



Town of Pilot Mountain
Pilot Center, 612 E Main Street, Pilot Mountain, NC 27041
Friday, February 28, 2020, 11:30 AM

BOARD OF COMMISSIONERS SPECIAL MEETING AGENDA

Call To Order

Adoption of Agenda

New Business

- [1. Set](#) Public Hearing-Rezoning
- [2. USDA Loan-Street Paving](#)

Planning Retreat

[Planning](#) Retreat

Other Business

Adjournment



TOWN OF PILOT MOUNTAIN
BOARD OF COMMISSIONERS MEETING

Set Public Hearing-Rezoning

Background Information:

An application to rezone approximately 10 acres of land on Golf Course Road has been submitted to staff and reviewed by the Planning and Zoning Board. Approximately 8.5 acres of this tract is currently zoned GB and 1.5 acres is zoned low density residential. The request is to rezone all 10.19 acres to RH-CD, high density residential-conditional district.

The P&Z Board recommended 4-1 that the Board of Commissioners deny this rezoning request. The next step in the process is for the Board of Commissioners to hold a public hearing on the request. The Board will then make the final decision on the rezoning application.

Staff recommends that the Board adopt the attached resolution that sets the date of the public hearing for March 19, 2020 at 6 PM at the Pilot Mountain Middle School gym. The resolution also sets several rules which will govern the public hearing.

Staff Recommendation: Staff recommends that the Board approve the resolution.

Possible Board of Commissioner Actions

- Approve the resolution
- Make changes to the resolution and approve

Attachments

- Resolution R2020-02

ORDER TO HOLD A PUBLIC HEARING ON 2020-REZ-01

WHEREAS, a petition requesting rezoning of an area of 10.19 acres described in said petition, further identified by PIN 5965-06-38-0343 and 5965-06-28-9608 and Deed Book & Page 1074/519 was received by the Town of Pilot Mountain; and

WHEREAS, the Planning and Zoning Board heard the request for rezoning, received public comment, and voted to recommend that the Board of Commissioners deny the rezoning request at the regular Planning and Zoning Board meeting held on February 18; and

WHEREAS, the Board of Commissioners of the Town of Pilot Mountain wishes to schedule the required public hearing on rezoning case 2020-REZ-01;

NOW, THEREFORE, BE IT ORDERED by the Board of Commissioners that:

A public hearing is hereby scheduled for Thursday, March 19 2020 at 6 PM. The hearing will be held at the Pilot Mountain Middle School Gymnasium located at 543 Old Westfield Road, Pilot Mountain, NC 27041. The Board further orders that the following rules shall apply during this public hearing:

1. The Board will receive public comment for a maximum of 90 minutes. This time limit will begin following the presentation by the applicant.
2. Under the Fair Housing Act the Board is not allowed base their decision about whether or not to approve multi-family housing projects on the basis of race, sex, religion, national origin, color, disability, or familial status of the owners, applicants, renters, or potential renters. Therefore the Board will not allow any comments based on any of the above criteria.
3. Under the Fair Housing Act, the Board is not allowed to discriminate in any way against affordable housing projects, therefore the Board will not hear any comments about whether or not the proposed development is market rate or affordable housing units.
4. Under NC law, the Board is not allowed to consider the ownership status of the property in question when considering a rezoning. This means that the Board is not allowed to consider whether the units will be owner occupied, rentals, etc. Therefore, the Board will not allow comments based on the ownership status of the property or future occupants of the proposed development.
5. If there are a number of people who wish to make the same or similar comments, they are required to appoint one spokesman for the group.
6. Each individual speaker will be limited to 3 minutes. Each speaker representing a group of people will be allowed 5 minutes.
7. Speakers will not be allowed to make any personal attacks or insults on any individual or group of individuals.

8. The first speaker will be the applicant.
9. The public should direct all their comments to the entire Board of Commissioners. This is not a question and answer session and the Commissioners will not respond to questions during the public hearing.
10. Each person may only speak once during the public comment period.
11. Each person wishing to speak should sign up prior to the start of the meeting either by using the online signup form located at X or signing up on the signup sheet prior to the meeting. Speakers should indicate on the signup sheet whether they are representing a group.
12. The Mayor will call each person to the podium to speak and each speaker should give their name and address before speaking.
13. The person at the podium has the floor and there should be no comments from the audience while someone else holds the floor.

ADOPTED by the Board of Commissioners of the Town of Pilot Mountain this the 28th day of February 2020.

Attest:

Evan J. Cockerham, Mayor

Holly Utt, Town Clerk



TOWN OF PILOT MOUNTAIN
BOARD OF COMMISSIONERS MEETING

USDA Loan-Street Paving	
<u>Background Information:</u>	
The USDA has approved the Town for funding for the street resurfacing project. We have been approved for 14.98% grant or \$181,000 and a loan of \$1,027,000 at 2.75% for 30 years. That would mean an annual payment of \$50,717.80. Our annual Powell Bill allotment would cover most of this payment amount. If we shortened the term to 15 years, the annual payment would be ~\$84,000 and for 20 years it would be \$67,500. A representative from USDA will be at the meeting to discuss the conditions of the grant/loan and to explain the next steps. The Board will need to authorize me to sign the letter of conditions in order to proceed to the next step.	
<u>Staff Recommendation:</u>	Staff recommends that the Board move forward with the project.
<u>Possible Board of Commissioner Actions</u>	
• Approve moving forward • Deny approval of moving forward • Table until a later date • Take no action	
<u>Attachments</u>	
• USDA Letter of Conditions	



02/28/20

Town of Pilot Mountain
124 W Main Street
Pilot Mountain, NC 27041
ATTN: Mayor

Dear Mayor:

This letter establishes conditions which must be understood and agreed to by you before further consideration may be given to the application.

This letter is not to be considered as loan approval or as a representation as to the availability of funds. The docket may be completed on the basis of a direct loan not to exceed \$1,0270,000.00 and other funding sources of \$181,000.00.

If Rural Development makes the loan, you may make a written request that the interest rate be the lower of the rate in effect at the time of loan approval or the time of loan closing. If you do not request the lower of the two interest rates, the interest rate charged will be the rate in effect at the time of loan approval. The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you. If you want the lower of the two rates, your written request should ordinarily be submitted at least 30 calendar days before loan closing.

This letter establishes conditions that must be understood and agreed to by you before further consideration may be given to the Application for Federal Assistance. Any changes in project cost, sources of funds, scope of services or any other significant changes **(this includes significant changes in the Borrower's financial conditions, operation, organizational structure or executive leadership)** in the project or applicant must be reported to and approved by Rural Development (RD) by written amendment to this letter. **Any changes not approved by RD shall be cause for discontinuing processing of the application. Their concurrence and additional conditions of the loans are attached.**

Please complete and return the attached RD Form 1942-46, "Letter of Intent to Meet Conditions," if you desire that further consideration be given your application.

If the conditions set forth in this letter are not met within eighteen (18) months from the date hereof, Rural Development reserves the right to discontinue the processing of the application.

Awards made under this program are subject to the provisions contained in the Agriculture Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2013, P.L. No. 112-55, Division A, Sections 738 and 739, regarding corporate felony convictions and corporate federal tax delinquencies. To comply with these provisions, all applicants must complete the attachment for **Representation Regarding Felony Conviction or Tax Delinquent**



Status For Corporate Applicants paragraph (1) of this representation, and all corporate applicants also must complete paragraphs (2) and (3) of this representation.

PROJECT COSTS

Project Cost Item	Description	Costs
Development	construction	\$1,004,830.
Contingencies		\$60,290.
Legal Services		\$3,000.
Other Professional Fees	LGC - support	\$6,000.
Environmental		\$5,000.
Other	app support	\$10,000.
Interest		\$119,545.
Total		\$1,208,665

REPAYMENT SCHEDULE

The loan will be scheduled for repayment over a period of **30 years**. Each installment will be due annually beginning twelve (12) full months following the date of the Rural Development loan closing. The first installment will be a fully amortized installment.

SECURITY REQUIREMENTS

Security will consist of a Purchase Installment Contract. A financing statement and security agreement securing first lien on all equipment and other assets of the organization will also be required. Approval is subject the RD 3570-3 Grant Agreement. Approval of this loan is subject to confirmation of adequate security.

PREAUTHORIZED DEBIT PAYMENTS (PAD)

Prior to loan closing the applicant must complete U. S. Department of Treasury Form SF 5510, "Authorized Agreement for Preauthorized Payments." This form will authorize the government to electronically debit your Rural Development loan payment(s) from your specified bank account on a predetermined date (date the payment is due). Preauthorized Debit is accomplished through the Automated Clearing House process providing for a cost-effective, secure, reliable, and convenient payment method, thus eliminating the need to write a check for each payment, the expense of mailing the payment, and allows you the certainty of when your payment will be applied. This service is provided for only qualified borrowers.

PROCUREMENT, BIDDING, AND CONSTRUCTION

Procurement and bidding must be accomplished in accordance with the requirements of RD Instruction 1942-A, 1942.18(k). Final plans, specifications, and contract documents will be prepared in a manner that meets all state requirements as well as those of Rural Development



(which must be reviewed and signed by the Rural Development State Engineer or Architect prior to issuance of a notice to proceed with construction by the Architect). In any case where the borrower proposes to award a contract (or contracts) to a bidder, other than the apparent low bidder, the borrower must first obtain concurrence from the RD State Director before taking action to award the contract (or contracts). All construction should also meet the requirements of the American Disabilities Act (ADA). The construction plan should include a method of inspection that is acceptable to Rural Development. Rural Development's approval and concurrence must be obtained for all contracts, agreements, and plans and specifications.

