also were discussed, including continued work on an electronic records and imaging policy to reduce paper waste. Hughes asked for clarification on the current restrictions and schedule for electronic retention and disposition. Town Clerk and Human Resources Technician Sarah Kimrey clarified that statutes and regulations for North Carolina local governments make electronic records and imaging policies complex. However, research on these regulations is underway and will continue.

Trueblood emphasized that the town seeks to make sustainability a key aspect of the community through programs and education. While the town lacks resources to fund all programs internally, key partnerships may help further address these efforts.

Hughes asked if an updated sustainability resolution was needed, given setbacks and changes over the past seven years. Ferguson suggested that the original resolution should remain with the Comprehensive Sustainability Plan, acting as an updated and more action-oriented document.

Commissioner Evelyn Lloyd joined the meeting at 7:18 p.m.

The mayor called for a brief recess at 8:13 p.m. He reconvened the meeting at 8:19 p.m.

- B. Framing of issues and finances for the Fiscal Year 2025-27 Budgetary Planning Retreat
To allow more time for discussion, questions and deliberation during the Feb. 17 budget retreat, Town Manager Eric Peterson provided the traditional framing of issues and the town's financial picture to the board during this work session.

Peterson discussed current positive financial indicators for the town, including:

- Audit and monthly postings being up to date.
- Strong savings, although artificially high due to the pandemic.
- Employee turnover slowing, with many positions being filled.
- Lower health insurance costs for employees.
- Competitive taxes.
- A strong trend of positive growth overall.

The manager highlighted general fund concerns and potential issue areas for the town over the next three fiscal years, including:

- Substantial growth outpacing available resources.
- Projected deficits each year totaling over 10% in FY26.
- Sales tax showing a significant decrease by over 20% since last year.
- Uncertainty regarding funding the Comprehensive Sustainability Plan initiatives.
- Planning how to address affordable housing and preparing for a plan to ramp up to earmarking 2 cents of the property tax rate to affordable housing.

Peterson also discussed large capital projects awaiting funding, including:

- Fire station development on North Churton Street.
- Public works equipment replacement and constructing a new building.
- Train station development.
- New accounting software.
- Ridgewalk greenway development.

Peterson then addressed concerns for the Water/Sewer Fund, including:

- Projected deficits each year totaling over 15% in FY26.
- Need for increased rates.
- Pipes and pump station maintenance. Utilities Director Marie Strandwitz indicated this is the most pressing issue for the Utilities Department.
- Capacity concerns for the Wastewater Treatment Plant and utility systems.
- Increased construction costs and interest rate escalation.
- Various large capital projects, including \$30 million in high priority sewer projects over the next four years that cannot be delayed.

The manager also discussed stormwater, noting no fee increase has occurred in eight years. He said staff are reviewing fees and deciding whether to propose an increase or change to the fee structure with a focus on lots that have the largest impervious surface area.

Peterson concluded that the most pressing issue for board consideration is town growth pressures. He discussed how daily concerns can keep the town from effectively progressing top priorities and planning for

longer-term goals. He noted the amount of new growth required to pay for one additional full-time staff member and emphasized interns, fellows and contractors as the most cost-effective alternatives for resolving limited resources.

Peterson concluded by stating that all budget requests cannot be met. Finding alternative methods, discussing multiple solutions and establishing priorities now will help the town accomplish goals in the long term. During the retreat, staff will be tasked with listening to board requests and priorities to create a synthesized plan of action for the proposed budget.

Lloyd asked for clarification on a recent water main break. Environmental Engineering Supervisor Bryant Green provided clarification and explained that older water lines often break when the soil shrinks and swells due to changing weather conditions. Ferguson discussed the possibility of adding private dollar options for large project funding, such as selling naming rights for the Ridgewalk development. The mayor thanked the manager for clarifying budget priorities.

5. Committee updates and reports

Board members gave updates on the committees and boards on which they serve.

