



ROWAN COUNTY COMMISSION AGENDA
October 1, 2018 - 3:00 PM
J. Newton Cohen, Sr. Room
J. Newton Cohen, Sr. Rowan County Administration Building
130 West Innes Street, Salisbury, NC 28144

Call to Order

Invocation

Provided By: Chaplain Michael Taylor

Pledge of Allegiance

Consider Additions to the Agenda

Consider Deletions From the Agenda

Consider Approval of the Agenda

Board members are asked to voluntarily inform the Board if any matter on the agenda might present a conflict of interest or might require the member to be excused from voting.

- Consider Approval of the Minutes: September 17, 2018

1 Consider Approval of Consent Agenda

- A. Resolution for Sidearm for Retired Deputy Gary Fernandez
- B. Schedule Public Hearing for FDPO 01-18 for October 15, 2018
- C. Schedule Public Hearing for ZTA 02-18 for October 15, 2018
- D. Seven Homes Contract - Foster Care
- E. Miracle Houses Contract - Foster Care
- F. Rowan-Salisbury Schools Contract - School Nursing Services
- G. Request To Apply For The NRA Foundation Grant
- H. WEL Aviation LLC Lease Amendment
- I. FY19 Rural Operating Assistance Program (ROAP)
- J. Request To Schedule Transportation Grants Public Hearing For October 15, 2018
- K. Thanksgiving Office Hours

- L. Approval to Purchase Microsoft Software Enterprise Agreement
 - M. Approval to Purchase a Landfill Motor Grader for Environmental Management
 - N. Procurement Policy Revisions and Resolution Regarding Electronic Payments
 - O. Declaration of Official Intent to Reimburse Expenditures
 - P. Access Agreement For Cleveland Library Project
- 2 Public Comment Period
- 3 Public Hearing & Executive Summary Presentation - Project Arizona
- 4 Public Hearing & Executive Summary Presentation - Project Care
- 5 Public Hearing & Executive Summary Presentation - Project Kodiak
- 6 Schedule Public Hearing for October 15, 2018 to Consider Text Amendments to Chapter 5, Animal Control Ordinance
- 7 Budget Amendments
- 8 Monthly Board Appointments
- 9 Closed Session
- Consider Approval of the August 20, 2018 Closed Session Minutes
 - To Consider A Real Property Purchase
 - For Attorney-Client Privileged Communication Regarding the ACLU Case
- 10 Adjournment

Citizens with disabilities requiring special needs to access the services or public meetings of Rowan County Government should contact the County Manager's Office three days prior to the meeting by calling (704) 216-8180.

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Carolyn Barger, Clerk to the Board
DATE: September 24, 2018
SUBJECT: Consider Approval of the Minutes: September 17, 2018

ATTACHMENTS:

Description	Upload Date	Type
September 17, 2018 Minutes	9/24/2018	Cover Memo

Greg Edds, Chairman
Jim Greene, Vice-Chairman
Mike Caskey
Judy Klusman
Craig Pierce



Aaron Church, County Manager
Carolyn Barger, Clerk to the Board
John W. Dees, II, County Attorney

DRAFT

Rowan County Board of Commissioners

130 West Innes Street • Salisbury, NC 28144
Telephone 704-216-8180 • FAX 704-216-8195

**MINUTES OF THE MEETING OF THE
ROWAN COUNTY BOARD OF COMMISSIONERS**

September 17, 2018 – 6:00 PM

J. NEWTON COHEN, SR. ROOM

J. NEWTON COHEN, SR. ROWAN COUNTY ADMINISTRATION BUILDING
.....

Present: Greg Edds, Chairman
Jim Greene, Vice-Chairman
Judy Klusman, Member
Craig Pierce, Member
Mike Caskey, Member (arrived at 6:43 p.m.)

County Manager Aaron Church, Clerk to the Board/Assistant to the County Manager Carolyn Barger, County Attorney Jay Dees and Assistant County Manager/Finance Director Leslie Heidrick were present.

Chairman Edds convened the meeting at 6:00 p.m.

Chaplain Michael Taylor provided the Invocation.

Chairman Edds led the Pledge of Allegiance.

CONSIDER ADDITIONS TO THE AGENDA

Chairman Edds added Item #2b, which was for Emergency Services Chief Chris Soliz to provide the Board with an update regarding Hurricane Florence.

CONSIDER DELETIONS FROM THE AGENDA

There were no deletions from the agenda.

CONSIDER APPROVAL OF THE AGENDA

Commissioner Klusman moved, Commissioner Greene seconded and the vote to approve the agenda (as amended) passed unanimously.

CONSIDER APPROVAL OF THE MINUTES

Commissioner Klusman moved, Commissioner Greene seconded and the vote to approve the minutes of the September 4, 2018 Commission Meeting passed unanimously.

1. CONSIDER APPROVAL OF CONSENT AGENDA

Commissioner Klusman moved approval of the Consent Agenda. The motion was seconded by Commissioner Greene and passed unanimously.

The Consent Agenda consisted of the following:

- A. Cooperative Extension Grant Applications
- B. Ratify TDA Board Appointment Term
- C. Airport Fee Schedule
- D. Proclamation for Young Marines Red Ribbon Week

WHEREAS, drug abuse in this Nation has reached epidemic stages and communities across America have been plagued by the numerous problems associated with illicit drug use and those that traffic in them; *and*

WHEREAS, it is imperative that visible, unified prevention education efforts by governments and community leaders be launched to eliminate the demand for drugs; *and*

WHEREAS, the National Red Ribbon Campaign offers citizens the opportunity to demonstrate their commitment to drug-free lifestyles (no use of illegal drugs, and no illegal use of legal drugs); *and*

WHEREAS, the red ribbon has been chosen as a symbol commemorating the work of Enrique "Kiki" Camarena, a Drug Enforcement Administration Agent who was murdered in the line of duty, and represents the belief that one person can make a difference; *and*

WHEREAS, the Red Ribbon Campaign was established by Congress in 1988 to encourage a drug-free lifestyle and involvement in drug prevention and reduction efforts; *and*

WHEREAS, October 23-31 has been designated National Red Ribbon Week, which encourages Americans to demonstrate their commitment to healthy, drug-free lifestyles by wearing and displaying red ribbons during this week-long campaign; *and*

NOW, THEREFORE BE IT PROCLAIMED by the Rowan County Board of Commissioners that October 23-31, 2018 be recognized as **RED RIBBON WEEK** in Rowan County, and urges all citizens to join in this special observance.

- E. Permission to Submit Grant for OCOC
- F. Tax Refunds for Approval
- G. 2019 Homeland Security Exercise Grant Application
- H. Request to Schedule Public Hearings for Oct. 1, 2018 for Projects "Arizona" & "Care"
- I. Another Choice For Black Children - Foster Care Contract
- J. Falcon Crest - Foster Care Contract
- K. Access Family Services - Foster Care
- L. Purchase Requisition - Dell Computers
- M. Purchase Requisition - Superior License Fees
- N. Purchase of New Vehicles
- O. Purchase of New Elections Equipment
- P. Proclamation for National Suicide Prevention Awareness Month

WHEREAS, September is known around the United States as National Suicide Prevention Awareness Month and is intended to promote awareness surrounding the 10th leading cause of death among adults in the US, and the 2nd leading cause of death among people ages 10-24; *and*

WHEREAS, on average one person dies because of suicide every six hours in the state of North Carolina, which is nearly twice as many people than those who die because of homicide; and
WHEREAS, for every suicide there are 25 attempts, and each person who dies because of suicide immediately affects at least six other people; and
WHEREAS, based on the 2015 Youth Risk Behaviors Survey, 8.6 percent of youth in grades 9-12 reported that they had made at least one suicide attempt in the past 12 months, with research reporting that attempted suicide rates and suicidal ideation among LGBT youth is significantly higher than among the general population; and
WHEREAS, many of those who died never received effective behavioral health care services for numerous reasons including affordable availability or stigma against such issues; and
NOW, THEREFORE BE IT PROCLAIMED, that Rowan County Board of Commissioners does recognize September 2018 as Suicide Prevention Month in Rowan County and encourages the community to seek and support prevention, education, and advocacy efforts to reduce the incidences of suicide and remove the stigma associated with behavioral health services.

Q. Resolution Supporting High Rock Lake Association Letter Response To Cube Hydro Shoreline Management Plan

WHEREAS, Rowan County ("County") is a party to that certain Relicensing Settlement Agreement dated February 2007 ("RSA") by and between Alcoa Power Generating, Inc. ("APGI") and the multiple parties in interest, wherein APGI agreed to certain terms and conditions with County for future improvements, property transfers, and appropriate water and shoreline management plans; and

WHEREAS, Cube Yadkin Generation, LLC ("Cube Hydro") is the successor in interest to APGI and now obligated to the above-referenced terms and conditions, including the submission of an amended Shoreline Management Plan ("SMP") pursuant to and consistent with the RSA as well as that certain Order Issuing New License ("Order") issued by the United States of America Federal Energy Regulatory Commission ("FERC") issued September 22, 2016; and

WHEREAS, Cube Hydro has presented to the County and other interested parties a Draft SMP for review and comment, and Cube Hydro intends to submit said Draft SMP together with a summary of any such comments to FERC on or before September 21, 2018; and

WHEREAS, the High Rock Lake Association ("Association") is an association of property owners contiguous to High Rock Lake as well as other individuals all parties to or with a vested interest in the RSA, Order and SMP, and the association has continuously monitored compliance with the RSA and the Order and has certain objections and comments regarding the SMP; and

WHEREAS, the Board of Commissioners of Rowan County have reviewed the Association's Letter Response, attached hereto and incorporated herein, and hereby express their support for the Association's continuing efforts to protect High Rock Lake; and, furthermore, hereby express their agreement with the Letter Response.

NOW, THEREFORE, BE IT RESOLVED, that the Rowan County Board of Commissioners hereby conveys and states for all its unanimous support for the High Rock Lake Association's Letter Response and Objections to the Cube Hydro Draft SMP; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, that this Resolution and its attachment shall be submitted to Cube Hydro with the County's request for Cube Hydro to include the same in its report to FERC regarding the Draft SMP.

2. ANNOUNCEMENTS

Chairman Edds announced the 2nd Annual Stand Together Music Festival to raise money for Leukemia and the Lymphoma Society. The event was scheduled for September 22, 2018 from 2:00 p.m. – 10:00 p.m. at 333 North Main Street, China Grove, NC.

ADDITION

2b. HURRICANE FLORENCE UPDATE FROM EMERGENCY SERVICES CHIEF CHRIS SOLIZ

Chris Soliz, Emergency Services Chief, updated the Board regarding the teamwork that occurred over the weekend during Hurricane Florence (Hurricane), Chief Soliz thanked Chairman Edds for decisive action in declaring a State of Emergency in the County and he also thanked Vice-Chairman Greene for volunteering to serve at the call center. Chief Soliz continued by thanking County Manager Church for his leadership with key decisions during the Hurricane event.

Chief Soliz expressed appreciation for numerous individuals and agencies for their important contributions throughout the event, which included Sheriff Auten and deputies; Facilities Management Director Don Bringle, Environmental Management Director Caleb Sinclair, and Animal Services Director Bob Pendergrass.

Chief Soliz said the Emergency Operations Center (EOC) opened on Friday, September 21, 2018 at a Level 2, which is an increased activation level. Chief Soliz said liaisons had been immediately fielded to provide services to the towns and municipalities, law enforcement and fire communities. Chief Soliz said there was a partnership coordinated by the EOC between the Rescue Squad and Salisbury Fire Department for specialized water and technical rescue services. Chief Soliz said preparations were made for current and expected conditions at that time. The County requested and received from the State a Forestry Service Task Force. The Task Force was a specialty chainsaw crew, which would be paired up with Duke Energy to help restore power more quickly. Chief Soliz said the County had a tentative agreement for forty (40) members from the National Guard (Guard); however, the Guard had not been needed in Rowan County.

Chief Soliz said there had been a lot of moderate activity in the County during the event with downed trees, vehicle accidents, and power and transformer issues. Chief Soliz reported liaisons in the field had kept everyone informed on the conditions.

Chief Soliz praised the Rescue Squad for a rescue mission that involved a vehicle in a sink hole. Shelter assistance was provided for two (2) mobile home parks that had to be evacuated in Salisbury. One shelter was open with four (4) individuals from the mobile home parks taking advantage.

Chief Soliz discussed the levee issue in the Town of Landis and also the warning regarding the Yadkin River water level.

In closing, Chief Soliz said a template plan was being developed to help municipalities go through recovery with a consistent approach.

Commissioner Klusman thanked Chief Soliz for a “stellar job” for his first big event as Chief of Emergency Services in Rowan County. Chief Soliz said he would pass along the praise to the entire team for its cooperation across the County.

Chairman Edds said Level 2 events do not happen often and he said it was amazing to observe the team at work. Chairman Edds said he was glad Chief Soliz was in Rowan County.

Chairman Edds took the opportunity to praise the following individuals and agencies for an outstanding job during the Hurricane event:

- Fire Marshal Deborah Horne
- Battalion Chief TJ Brown
- Allen Cress, Telecommunications Director
- Eddie Cress, Rescue Squad Chief
- Lennie Cooper, EMS
- Sheriff Auten and Deputies
- Forestry Service
- North Carolina Department of Transportation
- Randy Welch and Duke Energy Staff
- Cube Hydro Staff for keeping High Rock Lake drained
- Municipal and Volunteer Fire Departments
- Law Enforcement
- Municipal Leadership
- Red Cross
- Rowan County Facilities Director Don Bringle
- North Carolina State Highway Patrol
- Local Legislators
- Congressmen Rick Hudson and Ted Budd
- Rowan County’s Information Technology Director Randy Cress and Staff
- Planning Director Ed Muire and Assistant Planning Director Shane Stewart
- Columbus Hawks with Rowan County Telecommunications
- Landis Town Manager Reid Linn
- County Manager Aaron Church

Chairman Edds said everyone was appreciative to those that had been mentioned. Chairman Edds said it had been amazing to hear how everyone worked together on behalf of the County. Chairman Edds said he was in awe of the individuals, agencies and the services provided.

In closing, Chairman Edds said the Hurricane threat and organizational effort put together by Chief Soliz had been a good learning experience for when something major might happen in the future. On behalf of the Board of Commissioners and Rowan County, Chairman Edds thanked Chief Soliz for a job well done.

3. PUBLIC COMMENT PERIOD

Chairman Edds opened the Public Comment Period to entertain comments from any citizens wishing to address the Board; however, no one had signed up. Later in the meeting following agenda item #5, two (2) individuals that had arrived late were granted the opportunity to speak.

4. PUBLIC HEARING FOR POSSIBLE CDBG APPLICATION

Scott Shelton, Vice President of Operations for the Economic Development Commission (EDC), said the public hearing was a required step for communities interested in applying for Community Development Block Grant (CDBG) funds. Mr. Shelton provided a power point as he discussed the possible application.

Mr. Shelton reported that holding the hearing did not obligate the County to any action or specific future application.

Mr. Shelton shared the following information prior to the opening of the public hearing:

- The purpose of the hearing is to obtain citizens input into the identification of economic needs and desired economic development activities.
- Input from the hearing will be incorporated into the County's consideration and submission of a CDBG application.
- The CDBG program permits a wide range of development activities to occur which are directed towards promoting the creation or retention of jobs, enhancing income levels and providing local employment opportunities principally for persons of low and moderate income through 1) economic development and 2) public infrastructure.
- The Department of Commerce administers this federally funded CDBG program. Applications for CDBG assistance must show that at least 60% of the CDBG funds proposed for each activity will benefit low and moderate income persons.
- If the County decided to apply for CDBG funds, then this is the first of two required public hearings. The second hearing would be for whatever project was brought before the Board to apply for the grants.
- Once the public hearing is held, the Board could apply for up to one (1) year from the day of the hearing.

Chairman Edds asked whether the Board needed to vote on the grant application following the public hearing. Mr. Shelton said the Board did not need to vote to approve an application at this point.

In response to an inquiry from Commissioner Greene, Mr. Shelton said for every \$3 of the federal grant, a local match of \$1 was required.

Chairman Edds opened the public hearing to receive citizen input regarding the identification of economic needs and economic development activities.

Chairman Edds said input from the public hearing would be incorporated into the County's consideration and submission of a CDBG application process. With no one wishing to address the Board, Chairman Edds closed the public hearing.

5. REQUEST FOR 2ND PUBLIC HEARING – CDBG APPLICATION FOR 'PROJECT KODIAK'

Scott Shelton, Vice President of Operations for the Economic Development Commission (EDC), said in his original memo to the Commission he was going to ask for a second public hearing to apply for a Community Development Block Grant (CDBG) for Project Kodiak. The Project was a large distribution center project with a 700,000 square foot distribution facility would be constructed on the Site. The company would also create 600 jobs by the end of 2022 and invest \$55 million in new construction and equipment. Mr. Shelton said it had been brought to his attention the Company had not yet turned in some paper work to the State that must be turned in before the County could proceed in the process. Mr. Shelton asked the Commission at a later date for the public hearing and to schedule a public hearing for October 1, 2018 for the traditional tax incentive request so the County could show its support for the Project.

Chairman Edds moved to set a public hearing for October 1, 2018 for the actual incentives for Project Kodiak. Commissioner Pierce seconded and the motion passed unanimously.

Mr. Shelton anticipated the public hearing for the CDBG would likely occur sometime in November based on feedback he had received from the State.

At this point in the meeting, Commissioner Pierce noted there were some people here that might not have made it in time for Public Comment Period because of closed roads resulting from Hurricane Florence. Chairman Edds opened the floor to entertain comments from those who wished to address the Board:

- Kim Brown spoke regarding her son's motorcycle accident and encouraged the Board to create an ordinance that would prohibit grass clippings from being blown in the roadway.
- Jason Diliello, Sr. also encouraged the Board to create an ordinance that would prohibit grass clippings from being blown in the roadway.