Any proposed contracts or other forms of agreements between the borrower and third parties must be reviewed and approved by Rural Development and legal counsel prior to the issuance of Guide 1 for interim financing and loan closing.

Professional services of the following may be necessary: engineer, architect, attorney, bond counsel, accountant, auditor, appraiser, and financial advisory or fiscal agent (if desired by applicant).

CONSTRUCTION MONITORING

Full-time inspection is required unless a written exception is made by the Agency upon your written request. This service is to be provided by the project architect or by other arrangements as approved by the Agency. Prior to the pre-construction conference, a resume of the qualifications of the resident inspector(s) will be submitted to the owner and Agency for review and approval. The owner will provide a letter of acceptance for all proposed observers to the architect and Agency. The resident inspector(s) must attend the pre-construction conference.

The Agency requires prior agency concurrence with all Change Orders, Invoices, and Payment Estimates.

The Agency requires a pre-construction conference, pre-final, final, and warranty inspection.

INTERIM FINANCING

The applicant will obtain temporary construction financing in accordance with RD Instructions 1942-A, Subpart 1942.17(n)(3).

An Interim Lender will be used for this construction related project. Multiple advances directly from RD is not authorized for the construction phase.

LOAN RESOLUTION

The applicant must formally adopt Form RD 1942-47, "Loan Resolution Public Body," Form RD 400-1, "Equal Opportunity Agreement," and Form RD 400-4, "Assurance Agreement," at a properly called meeting of the governing body. Adoption of these documents should be made a



part of the official minutes of the meeting. A certified copy of the minutes are to be attached to the resolution and delivered to Rural Development.

OPERATING BUDGET

The applicant must formally adopt Form RD 442-7, "Operating Budget" at a properly called meeting of the governing body. The budget must provide sufficient revenue to meet the requirements of operations and maintenance and debt service. Adoption of these documents should be made a part of the official minutes of the above meeting. A certified copy of the said minutes should be attached to the resolution and be provided to Rural Development.

RESERVE REQUIREMENT

The Applicant must establish a Reserve Account in accordance with RD 1942-9, "Loan Resolution Public Body," and make annual deposit to that account in an amount equal to ten percent of the Rural Development annual payment (\$5,072.40). These deposits shall be made on a monthly basis until the reserve account has an amount equal to one annual payment.

The applicant's debt service reserve account balance for the CF direct loan must be reported annually to the State Office. Any fiscal year ending of which the debt service reserve account balance is less than the required account total, the applicant will provide the agency with a twelve-month budget and plan to correct the cash shortfall.

In addition to the annual debt service reserve account, a capital reserve account is required. The applicant will deposit **\$10,000 annually** for the life of the loan for the future capital expenditures replacement. Use of these funds will require prior written approval of the Agency. The capital reserve account balance will be reported annually to the State Office.

GRADUATION

The Applicant will refinance the unpaid balance, in whole or in part, of its debt upon the request of the Government, if at any time it should appear to the Government that the Applicant is able to refinance its note by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms.

SERVICING

As a part of normal RD Servicing Requirements, the Applicant will be required to provide the State Office with quarterly financial reports. The State Office will insure that quarterly financial statements are reviewed and closely monitored for any weaknesses and that corrective action will be taken, when necessary, to protect the portfolio.

A debt service coverage ratio (DSCR) of at least 1.10 will be maintained, with debt service to include the loan payments plus all required reserves. If the DSCR drops below 1.10 for any audited year, or quarterly financial report, then an independent management consultant shall be engaged at the expense of the Applicant/Borrower to prepare a fiscal strategy report that



documents how the debt service requirement will be met. This must be provided to RD no later than 90 days after any quarter in which the DSCR drops below 1.10.

APPLICANT CONTRIBUTION/OTHER FUNDS

Prior to the start of construction, the Applicant must provide evidence that any other funds needed in addition to the Rural Development loan are available.

DISBURSEMENT OF FUNDS

The funds contributed by the Applicant will be the first funds disbursed. The Rural Development direct loan funds will be disbursed after all construction improvements have been completed. After providing for all authorized costs, any remaining project funds will be considered Rural Development loan funds and refunded to Rural Development.

EXCESS FUNDS

If there is a significant reduction in project costs as a result of redesign or bids received, funding needs for the project will be reassessed prior to loan closing.

SYSTEM FOR AWARD MANAGEMENT and UNIVERSAL IDENTIFIER REQUIREMENTS

Requirement for System for Award Management (SAM):

1. You as the recipient must maintain the currency of your information in the SAM until you submit the final financial report required under this award and all grants funds under this award have been disbursed or de-obligated, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term. Recipients can register on-line at www.sam.gov).
2. You as the recipient may not make a sub-award to an entity unless the entity has provided its Data Universal Numbering System (DUNS) number to you. Sub-recipients with sub-awards of \$25,000 or more must also have and maintain a current CCR registration.
3. Recipient Reporting: You as the recipient must report each first-tier sub-awards of \$25,000 or more in non-Recovery Act funds to <http://www.fsr.gov> no later than the end of the month following the month the obligation was made. As part of your registration profile at <http://www.sam.gov>, you must report the total compensation of the 5 most highly compensated executives (if the award was \$25,000 or more, 80% or more of annual gross revenues subject to Transparency Act, and \$25 Million of annual gross revenues subject to Transparency Act) by end of month following month in which award was made. This requirement also pertains to sub-recipients (if the award was \$25,000 or more, 80% or more of annual gross revenues subject to Transparency Act, and \$25 Million of annual gross revenues subject to Transparency Act).

ACCOUNTING, AUDITS, AND REPORTS



The Applicant's accounting systems, audits and management reports will be established and maintained as required by North Carolina General Statutes, RD Instructions 1942-A, Section 1942.17 (q), and 2 CFR Part 200, Subpart F. The audit will be prepared in accordance with 2 CFR Part 200, Subpart F with a copy furnished to Rural Development.

As part of the normal Rural Development servicing requirements, the applicant will be required to prove quarterly financial reports to the Area Office.

INSURANCE AND BONDING

Insurance and bonding should be obtained as required by NC General Statutes and Rural Development Instructions 1942-A, Subsection 1942.17(j)(3). Evidence of required coverage must be provided to Rural Development prior to loan closing. Evidence that coverage is being maintained must be provided annually thereafter.

Position Fidelity Bond: The Applicant will provide fidelity bond coverage for the positions of officials entrusted with the receipt and disbursement of its funds and the custody of valuable property. The amount of the bond will normally approximate the total annual debt service requirements for the Rural Development loan(s).

Corporate Liability and Property Damage Insurance: The Applicant will provide public liability, and property damage insurance in an amount to adequately protect the applicant from civil action arising from the function of the applicant relative to the project.

Real Property Insurance: The applicant will provide fire and extended coverage in an amount equal to the replacement value of the building and improvements. The United States of America will be named first mortgagee for all real property held as security for the Rural Development loan.

Workman's Compensation Insurance: The applicant will provide adequate Workman's Compensation Insurance if applicable.

ORGANIZATION

The applicant must provide certification concerning its organization, in accordance with Rural Development Instructions 1942-A, Subsection 1942.17(k).

APPLICANT CERTIFICATIONS

Form AD-1047, Certification Regarding Debarment, Suspension, and other Responsibility Matters - Primary Covered Transactions, must be executed by the applicant prior to loan approval.



Form AD-1048, Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier covered transactions must be executed by the Contractor(s), supplier(s), and/or dealers prior to any purchase that exceeds \$25,000.00.

Form RD 1910-11, Applicant Certification/Federal Collection Policies for Consumer or Commercial Debts, must be executed by the applicant prior to loan closing.

Form RD 400-4, Assurance Agreement, must be executed by the applicant prior to loan approval.

CLOSING INSTRUCTIONS

The loan will be closed in accordance with instructions issued by the Rural Development State Office, applicable Rural Development State and National procedures, and instructions from the Office of General Counsel.

OTHER CONDITIONS

All applicable items set out in Form 1942-13a, "Processing Checklist (Community Facilities)(Other Than Public Body)" apply to this project and become a part of the Letter of Conditions.

All requirements of the following must be met:

- a. Compliance with special laws and regulations.
- b. State Pollution Control or Environmental Protection Agency Standards.
- c. Consistency with other development plans.
- d. Civil Rights Act of 1964.
- e. Title IX of the Education Amendment of 1972.
- f. Section 504 of the Rehabilitation Act of 1973.
- g. Age Discrimination Act of 1975.

If you have questions, please call 704-691-1810 for assistance.

Sincerely,

Nick Lattanzi

Nick Lattanzi
Area Specialist

LETTER OF INTENT TO MEET CONDITIONSDate 02-28-2020

TO: United States Department of Agriculture

Rural Development

(Name of USDA Agency)844 Wallace Grove Drive
Shelby, NC 28150

(USDA Agency Office Address)

We have reviewed and understand the conditions set forth in your letter dated 02-28-2020. It is our intent to meet all of them not later than 03-28-2021.

Pilot Mountain, Town Of

(Name of Association)

BY

Michael Boaz, Town Manager

(Title)

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a persons is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015 and 0570-0062. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data. needed, and completing and reviewing the collection of information.