Motion: Ferguson moved to go into closed session at 9:10 p.m. Hughes seconded.

Vote: 5-0.

6. Closed Session

- A. Closed session as authorized by North Carolina General Statute Section 143-318.11 (a)(4) regarding economic development (added item).

Motion: Ferguson moved to return to open session at 9:49 p.m. Commissioner Robb English seconded.

Vote: 5-0.

7. Adjournment

Bell adjourned the meeting at 9:49 p.m.

Respectfully submitted,



Sarah Kimrey

Town Clerk

Staff support to the Board of Commissioner

FY 2023-2024

TOWN OF HILLSBOROUGH
BUDGET CHANGES REPORT
DATES: 01/22/2024 TO 01/22/2024

| | <u>REFERENCE</u> | <u>CHANGE NUMBER</u> | <u>DATE</u> | <u>USER</u> | <u>ORIGINAL BUDGET</u> | <u>BUDGET CHANGE</u> | <u>AMENDED BUDGET</u> |
|----------------------|--------------------------------------------------------------------------------------------|--------------------------|-------------|-------------|----------------------------|--------------------------|---------------------------|
| GF-Contingency | 10-00-9990-5300-000 CONTINGENCY Adj to match project ordinance | 41549 | 01/22/2024 | EBRADFORI | 450,000.00 | -65,692.00 | 36,584.00 |
| Special Approp. | 10-60-6900-5300-570 MISCELLANEOUS To cover increased expense | 41485 | 01/22/2024 | EBRADFORI | 373,001.00 | -2,100.00 | 370,901.00 |
| Special Approp. | 10-60-6900-5300-750 HOME FUNDS GRANT MATCH To cover increased expense | 41484 | 01/22/2024 | EBRADFORI | 4,200.00 | 2,100.00 | 6,300.00 |
| Streets | 10-71-5600-5982-002 TRANSFER TO GEN CAP IMPROV FUND Adj to match project ordinance | 41546 | 01/22/2024 | EBRADFORI | 0.00 | 25,982.00 | 25,982.00 |
| Special Approp. | 10-71-6900-5982-006 TRANSFER TO GEN CAP IMPROV Adj to match project ordinance | 41548 | 01/22/2024 | EBRADFORI | 0.00 | 39,710.00 | 39,710.00 |
| WSF Revenue | 30-71-3870-3870-067 TRANSFER FROM FUND 67 WFER - CARR/M Use bond proceeds to cover pymt | 41540 | 01/22/2024 | EBRADFORI | 0.00 | 284,166.66 | 284,166.66 |
| WSF Transfer | 30-71-5972-5972-002 TRANSFER TO WATER SDF RESERVE FUND Recognize Water SDF revenue | 41521 | 01/22/2024 | EBRADFORI | 0.00 | 43,906.00 | 43,906.00 |