6. FINANCIAL REPORT

Assistant County Manager/Finance Director Leslie Heidrick provided the Board with an update on the County's financial status as follows:

- Annual Cumulative Revenue Comparisons as of August - \$25,141,708

- Annual Cumulative Expenditure Comparisons as of August - \$21,248,174
- Annual Cumulative Current Year Property Tax as of July - \$21,573,977
- Annual Cumulative Sales Tax as of May - \$22,186,718
- Monthly Sales Tax as of May \$2,003,351

7. CONSIDER APPROVAL OF BUDGET AMENDMENTS

Finance Director Leslie Heidrick presented the following budget amendments for the Board's consideration:

- Finance – To reduce NAPSACC funds to match awarded funding - \$2,562
- Finance / Animal Services – To recognize additional revenue and expenditures for Animal Services - \$15,000
- Finance – To budget the One NC Fund grant for New York Air Brake, LLC - \$235,000
- Finance – To transfer NC 911 revenue to contracted services - \$81,482
- To budget revenue and expenditures for the FY 2019 HOME Program that was approved by the BOC on May 7, 2018 - \$216,633

Commissioner Pierce moved approval of the budget amendments as presented. The motion was seconded by Commissioner Greene and passed unanimously.

8. ADJOURNMENT

There being no further business to come before the Board, Commissioner Klusman moved to adjourn at 6:44 p.m. The motion was seconded by Commissioner Pierce and passed unanimously.

Respectfully Submitted,

Carolyn Barger, MMC, NCMCC
Clerk to the Board/
Assistant to the County Manager

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Sheriff Kevin Auten
DATE: 09-14-2018
SUBJECT: Resolution for Sidearm for Retired Deputy Gary Fernandez

Request to award service sidearm to retired Deputy Gary Fernandez, who retired on 08-31-13, after 13 years of full-time service. At the time of his retirement, he did not receive his sidearm. He remained on as a part-time Deputy, so he still possesses his duty weapon at present.

Pass Resolution to award the service sidearm to Deputy Fernandez.

ATTACHMENTS:

Description	Upload Date	Type
Copy of Resolution for Deputy Gary Fernandez	9/14/2018	Cover Memo

RESOLUTION
ALLOWING RETIRING OFFICER
TO PURCHASE SERVICE SIDEARM

WHEREAS, North Carolina General Statute § 20-187.2 provides that the governing body of a local law enforcement agency may, in its discretion, award to a retiring member the service handgun of the retiring member; *and*

WHEREAS, Deputy Gary Fernandez has served as a member of the Rowan County Sheriff's Office since June of 2001,

WHEREAS, Deputy Gary Fernandez did retire from the Rowan County Sheriff's Office effective August 31, 2013,

NOW, THEREFORE, BE IT RESOLVED by the Rowan County Board of Commissioners to allow Deputy Gary Fernandez to purchase his service sidearm in accordance with the provisions of North Carolina General Statute § 20-187.2 for the purchase price of \$1.

This the 1st day of October 2018.

Gregory C. Edds, Chairman
Rowan County
Board of Commissioners

ATTEST:

Carolyn Barger, MMC, NCMCC
Clerk to the Board/
Assistant to the County Manager

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Shane Stewart, Assistant Planning Director
DATE: September 19, 2018
SUBJECT: Schedule Public Hearing for FDPO 01-18 for October 15, 2018

As part of a continued effort by the North Carolina Department of Public Safety (NCDPS) to maintain flood maps that accurately reflect associated flood risks, periodic updates to the maps are anticipated throughout the state based on need and available funding. The portions of preliminary maps issued to Cabarrus County which extend within Rowan County require adoption prior to the effective map date of November 16, 2018. It is our understanding the remaining map updates for Rowan County may be issued in 2019 and will require subsequent adoption.

The 2009 FDPO mirrored the NCDPS model ordinance, which was deemed compliant by the Federal Emergency Management Agency (FEMA) for communities to participate in the National Flood Insurance Program. Since this time, several changes have been identified to the model ordinance and must be incorporated within our FDPO to remain FEMA compliant.

Of the four (4) Digital Flood Insurance Rate Maps (DFIRM) panels that extend within Rowan County's jurisdiction, staff identified one parcel where the flood boundary changes (see enclosed maps). Tax Parcel 249D-072, owned by Michael Watt located at 4747 Rainbow Dr. Kannapolis, contains existing areas of flood plain associated with Fisher Town Branch noted on the Cabarrus maps. Preliminary maps show this area widening but also extending approximately 116 feet from the previous flood map boundary location.

Schedule a public hearing on October 15, 2018 to consider proposed text changes to the Flood Damage Prevention Ordinance (FDPO) and map change to the DFIRM.

ATTACHMENTS:

Description	Upload Date	Type
Staff Report & Proposed Ordinance Changes	9/19/2018	Exhibit
Current Flood Map for Watt Property	9/19/2018	Exhibit
New Flood Map for Watt Property	9/19/2018	Exhibit



Rowan County Planning and Development Department

402 North Main Street, Suite 204 • Salisbury, N.C. 28144-4341
Planning: 704-216-8588 Fax: 704-216-7986

MEMORANDUM

TO: Chairman Edds and the Rowan County Board of Commissioners
FROM: Shane Stewart, Assistant Planning Director
DATE: September 19, 2018
RE: **FDPO 01-18**

SUGGESTED BOARD OF COMMISSIONERS ACTION

- 1.** Schedule Public Hearing for **FDPO 01-18** for October 15, 2018

BACKGROUND

On May 4, 2009, Rowan County adopted a new Flood Damage Prevention Ordinance (FDPO) along with Digital Flood Insurance Rate Maps (DFIRM) for the areas outside our ten (10) municipalities and their Extra Territorial Jurisdictions. This served as a significant shift from 1979 paper maps to digital data established with improved technologies and also accounted for 30 years of development affecting map boundaries and flood elevations.

As part of a continued effort by the North Carolina Department of Public Safety (NCDPS) to maintain flood maps that accurately reflect associated flood risks, periodic updates to the maps are anticipated throughout the state based on need and available funding. The portions of preliminary maps issued to Cabarrus County which extend within Rowan County require adoption prior to the effective map date of November 16, 2018. It is our understanding the remaining map updates for Rowan County should be issued in 2019 and will require subsequent adoption.

The 2009 FDPO mirrored the NCDPS model ordinance, which was deemed compliant by the Federal Emergency Management Agency (FEMA) for communities to participate in the National Flood Insurance Program. Since this time, several changes have been identified to the model ordinance and must be incorporated within our FDPO to remain FEMA compliant.

**PROPOSED MAP AND
ORDINANCE CHANGES**

Of the four (4) DFIRM panels that extend within Rowan County's jurisdiction, staff identified one parcel where the flood boundary changes (see enclosed maps). Tax Parcel 249D-072, owned by Michael Watt located at 4747 Rainbow Dr. Kannapolis, contains existing areas of flood plain associated with Fisher Town Branch noted on the Cabarrus maps. Preliminary maps show this area widening but also extending approximately 116 feet from the previous flood map boundary location. As an aside, it is highly likely the flood plain area will continue further into the Watt property once the Rowan maps are released.

Mr. Watt has been notified of the courtesy hearing to consider the DFIRM and ordinance changes. No other identifiable changes to the maps were observed within these overlapping Cabarrus County panels.

The following ordinance language is predominantly needed for clarification, while others could be classified as new regulations. However, no new standards proposed are considered optional or "higher standards" by NCDPS.

Text proposed for deletion appear ~~highlighted with strikethroughs~~ while new text appear as **bold red text**.

Chapter 9 FLOOD DAMAGE PREVENTION*

***Editor's note:** Articles 1--6 of an ordinance adopted May 4, 2009, is being treated as superseding the provisions adopted May 20, 2002 from which Ch. 9, §§ 9-1--9-15, 9-31--9-35, 9-61--9-64 derived.

Cross references: Buildings, Ch. 7; licenses, Ch. 10; mobile homes, Ch. 13; planning and development, Ch. 17; soil erosion and sedimentation, Ch. 18; watershed protection, Ch. 20; zoning, Ch. 21; mobile home parks in floodplains, § 13-80.

State law references: Floodplain regulation, G.S. 143-215.51 et seq.; special assessments for flood protection works, G.S. 153A-185 et seq.

Article I. Statutory Authorization, Findings of Fact, Purpose and Objectives

Sec. 9-1. Statutory authorization.

Sec. 9-2. Findings of fact.

Sec. 9-3. Statement of purpose.

Sec. 9-4. Objectives.

Sec. 9-5. Definitions.

Sec. 9-6. Lands to which this chapter applies.

Sec. 9-7. Basis for establishing the special flood hazard areas.

Sec. 9-8. Establishment of floodplain development permit.

Sec. 9-9. Compliance.

Sec. 9-10. Abrogation and greater restrictions.

Sec. 9-11. Interpretation.

Sec. 9-12. Warning and disclaimer of liability.

Sec. 9-13. Penalties for violation.

Secs. 9-14--9-30. Reserved.

Article II. Administration.

Sec. 9-31. Designation of floodplain administrator.

Sec. 9-32. Floodplain development application, permit and certification requirements.

Sec. 9-33. Duties and responsibilities of the floodplain administrator.

Sec. 9-34. Corrective procedures.

Sec. 9-35. Variance procedures.

Secs. 9-36--9-50. Reserved.

Article III. Provisions For Flood Hazard Reduction

Sec. 9-51. General standards.

Sec. 9-52. Specific standards.

Sec. 9-53. Reserved.

Sec. 9-54. Standards for floodplains without established base flood elevations.

Sec. 9-55. Standards for riverine floodplains with base flood elevations but without established floodways or non-encroachment areas.

Sec. 9-56. Floodways and non-encroachment areas.

Secs. 9-57--9-75. Reserved.

Article IV. Legal Status Provisions

Staff Comments

1 Sec. 9-76. Effect on rights and liabilities under the existing flood damage prevention
2 ordinance.
3 Sec. 9-77. Effect upon outstanding floodplain development permits.
4 Sec. 9-78. Severability.
5 Sec. 9-79. Effective date.
6

7 **ARTICLE I. STATUTORY AUTHORIZATION, FINDINGS OF FACT,**
8 **PURPOSE AND OBJECTIVES**
9

10 **Sec. 9-1. Statutory authorization.**
11

12 The Legislature of the State of North Carolina has in Part 6, Article 21 of Chapter
13 143; Parts 3 and 4 of Article 18 of Chapter 153A; and Part 121, Article 6 of Chapter
14 153A of the North Carolina General Statutes, delegated to local governmental units
15 the responsibility to adopt regulations designed to promote the public health, safety,
16 and general welfare.
17

18 **Therefore, the Board of Commissioners of Rowan County, North Carolina,**
19 **does ordain as follows:**
20

21 (Ord. of 5-4-09, art. 1, § A)
22

23 **Sec. 9-2. Findings of fact.**
24

25 (1) The floodprone areas within the jurisdiction of Rowan County are subject to
26 periodic inundation which results in loss of life, property, health and safety
27 hazards, disruption of commerce and governmental services, extraordinary
28 public expenditures of flood protection and relief, and impairment of the tax
29 base, all of which adversely affect the public health, safety, and general
30 welfare.
31

32 (2) These flood losses are caused by the cumulative effect of obstructions in
33 floodplains causing increases in flood heights and velocities and by the
34 occupancy in floodprone areas of uses vulnerable to floods or other hazards.
35

36 (Ord. of 5-4-09, art. 1, § B)
37

38 **Sec. 9-3. Statement of purpose.**
39

40 It is the purpose of this chapter to promote public health, safety, and general welfare
41 and to minimize public and private losses due to flood conditions within floodprone
42 areas by provisions designed to:
43

44 (1) Restrict or prohibit uses that are dangerous to health, safety, and property due
45 to water or erosion hazards or that result in damaging increases in erosion,
46 flood heights or velocities;
47

Language from model ordinance

Staff Comments

- (2) Require that uses vulnerable to floods, including facilities that serve such uses, be protected against flood damage at the time of initial construction;
- (3) Control the alteration of natural floodplains, stream channels, and natural protective barriers, which are involved in the accommodation of floodwaters;
- (4) Control filling, grading, dredging, and all other development that may increase erosion or flood damage; and
- (5) Prevent or regulate the construction of flood barriers that will unnaturally divert flood waters or which may increase flood hazards to other lands.

(Ord. of 5-4-09, art. 1, § C)

Sec. 9-4. Objectives.

The objectives of this chapter are to:

- (1) Protect human life, safety, and health;
- (2) Minimize expenditure of public money for costly flood control projects;
- (3) Minimize the need for rescue and relief efforts associated with flooding and generally undertaken at the expense of the general public;
- (4) Minimize prolonged business losses and interruptions;
- (5) Minimize damage to public facilities and utilities (i.e. water and gas mains, electric, telephone, cable and sewer lines, streets, and bridges) that are located in floodprone areas;
- (6) Minimize damage to private and public property due to flooding;**
- (7) Make flood insurance available to the community through the National Flood Insurance Program;**
- (8) Maintain the natural and beneficial functions of floodplains;**
- (9) Help maintain a stable tax base by providing for the sound use and development of floodprone areas; and**
- (10) Ensure that potential buyers are aware that property is in a special flood hazard area.**

(Ord. of 5-4-09, art. 1, § D)

Sec. 9-5. Definitions.

Model ordinance language. No new standards or requirements as a result of additional objective cited.

Staff Comments

Unless specifically defined below, words or phrases used in this chapter shall be interpreted so as to give them the meaning they have in common usage and to give this chapter its most reasonable application.

Accessory structure (appurtenant structure) means a structure located on the same parcel of property as the principal structure and the use of which is incidental to the use of the principal structure.

Garages, carports and storage sheds are common urban accessory structures. Pole barns, hay sheds and the like qualify as accessory structures on farms, and may or may not be located on the same parcel as the farm dwelling or shop building.

Addition (to an existing building) means an extension or increase in the floor area or height of a building or structure.

Alteration of a watercourse means a dam, impoundment, channel relocation, change in channel alignment, channelization, or change in cross-sectional area of the channel or the channel capacity, or any other form of modification which may alter, impede, retard or change the direction and/or velocity of the riverine flow of water during conditions of the base flood.

Appeal means a request for a review of the floodplain administrator's interpretation of any provision of this chapter.

~~*Area of shallow flooding means a designated zone AO on a community's Flood Insurance Rate Map (FIRM) with base flood depths determined to be from one (1) to three (3) feet. These areas are located where a clearly defined channel does not exist, where the path of flooding is unpredictable and indeterminate, and where velocity flow may be evident.*~~

Area of special flood hazard: See "special flood hazard area (SFHA)".

Base flood means the flood having a one (1) percent chance of being equaled or exceeded in any given year.

Base flood elevation (BFE) means a determination of the water surface elevations of the base flood as published in the flood insurance study. When the BFE has not been provided in a "special flood hazard area", it may be obtained from engineering studies available from a federal, state, or other source using FEMA approved engineering methodologies. This elevation, when combined with the "freeboard", establishes the "regulatory flood protection elevation".

Basement means any area of the building having its floor subgrade (below ground level) on all sides.

Building: See "Structure".

Model ordinance change to define this modification which is currently referenced in the ordinance but not defined.

Not necessary since the county does not have AO zones.

Staff Comments

1 *Chemical storage facility* means a building, portion of a building, or exterior area
 2 adjacent to a building used for the storage of any chemical or chemically reactive
 3 products.

4
 5 ***Design Flood: See “Regulatory Flood Protection Elevation”.***

6
 7 *Development* means any manmade change to improved or unimproved real estate,
 8 including, but not limited to, buildings or other structures, mining, dredging, filling,
 9 grading, paving, excavation or drilling operations, or storage of equipment or
 10 materials.

11
 12 ***Development Activity means any activity defined as Development which will***
 13 ***necessitate a Floodplain Development Permit. This includes buildings,***
 14 ***structures, and non-structural items, including (but not limited to) fill,***
 15 ***bulkheads, piers, pools, docks, landings, ramps, and erosion***
 16 ***control/stabilization measures.***

17
 18 ***Digital Flood Insurance Rate Map (DFIRM) means the digital official map of a***
 19 ***community, issued by the Federal Emergency Management Agency (FEMA),***
 20 ***on which both the Special Flood Hazard Areas and the risk premium zones***
 21 ***applicable to the community are delineated.***

22
 23 *Disposal* means, as defined in G.S. 130A-290(a)(6), the discharge, deposit, injection,
 24 dumping, spilling, leaking, or placing of any solid waste into or on any land or water
 25 so that the solid waste or any constituent part of the solid waste may enter the
 26 environment or be emitted into the air or discharged into any waters, including
 27 groundwaters.

28
 29 *Elevated building* means a non-basement building which has its lowest elevated
 30 floor raised above ground level by foundation walls, shear walls, posts, piers,
 31 pilings, or columns.

32
 33 *Encroachment* means the advance or infringement of uses, fill, excavation,
 34 buildings, structures or development into a floodplain, which may impede or alter
 35 the flow capacity of a floodplain.

36
 37 ***Existing building and existing structure means any building and/or structure for***
 38 ***which the “start of construction” commenced before December 17, 1979***
 39 ***(adoption of first floodplain management ordinance).***

40
 41 *Existing manufactured home park or manufactured home subdivision means a*
 42 *manufactured home park or subdivision for which the construction of facilities for*
 43 *servicing the lots on which the manufactured homes are to be affixed (including, at a*
 44 *minimum, the installation of utilities, the construction of streets, and either final site*
 45 *grading or the pouring of concrete pads) was completed before the initial effective*
 46 *date of the floodplain management regulations adopted by the community.*
 47

Current ordinance references development “activity”. Definition added here for additional clarification.