REQUEST FOR OBLIGATION OF FUNDS

INSTRUCTIONS-TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED () Complete Items 1 through 29 and applicable Items 30 through 34. See FMI.			
1. CASE NUMBER ST CO BORROWER ID 38-086-*****1308		LOAN NUMBER	FISCAL YEAR 2020
2. BORROWER NAME Pilot Mountain, Town Of		3. NUMBER NAME FIELDS (1, 2, or 3 from Item 2)	
		4. STATE NAME North Carolina	
		5. COUNTY NAME Surry	
GENERAL BORROWER/LOAN INFORMATION			
6. RACE/ETHNIC CLASSIFICATION 1 - WHITE 2 - BLACK 3 - AI/AN 4 - HISPANIC 5 - A/PI	7. TYPE OF APPLICANT 1 - INDIVIDUAL 2 - PARTNERSHIP 3 - CORPORATION 4 - PUBLIC BODY 5 - ASSOC. OF FARMERS 6 - ORG. OF FARMERS 7 - NONPROFIT-SECULAR 8 - NONPROFIT-FAITH BASED 9 - INDIAN TRIBE 10 - PUBLIC COLLEGE/UNIVERSITY 11 - OTHER	8. COLLATERAL CODE 1 - REAL ESTATE SECURED 2 - REAL ESTATE AND CHATTEL 3 - NOTE ONLY OR CHATTEL ONLY 4 - MACHINERY ONLY 5 - LIVESTOCK ONLY 6 - CROPS ONLY 7 - SECURED BY BONDS 8 - RLF ACCT	9. EMPLOYEE RELATIONSHIP CODE 1 - EMPLOYEE 2 - MEMBER OF FAMILY 3 - CLOSE RELATIVE 4 - ASSOC.
10. SEX CODE 6 1 - MALE 2 - FEMALE	11. MARITAL STATUS 1 - MARRIED 2 - SEPARATED 3 - UNMARRIED (INCLUDES WIDOWED/DIVORCED)	12. VETERAN CODE N 1 - YES 2 - NO	13. CREDIT REPORT 2 1 - YES 2 - NO
14. DIRECT PAYMENT 2 (See FMI)	15. TYPE OF PAYMENT 2 1 - MONTHLY 2 - ANNUALLY 3 - SEMI-ANNUALLY 4 - QUARTERLY	16. FEE INSPECTION 2 1 - YES 2 - NO	
17. COMMUNITY SIZE 1 - 10 000 OR LESS (FOR SFH AND HPG ONLY) 2 - OVER 10,000		18. USE OF FUNDS CODE (See FMI)	
COMPLETE FOR OBLIGATION OF FUNDS			
19. TYPE OF ASSISTANCE 075 (See FMI)	20. PURPOSE CODE 1	21. SOURCE OF FUNDS	22. TYPE OF ACTION 1 1 - OBLIGATION ONLY 2 - OBLIGATION/CHECK REQUEST 3 - CORRECTION OF OBLIGATION
23. TYPE OF SUBMISSION 1 1 - INITIAL 2 - SUBSEQUENT	24. AMOUNT OF LOAN 1,027,000.0		25. AMOUNT OF GRANT
26. AMOUNT OF IMMEDIATE ADVANCE	27. DATE OF APPROVAL MO DAY YR	28. INTEREST RATE 2.75 %	29. REPAYMENT TERMS 30
COMPLETE FOR COMMUNITY PROGRAM AND CERTAIN MULTIPLE-FAMILY HOUSING LOANS			
30. PROFIT TYPE 1 - FULL PROFIT 2 - LIMITED PROFIT 3 - NONPROFIT			
COMPLETE FOR EM LOANS ONLY		COMPLETE FOR CREDIT SALE-ASSUMPTION	
31. DISASTER DESIGNATION NUMBER (See FMI)		32. TYPE OF SALE 1 - CREDIT SALE ONLY 2 - ASSUMPTION ONLY 3 - CREDIT SALE WITH SUBSEQUENT LOAN 4 - ASSUMPTION WITH SUBSEQUENT LOAN	
FINANCE OFFICE USE ONLY		COMPLETE FOR FP LOANS ONLY	
33. OBLIGATION DATE MO DA YR		34. BEGINNING FARMER/RANCHER (See FMI)	

If the decision contained above in this form results in denial, reduction or cancellation of USDA assistance, you may appeal this decision and have a hearing or you may request a review in lieu of a hearing. Please use the form we have included for this purpose.

Position 2

ORIGINAL - Borrower's Case Folder

COPY 1 - Finance Office

COPY 2 - Applicant/Lender

COPY 3 - State Office

CERTIFICATION APPROVAL

For All Farmers Programs

EM, OL, FO, and SW Loans

This loan is approved subject to the availability of funds. If this loan does not close for any reason within 90 days from the date of approval on this document, the approval official will request updated eligibility information. The undersigned loan applicant agrees that the approval official will have 14 working days to review any updated information prior to submitting this document for obligation of funds. If there have been significant changes that may affect eligibility, a decision as to eligibility and feasibility will be made within 30 days from the time the applicant provides the necessary information.

If this is a loan approval for which a lien and/or title search is necessary, the undersigned applicant agrees that the 15-working-day loan closing requirement may be exceeded for the purposes of the applicant's legal representative completing title work and completing loan closing.

35. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICIAL

36. I HEREBY CERTIFY that I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near my community for loans for similar purposes and periods of time. I agree to use the sum specified herein, subject to and in accordance with regulations applicable to the type of assistance indicated above, and request payment of such sum. I agree to report to USDA any material adverse changes, financial or otherwise, that occur prior to loan closing. I certify that no part of the sum specified herein has been received. I have reviewed the loan approval requirements and comments associated with this loan request and agree to comply with these provisions.

(For FP loans at eligible terms only) If this loan is approved, I elect the interest rate to be charged on my loan to be the lower of the interest rate in effect at the time of loan approval or loan closing. If I check "NO", the interest rate charged on my loan will be the rate specified in Item 28 of this form. _____ YES _____ NO

WARNING: Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."

Date _____, 20 ____

Michael Boaz, Town Manager

(Signature of Applicant)

Date _____, 20 ____

(Signature of Co-Applicant)

37. I HEREBY CERTIFY that all of the committee and administrative determinations and certifications required by regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, and by this document, subject to the availability of funds, the Government agrees to advance such amount to the applicant for the purpose of and subject to the availability prescribed by regulations applicable to this type of assistance.

(Signature of Approving Official)

Typed or Printed Name: _____

Date Approved: _____

Title: _____

38. TO THE APPLICANT: As of this date _____, this is notice that your application for financial assistance from the USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the USDA. If you have any questions contact the appropriate USDA Servicing Office.

REQUEST FOR OBLIGATION OF FUNDS

INSTRUCTIONS-TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED () Complete Items 1 through 29 and applicable Items 30 through 34. See FMI.			
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COMPLETE FOR OBLIGATION OF FUNDS			
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For All Farmers Programs

EM, OL, FO, and SW Loans

This loan is approved subject to the availability of funds. If this loan does not close for any reason within 90 days from the date of approval on this document, the approval official will request updated eligibility information. The undersigned loan applicant agrees that the approval official will have 14 working days to review any updated information prior to submitting this document for obligation of funds. If there have been significant changes that may affect eligibility, a decision as to eligibility and feasibility will be made within 30 days from the time the applicant provides the necessary information.

If this is a loan approval for which a lien and/or title search is necessary, the undersigned applicant agrees that the 15-working-day loan closing requirement may be exceeded for the purposes of the applicant's legal representative completing title work and completing loan closing.

35. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICIAL

36. I HEREBY CERTIFY that I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near my community for loans for similar purposes and periods of time. I agree to use the sum specified herein, subject to and in accordance with regulations applicable to the type of assistance indicated above, and request payment of such sum. I agree to report to USDA any material adverse changes, financial or otherwise, that occur prior to loan closing. I certify that no part of the sum specified herein has been received. I have reviewed the loan approval requirements and comments associated with this loan request and agree to comply with these provisions.

(For FP loans at eligible terms only) If this loan is approved, I elect the interest rate to be charged on my loan to be the lower of the interest rate in effect at the time of loan approval or loan closing. If I check "NO", the interest rate charged on my loan will be the rate specified in Item 28 of this form. _____ YES _____ NO

WARNING: Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."

Date _____, 20 ____

Michael Boaz, Town Manager

(Signature of Applicant)

Date _____, 20 ____

(Signature of Co-Applicant)

37. I HEREBY CERTIFY that all of the committee and administrative determinations and certifications required by regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, and by this document, subject to the availability of funds, the Government agrees to advance such amount to the applicant for the purpose of and subject to the availability prescribed by regulations applicable to this type of assistance.

(Signature of Approving Official)

Typed or Printed Name: _____

Date Approved: _____

Title: _____

38. TO THE APPLICANT: As of this date _____, this is notice that your application for financial assistance from the USDA has been approved, as indicated above, subject to the availability of funds and other conditions required the USDA. If you have any questions contact the appropriate USDA Servicing Office.

**United States Department of Agriculture
Rural Housing Service**

COMMUNITY FACILITIES GRANT AGREEMENT

THIS GRANT AGREEMENT (Agreement) dated 02-28-2020, is a contract for receipt of grant funds under the Community Facility Grant program (7 C.F.R. part 3570, subpart B). These requirements do not supersede the applicable requirements for receipt of Federal funds stated in 7 C.F.R. parts 3015, "Uniform Federal Assistance Regulations," 3016 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," or 3019, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations." Further, 7 C.F.R. part 3570, subpart B, and all relevant regulatory requirements apply to applicants whether contained in here or not.