| WSF Transfer | 30-71-5972-5972-003 TRANSFER TO SEWER SDF RESERVE FUND Recognize Sewer SDF revenue | 41522 | 01/22/2024 | EBRADFORI | 0.00 | 42,785.00 | 42,785.00 |
| WSF Revenue | 30-80-3500-3523-002 WATER SYSTEM DEVELOPMENT FEES Recognize Water SDF revenue | 41519 | 01/22/2024 | EBRADFORI | 0.00 | 43,906.00 | 43,906.00 |
| WSF Revenue | 30-80-3500-3525-002 SEWER SYSTEM DEVELOPMENT FEES Recognize Sewer SDF revenue | 41520 | 01/22/2024 | EBRADFORI | 0.00 | 42,785.00 | 42,785.00 |
| Admin of Enterprise | 30-80-7200-5300-041 ATTORNEY FEES To cover attorney fees through year-end. | 41486 | 01/22/2024 | JFernandez | 17,000.00 | 15,000.00 | 37,500.00 |
| Admin of Enterprise | 30-80-7200-5300-570 MISCELLANEOUS Yr-end adjustment | 41518 | 01/22/2024 | EBRADFORI | 164,999.00 | -12,850.00 | 152,149.00 |
| Billing & Collection | 30-80-7240-5100-010 OVERTIME COMPENSATION Yr-end adjustment | 41512 | 01/22/2024 | EBRADFORI | 2,000.00 | 2,000.00 | 4,000.00 |
| Billing & Collection | 30-80-7240-5100-020 SALARIES Yr-end adjustment | 41514 | 01/22/2024 | EBRADFORI | 326,326.00 | -12,400.00 | 298,926.00 |
| Billing & Collection | 30-80-7240-5125-063 HOSPITALIZATION - RETIREE Yr-end adjustment | 41513 | 01/22/2024 | EBRADFORI | 0.00 | 10,400.00 | 10,400.00 |
| Billing & Collection | 30-80-7240-5300-320 SUPPLIES - OFFICE To cover office supplies overage. | 41483 | 01/22/2024 | JFernandez | 1,200.00 | 550.00 | 1,750.00 |
| Billing & Collection | 30-80-7240-5300-570 MISCELLANEOUS To cover office supplies overage. | 41482 | 01/22/2024 | JFernandez | 1,000.00 | -550.00 | 450.00 |
| WTP | 30-80-8130-5300-330 SUPPLIES - DEPARTMENTAL Yr-end adj | 41541 | 01/22/2024 | EBRADFORI | 10,000.00 | -832.70 | 9,167.30 |
| WTP | 30-80-8130-5400-910 DEBT SERVICE - PRINCIPAL Use bond proceeds to cover pymt | 41539 | 01/22/2024 | EBRADFORI | 839,737.00 | 284,999.36 | 347,000.00 |
| Water Distribution | 30-80-8140-5100-010 OVERTIME COMPENSATION Yr-end adjustment | 41515 | 01/22/2024 | EBRADFORI | 12,500.00 | 12,500.00 | 25,000.00 |
| Water Distribution | 30-80-8140-5125-060 HOSPITALIZATION Yr-end adjustment | 41516 | 01/22/2024 | EBRADFORI | 91,728.00 | -18,500.00 | 73,228.00 |
| Water Distribution | 30-80-8140-5125-063 HOSPITALIZATION - RETIREE EBRADFORD | | 01/16/2024 | 2:53:20PM | | | |