Terminology used to distinguish current flood data in digital form from previous versions, which were on printed maps only.

Definition used to supplement use of “pre-firm” structure which existed prior to the initial flood ordinance adopted December 17, 1979.

Staff Comments

Flood or flooding means a general and temporary condition of partial or complete inundation of normally dry land areas from:

(1) The overflow of inland or tidal waters; and/or

(2) The unusual and rapid accumulation of runoff of surface waters from any source.

~~*Flood boundary and floodway map (FBFM)* means an official map of a community, issued by the Federal Emergency Management Agency, on which the special flood hazard areas and the floodways are delineated. This official map is a supplement to and shall be used in conjunction with the flood insurance rate map (FIRM).~~

~~*Flood hazard boundary map (FHBM)* means an official map of a community, issued by the Federal Emergency Management Agency, where the boundaries of the special flood hazard areas have been defined as zone A.~~

Flood insurance means the insurance coverage provided under the National Flood Insurance Program.

Flood insurance rate map (FIRM) means an official map of a community, issued by the Federal Emergency Management Agency, on which both the special flood hazard areas and the risk premium zones applicable to the community are delineated.

Flood insurance study (FIS) means an examination, evaluation, and determination of flood hazards, corresponding water surface elevations (if appropriate), flood hazard risk zones, and other flood data in a community issued by the Federal Emergency Management Agency. The flood insurance study report includes flood insurance rate maps (FIRMs) and flood boundary and floodway maps (FBFMs), if published.

Floodprone area: see "Floodplain".

Flood zone means a geographical area shown on a flood hazard boundary map or flood insurance rate map that reflects the severity or type of flooding in the area.

Floodplain means any land area susceptible to being inundated by water from any source.

Floodplain administrator is the individual appointed to administer and enforce the floodplain management regulations.

Floodplain development permit means any type of permit that is required in conformance with the provisions of this chapter, prior to the commencement of any development activity.

Floodplain management means the operation of an overall program of corrective and preventive measures for reducing flood damage and preserving and enhancing, where possible, natural resources in the floodplain, including, but not limited to,

Terms referenced the predecessor maps to digital flood maps.

Staff Comments

1 emergency preparedness plans, flood control works, floodplain management
2 regulations, and open space plans.

3
4 *Floodplain management regulations* means this chapter and other zoning ordinances,
5 subdivision regulations, building codes, health regulations, special purpose
6 ordinances, and other applications of police power. This term describes federal, state
7 or local regulations, in any combination thereof, which provide standards for
8 preventing and reducing flood loss and damage.

9
10 *Flood proofing* means any combination of structural and non-structural additions,
11 changes, or adjustments to structures which reduce or eliminate flood damage to real
12 estate or improved real property, water and sanitation facilities, structures, and their
13 contents.

14
15 ***Flood-resistant material means any building product [material, component or***
16 ***system] capable of withstanding direct and prolonged contact (minimum 72***
17 ***hours) with floodwaters without sustaining damage that requires more than***
18 ***low-cost cosmetic repair. Any material that is water-soluble or is not resistant***
19 ***to alkali or acid in water, including normal adhesives for above-grade use, is***
20 ***not flood-resistant. Pressure-treated lumber or naturally decay-resistant***
21 ***lumpers are acceptable flooring materials. Sheet-type flooring coverings that***
22 ***restrict evaporation from below and materials that are impervious, but***
23 ***dimensionally unstable are not acceptable. Materials that absorb or retain***
24 ***water excessively after submergence are not flood-resistant. Please refer to***
25 ***Technical Bulletin 2, Flood Damage-Resistant Materials Requirements, and***
26 ***available from the FEMA. Class 4 and 5 materials, referenced therein, are***
27 ***acceptable flood-resistant materials.***

28
29 *Floodway* means the channel of a river or other watercourse, **including the area**
30 **above a bridge or culvert when applicable**, and the adjacent land areas that must
31 be reserved in order to discharge the base flood without cumulatively increasing the
32 water surface elevation more than one (1) foot.

33
34 ***Floodway encroachment analysis means an engineering analysis of the impact***
35 ***that a proposed encroachment into a floodway or non-encroachment area is***
36 ***expected to have on the floodway boundaries and flood levels during the***
37 ***occurrence of the base flood discharge. The evaluation shall be prepared by a***
38 ***qualified North Carolina licensed engineer using standard engineering methods***
39 ***and models.***

40
41 *Freeboard* means the height added to the base flood elevation (BFE) to account for
42 the many unknown factors that could contribute to flood heights greater than the
43 height calculated for a selected size flood and floodway conditions, such as wave
44 action, blockage of bridge openings, and the hydrological effect of urbanization of
45 the watershed. The base flood elevation plus the freeboard establishes the
46 "regulatory flood protection elevation".
47

Definition necessary to explain and reference acceptable materials in applications below the flood protection elevation. Ordinance currently reference flood resistant materials.

Clarification

Simple definition used to indicate these encroachments require an NC engineer review.

Staff Comments

Functionally dependent facility means a facility which cannot be used for its intended purpose unless it is located in close proximity to water, limited to a docking or port facility necessary for the loading and unloading of cargo or passengers, shipbuilding, or ship repair. The term does not include long-term storage, manufacture, sales, or service facilities.

Hazardous waste management facility means, as defined in G.S. 130A, Article 9, a facility for the collection, storage, processing, treatment, recycling, recovery, or disposal of hazardous waste.

Highest adjacent grade (HAG) means the highest natural elevation of the ground surface, prior to construction, immediately next to the proposed walls of the structure.

Historic structure means any structure that is:

(a) Listed individually in the National Register of Historic Places (a listing maintained by the U.S. Department of Interior) or preliminarily determined by the Secretary of Interior as meeting the requirements for individual listing on the National Register;

(b) Certified or preliminarily determined by the Secretary of Interior as contributing to the historical significance of a registered historic district or a district preliminarily determined by the Secretary to qualify as a registered historic district;

(c) Individually listed on a local inventory of historic landmarks in communities with a "Certified Local Government (CLG) Program"; or

(d) Certified as contributing to the historical significance of a historic district designated by a community with a "Certified Local Government (CLG) Program".

Certified Local Government (CLG) Programs are approved by the U.S. Department of the Interior in cooperation with the North Carolina Department of Cultural Resources through the State Historic Preservation Officer as having met the requirements of the National Historic Preservation Act of 1966 as amended in 1980.

***Letter of Map Change (LOMC)* means an official determination issued by FEMA that amends or revises an effective Flood Insurance Rate Map or Flood Insurance Study. Letters of Map Change include:**

(a) Letter of Map Amendment (LOMA): An official amendment, by letter, to an effective National Flood Insurance Program map. A LOMA is based on technical data showing that a property had been inadvertently mapped as being in the floodplain, but is actually on natural high ground above the base flood elevation. A LOMA amends the current effective Flood Insurance Rate Map and establishes that a

Terminology used to reference types of requests to FEMA.

Staff Comments

specific property, portion of a property, or structure is not located in a special flood hazard area.

(b) **Letter of Map Revision (LOMR):** A revision based on technical data that may show changes to flood zones, flood elevations, special flood hazard area boundaries and floodway delineations, and other planimetric features.

(c) **Letter of Map Revision Based on Fill (LOMR-F):** A determination that a structure or parcel of land has been elevated by fill above the BFE and is, therefore, no longer located within the special flood hazard area. In order to qualify for this determination, the fill must have been permitted and placed in accordance with the community's floodplain management regulations.

(d) **Conditional Letter of Map Revision (CLOMR):** A formal review and comment as to whether a proposed project complies with the minimum NFIP requirements for such projects with respect to delineation of special flood hazard areas. A CLOMR does not revise the effective Flood Insurance Rate Map or Flood Insurance Study; upon submission and approval of certified as-built documentation, a Letter of Map Revision may be issued by FEMA to revise the effective FIRM.

Light Duty Truck means any motor vehicle rated at 8,500 pounds Gross Vehicular Weight Rating or less which has a vehicular curb weight of 6,000 pounds or less and which has a basic vehicle frontal area of 45 square feet or less as defined in 40 CFR 86.082-2 and is:

- (a) **Designed primarily for purposes of transportation of property or is a derivation of such a vehicle, or**
- (b) **Designed primarily for transportation of persons and has a capacity of more than 12 persons; or**
- (c) **Available with special features enabling off-street or off-highway operation and use.**

Lowest adjacent grade (LAG) means the elevation of the ground, sidewalk or patio slab immediately next to the building, or deck support, after completion of the building.

Lowest floor means the lowest floor of the lowest enclosed area (including basement). An unfinished or flood-resistant enclosure, usable solely for parking of vehicles, building access, or limited storage in an area other than a basement area is not considered a building's lowest floor, provided that such an enclosure is not built so as to render the structure in violation of the applicable non-elevation design requirements of this ordinance.

Manufactured home means a structure, transportable in one (1) or more sections, which is built on a permanent chassis and designed to be used with or without a permanent foundation when connected to the required utilities. The term "manufactured home" does not include a "recreational vehicle".

Terminology used to reference types of requests to FEMA.

Defines the type of truck referenced in the RV definition.

Staff Comments

1 *Manufactured home park or subdivision* means a parcel (or contiguous parcels) of
 2 land divided into two (2) or more manufactured home lots for rent or sale.
 3

4 *Market value* means the building value, not including the land value and that of any
 5 accessory structures or other improvements on the lot. Market value may be
 6 established by independent certified appraisal; replacement cost depreciated for age
 7 of building and quality of construction (actual cash value); or adjusted tax assessed
 8 values.
 9

10 ~~*Mean sea level* means, for purposes of this chapter, the National Geodetic Vertical~~
 11 ~~*Datum (NGVD) as corrected in 1929, the North American Vertical Datum (NAVD)*~~
 12 ~~*as corrected in 1988, or other vertical control datum used as a reference for*~~
 13 ~~*establishing varying elevations within the floodplain, to which Base Flood*~~
 14 ~~*Elevations (BFEs) shown on a FIRM are referenced. Refer to each FIRM panel to*~~
 15 ~~*determine datum used.*~~
 16

17 *New construction* means structures for which the "start of construction" commenced
 18 on or after the effective date of the initial floodplain management regulations and
 19 includes any subsequent improvements to such structures.
 20

21 *Non-encroachment area* means the channel of a river or other watercourse and the
 22 adjacent land areas that must be reserved in order to discharge the base flood without
 23 cumulatively increasing the water surface elevation more than one (1) foot as
 24 designated in the flood insurance study report.
 25

26 *Post-FIRM* means construction or other development for which the "start of
 27 construction" occurred on or after the effective date of the initial flood insurance rate
 28 map.
 29

30 *Pre-FIRM* means construction or other development for which the "start of
 31 construction" occurred before the effective date of the initial flood insurance rate
 32 map.
 33

34 *Principally above ground* means that at least fifty-one (51) percent of the actual cash
 35 value of the structure is above ground.
 36

37 *Public safety and/or nuisance* means anything which is injurious to the safety or
 38 health of an entire community or neighborhood, or any considerable number of
 39 persons, or unlawfully obstructs the free passage or use, in the customary manner, of
 40 any navigable lake, or river, bay, stream, canal, or basin.
 41

42 *Recreational vehicle (RV)* means a vehicle, which is:
 43

44 (a) Built on a single chassis;
 45

46 (b) Four hundred (400) square feet or less when measured at the largest
 47 horizontal projection;
 48

Reference removed in
model ordinance in
favor of referencing
NAVD 88 datum where
needed

(c) Designed to be self-propelled or permanently towable by a light duty truck; **and**

(d) Designed primarily not for use as a permanent dwelling, but as temporary living quarters for recreational, camping, travel, or seasonal use; **and**

(e) Is fully licensed and ready for highway use.

Reference level is the bottom of the lowest horizontal structural member of the lowest floor for structures within all special flood hazard areas. For the purposes of this definition, the reference level for slab construction is measured from the top of the lowest floor.

Regulatory flood protection elevation means the "base flood elevation" plus the "freeboard". In "special flood hazard areas" where base flood elevations (BFEs) have been determined, this elevation shall be the BFE plus two (2) feet of freeboard. In "special flood hazard areas" where no BFE has been established, this elevation shall be at least two (2) feet above the highest adjacent grade.

Remedy a violation means to bring the structure or other development into compliance with state and community floodplain management regulations, or, if this is not possible, to reduce the impacts of its non-compliance. Ways that impacts may be reduced include protecting the structure or other affected development from flood damages, implementing the enforcement provisions of the ordinance or otherwise deterring future similar violations, or reducing federal financial exposure with regard to the structure or other development.

Riverine means relating to, formed by, or resembling a river (including tributaries), stream, brook, etc.

Salvage yard means any non-residential property used for the storage, collection, and/or recycling of any type of equipment, and including but not limited to vehicles, appliances and related machinery.

Solid waste disposal facility means any facility involved in the disposal of solid waste, as defined in G.S. 130A-290(a)(35).

Solid waste disposal site means, as defined in G.S. 130A-290(a)(36), any place at which solid wastes are disposed of by incineration, sanitary landfill, or any other method.

Special flood hazard area (SFHA) means the land in the floodplain subject to a one (1) percent or greater chance of being flooded in any given year, as determined in section 9-7 of this chapter.

Start of construction includes substantial improvement, and means the date the building permit was issued, provided the actual start of construction, repair, reconstruction, rehabilitation, addition placement, or other improvement was within

Staff Comments

Model ordinance

Staff Comments

one hundred eighty (180) days of the permit date. The actual start means either the first placement of permanent construction of a structure on a site, such as the pouring of slab or footings, the installation of piles, the construction of columns, or any work beyond the stage of excavation; or the placement of a manufactured home on a foundation. Permanent construction does not include land preparation, such as clearing, grading, and filling; nor does it include the installation of streets and/or walkways; nor does it include excavation for a basement, footings, piers, or foundations or the erection of temporary forms; nor does it include the installation on the property of accessory buildings, such as garages or sheds not occupied as dwelling units or not part of the main structure. For a substantial improvement, the actual start of construction means the first alteration of any wall, ceiling, floor, or other structural part of the building, whether or not that alteration affects the external dimensions of the building.

Structure means a walled and roofed building, a manufactured home, or a gas, liquid, or liquefied gas storage tank that is principally above ground.

Substantial damage means damage of any origin sustained by a structure during any one-year period whereby the cost of restoring the structure to its before-damaged condition would equal or exceed fifty (50) percent of the market value of the structure before the damage occurred. See definition of "substantial improvement".

Substantial improvement means any combination of repairs, reconstruction, rehabilitation, addition, or other improvement of a structure, taking place during any one-year period for which the cost equals or exceeds fifty (50) percent of the market value of the structure before the "start of construction" of the improvement. This term includes structures, which have incurred "substantial damage", regardless of the actual repair work performed. The term does not, however, include either:

(a) Any correction of existing violations of state or community health, sanitary, or safety code specifications which have been identified by the community code enforcement official and which are the minimum necessary to assure safe living conditions; or

(b) Any alteration of a historic structure, provided that the alteration will not preclude the structure's continued designation as a historic structure **and the alteration is approved by variance issued pursuant to section 9-35 of this ordinance.**

***Technical Bulletin and Technical Fact Sheet* means a FEMA publication that provides guidance concerning the building performance standards of the NFIP, which are contained in Title 44 of the U.S. Code of Federal Regulations at Section 60.3. The bulletins and fact sheets are intended for use primarily by State and local officials responsible for interpreting and enforcing NFIP regulations and by members of the development community, such as design professionals and builders. New bulletins, as well as updates of existing bulletins, are issued periodically as needed. The bulletins do not create**

This term is referenced in the definition of flood resistant materials.

Staff Comments

Existing standards for accessory structures reference this term, which is not defined.

regulations; rather they provide specific guidance for complying with the minimum requirements of existing NFIP regulations.

Temperature Controlled means having the temperature regulated by a heating and/or cooling system, built-in or appliance.

Variance is a grant of relief from the requirements of this chapter.

Violation means the failure of a structure or other development to be fully compliant with the community's floodplain management regulations. A structure or other development without the elevation certificate, other certifications, or other evidence of compliance required in articles II and III is presumed to be in violation until such time as that documentation is provided.

Water surface elevation (WSE) means the height, in relation to mean sea level, of floods of various magnitudes and frequencies in the floodplains of riverine areas.

Watercourse means a lake, river, creek, stream, wash, channel or other topographic feature on or over which waters flow at least periodically. Watercourse includes specifically designated areas in which substantial flood damage may occur.

(Ord. of 5-4-09, art. 2; Amend. of 9-6-11)

Sec. 9-6. Lands to which this chapter applies.

This chapter shall apply to all special flood hazard areas within the jurisdiction of Rowan County excluding the extra territorial jurisdictions (ETJs) therein.

(Ord. of 5-4-09, art. 3, § A)

Sec. 9-7. Basis for establishing the special flood hazard areas.

The special flood hazard areas are those identified under the cooperating technical state (CTS) agreement between the State of North Carolina and FEMA in its flood insurance study (FIS) **dated October 1, 2018 and its accompanying flood insurance rate maps (FIRM), for Rowan County dated June 16, 2009, and associated DFIRM panels, including any digital data developed as part of the FIS, which are adopted by reference and declared to be a part of this chapter. Future revisions to the FIS and DFIRM panels that do not change flood hazard data within the jurisdictional authority of Rowan County are also adopted by reference and declared a part of this ordinance. Subsequent Letter of Map Revisions (LOMRs) and/or Physical Map Revisions (PMRs) shall be adopted within 3 months.**

The initial flood insurance rate maps are as follows for the jurisdictional areas at the initial date:

Rowan County Unincorporated Area, dated November 1, 1979

Date reflects 4 revised panels that extend within Rowan County.