BETWEEN Pike Mountain, Town of

a public body, nonprofit corporation, or Indian tribe (Grantee) and the United States of America acting through the Rural Housing Service (RHS), Department of Agriculture, (Grantor)

WITNESSETH:

All references herein to "Project" refer to a community facility to serve a rural community generally known as street resurfacing. The principal amount of the grant is \$ 181,000.00 (Grant Funds) which is 14.9800 percent of Project costs.

WHEREAS

Grantee has determined to undertake the acquisition, construction, enlargement, capital improvement, or purchase of equipment for a project with a total estimated cost of \$ 1,208,665.00. Grantee is able to finance and has committed \$ 1,027,665.00 of Project costs.

The Grantor has agreed to give the Grantee the Grant Funds, subject to the terms and conditions established by the Grantor. Provided, however, that any Grant Funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the conditions of this Agreement or the applicable regulation.

As a condition of this Agreement, the Grantee assures and certifies that it is in compliance with and will comply in the course of the Agreement with all applicable laws, regulations, Executive Orders, and other generally applicable requirements, including those contained in 7 C.F.R. § 3015.205(b), which are incorporated into this agreement by reference, and such other statutory provisions as are specifically contained herein.

NOW, THEREFORE, in consideration of said grant;

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0173. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Grantee agrees that Grantee will:

A. Cause said Project to be constructed within the total sums available to it, including Grant Funds, in accordance with any architectural or engineering reports, and any necessary modifications, prepared by Grantee and approved by Grantor;

B. Provide periodic reports as required by Grantor and permit periodic inspection of the Project by a representative of the Grantor. For grant-only Projects, Form SF-269, "Financial Status Report," and a project performance report will be required on a quarterly basis (due 15 working days after each of each calendar quarter). A final project performance report will be required with the last "Financial Status Report." The final report may serve as the last quarterly report. Grantees shall constantly monitor performance to ensure that time schedules are being met, projected work by time periods is being accomplished, and other performance objectives are being achieved. The project performance reports shall include, but not limited to, the following:

1. A comparison of actual accomplishments to the objectives established for that period;
2. Reasons why established objectives were not met;
3. Problems, delays, or adverse conditions which will affect attainment of overall project objectives, prevent meeting time schedules or objectives, or preclude the attainment of particular project work elements during established time periods. This disclosure shall be accomplished by a statement of the action taken or planned to resolve the situation; and
4. Objectives and timetables established for the next reporting period.

C. Manage, operate, and maintain the facility, including this Project if less than the whole of said facility, continuously in an efficient and economical manner;

D. Not use grant funds to replace any financial support previously provided or assured from any other source. The Grantee agrees that the Grantee's level of expenditure for the Project shall be maintained and not reduced as a result of Grant Funds;

E. Make the public facility or services available to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical or mental disability at reasonable rates, including assessments, taxes, or fees. Grantee may make modifications as long as they are reasonable and nondiscriminatory;

F. To execute any agreements required by Grantor which Grantee is legally authorized to execute. If any such agreement has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, that agreement applies equally to the grant and another identical agreement need not be executed in connection with this grant;

G. Upon any default under its representations or agreements contained in this instrument, Grantee, at the option and demand of Grantor, will immediately repay to Grantor the Grant Funds with any legally permitted interest from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Agreement may be enforced by Grantor, at its option and without regard to prior waivers of previous defaults by Grantee, by judicial proceedings to require specific performance of the terms of this Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Agreement and the laws and regulations under which this grant is made;

H. Use the real property including land, improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed;

1. Title to real property shall vest in the Grantee subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant as long as needed.

2. The Grantee shall obtain Grantor's approval to use the real property in other projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Grantor.

3. When the real property is no longer needed, as provided in paragraphs 1 and 2 above, the Grantee shall request disposition instructions from the Grantor. The Grantor will observe the following rules in the disposition instructions:

(a) The Grantee may be permitted to retain title after it compensates the Federal government in an amount computed by applying the Federal percentage of participation in the cost of the original Project to the fair market value of the property;

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor and pay the Federal government an amount computed by applying the Federal percentage of participation in the cost of the original Project to the proceeds from sale (after deducting actual and reasonable selling and fix-up expenses, if any, from the sales proceeds). When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return;

(c) The Grantee may be directed to transfer title to the property to the Federal government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee's percentage of participation in the cost of the program or Project to the current fair market value of the property;

This Grant Agreement covers the following described real property (use continuation sheets as necessary). see PER dated 09/2019 figure 7.3

I. Abide by the following conditions pertaining to equipment which is furnished by the Grantor or acquired wholly or in part with Grant Funds. Equipment means tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A Grantee may use its own definition of equipment provided that such definition would at least include all equipment as defined below:

1. Use of equipment.

(a) The Grantee shall use the equipment in the Project for which it was acquired as long as needed. When no longer needed for the original project, the Grantee shall use the equipment in connection with its other federally sponsored activities, if any, in the following order of priority:

(i) Activities sponsored by the Grantor.

(ii) Activities sponsored by other Federal agencies.

(b) During the time that equipment is held for use on the project for which it was acquired, the Grantee shall make it available for use on other projects if such other use will not interfere with the work on the project for which the property was originally acquired. First preference for such other use shall be given to Grantor sponsored projects. Second preference will be given to other federally sponsored projects.

2. Disposition of equipment. When the Grantee no longer needs the property as provided in paragraph 1 (a) and (b) above, the equipment may be sold or used for other activities in accordance with the following standards:

(a) Equipment with a current fair market value of less than \$5,000. The Grantee may use the property for other activities without reimbursement to the Federal government or sell the property and retain the proceeds.

(b) Equipment with a current fair market value of \$5,000 or more. The Grantee may retain the property for other uses provided that compensation is made to the Grantor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original Project to the current fair market value of the property. If the Grantee has no need for the equipment and the equipment has further use value, the Grantee shall request disposition instructions from the Grantor.

(c) The Grantor shall determine whether the equipment can be used to meet RHS or its successor agency's requirements. If no such requirements exist, the availability of the property shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR), to the General Services Administration by the Grantor to determine whether a requirement for the equipment exists in other Federal agencies. The Grantor shall issue instructions to the Grantee no later than 120 days after the Grantee's request and the following procedures shall govern:

(i) If so instructed or if disposition instructions are not issued within 120 calendar days after the Grantee's request, the Grantee shall sell the equipment and reimburse the Grantor an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the Grantee shall be permitted to deduct and retain from the Federal share 10 percent of the proceeds or \$500, whichever is less, for the Grantee's selling and handling expenses.

(ii) If the Grantee is instructed to ship the property elsewhere, the Grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the Grantee participation in the cost of the original grant Project or program to the current fair market value of the equipment plus any reasonable shipping or interim storage costs incurred.

(iii) If the Grantee is instructed to otherwise dispose of the equipment, the Grantee shall be reimbursed by the Grantor for such costs incurred in its disposition.

3. The Grantee's property management standards for equipment shall include:

(a) Property records which accurately provide for: a description of the equipment; manufacturer's serial number or other identification number; acquisition date and cost; source of the equipment; percentage (at the end of budget year) of Federal participation in the cost of the Project for which the equipment was acquired; location, use, and condition of the equipment and the date the information was reported; and ultimate disposition data including sales price or the method used to determine current fair market value if the Grantee reimburses the Grantor for its share.

(b) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years to verify the existence, current utilization, and continued need for the equipment.

(c) A control system shall be in effect to ensure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented.

(d) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(e) Proper sales procedures shall be established for unneeded equipment which would provide for competition to the extent practicable and result in the highest possible return;

This Grant Agreement covers the following described equipment (use continuation sheets as necessary).

J. Provide Financial Management Systems which will include:

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.
2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.
3. Effective control over and accountability for all funds, property, and other assets. Grantees shall adequately safeguard all such assets and shall ensure that they are used solely for authorized purposes.
4. Accounting records supported by source documentation.

K. Retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least three years after grant closing except that the records shall be retained beyond the three-year period if audit findings have not been resolved. Microfilm or photo copies or similar methods may be substituted in lieu of original records. The Grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Grantee's which are pertinent to the specific grant program for the purpose of making audits, examinations, excerpts, and transcripts;

L. Provide either an audit report, annual financial statements, or other documentation prepared in accordance with Grantor regulations to allow the Grantor to determine that funds have been used in compliance with the proposal, any applicable laws and regulations, and this Agreement;

M. Agree to account for and to return to Grantor interest earned on grant funds pending their disbursement for program purposes when the Grantee is a unit of local government. States and agencies or an instrumentality of a State shall not be held accountable for interest earned on Grant Funds pending their disbursement;

N. Not encumber, transfer or dispose of the property or any part thereof, furnished by the Grantor or acquired wholly or in part with Grantor funds without the written consent of the Grantor except as provided in item H and I; and

O. Not duplicate other Project purposes for which monies have been received, are committed, or are applied to from other sources (public or private).

Grantor Agrees That It:

A. Will make available to Grantee for the purpose of this Agreement not to exceed \$181,000.00 which it will advance to Grantee to meet not to exceed 14.9800 percent of the Project development costs in accordance with the actual needs of Grantee as determined by Grantor.

B. Will assist Grantee, within available appropriations, with such technical assistance as Grantor deems appropriate in planning the Project and coordinating the plan with local official comprehensive plans for essential community facilities and with any State or area plans for the area in which the project is located.

C. At its sole discretion and at any time may give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (1) advisable to further the purpose of the grant or to protect Grantor's financial interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.