FY 2023-2024

TOWN OF HILLSBOROUGH
BUDGET CHANGES REPORT

DATES: 01/22/2024 TO 01/22/2024

| | <u>REFERENCE</u> | <u>CHANGE NUMBER</u> | <u>DATE</u> | <u>USER</u> | <u>ORIGINAL BUDGET</u> | <u>BUDGET CHANGE</u> | <u>AMENDED BUDGET</u> |
|----------------------|-----------------------------------------------------------------------------------|--------------------------|-------------|-------------|----------------------------|--------------------------|---------------------------|
| | Yr-end adjustment | 41517 | 01/22/2024 | EBRADFORI | 0.00 | 18,850.00 | 18,850.00 |
| WSF Contingency | 30-80-9990-5300-000 CONTINGENCY To cover attorney fees through year-end. | 41487 | 01/22/2024 | JFernandez | 400,000.00 | -15,000.00 | 0.00 |
| WFER-Rd Proj. | 67-00-3900-3900-000 FUND BALANCE APPROPRIATION Project closeout | 41538 | 01/22/2024 | EBRADFORI | 0.00 | 284,166.66 | 284,166.66 |
| WFER-Rd Proj. | 67-71-8280-5970-920 TRANSFER TO WATER SEWER FUND Project closeout | 41534 | 01/22/2024 | EBRADFORI | 0.00 | 284,166.66 | 284,166.66 |
| Util Cap Improv Fund | 69-17-3870-3870-504 TRANSFER FROM WSF-16" OWASA WATER M Project closeout | 41531 | 01/22/2024 | EBRADFORI | 100,000.00 | -100,000.00 | 0.00 |
| Util Cap Improv Fund | 69-17-3870-3870-701 TRANSFER FROM FUND 75-16" OWASA WAT Project closeout | 41532 | 01/22/2024 | EBRADFORI | 465,000.00 | -465,000.00 | 0.00 |
| Util Cap Improv Fund | 69-17-8140-5700-748 16" OWASA WATER MAIN Project closeout | 41533 | 01/22/2024 | EBRADFORI | 565,000.00 | -565,000.00 | 0.00 |
| W&S Cap Reserve | 70-00-3850-3850-000 INTEREST EARNED Record Interest Earned | 41492 | 01/22/2024 | EBRADFORI | 100,889.20 | 175,217.88 | 864,810.76 |
| | To record interest | 41542 | 01/22/2024 | EBRADFORI | 100,889.20 | 36,318.92 | 901,129.68 |
| W&S Cap Reserve | 70-71-6900-5970-001 TRANSFER TO UTILITY CAP IMPROV FUND Record Interest Earned | 41493 | 01/22/2024 | EBRADFORI | 1,830,000.00 | 175,217.70 | 4,607,755.76 |
| | To record interest | 41543 | 01/22/2024 | EBRADFORI | 1,830,000.00 | 36,318.92 | 4,644,074.68 |
| GF Cap Reserve | 71-00-3850-3850-000 INTEREST EARNED Adj per FY23 audit | 41494 | 01/22/2024 | EBRADFORI | 7,118.00 | -7,118.31 | 0.00 |
| GF Cap Reserve | 71-10-6300-5700-851 SUSTAINABILITY Adj per FY23 audit | 41497 | 01/22/2024 | EBRADFORI | 627,118.00 | -7,118.31 | 620,000.00 |
| GF Cap Reserve | 71-20-6900-5700-750 WATERSTONE POLICE Adj per FY23 audit | 41495 | 01/22/2024 | EBRADFORI | 0.00 | 115,128.00 | 115,128.00 |
| GF Cap Reserve | 71-71-3870-3870-100 TRANSFER FROM GENERAL FUND Adj per FY23 audit | 41496 | 01/22/2024 | EBRADFORI | 0.00 | 115,128.00 | 115,128.00 |
| Water SDFs | 75-71-3870-3870-151 TRAN FR W/S CRF - EDD WATER LINE EX Adj per FY23 audit | 41498 | 01/22/2024 | EBRADFORI | 0.00 | 259,404.00 | 259,404.00 |
| Water SDFs | 75-71-3870-3870-152 TRAN FR W/S CRF - 16" WTR CONNECT Adj per FY23 audit | 41499 | 01/22/2024 | EBRADFORI | 0.00 | 465,000.00 | 465,000.00 |
| Water SDFs | 75-71-3870-3870-153 TRAN FR W/S CRF-US BUS 70 DESIGN Adj per FY23 audit | 41506 | 01/22/2024 | EBRADFORI | 345,000.00 | 36,613.00 | 381,613.00 |
| Water SDFs | 75-71-3870-3870-156 TRAN FR W/S US BUS 70 WTR PHASE I Adj per FY23 audit | 41507 | 01/22/2024 | EBRADFORI | 282,795.50 | -36,613.00 | 513,918.50 |
| | Adj per FY23 audit | 41510 | 01/22/2024 | EBRADFORI | 282,795.50 | 82,264.50 | 596,183.00 |
| Water SDFs | 75-71-3870-3870-157 TRAN FR W/S - WFER PH II DEBT PYMTS Adj per FY23 audit | 41500 | 01/22/2024 | EBRADFORI | 175,000.00 | 175,000.00 | 175,000.00 |
| Water SDFs | 75-71-3870-3870-509 TRAN FR W/S - GOV BURKE Adj per FY23 audit | 41501 | 01/22/2024 | EBRADFORI | 119,408.00 | 149,408.00 | 149,408.00 |
| Water SDFs | 75-71-6900-5970-923 TRAN TO FUND 69 - EDD WTR LINE Adj per FY23 audit | 41502 | 01/22/2024 | EBRADFORI | 0.00 | 259,404.00 | 259,404.00 |
| Water SDFs | 75-71-6900-5970-925 TRAN TO FUND 69 - US 70 DESIGN | | | | | | |
| | EBRADFORD | | 01/16/2024 | 2:53:20PM | | | Page 2 of 3 |
| | fl142r03 | | | | | | |