Future revisions that do not entail revised flood boundaries or increased elevations are automatically included.

Staff Comments

Dates no longer needed

Town of China Grove Incorporated Area, dated March 29, 1978
 Town of East Spencer Incorporated Area, dated July 3, 1978
 Town of Faith Incorporated Area, dated July 3, 1978
 Town of Granite Quarry Incorporated Area, dated September 15, 1978
 Town of Landis Incorporated Area, dated July 3, 1978
 Town of Rockwell Incorporated Area, dated May 15, 1978
 City of Salisbury Incorporated Area, dated May 15, 1980
 Town of Spencer Incorporated Area, dated September 29, 1978

(Ord. of 5-4-09, art. 3, § B)

Sec. 9-8. Establishment of floodplain development permit.

A floodplain development permit shall be required in conformance with the provisions of this chapter prior to the commencement of any development activities within special flood hazard areas determined in accordance with the provisions of section 9-7 of this chapter.

(Ord. of 5-4-09, art. 3, § C)

Sec. 9-9. Compliance.

No structure or land shall hereafter be located, extended, converted, altered, or developed in any way without full compliance with the terms of this chapter and other applicable regulations.

(Ord. of 5-4-09, art. 3, § D)

Sec. 9-10. Abrogation and greater restrictions.

This chapter is not intended to repeal, abrogate, or impair any existing easements, covenants, or deed restrictions. However, where this chapter and another conflict or overlap, whichever imposes the more stringent restrictions shall prevail.

(Ord. of 5-4-09, art. 3, § E)

Sec. 9-11. Interpretation.

In the interpretation and application of this chapter, all provisions shall be:

- (a) Considered as minimum requirements;
- (b) Liberally construed in favor of the governing body; and
- (c) Deemed neither to limit nor repeal any other powers granted under state statutes.

(Ord. of 5-4-09, art. 3, § F)

Sec. 9-12. Warning and disclaimer of liability.

The degree of flood protection required by this chapter is considered reasonable for regulatory purposes and is based on scientific and engineering consideration. Larger floods can and will occur. Actual flood heights may be increased by manmade or natural causes. This ordinance does not imply that land outside the special flood hazard areas or uses permitted within such areas will be free from flooding or flood damages. This chapter shall not create liability on the part of Rowan County or by any officer or employee thereof for any flood damages that result from reliance on this chapter or any administrative decision lawfully made hereunder.

(Ord. of 5-4-09, art. 3, § G)

Sec. 9-13. Penalties for violation.

Violation of the provisions of this chapter or failure to comply with any of its requirements, including violation of conditions and safeguards established in connection with grants of variance or special exceptions, shall constitute a misdemeanor. Any person who violates this chapter or fails to comply with any of its requirements shall, upon conviction thereof, be fined not more than fifty dollars (\$50.00) or imprisoned for not more than thirty (30) days, or both. Each day such violation continues shall be considered a separate offense. Nothing herein contained shall prevent Rowan County from taking such other lawful action as is necessary to prevent or remedy any violation.

(Ord. of 5-4-09, art. 3, § H)

Secs. 9-14--9-30. Reserved.**ARTICLE II. ADMINISTRATION****Sec. 9-31. Designation of floodplain administrator.**

The director of planning and development, hereinafter referred to as the "floodplain administrator", is hereby appointed to administer and implement the provisions of this chapter.

(Ord. of 5-4-09, art. 4, § A)

Sec. 9-32. Floodplain development application, permit and certification requirements.

(1) *Application requirements.* Application for a floodplain development permit shall be made to the floodplain administrator prior to any development activities located within or adjacent to special flood hazard areas. **All elevations referenced must use NAVD 88 datum.** The following items shall be presented to the floodplain administrator to apply for a floodplain development permit:

Terminology revised to indicate the desired datum rather than the term mean sea level referenced below.

Staff Comments

(a) A plot plan drawn to scale which shall include, but shall not be limited to, the following specific details of the proposed floodplain development:

(i) The nature, location, dimensions, and elevations of the area of development/disturbance; existing and proposed structures, utility systems, grading/pavement areas, fill materials, storage areas, drainage facilities, and other development;

(ii) The boundary of the special flood hazard area as delineated on the FIRM or other flood map as determined in section 9-7, or a statement that the entire lot is within the special flood hazard area;

(iii) Flood zone(s) designation of the proposed development area as determined on the FIRM or other flood map as determined in section 9-7;

(iv) The boundary of the floodway(s) or non-encroachment area(s) as determined in section 9-7;

(v) The base flood elevation (BFE) where provided as set forth in section 9-7, section 9-33 or section 9-54;

(vi) The old and new location of any watercourse that will be altered or relocated as a result of proposed development; and

(vii) The certification of the plot plan by a professional land surveyor or professional engineer. In lieu of this requirement, the floodplain administrator may provide necessary certifications for development adjacent to but not within the special flood hazard area.

(b) Proposed elevation, and method thereof, of all development within a special flood hazard area including, but not limited to:

(i) Elevation ~~in relation to mean sea level~~ of the proposed reference level (including basement) of all structures;

(ii) Elevation ~~in relation to mean sea level~~ to which any non-residential structure in zone AE or A will be floodproofed; and

(iii) Elevation ~~in relation to mean sea level~~ to which any proposed utility systems will be elevated or floodproofed.

- (c) If floodproofing, a floodproofing certificate (FEMA Form 81-65) with supporting data, an operational plan, and an inspection and maintenance plan that includes, but is not limited to, installation, exercise, and maintenance of floodproofing measures.
- (d) A foundation plan, drawn to scale, which shall include details of the proposed foundation system to ensure all provisions of this chapter are met. These details include, but are not limited to:
- (i) The proposed method of elevation, if applicable (i.e., fill, solid foundation perimeter wall, solid backfilled foundation, open foundation on columns/posts/piers/piles/shear walls); and
 - (ii) Openings to facilitate automatic equalization of hydrostatic flood forces on walls in accordance with subsection **9-32 9-52**(4)(c) when solid foundation perimeter walls are used in zones A, **or AE, and A1-30.**
- (e) Usage details of any enclosed areas below the lowest floor.
- (f) Plans and/or details for the protection of public utilities and facilities such as sewer, gas, electrical, and water systems to be located and constructed to minimize flood damage.
- (g) Certification that all other local, state and federal permits required prior to floodplain development permit issuance have been received.
- (h) Documentation for placement of recreational vehicles and/or temporary structures, when applicable, to ensure that the provisions of subsections **9-32 9-52** (6) and (7) of this chapter are met.
- (i) A description of proposed watercourse alteration or relocation, when applicable, including an engineering report on the effects of the proposed project on the flood-carrying capacity of the watercourse and the effects to properties located both upstream and downstream; and a map (if not shown on plot plan) showing the location of the proposed watercourse alteration or relocation.
- (2) *Permit requirements.* The floodplain development permit shall include, but not be limited to:
- (a) A **complete** description of **all** the development to be permitted under the floodplain development permit (**e.g. house, garage, pool, septic, bulkhead, cabana, pier, bridge, mining, dredging, filling, grading, paving, excavation or drilling operations, or storage of equipment or materials, etc.**).

Staff Comments

Incorrect reference. Only AE zones are present in the county but at the recommendation of NCDPS staff, "A" zone reference should be kept should any future ones be established.

Incorrect reference.

No new standard. Only elaboration.

Staff Comments

(b) The special flood hazard area determination for the proposed development in accordance with available data specified in section 9-7.

(c) The regulatory flood protection elevation required for the reference level and all attendant utilities.

(d) The regulatory flood protection elevation required for the protection of all public utilities.

(e) All certification submittal requirements with timelines.

(f) A statement that no fill material or other development shall encroach into the floodway or non-encroachment area of any watercourse **unless the requirements of section 9-56 have been met, as applicable.**

(g) The flood openings requirements, if in zones A, **or AE or A1-30.**

(h) Limitations of below base flood elevation (BFE) enclosure uses (if applicable). (i.e., parking, building access and limited storage only.)

(3) *Certification requirements.*

(a) *Elevation certificates.*

(i) An elevation certificate (FEMA Form 81-31) is required prior to the actual start of any new construction. It shall be the duty of the permit holder to submit to the floodplain administrator a certification of the elevation of the reference level, in **relation to mean sea level NAVD 88 datum.** The floodplain administrator shall review the certificate data submitted. Deficiencies detected by such review shall be corrected by the permit holder prior to the beginning of construction. Failure to submit the certification or failure to make required corrections shall be cause to deny a floodplain development permit.

(ii) An elevation certificate (FEMA Form 81-31) is required after the reference level is established. Within seven (7) calendar days of establishment of the reference level elevation, it shall be the duty of the permit holder to submit to the floodplain administrator a certification of the elevation of the reference level, in **relation to mean sea level NAVD 88 datum.** Any work done within the seven-day calendar period and prior to submission of the certification shall be at the permit holder's risk. The floodplain administrator shall review

Referenced process for appropriate encroachments.

the certificate data submitted. Deficiencies detected by such review shall be corrected by the permit holder immediately and prior to further work being permitted to proceed. Failure to submit the certification or failure to make required corrections shall be cause to issue a stop work order for the project.

(iii) A final as-built elevation certificate (FEMA Form 81-31) is required after construction is completed and prior to certificate of compliance/occupancy issuance. It shall be the duty of the permit holder to submit to the floodplain administrator a certification of final as-built construction of the elevation of the reference level and all attendant utilities. The floodplain administrator shall review the certificate data submitted. Deficiencies detected by such review shall be corrected by the permit holder immediately and prior to certificate of compliance/occupancy issuance. In some instances, another certification may be required to certify corrected as-built construction. Failure to submit the certification or failure to make required corrections shall be cause to withhold the issuance of a certificate of compliance/occupancy.

(b) *Floodproofing certificate.*

(i) If non-residential floodproofing is used to meet the regulatory flood protection elevation requirements, a floodproofing certificate (FEMA Form ~~81-65~~ **086-0-34**), with supporting data, an operational plan, and an inspection and maintenance plan are required prior to the actual start of any new construction. It shall be the duty of the permit holder to submit to the floodplain administrator a certification of the floodproofed design elevation of the reference level and all attendant utilities, ~~in relation to mean sea level~~ **using NAVD 88 datum**. Floodproofing certification shall be prepared by or under the direct supervision of a professional engineer or architect and certified by same. The floodplain administrator shall review the certificate data, the operational plan, and the inspection and maintenance plan. Deficiencies detected by such review shall be corrected by the applicant prior to permit approval. Failure to submit the certification or failure to make required corrections shall be cause to deny a floodplain development permit. Failure to construct in accordance with the certified design shall be cause to withhold the issuance of a certificate of compliance/occupancy.

(ii) **A final Finished Construction Floodproofing Certificate (FEMA Form 086-0-34), with supporting data,**

Staff Comments

New form number.

Staff Comments

an operational plan, and an inspection and maintenance plan are required prior to the issuance of a Certificate of Compliance/Occupancy. It shall be the duty of the permit holder to submit to the Floodplain Administrator a certification of the floodproofed design elevation of the reference level and all attendant utilities, using NAVD 1988 datum. Floodproofing certificate shall be prepared by or under the direct supervision of a professional engineer or architect and certified by same. The Floodplain Administrator shall review the certificate data, the operational plan, and the inspection and maintenance plan. Deficiencies detected by such review shall be corrected by the applicant prior to Certificate of Occupancy. Failure to submit the certification or failure to make required corrections shall be cause to deny a Floodplain Development Permit. Failure to construct in accordance with the certified design shall be cause to deny a Certificate of Compliance/Occupancy.

Ordinance did not reference needing a final certificate similar to residential. Necessary to document completed construction.

(c) If a manufactured home is placed within zone A; **or** AE; **or** A1-30 and the elevation of the chassis is more than thirty-six (36) inches in height above grade, an engineered foundation certification is required in accordance with the provisions of subsection 9-52(3)(b).

(d) If a watercourse is to be altered or relocated, a description of the extent of watercourse alteration or relocation; a professional engineer's certified report on the effects of the proposed project on the flood-carrying capacity of the watercourse and the effects to properties located both upstream and downstream; and a map showing the location of the proposed watercourse alteration or relocation shall all be submitted by the permit applicant prior to issuance of a floodplain development permit.

(e) Certification exemptions. The following structures, if located within zone A; **or** AE **or** A1-30, are exempt from the elevation/floodproofing certification requirements specified in items (a) and (b) of this subsection:

(i) Recreational vehicles meeting requirements of subsection 9-52(6)(a);

(ii) Temporary structures meeting requirements of subsection 9-52(7); and

(iii) Accessory structures **less than** one hundred fifty (150) square feet **or less or that is a minimal investment of \$3,000 or less and** meeting requirements of subsection 9-52(8).

Referenced section was revised. Citing main section rather than subsection.

Model ordinance language adding value option for small accessory structures.

(4) Determinations for existing buildings and structures.

For applications for building permits to improve buildings and structures, including alterations, movement, enlargement, replacement, repair, change of occupancy, additions, rehabilitations, renovations, substantial improvements, repairs of substantial damage, and any other improvement of or work on such buildings and structures, the Floodplain Administrator, in coordination with the Building Official, shall:

(a) Estimate the market value, or require the applicant to obtain an appraisal of the market value prepared by a qualified independent appraiser, of the building or structure before the start of construction of the proposed work; in the case of repair, the market value of the building or structure shall be the market value before the damage occurred and before any repairs are made;

(b) Compare the cost to perform the improvement, the cost to repair a damaged building to its pre-damaged condition, or the combined costs of improvements and repairs, if applicable, to the market value of the building or structure;

(c) Determine and document whether the proposed work constitutes substantial improvement or repair of substantial damage; and

(d) Notify the applicant if it is determined that the work constitutes substantial improvement or repair of substantial damage and that compliance with the flood resistant construction requirements of the NC Building Code and this ordinance is required.

(Ord. of 5-4-09, art. 4, § B)

Sec. 9-33. Duties and responsibilities of the floodplain administrator.

The floodplain administrator shall perform, but not be limited to, the following duties:

(1) Review all floodplain development applications and issue permits for all proposed development within special flood hazard areas to assure that the requirements of this chapter have been satisfied.

(2) Review all proposed development within special flood hazard areas to assure that all necessary local, state and federal permits have been received.

Staff Comments

Added clarification to a current process in the ordinance.

(3) Notify adjacent communities and the North Carolina Department of Crime Control and Public Safety, Division of Emergency Management, State Coordinator for the National Flood Insurance Program prior to any alteration or relocation of a watercourse, and submit evidence of such notification to the Federal Emergency Management Agency (FEMA).

(4) Assure that maintenance is provided within the altered or relocated portion of said watercourse so that the flood-carrying capacity is maintained.

(5) Prevent encroachments into floodways and non-encroachment areas unless the certification and flood hazard reduction provisions of section 9-56 are met.

(6) Obtain actual elevation (in ~~relation to mean sea level~~ **NAVD 88 datum**) of the reference level (including basement) and all attendant utilities of all new and substantially improved structures, in accordance with the provisions of subsection 9-32(3).

(7) Obtain actual elevation (in ~~relation to mean sea level~~ **NAVD 88 datum**) to which all new and substantially improved structures and utilities have been floodproofed, in accordance with the provisions of subsection 9-32(3).

(8) Obtain actual elevation (in ~~relation to mean sea level~~ **NAVD 88 datum**) of all public utilities in accordance with the provisions of subsection 9-32(3).

(9) When floodproofing is utilized for a particular structure, obtain certifications from a registered professional engineer or architect in accordance with the provisions of subsection 9-32(3) and subsection ~~9-53~~ **9-52** (2).

(10) Where interpretation is needed as to the exact location of boundaries of the special flood hazard areas, floodways, or non-encroachment areas (for example, where there appears to be a conflict between a mapped boundary and actual field conditions), make the necessary interpretation. The person contesting the location of the boundary shall be given a reasonable opportunity to appeal the interpretation as provided in this article.

(11) When base flood elevation (BFE) data has not been provided in accordance with the provisions of section 9-7, obtain, review, and reasonably utilize any BFE data, along with floodway data or non-encroachment area data available from a federal, state, or other source, including data developed pursuant to subsection 9-54(2)(b), in order to administer the provisions of this chapter.

(12) When base flood elevation (BFE) data is provided but no floodway or non-encroachment area data has been provided in accordance with the provisions of section 9-7, obtain, review, and reasonably utilize any

Incorrect reference.