Termination of This Agreement

This Agreement may be terminated for cause in the event of default on the part of the Grantee or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the Project will not produce beneficial results commensurate with the further expenditure of funds.

IN WITNESS WHEREOF, Grantee has this day authorized and caused this Agreement to be executed

By

Town Manager

and attested with its corporate seal affixed (if applicable) by

Attest:

City Clerk

By

(Title)

UNITED STATES OF AMERICA
RURAL HOUSING SERVICE

By

Nick Lattanzi

(Name)

(Title)

USDA
Form RD 1942-47
(Rev. 12-97)

LOAN RESOLUTION
(Public Bodies)

FORM APPROVED
OMB NO. 0575-0015

A RESOLUTION OF THE Town Council

OF THE Pilot Mountain, Town Of

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING
A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS
street resurfacing

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the Pilot Mountain, Town Of
(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of
1,027,000.00

pursuant to the provisions of N. C. G. S. 160; and

WHEREAS, the Association intends to obtain assistance from the Rural Housing Service, Rural Business - Cooperative Service, Rural Utilities Service, or their successor Agencies with the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U. S. C. 1983 (c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$ 10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contract or agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by the Government. No free service or use of the facility will be permitted.

11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established and maintained, disbursements from that account may be used when necessary for payments due on the bond if sufficient funds are not otherwise available. With the prior written approval of the Government, funds may be withdrawn for:
 - (a) Paying the cost of repairing or replacing any damage to the facility caused by catastrophe.
 - (b) Repairing or replacing short-lived assets.
 - (c) Making extensions or improvements to the facility.

Any time funds are disbursed from the reserve account, additional deposits will be required until the reserve account has reached the required funded level.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain the Government's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed \$ 181,000

under the terms offered by the Government; that the City Manager
 and Finance Director of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee

The vote was: Yeas _____ Nays _____ Absent _____.

IN WITNESS WHEREOF, the Town Council of the
Pilot Mountain, Town Of has duly adopted this resolution and caused it
 to be executed by the officers below in duplicate on this _____ day of _____, _____.

(SEAL)

Attest:

By Michael Boaz

Title Town Manager

 City Clerk
 Title

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as _____ of the Pilot Mountain, Town Of _____
hereby certify that the Town Council _____ of such Association is composed of
_____ members, of whom _____, constituting a quorum, were present at a meeting thereof duly called and
held on the _____ day of _____, _____; and that the foregoing resolution was adopted at such meeting
by the vote shown above. I further certify that as of _____, the date of closing of the loan from the Government, said resolution
remains in effect and has not been rescinded or amended in any way.

Dated, this _____ day of _____, _____.

Title _____

EQUAL OPPORTUNITY AGREEMENT

This agreement, dated 2/28/2020 between
Pilot Mountain, Town Of

(herein called "Recipient" whether one or more) and United States Department of Agriculture (USDA), pursuant to the rules and regulations of the Secretary of Labor (herein called the 'Secretary') issued under the authority of Executive Order 11246 as amended, witnesseth:

In consideration of financial assistance (whether by a loan, grant, loan guaranty, or other form of financial assistance) made or to be made by the USDA to Recipient, Recipient hereby agrees, if the cash cost of construction work performed by Recipient or a construction contract financed with such financial assistance exceeds \$10,000 - unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965.

1. To incorporate or cause to be incorporated into any contract for construction work, or modification thereof, subject to the relevant rules, regulations, and orders of the Secretary or of any prior authority that remain in effect, which is paid for in whole or in part with the aid of such financial assistance, the following "Equal Opportunity Clause":

During the performance of this contract, the contractor agrees as follows:

- (a) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited, to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the USDA setting forth the provisions of this nondiscrimination clause.
- (b) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- (c) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the USDA, advising the said labor union or workers' representative of the contractor's commitments under this agreement and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (d) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of all rules, regulations and relevant orders of the Secretary of Labor.
- (e) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, rules, regulations, and orders, or pursuant thereto, and will permit access to his books, records, and accounts by the USDA Civil Rights Office, and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (f) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by Law.
- (g) The contractor will include the provisions of paragraph 1 and paragraph (a) through (g) in every subcontract or purchase order, unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the USDA may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the USDA, the contractor may request the United States to enter into such litigation to protect the interest of the United States.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0018. The time required to complete this information collection is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

2. To be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, that if the organization so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.
3. To notify all prospective contractors to file the required 'Compliance Statement', Form RD 400-6, with their bids.
4. Form AD-425, Instructions to Contractors, will accompany the notice of award of the contract. Bid conditions for all nonexempt federal and federally assisted construction contracts require inclusion of the appropriate "Hometown" or "Imposed" plan affirmative action and equal employment opportunity requirements. All bidders must comply with the bid conditions contained in the invitation to be considered responsible bidders and hence eligible for the award.
5. To assist and cooperate actively with USDA and the Secretary in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and rules, regulations, and relevant orders of the Secretary, that will furnish USDA and the Secretary such information such as , but not limited to, Form AD-560, Certification of Nonsegregated Facilities, to submit the Monthly Employment Utilization Report, Form CC-257, as they may require for the supervision of such compliance, and that it will otherwise assist USDA in the discharge of USDA's primary responsibility for securing compliance.
6. To refrain from entering into any contract or contract modification subject to such Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and Federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by USDA or the Secretary of Labor pursuant to Part II, Subpart D, of the Executive Order.
7. That if the recipient fails or refuses to comply with these undertakings, the USDA may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the organization under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such organization; and refer the case to the Department of Justice for appropriate legal proceedings.

Signed by the Recipient on the date first written above.

Recipient

(CORPORATE SEAL)

Attest:

Secretary

Recipient

Town of Pilot Mountain

Name of Corporate Recipient

By _____
President

Position 3

USDA
Form RD 400-4
(Rev. 11-17)

ASSURANCE AGREEMENT
(Under Title VI, Civil Rights Act of 1964)

FORM APPROVED
OMB No. 0575-0018
OMB No. 0570-0062

The **Pilot Mountain, Town Of**

(name of recipient)

124 W Main Street, Box 1 Pilot Mountain, NC 27041-

(address)

As a condition of receipt of Federal financial assistance, you acknowledge and agree that you must comply (and require any subgrantees, subrecipients, contractors, successors, transferees, and assignees to comply) with applicable provisions of national laws and policies prohibiting discrimination, including but not limited to:

1. Title VI of the Civil Rights Act of 1964, as amended, which prohibits you from discriminating on the basis of race, color, or national origin (42 U.S.C. 2000d et seq.), and 7 CFR Part 15, 7 CFR 1901, Subpart E.

As clarified by Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency (Rural Housing Service, Rural Business and Cooperative Service, and Rural Utilities Service) guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs [in accordance with USDA RD LEP Guidance for RD Funded (Assisted) Programs]. Meaningful access may entail providing language assistance services, including oral and written translation, where necessary. You are encouraged to consider the need for language services for LEP persons served or encountered both in developing your budgets and in conducting your programs and activities. For assistance and information regarding your LEP obligations, go to <http://www.lep.gov>;

2. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating on the basis of sex in education programs or activities (20 U.S.C. 1681 et seq.) [as implemented by 7 CFR Part 15, 7 CFR 1901, Subpart E];

3. The Age Discrimination Act of 1975, as amended, which prohibits you from discriminating on the basis of age (42 U.S.C. 6101 et seq.) [as implemented by 7 CFR Part 15, 7 CFR 1901, Subpart E];

4. Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits you from discriminating on the basis of disability (29 U.S.C. 794) [as implemented by 7 CFR Part 15, 7 CFR Part 15b, 7 CFR 1901, Subpart E];

5. Title VIII of the Civil Rights Act, which prohibits you from discriminating in the sale, rental, financing, and advertising of dwellings, or in the provision of services in connection therewith, on the basis of race, color, national origin, religion, disability, familial status, and sex (42 U.S.C. 3601 et seq.), as implemented by the Department of Housing and Urban Development at 24 CFR part 100. The prohibition on disability discrimination includes the requirement that new multifamily housing with four or more dwelling units, i.e., the public and common use areas and individual apartment units (all units in buildings with elevators and ground-floor units in buildings without elevators) be designed and constructed with certain accessible features, see 24 CFR Part 100.201; and

6. Titles II and III of the Americans with Disabilities Act, which prohibit you from discriminating on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131-12189), as implemented by Department of Justice regulations at 28 C.F.R. parts 35 and 36, and 7 CFR Part 15, 7 CFR Part 15b, 7 CFR 1901, Subpart E.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0018. The time required to complete this information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

You also acknowledge and agree that you must comply (and require any subgrantees, subrecipients, contractors, successors, transferees, and assignees to comply) with applicable provisions governing USDA Rural Development (Rural Housing Service, Rural Business and Cooperative Service, and Rural Utilities Service) access to records, accounts, documents, information, facilities, and staff:

1. You must cooperate with any compliance review or complaint investigation conducted by USDA Rural Development (Rural Housing Service, Rural Business and Cooperative Service, and Rural Utilities Service).
2. You must give USDA Rural Development (Rural Housing Service, Rural Business and Cooperative Service, and Rural Utilities Service) access to and the right to examine and copy records, accounts, and other documents and sources of information related to the grant and permit access to facilities, personnel, and other individuals and information as may be necessary, as required by Title VI, Title IX, Age, and Section 504 implementing regulations and other applicable laws or program guidance.
3. You must keep such records and submit to the responsible Department official or designee timely, complete, and accurate compliance reports at such times, and in such form and containing such information, as the responsible Department official or his designee may determine to be necessary to ascertain whether you have complied or are complying with relevant obligations.
4. You must comply with all other reporting, data collection, and evaluation requirements, as prescribed by law or detailed in program guidance.
5. Make available to users, participants, beneficiaries and other interested persons such information regarding the provisions of this agreement and the regulations, and in such manner as the Rural Development or the U.S. Department of Agriculture finds necessary to inform such persons of the protection assured them against discrimination.
6. If, during the past three years, you (the recipient) have been accused of discrimination on the grounds of race, color, national origin (including limited English proficiency), sex, age, disability, religion, or familial status, you must provide a list of all such proceedings, pending or completed, including outcome and copies of settlement agreements.
7. In the event any court or administrative agency makes a finding of discrimination on grounds of race, color, national origin (including limited English proficiency), sex, age, disability, religion, or familial status against you, or you settle a case or matter alleging such discrimination, you must forward a copy of the complaint and findings to USDA Rural Development (Rural Housing Service, Rural Business and Cooperative Service, and Rural Utilities Service), Office of Civil Rights.