FY 2023-2024

TOWN OF HILLSBOROUGH
BUDGET CHANGES REPORT

DATES: 01/22/2024 TO 01/22/2024

| | <u>REFERENCE</u> | <u>CHANGE NUMBER</u> | <u>DATE</u> | <u>USER</u> | <u>ORIGINAL BUDGET</u> | <u>BUDGET CHANGE</u> | <u>AMENDED BUDGET</u> |
|------------|---------------------------------------------------------|--------------------------|-------------|-------------|----------------------------|--------------------------|---------------------------|
| | Adj per FY23 audit | 41508 | 01/22/2024 | EBRADFORI | 345,000.00 | 36,613.00 | 381,613.00 |
| Water SDFs | 75-71-6900-5970-928 TRAN TO FUND 69 - US 70 PHASE I | | | | | | |
| | Adj per FY23 audit | 41509 | 01/22/2024 | EBRADFORI | 282,795.50 | -36,613.00 | 513,918.50 |
| | Adj per FY23 audit | 41511 | 01/22/2024 | EBRADFORI | 282,795.50 | 82,264.50 | 596,183.00 |
| Water SDFs | 75-71-6900-5970-932 TRAN TO FUND 69 - 16" WTR CONNECT | | | | | | |
| | Adj per FY23 audit | 41503 | 01/22/2024 | EBRADFORI | 0.00 | 465,000.00 | 465,000.00 |
| Water SDFs | 75-71-6900-5970-933 TRAN TO FUND 69 - GOV BURKE WTR | | | | | | |
| | Adj per FY23 audit | 41504 | 01/22/2024 | EBRADFORI | 119,408.00 | 149,408.00 | 149,408.00 |
| Water SDFs | 75-71-6900-5970-950 TRAN TO WSF - WFER PH II DEBT PYMTS | | | | | | |
| | Adj per FY23 audit | 41505 | 01/22/2024 | EBRADFORI | 175,000.00 | 175,000.00 | 175,000.00 |
| Sewer SDFs | 76-71-3870-3870-155 TRAN FR W/S - COLLECT SYS REHAB | | | | | | |
| | To recognize Sewer SDFs | 41523 | 01/22/2024 | EBRADFORI | 997,808.50 | 34,112.00 | 1,299,496.50 |
| | To recognize Sewer SDFs | 41525 | 01/22/2024 | EBRADFORI | 997,808.50 | 10.00 | 1,299,506.50 |
| | To recognize Sewer SDFs | 41527 | 01/22/2024 | EBRADFORI | 997,808.50 | 1.00 | 1,299,507.50 |
| | To recognize Sewer SDFs | 41529 | 01/22/2024 | EBRADFORI | 997,808.50 | -1.00 | 1,299,506.50 |
| Sewer SDFs | 76-71-6900-5970-927 TRAN TO UTIL CAP IMP FD - COLL SYS | | | | | | |
| | To recognize Sewer SDFs | 41524 | 01/22/2024 | EBRADFORI | 997,808.50 | 34,112.00 | 1,299,496.50 |
| | To recognize Sewer SDFs | 41526 | 01/22/2024 | EBRADFORI | 997,808.50 | 10.00 | 1,299,506.50 |
| | To recognize Sewer SDFs | 41528 | 01/22/2024 | EBRADFORI | 997,808.50 | 1.00 | 1,299,507.50 |
| | To recognize Sewer SDFs | 41530 | 01/22/2024 | EBRADFORI | 997,808.50 | -1.00 | 1,299,506.50 |
| | | | | | | <u>3,149,538.44</u> | |