1 floodway data or non-encroachment area data available from a federal, state,
2 or other source in order to administer the provisions of this chapter.
3

4 (13) When the lowest floor and the lowest adjacent grade of a structure or
5 the lowest ground elevation of a parcel in a special flood hazard area is above
6 the base flood elevation (BFE), advise the property owner of the option to
7 apply for a letter of map amendment (LOMA) from FEMA. Maintain a copy
8 of the (LOMA) issued by FEMA in the floodplain development permit file.
9

10 (14) Permanently maintain all records that pertain to the administration of
11 this ordinance and make these records available for public inspection,
12 recognizing that such information may be subject to the Privacy Act of 1974,
13 as amended.
14

15 (15) Make on-site inspections of work in progress. As the work pursuant to
16 a floodplain development permit progresses, the floodplain administrator
17 shall make as many inspections of the work as may be necessary to ensure
18 that the work is being done according to the provisions of the local ordinance
19 and the terms of the permit. In exercising this power, the floodplain
20 administrator has a right, upon presentation of proper credentials, to enter on
21 any premises within the jurisdiction of the community at any reasonable hour
22 for the purposes of inspection or other enforcement action.
23

24 (16) Issue stop work orders as required. Whenever a building or part thereof
25 is being constructed, reconstructed, altered, or repaired in violation of this
26 ordinance, the floodplain administrator may order the work to be
27 immediately stopped. The stop work order shall be in writing and directed to
28 the person doing or in charge of the work. The stop work order shall state the
29 specific work to be stopped, the specific reason(s) for the stoppage, and the
30 condition(s) under which the work may be resumed. Violation of a stop work
31 order constitutes a misdemeanor.
32

33 (17) Revoke floodplain development permits as required. The floodplain
34 administrator may revoke and require the return of the floodplain
35 development permit by notifying the permit holder in writing stating the
36 reason(s) for the revocation. Permits shall be revoked for any substantial
37 departure from the approved application, plans, and specifications; for refusal
38 or failure to comply with the requirements of state or local laws; or for false
39 statements or misrepresentations made in securing the permit. Any floodplain
40 development permit mistakenly issued in violation of an applicable state or
41 local law may also be revoked.
42

43 (18) Make periodic inspections throughout the special flood hazard areas
44 within the jurisdiction of the community. The floodplain administrator and
45 each member of his or her inspections department shall have a right, upon
46 presentation of proper credentials, to enter on any premises within the
47 territorial jurisdiction of the department at any reasonable hour for the
48 purposes of inspection or other enforcement action.

Staff Comments

(19) Follow through with corrective procedures of section 9-34.

(20) Review, provide input, and make recommendations for variance requests.

(21) Maintain a current map repository to include, but not limited to, **the historical and effective** FIS Report, **historical and effective** FIRM and other official flood maps and studies adopted in accordance with the provisions of section 9-7 of this chapter, including any revisions thereto including letters of map change, ~~which include letters of map amendment (LOMAs), letters of map revision based on fill (LOMR Fs), conditional letters of map revision (CLOMRs), and letters of map revision (LOMRs),~~ issued by FEMA. Notify state and FEMA of mapping needs.

(22) Coordinate revisions to FIS reports and FIRMs, including letters of map revision based on fill (LOMR-Fs) and letters of map revision (LOMRs).

(Ord. of 5-4-09, art. 4, § C)

Sec. 9-34. Corrective procedures.

(1) *Violations to be corrected.* When the floodplain administrator finds violations of applicable state and local laws, it shall be his or her duty to notify the owner or occupant of the building of the violation. The owner or occupant shall immediately remedy each of the violations of law cited in such notification.

(2) *Actions in event of failure to take corrective action.* If the owner of a building or property shall fail to take prompt corrective action, the floodplain administrator shall give the owner written notice, by certified or registered mail to the owner's last known address or by personal service, stating:

(a) That the building or property is in violation of the floodplain management regulations;

(b) That a hearing will be held before the floodplain administrator at a designated place and time, not later than ten (10) days after the date of the notice, at which time the owner shall be entitled to be heard in person or by counsel and to present arguments and evidence pertaining to the matter; and

(c) That following the hearing, the floodplain administrator may issue an order to alter, vacate, or demolish the building; or to remove fill as applicable.

(3) *Order to take corrective action.* If, upon a hearing held pursuant to the notice prescribed above, the floodplain administrator shall find that the

All files maintained currently.

Generic reference LOMC used rather than list.

building or development is in violation of the flood damage prevention ordinance, he or she shall issue an order in writing to the owner, requiring the owner to remedy the violation within a specified time period, not less than sixty (60) calendar days, nor more than one-hundred-eighty (180) calendar days. Where the floodplain administrator finds that there is imminent danger to life or other property, he or she may order that corrective action be taken in such lesser period as may be feasible.

(4) *Appeal.* Any owner who has received an order to take corrective action may appeal the order to the local elected governing body by giving notice of appeal in writing to the floodplain administrator and the clerk within ten (10) days following issuance of the final order. In the absence of an appeal, the order of the floodplain administrator shall be final. The local governing body shall hear an appeal within a reasonable time and may affirm, modify and affirm, or revoke the order.

(5) *Failure to comply with order.* If the owner of a building or property fails to comply with an order to take corrective action for which no appeal has been made or fails to comply with an order of the governing body following an appeal, the owner shall be guilty of a misdemeanor and shall be punished at the discretion of the court.

(Ord. of 5-4-09, art. 4, § D)

Sec. 9-35. Variance procedures.

(1) The zoning board of adjustment as established by Rowan County, hereinafter referred to as the "appeal board", shall hear and decide requests for variances from the requirements of this chapter.

(2) Any person aggrieved by the decision of the appeal board may appeal such decision to the court, as provided in Chapter 7A of the North Carolina General Statutes.

(3) Variances may be issued for:

(a) The repair or rehabilitation of historic structures upon the determination that the proposed repair or rehabilitation will not preclude the structure's continued designation as a historic structure and that the variance is the minimum necessary to preserve the historic character and design of the structure;

(b) Functionally dependent facilities if determined to meet the definition as stated in section **9-4 9-5** of this chapter, provided provisions of subsection (9)(b), (c), and (e) have been satisfied, and such facilities are protected by methods that minimize flood damages during the base flood and create no additional threats to public safety; or

Incorrect reference.

Staff Comments

- (c) Any other type of development, provided it meets the requirements of this section.
- (4) In passing upon variances, the appeal board shall consider all technical evaluations, all relevant factors, all standards specified in other sections of this chapter, and:
- (a) The danger that materials may be swept onto other lands to the injury of others;
 - (b) The danger to life and property due to flooding or erosion damage;
 - (c) The susceptibility of the proposed facility and its contents to flood damage and the effect of such damage on the individual owner;
 - (d) The importance of the services provided by the proposed facility to the community;
 - (e) The necessity to the facility of a waterfront location as defined under section **9-4** **9-5** of this chapter as a functionally dependent facility, where applicable;
 - (f) The availability of alternative locations, not subject to flooding or erosion damage, for the proposed use;
 - (g) The compatibility of the proposed use with existing and anticipated development;
 - (h) The relationship of the proposed use to the comprehensive plan and floodplain management program for that area; of access to the property in times of flood for ordinary and emergency vehicles;
 - (i) The safety of access to the property in times of flood for ordinary and emergency vehicles;
 - (j) The expected heights, velocity, duration, rate of rise, and sediment transport of the floodwaters and the effects of wave action, if applicable, expected at the site; and
 - (k) The costs of providing governmental services during and after flood conditions including maintenance and repair of public utilities and facilities such as sewer, gas, electrical and water systems, and streets and bridges.
- (5) A written report addressing each of the above factors shall be submitted with the application for a variance.

Incorrect reference.

Staff Comments

(6) Upon consideration of the factors listed above and the purposes of this chapter, the appeal board may attach such conditions to the granting of variances as it deems necessary to further the purposes and objectives of this chapter.

(7) Any applicant to whom a variance is granted shall be given written notice specifying the difference between the base flood elevation (BFE) and the elevation to which the structure is to be built and that such construction below the BFE increases risks to life and property, and that the issuance of a variance to construct a structure below the BFE will result in increased premium rates for flood insurance up to twenty-five dollars (\$25.00) per one hundred dollars (\$100.00) of insurance coverage. Such notification shall be maintained with a record of all variance actions, including justification for their issuance.

(8) The floodplain administrator shall maintain the records of all appeal actions and report any variances to the Federal Emergency Management Agency and the State of North Carolina upon request.

(9) Conditions for variances:

(a) Variances shall not be issued when the variance will make the structure in violation of other federal, state, or local laws, regulations, or ordinances;

(b) Variances shall not be issued within any designated floodway or non-encroachment area if the variance would result in any increase in flood levels during the base flood discharge;

(c) Variances shall only be issued upon a determination that the variance is the minimum necessary, considering the flood hazard, to afford relief;

(d) Variances shall only be issued prior to development permit approval;

(e) Variances shall only be issued upon:

(i) A showing of good and sufficient cause;

(ii) A determination that failure to grant the variance would result in exceptional hardship; and

(iii) A determination that the granting of a variance will not result in increased flood heights, additional threats to public safety, or extraordinary public expense, create nuisance, cause

fraud on or victimization of the public, or conflict with existing local laws or ordinances.

(10) A variance may be issued for solid waste disposal facilities or sites, hazardous waste management facilities, salvage yards, and chemical storage facilities that are located in special flood hazard areas provided that all of the following conditions are met:

- (a) The use serves a critical need in the community.
- (b) No feasible location exists for the use outside the special flood hazard area.
- (c) The reference level of any structure is elevated or floodproofed to at least the regulatory flood protection elevation.
- (d) The use complies with all other applicable federal, state and local laws.
- (e) Rowan County has notified the Secretary of the North Carolina Department of Crime Control and Public Safety of its intention to grant a variance at least thirty (30) calendar days prior to granting the variance.

(Ord. of 5-4-09, art. 4, § E)

Secs. 9-36--9-50. Reserved.

ARTICLE III. PROVISIONS FOR FLOOD HAZARD REDUCTION

Sec. 9-51. General standards.

In all special flood hazard areas the following provisions are required:

- (1) All new construction and substantial improvements shall be designed (or modified) and adequately anchored to prevent flotation, collapse, and lateral movement of the structure.
- (2) All new construction and substantial improvements shall be constructed with materials and utility equipment resistant to flood damage **in accordance with the FEMA Technical Bulletin 2, Flood Damage-Resistant Materials Requirements.**
- (3) All new construction and substantial improvements shall be constructed by methods and practices that minimize flood damages.
- (4) **All new electrical** ~~Electrical~~, heating, ventilation, plumbing, air conditioning equipment, and other service ~~facilities~~ **equipment** shall be **located at or above the RFPE or** designed and ~~for located so as~~ **installed** to prevent water from entering or accumulating within the components during

Staff Comments

Reference for flood resistant materials.

No new requirements. Model ordinance language changes.

~~conditions of flooding to the regulatory flood protection elevation~~
occurrence of the base flood. These include, but are not limited to, HVAC equipment, water softener units, bath/kitchen fixtures, ductwork, electric/gas meter panels/boxes, utility/cable boxes, hot water heaters, and electric outlets/switches.

(a) Replacements part of a substantial improvement, electrical, heating, ventilation, plumbing, air conditioning equipment, and other service equipment shall also meet the above provisions.

(b) Replacements that are for maintenance and not part of a substantial improvement, may be installed at the original location provided the addition and/or improvements only comply with the standards for new construction consistent with the code and requirements for the original structure.

(5) All new and replacement water supply systems shall be designed to minimize or eliminate infiltration of floodwaters into the system.

(6) New and replacement sanitary sewage systems shall be designed to minimize or eliminate infiltration of floodwaters into the systems and discharges from the systems into floodwaters.

(7) On-site waste disposal systems shall be located and constructed to avoid impairment to them or contamination from them during flooding.

~~(8) Any alteration, repair, reconstruction, or improvements to a structure, which is in compliance with the provisions of this chapter, shall meet the requirements of "new construction" as contained in this chapter.~~

~~(9)~~ **(8)** Nothing in this chapter shall prevent the repair, reconstruction, or replacement of a building or structure existing on the effective date of this chapter and located totally or partially within the floodway, non-encroachment area, or stream setback, provided there is no additional encroachment below the regulatory flood protection elevation in the floodway, non-encroachment area, or stream setback, and provided that such repair, reconstruction, or replacement meets all of the other requirements of this chapter.

~~(10)~~ **(9)** New solid waste disposal facilities and sites, hazardous waste management facilities, salvage yards, and chemical storage facilities shall not be permitted, except by variance as specified in subsection 9-35(10). A structure or tank for chemical or fuel storage incidental to an allowed use or to the operation of a water treatment plant or wastewater treatment facility may be located in a special flood hazard area only if the structure or tank is either elevated or floodproofed to at least the regulatory flood protection elevation and certified in accordance with the provisions of subsection 9-32(3).

~~(11)~~ **(10)** All subdivision proposals and other development proposals shall be consistent with the need to minimize flood damage.

Staff Comments

Added clarification.

I assume this statement is removed from the model ordinance to eliminate confusion since it is a given.

~~(12)~~ (11) All subdivision proposals and other development proposals shall have public utilities and facilities such as sewer, gas, electrical, and water systems located and constructed to minimize flood damage.

~~(13)~~ (12) All subdivision proposals and other development proposals shall have adequate drainage provided to reduce exposure to flood hazards.

~~(14)~~ (13) All subdivision proposals and other development proposals shall have received all necessary permits from those governmental agencies for which approval is required by federal or state law, including Section 404 of the Federal Water Pollution Control Act Amendments of 1972, 33 U.S.C. 1334.

~~(15)~~ (14) When a structure is partially located in a special flood hazard area, the entire structure shall meet the requirements for new construction and substantial improvements.

~~(16)~~ (15) When a structure is located in multiple flood hazard zones or in a flood hazard risk zone with multiple base flood elevations, the provisions for the more restrictive flood hazard risk zone and the highest base flood elevation (BFE) shall apply.

(Ord. of 5-4-09, art. 5, § A)

Sec. 9-52. Specific standards.

In all special flood hazard areas where base flood elevation (BFE) data has been provided, as set forth in section 9-7, or section 9-54, the following provisions, in addition to the provisions of section 9-51, are required:

(1) *Residential construction.* New construction and substantial improvement of any residential structure (including manufactured homes) shall have the reference level, including basement, elevated no lower than the regulatory flood protection elevation, as defined in section ~~9-4~~ 9-5 of this chapter.

(2) *Non-residential construction.* New construction and substantial improvement of any commercial, industrial, or other non-residential structure shall have the reference level, including basement, elevated no lower than the regulatory flood protection elevation, as defined in section ~~9-4~~ 9-5 of this chapter. Structures located in A, AE, and A1-30 zones may be floodproofed to the regulatory flood protection elevation in lieu of elevation provided that all areas of the structure, together with attendant utility and sanitary facilities, below the regulatory flood protection elevation are watertight with walls substantially impermeable to the passage of water, using structural components having the capability of resisting hydrostatic and hydrodynamic loads and the effect of buoyancy.

(3) *Manufactured homes.*

(a) New and replacement manufactured homes shall be elevated so that the reference level of the manufactured home is no lower than the

Incorrect references.

regulatory flood protection elevation, as defined in section 9-4 9-5 of this chapter.

(b) Manufactured homes shall be securely anchored to an adequately anchored foundation to resist flotation, collapse, and lateral movement, either by certified engineered foundation system, or in accordance with the most current edition of the State of North Carolina Regulations for Manufactured Homes adopted by the Commissioner of Insurance pursuant to G.S. 143-143.15. Additionally, when the elevation would be met by an elevation of the chassis thirty-six (36) inches or less above the grade at the site, the chassis shall be supported by reinforced piers or engineered foundation. When the elevation of the chassis is above thirty-six (36) inches in height, an engineering certification is required.

(c) All enclosures or skirting below the lowest floor shall meet the requirements of subsection 9-52(4).

(d) An evacuation plan must be developed for evacuation of all residents of all new, substantially improved or substantially damaged manufactured home parks or subdivisions located within floodprone areas. This plan shall be filed with and approved by the floodplain administrator and the local emergency management coordinator.

(4) *Elevated buildings.* Fully enclosed area, of new construction and substantially improved structures, which is below the lowest floor:

(a) Shall not be designed or used for human habitation, but shall only be used for parking of vehicles, building access, or limited storage of maintenance equipment used in connection with the premises. Access to the enclosed area shall be the minimum necessary to allow for parking of vehicles (garage door) or limited storage of maintenance equipment (standard exterior door), or entry to the living area (stairway or elevator). The interior portion of such enclosed area shall not be finished or partitioned into separate rooms, except to enclose storage areas;

(b) Shall be constructed entirely of flood-resistant materials at least to the regulatory flood protection elevation; and

(c) Shall include, in zones A; or AE, and A1-30, flood openings to automatically equalize hydrostatic flood forces on walls by allowing for the entry and exit of floodwaters. To meet this requirement, the openings must either be certified by a professional engineer or architect or meet or exceed the following minimum design criteria:

(i) A minimum of two (2) flood openings on different sides of each enclosed area subject to flooding;

(ii) The total net area of all flood openings must be at least one (1) square inch for each square foot of enclosed area subject to flooding;

Staff Comments

(iii) If a building has more than one (1) enclosed area, each enclosed area must have flood openings to allow floodwaters to automatically enter and exit;

(iv) The bottom of all required flood openings shall be no higher than one (1) foot above the adjacent grade;

(v) Flood openings may be equipped with screens, louvers, or other coverings or devices, provided they permit the automatic flow of floodwaters in both directions; and

(vi) Enclosures made of flexible skirting are not considered enclosures for regulatory purposes, and, therefore, do not require flood openings. Masonry or wood underpinning, regardless of structural status, is considered an enclosure and requires flood openings as outlined above.

(5) *Additions/improvements.*

(a) Additions and/or improvements to pre-FIRM structures when the addition and/or improvements in combination with any interior modifications to the existing structure are:

(i) Not a substantial improvement, the addition and/or improvements must be designed to minimize flood damages and must not be any more non-conforming than the existing structure.

(ii) A substantial improvement, **with modifications / rehabilitations / improvements to the existing structure or the common wall is structurally modified more than installing a doorway**, both the existing structure and the addition and/or improvements must comply with the standards for new construction.

(b) Additions to **pre-FIRM or** post-FIRM structures **that are a substantial improvement** with no modifications / **rehabilitations / improvements** to the existing structure other than a standard door in the common wall shall require only the addition to comply with the standards for new construction.

(c) Additions and/or improvements to post-FIRM structures when the addition and/or improvements in combination with any interior modifications to the existing structure are:

(i) Not a substantial improvement, the addition and/or improvements only must comply with the standards for new construction.

(ii) A substantial improvement, both the existing structure and the addition and/or improvements must comply with the standards for new construction.