The United States has the right to seek judicial enforcement of these obligations.

You also acknowledge and agree that you must comply (and require any subgrantees, subrecipients, contractors, successors, transferees, and assignees to comply) with applicable provisions of program-specific nondiscrimination policy requirements found at CFR Part 15, 7 CFR Part 15 b, 12 CFR Part 202, 7 CFR 1901, Subpart E., DR4300-003, DR4330-0300, DR4330-005.

Period of Obligation

In the case of any service, financial aid, covered employment, equipment, property, or structure provided, leased, or improved with federal assistance extended to the Recipient by Rural Development (Rural Housing Service, Rural Business and Cooperative Service, and Rural Utilities Service), this assurance obligates the Recipient for the period during which federal assistance is extended. In the case of any transfer of such service, financial aid, equipment, property, or structure, this assurance obligates the transferee for the period during which federal assistance is extended. If any personal property is so provided, this assurance obligates the Recipient for the period during which it retains ownership or possession of the property. In all other cases, this assurance obligates the Recipient for the period during which the federal assistance is extended to the Recipient by Rural Development (Rural Housing Service, Rural Business and Cooperative Service, and Rural Utilities Service).

Employment Practices

Where a primary objective of the federal assistance is to provide employment or where the Recipient's employment practices affect the delivery of services in programs or activities resulting from federal assistance extended by Rural Development (Rural Housing Service, Rural Business and Cooperative Service, and Rural Utilities Service), the Recipient agrees not to discriminate on the grounds of race, color, national origin, sex, age, or disability, in its employment practices. Such employment practices may include, but are not limited to, recruitment, advertising, hiring, layoff or termination, promotion, demotion, transfer, rates of pay, training and participation in upward mobility programs; or other forms of compensation and use of facilities.

Data Collection

The Recipient agrees to compile and maintain information pertaining to programs or activities developed as a result of the Recipient's receipt of federal assistance from Rural Development (Rural Housing Service, Rural Business and Cooperative Service, and Rural Utilities Service). Such information shall include, but is not limited to the following: (1) the manner in which services are or will be provided and related data necessary for determining whether any persons are or will be denied such services on the basis of prohibited discrimination; (2) the population eligible to be served by race, color, national origin, sex, age, and disability; (3) data regarding covered employment including use or planned use of bilingual public contact employees serving beneficiaries of the program where necessary to permit effective participation by beneficiaries unable to speak or understand English; (4) the location of existing or proposed facilities connected with the program and related information adequate for determining whether the location has or will have the effect of unnecessarily denying access to any person on the basis of prohibited discrimination; (5) the present or proposed membership by race, color, national origin, sex, age and disability in any planning or advisory body which is an integral part of the program; and (6) any additional written data determined by Rural Development (Rural Housing Service, Rural Business and Cooperative Service, and Rural Utilities Service) to be relevant to the obligation to assure compliance by recipients with laws cited in this assurance agreement.

Under penalty of perjury, the undersigned officials certify that they have read and understand their obligations as herein described, that the information submitted in conjunction with this Document is accurate and complete, and that the recipient is in compliance with the nondiscrimination requirements set out above.

Rights and remedies provided for under this agreement shall be cumulative.

In witness whereof, **Town of Pilot Mountain** on this
(name of recipient)
date has caused this agreement to be executed by its duly authorized officers and its seal affixed hereto, or, if a natural person, has hereunto executed this agreement.

(S E A L)

Attest:

City Clerk

Title

<u>2/28/2020</u>	<i>Recipient</i>
	<i>Date</i>
<u>Town Manager</u>	
	<i>Title</i>

Name Pilot Mountain, Town Of		Address 124 W Main Street, Box 1		Pilot Mountain, NC 27041-	
Applicant Fiscal Year From		County Surry		State (Including ZIP Code) NC 27041-	
	To	20	20	20	20
		(1)	(2)	(3)	(4)
OPERATING INCOME					First Full Year
1. Total Revenue					(5)
2.					
3.					
4.					
5. Miscellaneous		0	0	0	0
6. Less: Allowances and Deductions	(	)	(	)	(
7. Total Operating Income (Add Lines 1 through 6)		0	0	0	1,703,040
OPERATING EXPENSES					1,764,526
8. Total Expense					
9.					
10.					
11.					
12.					
13.					
14.					
15. Interest (RD)		0	0	0	5,827
16. Depreciation		0	0	0	129,703
17. Total Operating Expense (Add lines 8 through 16)		0	0	0	1,687,910
18. NET OPERATING INCOME (LOSS) (Line 7 less 17)		0	0	0	15,130
NONOPERATING INCOME					
19.					
20.					
21. Total Nonoperating Income (Add Lines 19 and 20)		0	0	0	0
22. NET INCOME (LOSS) (Add Lines 18 and 21) (Transfer to Line A Schedule 2)		0	0	0	15,130

Budget and Projected Cash Flow Approved by Governing Body

Attest: _____
Secretary Date

Appropriate Official Date

PROJECTED CASH FLOW

	20	20	20	20 20	First Full Year
A. Line 22 from Schedule 1 Income (Loss)	0	0	0	15,130	-54,046
Add					
B. Items in Operations not Requiring Cash:					
1. Depreciation (Line 16, Schedule 1)	0	0	0	129,703	141,757
2. Others: _____	0	0	0	0	0
C. Cash Provided from:					
1. Proceeds from RD loan/grant	0	0	0	1,208,000	0
2. Proceeds from others	0	0	0	665	0
3. Increase (Decrease) in Accounts Payable, Accruals and other Current Liabilities	0	0	0	0	0
4. Decrease (Increase) in Accounts Receivable, inventories and Other Current Assets (Exclude Cash)	0	0	0	0	0
5. Other: _____	0	0	0	0	0
6. _____	0	0	0	0	0
D. Total all A, B and C Items	0	0	0	1,353,498	87,711
E. Less: Cash Expended for:					
1. All Construction, Equipment and New Capital Items (Loan and grant funds)	0	0	0	1,208,665	0
2. Replacement and Additions to Existing Property, Plant and Equipment	0	0	0	0	0
3. Principal Payment RD Loan	0	0	0	0	22,481
4. Principal Payment Other Loans	0	0	0	52,553	53,897
5. Other: _____	0	0	0	0	0
6. Total E 1 through 5	0	0	0	1,261,218	76,378
Add					
F. Beginning Cash Balances	0	0	0	994,047	1,086,327
G. Ending Cash Balances (Total of D minus E 6 plus F)	0	0	0	1,086,327	1,097,660
Item G Cash Balances Composed of:					
Construction Account	0	0	0	0	0
Revenue Account	0	0	0	0	0
Debt Payment Account	0	0	0	58,380	109,008
O&M Account	0	0	0	1,027,947	973,580
Reserve Account	0	0	0	0	5,072
Funded Depreciation Account	0	0	0	0	10,000
Others: _____	0	0	0	0	0
Total - Agrees with Item G	0	0 00	0 00	1,086,327 00	1,097,660 00

BUDGET ATTACHMENT

Income Detail

<u>Income Source</u>	<u>Year1_0</u>	<u>Year2_0</u>	<u>Year3_0</u>	<u>Year4_2020</u>	<u>First Full Year</u>
Miscellaneous	0.00	0.00	0.00	0.00	0.00
Less: Allowances and	0.00	0.00	0.00	0.00	0.00
Total Revenue	0.00	0.00	0.00	1,703,040.00	1,764,526.00
TOTALS				1,703,040	1,764,526

Expense Detail

<u>Expense Source</u>	<u>Year1_0</u>	<u>Year2_0</u>	<u>Year3_0</u>	<u>Year4_2020</u>	<u>First Full Year</u>
Interest	0.00	0.00	0.00	5,827.00	32,630.00
	0.00	0.00	0.00	129,703.30	141,757.20
Total Expense	0.00	0.00	0.00	1,552,380.00	1,644,185.00
TOTALS				1,687,910	1,818,572

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

**APPLICANT CERTIFICATION
FEDERAL COLLECTION POLICIES FOR CONSUMER OR COMMERCIAL DEBTS**

The Federal Government is authorized to check credit information about the applicant(s) including using the federal Credit Alert Interactive Voice Response System (CAIVRS) or its successors to check to see if the applicant(s) are delinquent or in default on a Federal debt.