APPROVED: 4/0

DATE: 01/22/24

VERIFIED: _____

Sarah E. Kimrey



PROCLAMATION

In Honor of Black History Month 2024

Jan. 22, 2024
Board of Commissioners Work Session
Approved: _____ Feb. 12, 2024
Page 8 of 31
PROCLAMATION #20240122-3.B

WHEREAS, the Hillsborough Board of Commissioners takes pride in recognizing February 2024 as Black History Month, celebrating the many notable contributions that people of African descent have made to our community, state, and country; and

WHEREAS, African Americans have played significant roles in the history of North Carolina's economic, cultural, spiritual, and political development while working tirelessly to maintain and promote their culture and history; and

WHEREAS, in 1976, Black History Month was formally adopted to honor and affirm the importance of Black history throughout our American experience, which dates thousands of years and includes some of the greatest, most advanced and innovative societies that we can all draw inspiration from; and

WHEREAS, since 1976, every American president has designated February as Black History Month and endorsed a specific theme; and

WHEREAS, the theme for Black History Month 2024 focuses on African Americans and the arts and is infused with African, Caribbean, and Black American lived experiences; and

WHEREAS, In the fields of visual and performing arts, literature, fashion, folklore, language, film, music, architecture, culinary and other forms of cultural expression the African American influence has been paramount; and

WHEREAS, because of their determination, hard work, and perseverance, African Americans have made valuable and lasting contributions to Hillsborough and our state, achieving exceptional success in all aspects of society, including business, education, politics, science, athletics and the arts; and

WHEREAS, African Americans living and working in Hillsborough — from the time of legalized slavery to the present day — have shown a steadfast determination to live freely and equally and to press the town and the community to make manifest an equitable Hillsborough where race is not a determining factor of outcomes; and

WHEREAS, this observance presents a special opportunity to become more knowledgeable about black heritage and to honor the many black leaders who have played a part in the progress of our community;

NOW, THEREFORE, I, Mark Bell, mayor of the Town of Hillsborough, do hereby proclaim February 2024 as Black History Month in Hillsborough.

IN WITNESS WHEREOF, I have hereunto set my hand and caused this seal of the Town of Hillsborough to be affixed this 22nd day of January in the year 2024.



Mark Bell

Mark Bell, Mayor
Town of Hillsborough



RESOLUTION

To Approve a Municipal Accounting Services, Cybersecurity and Technical Assistance Memorandum of Agreement

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

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

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

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

WHEREAS, the Municipal Accounting Services and Cybersecurity Grant and the Guidance and Technical Assistance Grant are collectively referred to herein as the "League Grants"; and

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

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

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

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

1. Services rendered by the League (League Services) including but not limited to capital expenditures for special purpose software and computer equipment as set forth in §2 C.F.R. 200.439; and
2. Services rendered by one or more service providers (Contractor Services), retained by the League on behalf of the Municipality, who are members of a particular profession or possess a special skill as set forth in §2 C.F.R. 200.459; and
3. Equipment, including information technology systems, and supplies, including computing devices, as set forth in §2 C.F.R. 200.439 and §2 C.F.R. 200.453; and

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

NOW, THEREFORE, be it resolved the Hillsborough Board of Commissioners:

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

Approved this 22nd day of January of the year 2024.



Mark Bell

Mark Bell, Mayor
Town of Hillsborough

Attestation:

Sarah Kimrey

Sarah Kimrey, Town Clerk

Exhibit A

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

MUNICIPAL ACCOUNTING SERVICES, CYBERSECURITY AND TECHNICAL ASSISTANCE MEMORANDUM OF AGREEMENT

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

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

Article I. Overview.

1. Enabling Law and Regulation.

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

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

2. Grants Awarded to the NC League of Municipalities.

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

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

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

One or both of the League Grants fund this Agreement.