Additional clarification.
No new standards.

Model ordinance previously did not recognize pre-FIRM expansions with no changes to the common wall.

Staff Comments

No new standard.
Further clarification
included here only.

(d) Any combination of repair, reconstruction, rehabilitation, addition or improvement of a building or structure taking place during a one (1) year period, the cumulative cost of which equals or exceeds 50 percent of the market value of the structure before the improvement or repair is started must comply with the standards for new construction. For each building or structure, the one (1) year period begins on the date of the first improvement or repair of that building or structure subsequent to the effective date of this ordinance. If the structure has sustained substantial damage, any repairs are considered substantial improvement regardless of the actual repair work performed. The requirement does not, however, include either:

(i) Any project for improvement of a building required to correct existing health, sanitary or safety code violations identified by the building official and that are the minimum necessary to assume safe living conditions.

(ii) Any alteration of a historic structure provided that the alteration will not preclude the structure's continued designation as a historic structure.

(6) *Recreational vehicles.* Recreational vehicles shall either:

(a) **Temporary Placement.**

(i) Be on-site for fewer than one hundred eighty (180) consecutive days; **or**

(ii) ~~and be~~ **Be** fully licensed and ready for highway use. ~~fa~~ **A** recreational vehicle is ready for highway use if it is on its wheels or jacking system, is attached to the site only by quick disconnect type utilities, and has no permanently attached additions).; ~~or~~

(b) **Permanent Placement. Recreational vehicles that do not meet the limitations of Temporary Placement shall meet** ~~Meet~~ all the requirements for new construction.

(7) *Temporary non-residential structures.* Prior to the issuance of a floodplain development permit for a temporary structure, the applicant must submit to the floodplain administrator a plan for the removal of such structure(s) in the event of a hurricane, flash flood or other type of flood warning notification. The following information shall be submitted in writing to the floodplain administrator for review and written approval:

(a) A specified time period for which the temporary use will be permitted. Time specified may not exceed three (3) months, renewable up to one (1) year;

(b) The name, address, and phone number of the individual responsible for the removal of the temporary structure;

Revised model
ordinance language
required for RVs.

Staff Comments

- (c) The time frame prior to the event at which a structure will be removed (i.e., minimum of seventy-two (72) hours before landfall of a hurricane or immediately upon flood warning notification);
- (d) A copy of the contract or other suitable instrument with the entity responsible for physical removal of the structure; and
- (e) Designation, accompanied by documentation, of a location outside the special flood hazard area, to which the temporary structure will be moved.
- (8) *Accessory structures.* When accessory structures (sheds, detached garages, etc.) are to be placed within a special flood hazard area, the following criteria shall be met:
- (a) Accessory structures shall not be used for human habitation (including working, sleeping, living, cooking or restroom areas);
- (b) Accessory structures shall not be temperature-controlled;
- (c) Accessory structures shall be designed to have low flood damage potential;
- (d) Accessory structures shall be constructed and placed on the building site so as to offer the minimum resistance to the flow of floodwaters;
- (e) Accessory structures shall be firmly anchored in accordance with the provisions of subsection 9-51(1);
- (f) All service facilities such as electrical shall be installed in accordance with the provisions of subsection 9-51(4); and
- (g) Flood openings to facilitate automatic equalization of hydrostatic flood forces shall be provided below regulatory flood protection elevation in conformance with the provisions of subsection 9-52(4)(c).

An accessory structure with a footprint ~~less than~~ **of** one hundred fifty (150) square feet **or less or that is a minimal investment of \$3,000 or less and that** satisfies the criteria outlined above ~~does not require an~~ **is not required to meet the** elevation or floodproofing ~~certificate~~ standards of section 9-52(2). Elevation or floodproofing certifications are required for all other accessory structures in accordance with subsection 9-32(3).

(9) Tanks. When gas and liquid storage tanks are to be placed within a Special Flood Hazard Area, the following criteria shall be met:

- (a) Underground tanks. Underground tanks in flood hazard areas shall be anchored to prevent flotation, collapse or lateral movement resulting from hydrodynamic and hydrostatic loads during conditions of the design flood, including the effects of buoyancy assuming the tank is empty;**

Additional option for low cost accessory structures.

Current ordinance does not have specific tank language. Sections used to regulate tanks are extremely vague but is supposed to have similar results to that proposed.

Staff Comments

(b) Above-ground tanks, elevated. Above-ground tanks in flood hazard areas shall be elevated to or above the Regulatory Flood Protection Elevation on a supporting structure that is designed to prevent flotation, collapse or lateral movement during conditions of the design flood. Tank-supporting structures shall meet the foundation requirements of the applicable flood hazard area;

(c) Above-ground tanks, not elevated. Above-ground tanks that do not meet the elevation requirements of section 9-52(2) of this ordinance shall be permitted in flood hazard areas provided the tanks are designed, constructed, installed, and anchored to resist all flood-related and other loads, including the effects of buoyancy, during conditions of the design flood and without release of contents in the floodwaters or infiltration by floodwaters into the tanks. Tanks shall be designed, constructed, installed, and anchored to resist the potential buoyant and other flood forces acting on an empty tank during design flood conditions.

(d) Tank inlets and vents. Tank inlets, fill openings, outlets and vents shall be:

(i) At or above the Regulatory Flood Protection Elevation or fitted with covers designed to prevent the inflow of floodwater or outflow of the contents of the tanks during conditions of the design flood; and

(ii) Anchored to prevent lateral movement resulting from hydrodynamic and hydrostatic loads, including the effects of buoyancy, during conditions of the design flood.

(10) Other Development.

(a) Fences in regulated floodways and NEAs that have the potential to block the passage of floodwaters, such as stockade fences and wire mesh fences, shall meet the limitations of section 9-56 of this ordinance.

(b) Retaining walls, sidewalks and driveways in regulated floodways and NEAs. Retaining walls and sidewalks and driveways that involve the placement of fill in regulated floodways shall meet the limitations of section 9-56 of this ordinance.

(c) Roads and watercourse crossings in regulated floodways and NEAs. Roads and watercourse crossings, including roads, bridges, culverts, low-water crossings and similar means for vehicles or pedestrians to travel from one side of a watercourse to the other side, that encroach into regulated floodways shall meet the limitations of section 9-56 of this ordinance.

Current ordinance does not reference fences but likely regulated based on current generic language. Required in model ordinance.

No new standards. Clarification only.

Staff Comments

(Ord. of 5-4-09, art. 5, § B)

Sec. 9-53. Reserved.

Sec. 9-54. Standards for floodplains without established base flood elevations.

Within the special flood hazard areas designated as approximate zone A and established in section 9-7, where no base flood elevation (BFE) data has been provided by FEMA, the following provisions, in addition to the provisions of section 9-51, shall apply:

(1) No encroachments, including fill, new construction, substantial improvements or new development shall be permitted within a distance of twenty (20) feet each side from top of bank or five (5) times the width of the stream, whichever is greater, unless certification with supporting technical data by a registered professional engineer is provided demonstrating that such encroachments shall not result in any increase in flood levels during the occurrence of the base flood discharge.

(2) The base flood elevation (BFE) used in determining the regulatory flood protection elevation shall be determined based on the following criteria:

(a) When base flood elevation (BFE) data is available from other sources, all new construction and substantial improvements within such areas shall also comply with all applicable provisions of this chapter and shall be elevated or floodproofed in accordance with standards in sections 9-51 and 9-52.

(b) When floodway or non-encroachment data is available from a federal, state, or other source, all new construction and substantial improvements within floodway and non-encroachment areas shall also comply with the requirements of sections 9-52 and 9-56.

(c) All subdivision, manufactured home park and other development proposals shall provide base flood elevation (BFE) data if development is greater than five (5) acres or has more than twenty (20) lots/manufactured home sites. Such BFE data shall be adopted by reference in accordance with section 9-7 and utilized in implementing this chapter.

(d) When base flood elevation (BFE) data is not available from a federal, state, or other source as outlined above, the reference level shall be elevated or floodproofed (non-residential) to or above the regulatory flood protection elevation, as defined in section 9-4 9-5. All other applicable provisions of section 9-52 shall also apply.

Incorrect reference.

(Ord. of 5-4-09, art. 5, § D)

Sec. 9-55. Standards for riverine floodplains with base flood elevations but without established floodways or non-encroachment areas.

Along rivers and streams where base flood elevation (BFE) data is provided by FEMA or is available from another source but neither floodway nor non-encroachment areas are identified for a special flood hazard area on the FIRM or in the FIS report, the following requirements shall apply to all development within such areas:

(1) Standards of sections 9-51 and 9-52; and

(2) Until a regulatory floodway or non-encroachment area is designated, no encroachments, including fill, new construction, substantial improvements, or other development, shall be permitted unless certification with supporting technical data by a registered professional engineer is provided demonstrating that the cumulative effect of the proposed development, when combined with all other existing and anticipated development, will not increase the water surface elevation of the base flood more than one (1) foot at any point within the community.

(Ord. of 5-4-09, art. 5, § E)

Sec. 9-56. Floodways and non-encroachment areas.

Areas designated as floodways or non-encroachment areas are located within the special flood hazard areas established in section 9-7. The floodways and non-encroachment areas are extremely hazardous areas due to the velocity of floodwaters that have erosion potential and carry debris and potential projectiles. The following provisions, in addition to standards outlined in sections 9-51 and 9-52, shall apply to all development within such areas:

(1) No encroachments, including fill, new construction, substantial improvements and other developments shall be permitted unless:

(a) It is demonstrated that the proposed encroachment would not result in any increase in the flood levels during the occurrence of the base flood, based on hydrologic and hydraulic analyses performed in accordance with standard engineering practice and presented to the floodplain administrator prior to issuance of floodplain development permit, or

(b) A conditional letter of map revision (CLOMR) has been approved by FEMA. A letter of map revision (LOMR) must also be obtained upon completion of the proposed encroachment.

(2) If subsection 9-56(1) is satisfied, all development shall comply with all applicable flood hazard reduction provisions of this chapter.

(3) No manufactured homes shall be permitted, except replacement manufactured homes in an existing manufactured home park or subdivision, provided the following provisions are met:

(a) The anchoring and the elevation standards of subsection 9-52(3); and

(b) The no encroachment standard of subsection 9-56(1).

(Ord. of 5-4-09, art. 5, § F)

Secs. 9-57--9-75.

ARTICLE IV. LEGAL STATUS PROVISIONS

Sec. 9-76. Effect on rights and liabilities under the existing flood damage prevention ordinance.

This chapter in part comes forward by re-enactment of some of the provisions of the flood damage prevention ordinance enacted December 17, 1979, as amended, and it is not the intention to repeal but rather to re-enact and continue to enforce without interruption of such existing provisions, so that all rights and liabilities that have accrued thereunder are reserved and may be enforced. The enactment of this ordinance shall not affect any action, suit or proceeding instituted or pending. All provisions of the flood damage prevention ordinance of Rowan County enacted on December 17, 1979, as amended, which are not reenacted herein are repealed.

The date of the initial flood damage prevention ordinance for each municipal jurisdiction within Rowan County is as follows:

Town of China Grove Incorporated Area, dated March 1, 1978

Town of Cleveland Incorporated Area, dated December 14, 2009

Town of East Spencer Incorporated Area, dated September 28, 1978

Town of Faith Incorporated Area, dated July 3, 1978

Town of Granite Quarry Incorporated Area, dated September 15, 1978

Town of Landis Incorporated Area, dated July 3, 1978

Town of Rockwell Incorporated Area, dated May 15, 1978

City of Salisbury Incorporated Area, dated May 15, 1980

Town of Spencer Incorporated Area, dated March 1, 1978

(Ord. of 5-4-09, art. 6, § A)

Sec. 9-77. Effect upon outstanding floodplain development permits.

Nothing herein contained shall require any change in the plans, construction, size, or designated use of any development or any part thereof for which a floodplain development permit has been granted by the floodplain administrator or his or her authorized agents before the time of passage of this chapter; provided, however, that when construction is not begun under such outstanding permit within a period of six (6) months subsequent to the date of issuance of the outstanding permit, construction or use shall be in conformity with the provisions of this chapter.

(Ord. of 5-4-09, art. 6, § B)

Sec. 9-78. Severability.

Cleveland adopted their flood ordinance after the May 4, 2009 county ordinance adoption.

1 If any section, clause, sentence, or phrase of the ordinance is held to be invalid or
2 unconstitutional by any court of competent jurisdiction, then said holding shall in no
3 way effect the validity of the remaining portions of this chapter.

4 (Ord. of 5-4-09, art. 6, § C)

5 **Sec. 9-79. Effective date.**

6 This chapter shall become effective ~~June 16, 2009~~ **October 1, 2018.**

7 (Ord. of 5-4-09, art. 6, § D)

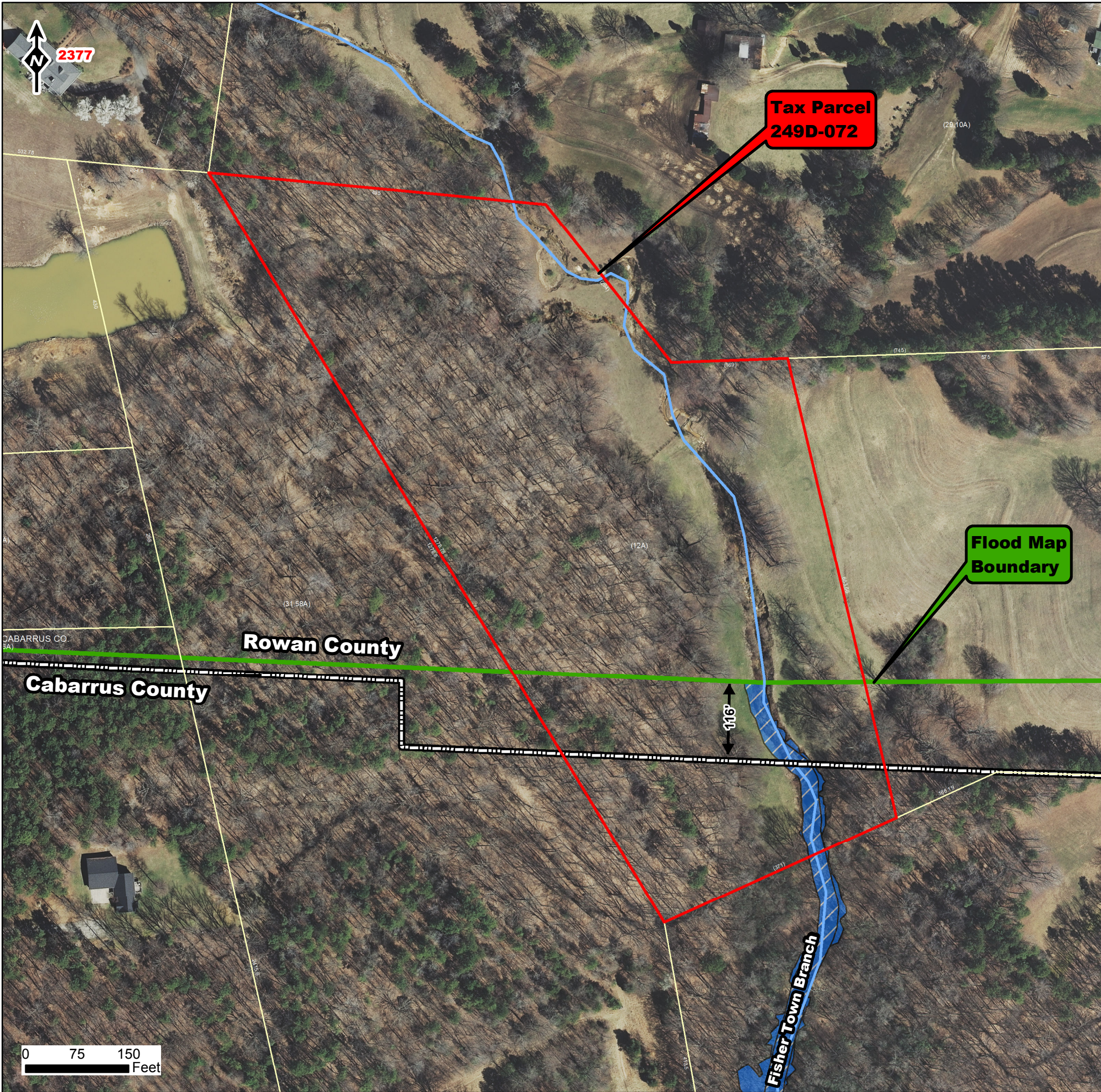
**AUGUST 27, 2018
PLANNING BOARD
MEETING**

The Watt family attended the meeting to understand the proposed changes. After a series of questions from the members, the Planning Board voted unanimously (5-0) to recommend approval as presented.

**STAFF
COMMENTS**

Similar to zoning map and text amendments, the proposed changes require notice to affected properties, a courtesy hearing before the Planning Board, and public hearing before the Board of Commissioners. However, the identified changes to the DFIRM and ordinance are required to remain a participating community in the National Flood Insurance Program.

Statements of Reasonableness and Consistency are not required. At the conclusion of the courtesy hearing, the board may vote on the proposed changes.