The Federal Government is also authorized by law to take any or all of the following actions in the event your loan payments become delinquent or you default on your loan:

- Report your name and account information to a credit reporting agency, and the Credit Alert Interactive Voice Response System (CAIVRS).
- Assess interest and penalty charges for the period of time that payment is not made.
- Assess charges to cover additional administrative costs incurred by the government to service your account.
- Offset amounts to be paid to you from your Federal income tax refund.
- Offset amounts to be paid to you under other Federal Programs.
- Refer your account to a private collection agency to collect the amount due.
- Foreclose on any security you have given for the loan.
- Pursue legal action to collect through the courts.
- Report any written off debt to the Internal Revenue Service as taxable income.
- If you are a current or retired Federal employee, take action to offset your salary, or civil service retirement benefits.
- Debar or suspend you from doing business with the Federal Government either as a participant or principal throughout the executive branch of the Federal Government for the period of debarment or suspension.
- Refer any debt that is delinquent to the Treasury Offset Program (TOP) in accordance with the Debt Collection Improvement Act of 1996.
- Refer any eligible debt that is delinquent to the Treasury for cross servicing in accordance with the Debt Collection Improvement Act of 1996.
- Garnish your wages as allowed by the Debt Collection Improvement Act of 1996.

Any or all of these actions may be used to recover any debts owed when it is determined to be in the interest of the Government to do so.

CERTIFICATION: I/we have read and I/we understand the actions the Federal Government may take in the event that I/we fail to meet my/our scheduled payments in accordance with the terms and conditions of my/our agreement. I/we understand that the above list is not all inclusive and that the Federal Government may deem additional actions necessary to collect should I/we become delinquent.

_____ (Signature-Individual(s))	_____ (Date)	_____ (Signature-Individual(s))	_____ (Date)
-----		-----	
	02-28-2020 (Date)	Pilot Mountain, Town Of	(Name of Applicant)
(SEAL)		_____ (Signature of Authorized Entity Official)	
ATTEST:		_____ (Title of Authorized Entity Official)	
_____ (Signature of Attesting Official)		124 W Main Street, Box 1	(Address)
_____ (Title of Attesting Official)		Pilot Mountain, NC 27041-	(City, State, and Zip Code)



**Certification Regarding Drug-Free Workplace Requirements (Grants)
Alternative I – For Grantees Other Than Individuals**

AD-1049

The following statement is made in accordance with the Privacy Act of 1974 (5 U.S.C. § 552a, as amended). This certification is required by the regulations implementing §§ 5151-5160 of the Drug-Free Workplace Act of 1998 (Pub. L. 100-690, Title V, Subtitle D: 41 U.S.C. § 8101 et seq.), and 2 C.F.R. Parts 182 and 421. The regulations were amended and published on June 15, 2009, in 74 Fed. Reg. 28150-28154 and on December 8, 2011, in 76 Fed. Reg. 76610-76611. Copies of the regulations may be obtained by contacting the Department of Agriculture agency offering the grant.

According to the Paperwork Reduction Act of 1995 an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0505-0027. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The provisions of appropriate criminal, civil, fraud, privacy, and other statutes may be applicable to the information provided.

(Read instructions on page three before completing certification.)

A. The grantee certifies that it will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about –
 - a. The dangers of drug abuse in the workplace;
 - b. The grantee's policy of maintaining a drug-free workplace;
 - c. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - d. The penalties that may be imposed upon employees for drug-abuse violations occurring in the workplace.
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph A.1.
4. Notifying the employee in the statement required by paragraph A.1 that, as a condition of employment under the grant, the employee will –
 - a. Abide by the terms of the statement; and
 - b. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph A.4.b from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph A.4.b, with respect to any employee who is so convicted –
 - a. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - b. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or, local health, law enforcement, or other appropriate agency

7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs A.1 through A.6.	
B. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:	
PLACE OF PERFORMANCE (Street Address, City, County, State, Zip Code) 124 W. Main Street Pilot Mountain, NC 27041-	
Check ☐ if there are workplaces on file that are not identified here.	
ORGANIZATION NAME Pilot Mountain, Town Of	PR/AWARD NUMBER OR PROJECT NAME street resurfacing
NAME(S) AND TITLE(S) OF AUTHORIZED REPRESENTATIVE(S) Michael Boaz, Town Manager	
SIGNATURE(S)	DATE 2/28/2020

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [How to File a Program Discrimination Complaint \(https://www.ascr.usda.gov/filing-program-discrimination-complaint-usda-customer\)](https://www.ascr.usda.gov/filing-program-discrimination-complaint-usda-customer) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442.

Instructions for Certification

- (1) By signing and submitting this form, the grantee is providing the certification set out on pages one and two in accordance with these instructions.
- (2) The certification set out on pages one and two is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
- (3) Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
- (4) Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio studios).
- (5) If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s). If it previously identified the workplaces in question, see paragraph (3) above.
- (6) Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:
 - "Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act, 21 U.S.C. § 812, and as further defined by 21 C.F.R. §§ 1308.11-1308.15.
 - "Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes.
 - "Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance.
 - "Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) all "direct charge" employees (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant and, (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement, consultants or independent contractors not on the grantee's payroll, or employees of subrecipients or subcontractors in covered workplaces).

ACCOUNTING, REPORTING SYSTEM AND AUDIT AGREEMENT APPROVAL

1. Borrower: _____
2. Type of entity (check one): ☐ Public Body ☐ Non-Profit
3. Type of financial report required (check):
 - A. ☐ Borrower's that expended \$750,000 or more in Federal assistance during the borrower's fiscal year must submit an audit report conducted in accordance with 2 CFR part 200. Please reference RD AN No. 4821 (January 12, 2017) as well as Federal Register Volume 78, No. 248 (Thursday, December 26, 2013) for further guidance.
 - B. ☐ Management Reports for borrowers who did not expend \$750,000 or more in Federal Funds, but has outstanding direct loan balance. Management Report includes: financial information, proposed budget, leadership data and when applicable, a Workout Agreement per 7 CFR 1942.17 (q) (2). It is due to the Agency within 60 days from the end of the borrower's fiscal year.
 - C. ☐ Financial Statements (Statement of Budget, Income and Equity, Balance Sheet) for borrowers who did not expend \$750,000 or more in Federal Funds, has an outstanding loan balance and have been direct borrowers for more than 3 years. Must have Rural Development's approval for this option and must meet requirements of 1942.17 (r) (1) (ii) (C). Financial statements are still required within 60 days of the fiscal year end in accordance with RD Instruction 1942-A.

Audit firm agrees to: Do the annual audit report in accordance with professional standards of AICPA, Submit the completed audit and accompanying letters to the Borrower 30 days prior to the date the audit is due to the Agency, Make all audit-related documents, including work papers available to the Agency upon request, and Immediately report in writing to the Borrower and the Agency all irregularities or illegal acts, whether material or not.

_____ Audit Firm Name & Address	_____ Phone Number
_____ Auditor Signature	_____ Date
_____ Auditor EIN	
_____ RD Approval	_____ Date
Debarment/Excluded Parties Listing Check (Attach)	_____ Date

Application for Federal Assistance SF-424

* 1. Type of Submission: ☐ Preapplication ☒ Application ☐ Changed/Corrected Application		* 2. Type of Application: ☒ New ☐ Continuation ☐ Revision		* If Revision, select appropriate letter(s): * Other (Specify) 	
* 3. Date Received: Completed by Grants.gov upon submission.		4. Applicant Identifier: 			
5a. Federal Entity Identifier: 			* 5b. Federal Award Identifier: 		
State Use Only:					
6. Date Received by State:		7. State Application Identifier:			
8. APPLICANT INFORMATION:					
* a. Legal Name: Pilot Mountain, Town Of					
* b. Employer/Taxpayer Identification Number (EIN/TIN): *****1308			* c. Organizational DUNS: 001974112		
d. Address:					
* Street 1:		124 W Main Street, Box 1			
Street 2:					
* City:		Pilot Mountain			
County/Parish:		Surry			
* State:		North Carolina			
Province:					
* Country:		USA: UNITED STATES			
* Zip / Postal Code:		27041			
e. Organizational Unit:					
Department Name: USDA			Division Name: Rural Development		
f. Name and contact information of person to be contacted on matters involving this application:					
Prefix:		* First Name: Michael			
Middle Name:					
* Last Name:		Boaz			
Suffix:					
Title: Town Manager					
Organizational Affiliation: Town of Pilot Manager					
* Telephone Number:		(336) 444-3000		Fax Number:	
* Email: mboaz@pilotmountainnc.org					

Application for Federal Assistance SF-424

9. Type of Applicant I - Select Applicant Type:

Municipal

Type of Applicant 2- Select Applicant Type:

Type of Applicant 3- Select Applicant Type:

* Other (specify):

* 10. Name of Federal Agency:

11. Catalog of Federal Domestic Assistance Number:

10.766

CFDA Title:

* 12. Funding Opportunity Number:

* Title:

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

21237 linear feet

Add Attachments

Delete Attachments

View Attachments

* 15. Descriptive Title of Applicant's Project:

street resurfacing

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

Application for Federal Assistance SF-424**16. Congressional Districts Of:*** a. Applicant **NC-05;*** b. Program/Project **NC-05;**

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachments

Delete Attachments

View Attachments

17. Proposed Project:* a. Start Date: * b. End Date: **18. Estimated Funding (\$):**

* a. Federal	\$1,208,000.00
* b. Applicant	\$665.00
* c. State	
* d. Local	
* e. Other	
* f. Program Income	
* g. TOTAL	\$1,208,665.00

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- ☒ a. This application was made available to the State under the Executive Order 12372 Process for review on **04-03-2014**.
- ☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- ☐ c. Program is not covered by E.O. 12372.