3. Status of the Parties.

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

4. Services Offered.

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

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

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

5. Additional Services.

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

6. Term of Agreement.

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

7. Termination of Agreement.

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

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

8. Duties of the Municipality.

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

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

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

Article II. Scope of Funded Activities.

1. Scope of Services

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

2. Approved Budget.

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

3. Prior Approval for Changes.

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

4. Allowable Costs for Services Rendered.

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

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost

Principles, and Audit Requirements for Federal Awards, commonly called Uniform Guidance, Subpart E, defines those items of cost that are allowable, and which are unallowable. These allowable cost requirements are:

1. The costs must be reasonable;
2. The costs must be allocable to eligible projects under the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARP);
3. The costs must be given consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances;
4. The costs must conform to any limitations or exclusions set forth in these principles or in the ARP/CSLFRF grant award as to types or amounts of cost items.

5. Prohibited Uses of Funding.

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

1. To make a deposit into a pension fund that constitutes an extraordinary payment of an accrued, unfunded liability (Routine contributions which are part of a payroll obligation for an eligible project are allowed);
2. To borrow money or make debt service payments;
3. To replenish rainy day funds or to fund other financial reserves;
4. To satisfy an obligation arising from a settlement agreement, judgment, consent decree, or judicially confirmed debt restricting in a judicial, administrative, or regulatory proceeding;
5. For a project that includes a term or condition that undermines efforts to stop the spread of COVID-19 or discourages compliance with recommendations and guidelines in CDC guidance for stopping the spread of COVID-19;
6. In violation of the conflict-of-interest requirements imposed by the award terms and 2 CFR 200.318(c).
7. For any expenditure that would violate other applicable federal, state, and local laws and regulations.

Article III. Compensation.

1. Payment of Funds.

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

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

2. Invoices.

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

Article IV. Compliance with Grant Agreement and Applicable Laws.

1. Expenditure Authority.

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

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

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

2. Conflicts of Interest; Gifts & Favors.

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

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

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

3. Records Retention and Access.

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

4. Suspension and Debarment.

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

5. Byrd Anti-Lobbying Amendment.

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

6. Publications.

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

7. Equal Opportunity and Other Relevant Federal Laws

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

Civil Rights Laws.

The Municipality shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance.

Fair Housing Laws.

The Municipality shall comply with the Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability.

Disability Protections.

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

Age Discrimination.

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

Americans with Disabilities Act.

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

Clean Air Act.

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

Federal Water Pollution Control Act.

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

Hatch Act.

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

Protections for Whistleblowers.

In accordance with 41 U.S.C. § 4712, the Municipality may not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant.

Uniform Relocation Assistance and Real Property Acquisitions Act of 1970.

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

Governmentwide Requirements for Drug-Free Workplace.

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

Increasing Seat Belt Use in the United States.

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

Reducing Text Messaging While Driving.

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

Article V. Limitations of Liability

1. Limitations of Liability.

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

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

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

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

Article VI. General Conditions.

2. Venue and Jurisdiction.

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

3. Nonwaiver.

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

4. Limitation of Authority.

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

5. Assignment.

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

6. Integration.

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

7. North Carolina Public Records Law

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

8. E-Verify

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

9. Iran Divestment Act

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

10. Companies Boycotting Israel Divestment Act

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

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

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

NC LEAGUE OF MUNICIPALITIES:

MUNICIPALITY:
TOWN OF HILLSBOROUGH

By:

Signature

Rose Vaughn Williams

Executive Director

Date of Signature

By:

Signature

Eric Peterson

Town Manager

Jan. 24, 2024

ATTEST:

Town Clerk Sarah Kimrey



Exhibit A League Services

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

1. Cyber Security Assessment

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

2. IT Evaluation

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

3. Hardware and Software Acquisition

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

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

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

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

4. Hardware and Software Installation

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

5. Finance Evaluation and Assistance During Implementation

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

6. Ongoing Cyber Security Consulting

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

7. Accounting Assistance Efforts

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

8. Communication Services

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

6. Duties of the Municipality

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

7. Duties of the League Related to Data Security

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

Exhibit B Contractor

Services

American Rescue Plan Legal Representation

Consult with a North Carolina attorney(s) concerning requirements of the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARP) and 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).