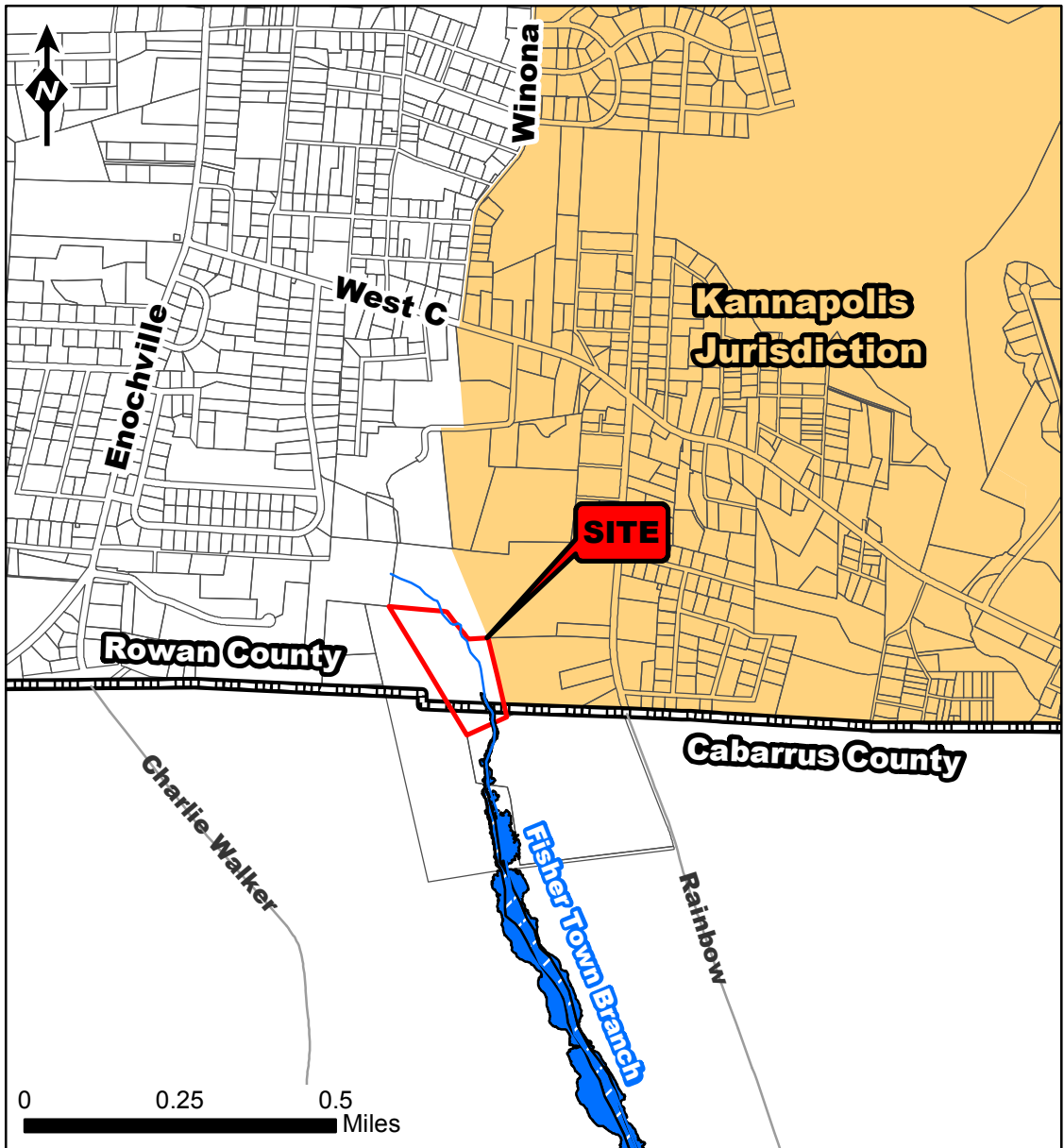
Flood Damage Prevention Ordinance 01-18

LEGEND

- AE Zone (Effective)
- AE Zone with Floodway (Effective)
- Stream
- Parcels
- Roads
- FIRM County Boundary
- Kannapolis Jurisdiction
- 5285 Addresses

Prepared by Rowan County Planning & Development July 17, 2018

March 2014 Aerial



N

Watt Map

Jul 17, 2018



Legend

	Panels		Flood Hazard Areas
	Political Areas		AE
	Stream Centerline		Floodway (AE)
	Cross Sections		0.2 % Chance Annual Flood Hazard
	Levee		Future Conditions 1% Annual Chance Flood Hazard

North Carolina Floodplain Mapping Program



ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Shane Stewart, Assistant Planning Director
DATE: September 19, 2018
SUBJECT: Schedule Public Hearing for ZTA 02-18 for October 15, 2018

Planning Staff proposes to include SIC 75, Business Services, as a permitted by right use in the Industrial (IND) district. While many of these uses are more commonly found in commercial areas, it does include many uses that are appropriate for industrial areas including Services to Dwellings and other Buildings (e.g. exterminating, pest control, cleaning services), Equipment Rental and Leasing (e.g. bulldozer, crane, earth moving equipment rental), Computer Related Services (e.g. data processing services including server “farms”), and Miscellaneous Business Services (e.g. auctioneering, automobile repossession).

During an August 20, 2018 conditional use permit hearing to consider a residential storage facility, the Board of Commissioners (BOC) requested the Planning Board and Planning Staff evaluate changes to the Zoning Ordinance regarding how the use is processed.

One option to reduce the number conditional use permit application would be to add an administrative approval option for buildings whose size remains under an suitable lot size percentage similar to that found in section 21-285 for accessory structures on lots containing a residence. In this section, 10% of the acreage on residentially developed lots may be used for accessory structures. For example, a one (1) acre lot may contain accessory buildings totaling 4,360 sq.ft.

After considering a range of options, Planning Staff proposes a three (3) percent allowance based on lot size and moving most of the conditional use criteria to Special Requirements (SR). Comparatively, this would permit a sizable 1,306 sq.ft. building on a one (1) acre lot. The proposal would retain the option to apply for a conditional use permit should a request not meet the lot percentage standard. Applying the 3% standard to the previous 30 requests would have resulted in only eight (8) conditional use permit requests before the BOC.

Planning Staff rarely submits a request for the Board of Commissioners to schedule a public hearing for zoning related matters prior to consideration by the Planning Board. While this request is being made prior to the September 24th Planning Board meeting, their recommendation will be available prior to the October 1st Commission meeting.

The purpose is twofold: 1. After a conversation with Rowan County Economic Development Staff, it has

been determined data centers (a.k.a. server farms) were not permitted in the Industrial (IND) District. Refer to the attached staff report and EDC letter for more information. Only one minor change to the table of uses would be necessary to address this issue. Considering the desired timetable expressed by an interested party regarding this change, scheduling in advance could save 3 weeks should a decision be rendered on October 15th.

2. Coupling this one minor change with the request to schedule FDPO 01-18 could save the county close to \$200 in advertising cost compared to advertised separately.

In light of concerns regarding residual storage facilities expressed at the August 20th Commission meeting, staff has also prepared potential changes to how these requests are processed.

Schedule a public hearing for ZTA 02-18 for October 15, 2018.

ATTACHMENTS:

Description	Upload Date	Type
Staff Report	9/19/2018	Exhibit
EDC Letter	9/19/2018	Exhibit
SIC 73 Business Services	9/19/2018	Exhibit
Application	9/19/2018	Exhibit



Rowan County Planning and Development Department

402 North Main Street, Suite 204 • Salisbury, N.C. 28144-4341
Planning: 704-216-8588 Fax: 704-216-7986

MEMORANDUM

TO: Chairman Edds and the Rowan County Board of Commissioners
FROM: Shane Stewart, Assistant Planning Director
DATE: September 19, 2018
RE: **ZTA 02-18**

SUGGESTED BOARD OF COMMISSIONERS ACTION

- 1.** Schedule Public Hearing for **ZTA 02-18** for October 15, 2018

BACKGROUND & REQUEST

During an August 20, 2018 conditional use permit hearing to consider a residential storage facility, the Board of Commissioners (BOC) requested the Planning Board and Planning Staff evaluate changes to the Zoning Ordinance regarding how the use is processed. Currently, residential storage facilities (i.e. storage building on a vacant lot used to store one's personal property) are subject to a conditional use permit with eight (8) specific standards in section 21-60(10) [see below] in the RA, RR, RS, and CBI districts.

In 2002, the BOC adopted an amendment to the Zoning Ordinance to provide storage alternatives for residentially developed lakefront properties with limited acreage to meet their needs on-site. Prior to this amendment, property owners were unable to construct storage buildings on a lot without a residence unless it was associated with a bona fide farm. To date, thirty (30) requests have been processed all of which were approved.

See the below table for a list of application numbers along with lot size, building size, and zoning districts associated with each of the residential storage facility requests.

CUP #	Zoning District	Acreage	Bld. Size		CUP #	Zoning District	Acreage	Bld. Size
06-02	RA	2.86	2,700		04-14	RA	28.80	2,500
07-02	RA	1.32	2,200		07-14	RA	6.50	2,040
09-02	RA	12.00	*		03-16	RA	9.50	1,800
12-02	RA	0.50	1,408		04-16	RA	1.73	1,800
22-02	RA	7.56	720		05-16	RA	0.87	1,446
25-03	RA	0.60	3,000		09-16	RA	1.00	2,400
03-05	RA	4.23	256		01-17	RA	0.94	1,440
06-05	RA	1.40	900		02-17	RA	0.92	480
01-09	RA	6.68	900		03-17	RA	13.60	1,200
03-09	RA	2.50	1,500		04-17	RA	5.90	1,728
01-10	RA	1.55	1,800		07-17	RA	1.50	3,000
03-10	RA	0.63	600		08-17	RA	5.00	504
01-13	RA	5.60	1,232		02-18	RA	0.98	1,512
05-13	RA	0.63	600		04-18	RS	2.48	1,200
08-13	RA	9.50	1,152		06-18	RR	11.64	2,400

* No specific sq.ft. was indicated in request

Total Requests	30
Average Lot Size	4.96
Average Building Sq. Ft.	1,532

One option to reduce the number conditional use permit application would be to add an administrative approval option for buildings whose size remains under an suitable lot size percentage similar to that found in section 21-285 for accessory structures on lots containing a residence. In this section, 10% of the acreage on residentially developed lots may be used for accessory structures. For example, a one (1) acre lot may contain accessory buildings totaling 4,360 sq.ft.

After considering a range of options, Planning Staff proposes a three (3) percent allowance based on lot size and moving most of the conditional use criteria to Special Requirements (SR). Comparatively, this would permit a sizable 1,306 sq.ft. building on a one (1) acre lot. The proposal would retain the option to apply for a conditional use permit should a request not meet the lot percentage standard. Applying the 3% standard to the previous 30 requests would have resulted in only eight (8) conditional use permit requests before the BOC.

In addition, Planning Staff proposes to include *SIC 75, Business Services*, as a permitted by right use in the Industrial (**IND**) district. While many of these uses are more commonly found in commercial areas, it does include many uses that are appropriate for industrial areas including *Services to Dwellings and other Buildings* (e.g. exterminating, pest control, cleaning services), *Equipment Rental and Leasing* (e.g. bulldozer, crane, earth moving equipment rental), *Computer Related Services* (e.g. data processing services

including server “farms”), and *Miscellaneous Business Services* (e.g. auctioneering, automobile repossession). See enclosed industry groups.

PROPOSED CHANGES

New text appear in **bold red text** while text proposed for deletion appear ~~highlighted with strikethroughs~~.

AMENDMENTS TO CHAPTER 21: ZONING ORDINANCE

Staff Comments

Sec. 21-53. Permitted uses with special requirements.

All uses listed as SR (Special Requirements) in article III shall comply with the pertinent regulations listed in the following subsections. Site plan approval by the zoning administrator shall be required unless expressly provided otherwise prior to issuance of a zoning permit and such approval shall be given if all requirements herein are met. The plan shall become part of the building permit. The regulations for specific uses listed as SR in article III are located in sections 21-54--21-56.

The SR location standards required in Section 21-55(2) a. - c. do not apply to Family care home; Family manufactured home park; Common Sand Mining (SIC 1442); Co-location of wireless facilities, eligible facilities requests, alternative tower structures, and public safety tower (SIC 48 pt); ~~and~~ Ground mounted solar energy systems 6,000 sq ft or less (SIC 491 pt); **and Residential storage facilities.**

Ensures storage facilities are not required to meet location standards.

Sec. 21-56. Specific criteria for uses listed as SR in section 21-113.

Uses listed as SR in section 21-113 shall meet the following requirements expressly provided below.

(8) *Additional standards applicable to specific uses listed as SR in the services group.*

a. *Educational services (SIC 82); ~~except SIC 8211, elementary and secondary schools~~ that include overnight boarding or lodging.*

1. ~~Lodging. Services provided shall not include overnight boarding or lodging.~~ **Proof of accreditation by a recognized board, or provide proposed articles of incorporation and by-laws that provide specific criteria for a board of directors including membership makeup and general responsibilities for oversight of the facility.**

2. ~~Reserved.~~ **Projected school enrollment and number of boarders.**

3. Description of curriculum.

4. Traffic study.

5. Overnight staffing.

Combining standards from 21-56 (10) with 21-56 (8)(a).

(10) ~~Additional standards applicable to specific uses listed as SR in the INST zoning district.~~

~~a. Proof of accreditation by a recognized board, or provide a proposed articles of incorporation and by laws that provide specific criteria for a board of directors including membership makeup and general responsibilities for oversight of the facility.~~

~~b. Projected school enrollment and number of boarders.~~

~~c. Description of curriculum.~~

~~d. Traffic study.~~

~~e. Overnight staffing.~~

Residential storage facilities.

a. The parcel shall be in fee simple ownership.

b. Minimum lot size shall be the same as for a single-family residence.

c. The structure shall not exceed the lesser of three (3) percent of the lot size or three thousand (3,000) square feet.

d. Setbacks shall be at a minimum the same as single family dwellings.

c. No outdoor storage is allowed except as specifically provided otherwise.

d. Storage of vehicles shall not be in the front yard.

e. Outside lighting shall be designed to prevent direct glare on adjoining residences.

Requests for residential storage facilities that exceed three (3) percent of the lot size referenced in subsection (c) but do not exceed three thousand (3,000) sq.ft. may be considered as a conditional use subject to the process outline in sections 21-57 through 21-59 if all other standards in this subsection are met.

Sec. 21-60. Conditional use requirements for specific uses.

The following criteria shall be used in evaluating specific conditional use permit applications. If no specific requirements are listed for a specific use, then only the general criteria will be used in evaluating the application.

(10) ~~Residential storage facilities.~~ Reserved

~~a. The parcel shall be in fee simple ownership.~~

~~b. The structure shall be of compatible construction with surrounding area.~~

~~c. The maximum size allowed is three thousand (3,000) square feet.~~

~~d. No outdoor storage is allowed except as specifically provided otherwise.~~

**Staff
Comments**

Moving residential storage facilities from 21-60 (10) to 21-56 (10). The use would be permitted subject to Special Requirements (SR) rather than a conditional use permit. Standards do not include "compatible construction", which could only be determined in a quasi-judicial setting.

Maintains the option of a conditional use permit if subsection (c) is not met.

Moved to section 21-56 (10) with the exception of (b).

- e. ~~Minimum lot size shall be the same as for a single family residence.~~
- f. ~~Storage of vehicles shall not be in the front yard.~~
- g. ~~Outside lighting shall be designed to prevent direct glare on adjoining residences.~~
- h. ~~Setbacks shall be at a minimum the same as single family dwellings.~~

Sec. 21-113. Table of uses.

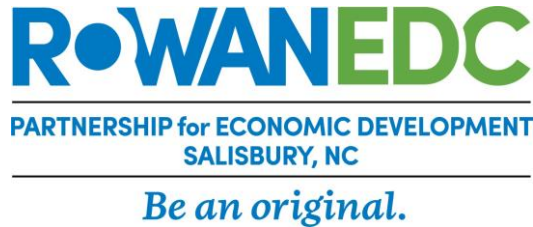
P- Permitted by Right P(A) - Permitted as Accessory Use SR - Permitted with Special Requirements C- Conditional Use		Zoning Districts								
		Residential					Nonresidential			
Use		RA	RR	RS	MHP	MFR	CBI	NB	INST	IND
Services										
73	Business services	SR					P	SR		P
82	Educational services, <i>all except</i>	P	P	P			P	P	P	P
	Facility providing overnight habitation								SR	
Unclassified										
	Residential storage facility	SR or C	SR or C	SR or C			C P	P		

PROCEDURES

The Planning Board must develop a statement of consistency describing whether its action is consistent with any adopted comprehensive plans and indicate why their action is reasonable and in the public interest [sec. 21-362 (j)]. See enclosed form to assist in statement development.

STAFF COMMENTS

Should the board wish to further discuss or send the storage facility text to a subcommittee, Planning Staff respectfully requests at least action on the modification of SIC 73 Business Services being permitted by right in the **IND** district.



August 31, 2018

Shane Stewart
Senior Planner
Rowan Co. Planning & Development
402 North Main Street
Salisbury, NC 28144

RE: Zoning Change Request

Dear Mr. Stewart:

As you may be aware, data centers are a focus of the Rowan EDC's business recruitment efforts. We feel that Rowan County's numerous strengths such as our diverse employment base, access to technology, and central location make our community an attractive option for these facilities.

We also feel that many of the former manufacturing facilities in Rowan County could be upgraded to provide suitable homes for these data centers. However, it has come to our attention that data centers are not currently a permitted use in the 'Industrial' zoning district. Since the majority of these former manufacturing facilities are located in 'Industrial' zoned districts, it could be difficult to get companies to consider Rowan County as a potential location for their data centers.

Based on these reasons, we respectfully request that Rowan County consider adding data centers as a permitted use in 'Industrial' zoned districts.

Thank you for considering this request. If you would like to discuss this further, please free to call me at 704.637.5526.

Yours Truly,

A handwritten signature in blue ink that reads "Scott Shelton".