*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)**☐ Yes ☒ No

If "Yes, provide explanation and attach.

Add Attachments

Delete Attachments

View Attachments

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

☒ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: * First Name: **Michael**

Middle Name:

* Last Name: **Boaz**

Suffix:

* Title: **Town Manager*** Telephone Number: **(336) 444-3000** Fax Number: * Email: **mboaz@pilotmountainnc.org*** Signature of Authorized Representative: **Completed by Grants.gov upon submission.** * Date Signed: **Completed by Grants.gov upon submission.**

BE IT RESOLVED

That the City Counsel of the Town of Pilot Mountain accepts the conditions set forth in a Letter of Conditions dated February 28, 2020, and the "Loan Resolution" dated February 19, 2020; that the City Council adopt the Operating Budget for the Town of Pilot Mountain that will meet all budgeted operations, replacement, and debt service expenses associated with the Stinger Park Project.

That the City Manager and City Clerk be authorized to execute all forms necessary to obtain a loan from Rural Development, but not limited to the following forms:

Form RD 1942-46	Letter of Intent to Meet Conditions
Form RD 1940-1	Request For Obligations of Funds
Form RD 1942-47	Loan Resolution
Form RD 400-1	Equal Opportunity Agreement
Form RD 400-4	Assurance Agreement
Form RD 442-7	Operating Budget

That if the interest rate charged by Rural Development should change between this date and the date of actual approval, the City Manager be authorized to execute new forms reflecting the current interest rate and revised payments as required by Rural Development.

That the City Manager elects to have the interest charged by Rural Development to be the lower of the rate in effect at either the time of loan approval or loan closing.

The City Manager hereby agrees to abide by the mitigation requirements in the Letter of Conditions.

This resolution is to become a part of the official minutes of the City Council meeting held on September 24, 2019

MOTION MADE BY: _____ and
SECONDED BY : _____ THAT THE RESOLUTION
BE APPROVED.

MOTION PASSED _____ FOR AND _____ AGAINST.

BY: _____

Attest: _____ BY: _____
(Date) (TYPE NAME AND TITLE)

**RESOLUTION APPROVING USDA LOAN CONDITIONS AND
AUTHORIZING STAFF TO SIGN NECESSARY FORMS**

WHEREAS, the Town has submitted an application to the United States Department of Agriculture Rural Development in the amount of \$1,208,000 for the purpose of resurfacing Town streets; and

WHEREAS, the USDA has approved the Town for a loan in the amount of \$1,027,000 and a grant in the amount of \$181,000; and

WHEREAS, the USDA has issued a Letter of Conditions setting out the conditions for the loan and the grant; and,

WHEREAS, the Board of Commissioners approves these conditions and wishes to accept the funding from the USDA.

NOW, THEREFORE, BE IT ORDERED by the Board of Commissioners that:

1. The Board of Commissioners of the Town of Pilot Mountain accepts the conditions set forth in a Letter of Conditions dated February 28, 2020, and the "Loan Resolution" dated February 19, 2020;
2. That the Board of Commissioners will adopt an operating budget for the Town of Pilot Mountain that will meet all budgeted operations, replacement, and debt service expenses of the Street Resurfacing Project;
3. That the Town Manager and Town Clerk be authorized to execute all necessary forms to obtain a loan from Rural Development, including but not limited to the following forms:
 - a. Form RD 1942-46 Letter of Intent to Meet Conditions
 - b. Form RD 1940-1 Request for Obligation of Funds
 - c. Form RD 1942-47 Loan Resolution
 - d. Form RD 400-1 Equal Opportunity Agreement
 - e. Form RD 400-4 Assurance Agreement
 - f. Form RD 442-7 Operating Budget
4. That if the interest rate charged by Rural Development should change between this date and the date of actual approval, the Town Manager is authorized to execute new forms reflecting the current interest rate and revised payments as required by Rural Development;
5. That the Town Manager elects to have the interest charged by Rural Development to be the lower of the rate in effect at either the time of loan approval or loan closing;
6. The Town Manager hereby agrees to abide by the mitigation requirements in the Letter of Conditions;
7. This resolution is to become a part of the official minutes of the Town Board meeting held on February 28, 2020.

Motion Made By: _____ that the resolution be approved.

Motion Passed _____ For and _____ Against

Attest:

Evan J. Cockerham, Mayor

Holly Utt, Town Clerk



DRAFT AGENDA Town of Pilot Mountain Strategic Planning Board Retreat

Fri 2/28/2020 and Sat 2/29/2020

Chris Aycock, Facilitator

The Agenda is flexible. *Breaks given.*

Friday

12:00 pm to 12:30 pm Working lunch on site and welcome to retreat by Evan Cockerham Mayor.

12:00 pm to 1:30 pm Introduction of retreat – Chris Aycock.

State of The Town by Manger (including review of main projects and topics, review of last strategic plan and progress as well as overall financial update). – Michael Boaz

Department Heads brief presentations and questions from the board.

1:30 pm to 3:00 pm Discuss capital projects and other strategic topics.

- What projects are most impactful and desired? Why?
- Are there the tools, funding and staff time to complete the project(s)?
- What are other important strategic topics?

3:00 pm to 4:00 pm Create/revise priorities/goals for The Town of Pilot Mountain for 2020.

1. Do these priorities/goals match the priorities/goals from the priorities and goals created in 2019?
2. What is the same?
3. What is different?

4:00 pm Adjourn



Saturday

8:30 am to 9:00 am Breakfast on site and summary of day 1.

9:00 am to 1:00 pm am Update of 2019-2022 Strategic Plan.

Based on priorities/goals from day 1, capital projects and other strategic topics discussion, and previous years objectives.

- What is important and what is not?
- Should a current objective be affirmed, deleted or revised?
- What new objectives are needed?
- Are there the tools, funding and staff time to complete the objectives?

1:00 pm Adjourn retreat by Evan Cockerham Mayor.





MEMORANDUM

TO: Mayor and Board of Commissioners
FROM: Michael Boaz, Town Manager
DATE: February 26, 2020
RE: Strategic Plan Status Update

Approximately 12 months ago the Board of Commissioners met to conduct a two day strategic planning session. The Commissioners adopted the attached strategic plan. The purpose of this memo is to provide the Commissioners and the public on our progress towards accomplishing the goals outlined in the plan.

Goal 1: Deliver efficient and effective services to the Town

Objective 1A: The Public Works Department will develop a schedule for the completion of routine tasks. This objective has been completed.

Objective 1B: There will be an education session about the Town's website. This objective has also been completed. We conducted that session in July with the commissioners. We have also added the projects feature to our website that will provide ongoing information about our larger capital projects.

Objective 1C: Evaluate communication strategies and determine the best way to reach specific audiences. We have made some progress on this item. The staff still needs to hold discussions on this issue and see if we can move forward with some different strategies. We have talked about a newsletter to be distributed with the water bills in addition to our other communication methods including the website, Facebook, etc. We have also discussed the possibility of including an app in the budget for FY 2021.

Objective 1D: Develop a community policing initiative. Chief Jackson has developed a plan for getting the police department more active and visible in the community. This includes having officers visit downtown businesses on a more regular basis, having officers park and get out of their cars in the warmer months and talk with residents in their neighborhoods, and the possibility of having a "coffee with a cop" program. Chief Jackson and I have also committed that we will take the time each month to visit downtown businesses.

Goal 2: Improve and maintain the economic and physical infrastructure.

Objective 2A: Complete acquisition of stream bank restoration project easements. We still have 2 unsigned easements. We hope to have these done soon.

Objective 2B: Develop a Gantt Chart for the Town's projects. I added a section to the Town's website that lists all of the major construction projects.

Objective 2C: Explore ways to communicate what is going on. We have begun using Instagram, been more diligent about updating the website and facebook pages. I think that this goal will be further accomplished as a part of completing Objective 1C.

Objective 2D: Explore alternative energy sources. We researched the possibility of adding alternative fueled vehicles to the Town's PD fleet. The pure electric vehicles are not an option at this time b/c Tesla's

warranty program will not allow anyone other than Tesla certified techs to work on or add things to the cars (lights & sirens), but Tesla will not allow their techs to install this equipment. We have had a preliminary assessment done of the addition of solar panels to the Town Hall and the Pilot Center. We will present that report in the near future.

Goal 3: Grow the Economy:

Objective 3A: Develop commercial maintenance standards. We have not completed this task as of yet. We still plan to have School of Government Staff come and talk with the Commissioners.

Objective 3B: Solicit proposals from consultants for the Land Use Plan update. I have 3 proposals, 2 of which have been submitted to the Commissioners for review. We need to decide how to proceed.

Objective 3C: Finish design of street scape plan and develop financing options. The design work is essentially finished. The Commissioners have authorized Duke Energy to design moving the power lines from Main Street and WR is finished the final plans. We will begin the fundraising efforts shortly.

Objective 3D: Explore ways to address blight. This will be part of the presentation made by the folks from the School of Government after the first of the year.

Objective 3E: Discuss timing of a marketing plan. I still do not believe that the time is right to develop a marketing plan. I would advise continuing to wait and see if we get accepted into the DAC program.

Goal 4: Attract and Support Qualified Staff.

The Board approved both a cost of living adjustment to keep track with inflation and merit raises for high performers as a part of the budget for FY 2020. We also have continued to fund staff development and will look for ways to increase that plan in the future.