The scope of this representation can include review, consultation and drafting regarding policy review, budget ordinance, internal controls, contracts, and ARP project selection and implementation.

Total cost of this grant provided service is not to exceed \$10,000. It is provided at no cost to the Municipality. Additional costs would be borne by the municipality.

These services are provided to the undersigned Municipality pursuant to the NCLM-66 grant. This constitutes guidance and technical services provided to the Municipality to assist in development of the Municipality's ARP project funded in part by the Municipality's ARP Local Fiscal Recovery Funds or State Fiscal Recovery Funds, (ARP funds) or ARP enabled funds. ("ARP enabled funds" are described in numerous UNC SOG publications. See American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund: Reimbursements - Coates' Canons NC Local Government Law (unc.edu)).

Exhibit C – Description of Services, Compensation, and Expenses

The services for which the League is providing the **Town of Hillsborough** through NCLM's Consultant,

Witt O'Brien's, is titled **Grant Services. Description of**

Services:

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

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

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

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

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

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

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

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

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

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

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

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

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

Timeline:

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

Additional Terms:

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

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

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

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



ORDINANCE
Capital Project Amendment
Fire Station

The Hillsborough Board of Commissioners ordains that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby amended:

Section 1. Revenues anticipated to be available to the town to complete the project are hereby amended as follows.

| | <i>Current Budget</i> | <i>+/-</i> | <i>Amended Budget</i> |
|--------------|-----------------------|------------|-----------------------|
| Fire Station | \$225,000 | \$225,000 | \$450,000 |

Section 2. Amounts appropriated for the capital project are hereby amended as follows.

| | <i>Current Budget</i> | <i>+/-</i> | <i>Amended Budget</i> |
|--------------|-----------------------|------------|-----------------------|
| Fire Station | \$255,000 | \$225,000 | \$450,000 |

Section 3. This ordinance shall be amended in any manner to add additional appropriations, modify or eliminate existing capital projects, and/or add new capital project, so long as it continues to fulfill the requirements of G.S. 159-13.2 and other applicable laws.

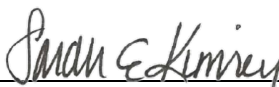
Section 4. This capital project will close automatically upon projection completion.

Section 5. Copies of this ordinance should be furnished to the clerk, budget officer and finance officer to be kept on file by them for their direction in carrying out this project.

The foregoing ordinance, having been submitted to a vote, received the following vote and was duly adopted this 22nd day of January in 2024.

Ayes: 4
Noes: 0
Absent or excused: 1





Sarah E. Kimrey, Town Clerk

FY 2023-2024

TOWN OF HILLSBOROUGH
BUDGET CHANGES REPORT
DATES: 01/23/2024 TO 01/23/2024

| <u>REFERENCE</u> | <u>CHANGE NUMBER</u> | <u>DATE</u> | <u>USER</u> | <u>ORIGINAL BUDGET</u> | <u>BUDGET CHANGE</u> | <u>AMENDED BUDGET</u> |
|--------------------------------------------------------------------------|--------------------------|-------------|-------------|----------------------------|--------------------------|---------------------------|
| 60-31-3870-3870-409 TRANSFER FROM GF-FIRE STATION Adj per FY24 budget | 41544 | 01/23/2024 | EBRADFORI | 225,000.00 | 225,000.00 | 450,000.00 |
| 60-31-5350-5700-923 FIRE STATION Adj per FY24 budget | 41545 | 01/23/2024 | EBRADFORI | 225,000.00 | 225,000.00 | 450,000.00 |
| | | | | | <u>450,000.00</u> | |