Scott Shelton
Vice President of Operations

Major Group 73: Business Services

This major group includes establishments primarily engaged in rendering services, not elsewhere classified, to business establishments on a contract or fee basis, such as advertising, credit reporting, collection of claims, mailing, reproduction, stenographic, news syndicates, computer programming, photocopying, duplicating, data processing, services to buildings, and help supply services. Establishments primarily engaged in providing engineering, accounting, research, management, and related services are classified in Major Group 87. Establishments which provide specialized services closely allied to activities covered in other divisions are classified in such divisions.

Industry Group 731: Advertising

- 7311 Advertising Agencies
- 7312 Outdoor Advertising Services
- 7313 Radio, Television, and Publishers' Advertising Representatives
- 7319 Advertising, Not Elsewhere Classified

Industry Group 732: Consumer Credit Reporting Agencies, Mercantile

- 7322 Adjustment and Collection Services
- 7323 Credit Reporting Services

Industry Group 733: Mailing, Reproduction, Commercial Art And Photography, and Stenographic Services

- 7331 Direct Mail Advertising Services
- 7334 Photocopying and Duplicating Services
- 7335 Commercial Photography
- 7336 Commercial Art and Graphic Design
- 7338 Secretarial and Court Reporting Services

Industry Group 734: Services To Dwellings And Other Buildings

- 7342 Disinfecting and Pest Control Services
- 7349 Building Cleaning and Maintenance Services, Not Elsewhere

Industry Group 735: Miscellaneous Equipment Rental And Leasing

- 7352 Medical Equipment Rental and Leasing
- 7353 Heavy Construction Equipment Rental and Leasing
- 7359 Equipment Rental and Leasing, Not Elsewhere Classified

Industry Group 736: Personnel Supply Services

- 7361 Employment Agencies
- 7363 Help Supply Services

Industry Group 737: Computer Programming, Data Processing, And Other Computer Related Services

- 7371 Computer Programming Services
- 7372 Prepackaged Software
- 7373 Computer Integrated Systems Design
- 7374 Computer Processing and Data Preparation and Processing Services
- 7375 Information Retrieval Services
- 7376 Computer Facilities Management Services
- 7377 Computer Rental and Leasing
- 7378 Computer Maintenance and Repair
- 7379 Computer Related Services, Not Elsewhere Classified

Industry Group 738: Miscellaneous Business Services

- 7381 Detective, Guard, and Armored Car Services
- 7382 Security Systems Services
- 7383 News Syndicates
- 7384 Photofinishing Laboratories
- 7389 Business Services, Not Elsewhere Classified



Rowan County Department of
Planning & Development
402 N. Main Street Ste 204
Salisbury, NC 28144
Phone (704) 216-8588
Fax (704) 638-3130
www.rowancountync.gov

Case # ZTA 02-18
Date Filed 9/4/18
Received By SAS
Amount Paid N/A

Office Use Only

ZONING TEXT AMENDMENT APPLICATION

APPLICANT INFORMATION

Name: Rowan County Planning & Development

Signature: _____

Phone: 704.216.8588

Email: shane.stewart@rowancountync.gov

Address: 402 N Main St Ste 204 Salisbury, NC 28144

AGENT INFORMATION:

Name: Same

Signature: _____

Phone: _____

Email: _____

Address: _____

SECTION(S) 21-53, 21-56(8)(10), 21-60(10), 21-113.

DESCRIPTION OF REQUESTED CHANGE:

Modifications to residential storage facility review process and add SIC 73 as Permitted in IND.

OFFICIAL USE ONLY

1. Signature of Coordinator: [Signature] 2. Planning Board Courtesy
Hearing: 09/24/18 3. Planning Board Action: Approved _____ Denied _____ 4. Board of
Commissioners Public Hearing: _____ / _____ / _____ 5. Dates Advertised: 1st _____ / _____ / _____ 2nd _____ / _____ / _____
6. BOC Action: Approved _____ Denied _____ 7. Date Applicant Notified: _____ / _____ / _____

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Finance Department
DATE: September 21, 2018
SUBJECT: Seven Homes Contract - Foster Care

Please see the attached contract.

Please approve the attached contract between Seven Homes, Inc. and the Rowan County Department of Social Services for foster care services.

ATTACHMENTS:

Description	Upload Date	Type
Seven Homes Contract - Foster Care	9/21/2018	Cover Memo

ROWAN COUNTY CONTRACT CONTROL FORM

Date: 8/28/2018

SECTION I - DEPARTMENT COMPLETES

Department: Social Services Account #: 1155420-593005 Amount: -
 Account #: 1155425-593008 Amount: -
 Total: \$40,000.00 - not to exceed
 Vendor name: Seven Homes, Inc. Term Dates: 7/21/2018-6/30/2019
 Contract description: Therapeutic Foster Care
 POC name: Ken Maxwell Phone: 336-378-8030
 POC email: director@7homes4kids.com
 Vendor mail address: 4270 Piedmont Parkway, Suite 100, Greensboro, NC 27410 Vendor #: 17814

☒ New contract ☒ Contract renewal Munis contract #:
☐ Amendment to contract ☐ Vendor signatures Munis BA #, if applicable:
 Notes:

Department Head Initials: DS Date: 8-28-18

SECTION II - CONTRACT ADMINISTRATOR REVIEW

☒ Section I properly completed y Requires Board approval (Y/N) 10/1/18
☒ Budgeted funds are available

Contract Administrator Initials: DS Date: 9/20/18

SECTION III - INFORMATION TECHNOLOGY REVIEW, IF APPLICABLE

This document has been reviewed and approved by the IT Director as to technical content.

IT Director Initials: NA Date:

SECTION IV - INSURANCE REVIEW

☐ Hold contract pending receipt of Certificate of Insurance ☐ Certificate attached and approved ☐ No insurance required

Risk Manager Initials: Date:

SECTION V - LEGAL REVIEW

☐ Non-appropriation clause ☐ Indemnity clause ☐ Termination clause ☐ E-verify clause
☐ Approved as to form and sufficiency ☐ If Board approval required, sent to Department for agenda item

Attorney Initials: Date:

SECTION VI - FINANCE DIRECTOR REVIEW AND PRE-AUDIT

☐ Budgeted funds are available ☐ Contract has been pre-audited

Finance Director Initials: Date:

SECTION VII - COUNTY MANAGER REVIEW

☐ Contract has been properly signed by all parties

County Manager Initials: Date:

SECTION VIII - CONTRACT ADMINISTRATOR COMPLETES

This document has been reviewed and approved by the Board of Commissioners and/or County Manager. ☐ Yes ☐ No Date:

☐ Document fully executed, scanned and posted on the County website Date:

Contract Administrator Initials: Date:

Contract #**Fiscal Year Begins 7/1/2018 Ends 6/30/2019**

This contract is hereby entered into by and between the Rowan County Department of Social Services (the "County") and **Seven Homes Inc.** (the "Contractor") (referred to collectively as the "Parties"). The Contractor's federal tax identification number or Social Security Number is _____ and DUNS Number (required if funding from a federal funding source).

1. Contract Documents: This Contract consists of the following documents:

- (1) This contract
- (2) The General Terms and Conditions (Attachment A)
- (3) The Scope of Work, description of services, and rate (Attachment B)
- (4) Federal Certification Regarding Drug-Free Workplace & Certification Regarding Nondiscrimination (Attachment C)
- (5) Conflict of Interest (Attachment D)
- (6) No Overdue Taxes (Attachment E)
- (7) Federal Certification Regarding Environmental Tobacco Smoke (Attachment F)
- (8) Federal Certification Regarding Lobbying (Attachment G)
- (9) Federal Certification Regarding Debarment (Attachment H)
- (10) *If applicable*, HIPAA Business Associate Addendum (checklist and forms)
- (11) Certification of Transportation (Attachment J)
- (12) *If applicable*, IRS federal tax exempt letter or 501 (c)(3) (Attachment K) <http://www.irs.gov/pub/irs-fill/k1023.pdf>
- (13) Certain Reporting and Auditing Requirements (Attachment L)
- (14) State Certification (Attachment M)
- (15) Contract Determination Questionnaire (required)

These documents constitute the entire agreement between the Parties and supersede all prior oral or written statements or agreements.

2. Precedence among Contract Documents: In the event of a conflict between or among the terms of the Contract Documents, the terms in the Contract Document with the highest relative precedence shall prevail. The order of precedence shall be the order of documents as listed in Paragraph 1, above, with the first-listed document having the highest precedence and the last-listed document having the lowest precedence. If there are multiple Contract Amendments, the most recent amendment shall have the highest precedence and the oldest amendment shall have the lowest precedence.**3. Effective Period:** This contract shall be effective on 7/1/2018 and shall terminate on 6/30/2019, This contract must be twelve months or less.**4. Contractor's Duties:** The Contractor shall provide the services and in accordance with the approved rate as described in Attachment B, Scope of Work.**5. County's Duties:** The County shall pay the Contractor in the manner and in the amounts specified in the Contract Documents. The total amount paid by the County to the Contractor under this contract shall not exceed \$40,000.00. This amount consists of \$ _____ in Federal funds (CFDA # _____), \$ _____ in State Funds, \$ _____ in County funds

☒ a. There are no matching requirements from the Contractor.

☐ b. The Contractor's matching requirement is \$ _____, which shall consist of:

☐ In-kind

☐ Cash

☐ Cash and In-kind

☐ Cash and/or In-kind

The contributions from the Contractor shall be sourced from non-federal funds.

The total contract amount including any Contractor match shall not exceed \$40,000.00.

6. Reversion of Funds:

Any unexpended grant funds shall revert to the County Department of Social Services/Human Services upon termination of this contract.

7. Reporting Requirements:

Contractor shall comply with audit requirements as described in N.C.G.S. § 143C-6-22 & 23 and OMB Circular- CFR Title 2 Grants and Agreements, Part 200, and shall disclose all information required by 42 USC 455.104, or 42 USC 455.105, or 42 USC 455.106.

8. Payment Provisions:

Payment shall be made in accordance with the Contract Documents as described in the Scope of Work, Attachment B.

- 9. Contract Administrators:** All notices permitted or required to be given by one Party to the other and all questions about the contract from one Party to the other shall be addressed and delivered to the other Party's Contract Administrator. The name, post office address, street address, telephone number, fax number, and email address of the Parties' respective initial Contract Administrators are set out below. Either Party may change the name, post office address, street address, telephone number, fax number, or email address of its Contract Administrator by giving timely written notice to the other Party.

For the County:

IF DELIVERED BY US POSTAL SERVICE		IF DELIVERED BY ANY OTHER MEANS	
Name & Title	Donna F. Fayko, Director	Name & Title	Donna F. Fayko, Director
County	Rowan	County	Rowan
Mailing Address	1813 East Innes Street	Street Address	1813 East Innes Street
City, State, Zip	Salisbury NC 28146	City, State, Zip	Salisbury NC 28146
Telephone	704.216.8422		
Fax	704.638.3041		
Email	donna.fayko@rowancountync.gov		

For the Contractor:

IF DELIVERED BY US POSTAL SERVICE		IF DELIVERED BY ANY OTHER MEANS	
Name & Title	Ken Maxwell, Executive Director	Name & Title	Ken Maxwell, Executive Director
Company Name	Seven Homes, Inc.	Company Name	Seven Homes, Inc.
Mailing Address	4270 Piedmont Parkway, Suite 109	Street Address	4270 Piedmont Parkway, Suite 109
City State Zip	Greensboro NC 27410	City State Zip	Greensboro NC 27410
Telephone	336.378.8030		
Fax	336.883.0205		
Email	director@7homes4kids.com		

10. Supplementation of Expenditure of Public Funds:

The Contractor assures that funds received pursuant to this contract shall be used only to supplement, not to supplant, the total amount of federal, state and local public funds that the Contractor otherwise expends for contract services and related programs. Funds received under this contract shall be used to provide additional public funding for such services; the funds shall not be used to reduce the Contractor's total expenditure of other public funds for such services.

11. Disbursements:

As a condition of this contract, the Contractor acknowledges and agrees to make disbursements in accordance with the following requirements:

- (a) Implement adequate internal controls over disbursements;
- (b) Pre-audit all vouchers presented for payment to determine:
 - Validity and accuracy of payment
 - Payment due date
 - Adequacy of documentation supporting payment
 - Legality of disbursement
- (c) Assure adequate control of signature stamps/plates;
- (d) Assure adequate control of negotiable instruments; and
- (e) Implement procedures to insure that account balance is solvent and reconcile the account monthly.

12. Outsourcing to Other Countries:

The Contractor certifies that it has identified to the County all jobs related to the contract that have been outsourced to other countries, if any. The Contractor further agrees that it will not outsource any such jobs during the term of this contract without providing notice to the County.

13. Federal Certifications:


Individuals and Organizations receiving federal funds must ensure compliance with certain certifications required by federal laws and regulations. The contractor is hereby complying with Certifications regarding Nondiscrimination, Drug-Free Workplace Requirements, Environmental Tobacco Smoke, Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions, and Lobbying. These assurances and certifications are to be signed by the contractor's authorized representative.

14. Specific Language Not Previously Addressed:

(can be delted if not needed)

15. Signature Warranty: The undersigned represent and warrant that they are authorized to bind their principals to the terms of this agreement.

The Contractor and the County have executed this contract in duplicate originals, with one original being retained by each party.

 _____ Signature	8/8/18 _____ Date
Jodi L. Lambert _____ Printed Name	Foster care Program Manager _____ Title

COUNTY

 _____ Signature	8-28-18 _____ Date
<i>(must be legally authorized to sign contracts for County DSS)</i>	
Donna F Faylo _____ Printed Name	Director _____ Title

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

_____ Signature of County Finance Officer	_____ Date
--	---------------

Attachment A
General Terms and Conditions

Relationships of the Parties

Independent Contractor: The Contractor is and shall be deemed to be an independent contractor in the performance of this contract and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. The Contractor represents that it has, or shall secure at its own expense, all personnel required in performing the services under this agreement. Such employees shall not be employees of, or have any individual contractual relationship with the County.

Subcontracting: The Contractor shall not subcontract any of the work contemplated under this contract without prior written approval from the County. Any approved subcontract shall be subject to all conditions of this contract. Only the subcontractors specified in the contract documents are to be considered approved upon award of the contract. The County shall not be obligated to pay for any work performed by any unapproved subcontractor. The Contractor shall be responsible for the performance of all of its subcontractors.

Assignment: No assignment of the Contractor's obligations or the Contractor's right to receive payment hereunder shall be permitted. However, upon written request approved by the issuing purchasing authority, the County may:

- (a) Forward the Contractor's payment check(s) directly to any person or entity designated by the Contractor, or
- (b) Include any person or entity designated by Contractor as a joint payee on the Contractor's payment check(s).

In no event shall such approval and action obligate the County to anyone other than the Contractor and the Contractor shall remain responsible for fulfillment of all contract obligations.

Beneficiaries: Except as herein specifically provided otherwise, this contract shall inure to the benefit of and be binding upon the parties hereto and their respective successors. It is expressly understood and agreed that the enforcement of the terms and conditions of this contract, and all rights of action relating to such enforcement, shall be strictly reserved to the County and the named Contractor. Nothing contained in this document shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of the County and Contractor that any such person or entity, other than the County or the Contractor, receiving services or benefits under this contract shall be deemed an incidental beneficiary only.

Indemnity and Insurance

Indemnification: The Contractor agrees to indemnify and hold harmless the County and any of their officers, agents and employees, from any claims of third parties arising out of or any act or omission of the Contractor in connection with the performance of this contract.

Insurance: During the term of the contract, the Contractor at its sole cost and expense shall provide commercial insurance of such type and with such terms and limits as may be reasonably associated with the contract. As a minimum, the Contractor shall provide and maintain the following coverage and limits:

- (a) **Worker's Compensation** - The contractor shall provide and maintain Worker's Compensation Insurance as required by the laws of North Carolina, as well as employer's liability coverage with minimum limits of \$500,000.00, covering all of Contractor's employees who are engaged in any work under the contract. If any work is sublet, the Contractor shall require the subcontractor to provide the same coverage for any of his employees engaged in any work under the contract.
- (b) **Commercial General Liability** - General Liability Coverage on a Comprehensive Broad Form on an occurrence basis in the minimum amount of \$1,000,000.00 Combined Single Limit. (Defense cost shall be in excess of the limit of liability.)
- (c) **Automobile Liability Insurance:** The Contractor shall provide automobile liability insurance with a combined single limit of \$500,000.00 for bodily injury and property damage; a limit of \$500,000.00 for uninsured/under insured motorist coverage; and a limit of \$2,000.00 for medical payment coverage. The Contractor shall provide this insurance for all automobiles that are:
 - (a) owned by the Contractor and used in the performance of this contract;
 - (b) hired by the Contractor and used in the performance of this contract; and
 - (c) Owned by Contractor's employees and used in performance of this contract ("non-owned vehicle insurance"). Non-owned vehicle insurance protects employers when employees use their personal vehicles for work purposes. Non-owned vehicle insurance supplements, but does not replace, the car-owner's liability insurance.

The Contractor is not required to provide and maintain automobile liability insurance on any vehicle -- owned, hired, or non-owned -- unless the vehicle is used in the performance of this contract.

- (d) The insurance coverage minimums specified in subparagraph (a) are exclusive of defense costs.
- (e) The Contractor understands and agrees that the insurance coverage minimums specified in subparagraph (a) are not limits, or caps, on the Contractor's liability or obligations under this contract.
- (f) The Contractor may obtain a waiver of any one or more of the requirements in subparagraph (a) by demonstrating that it has insurance that provides protection that is equal to or greater than the coverage and limits specified in subparagraph (a). The County shall be the sole judge of whether such a waiver should be granted.
- (g) The Contractor may obtain a waiver of any one or more of the requirements in paragraph (a) by demonstrating that it is self-insured and that its self-insurance provides protection that is equal to or greater than the coverage and limits specified in subparagraph (a). The County shall be the sole judge of whether such a waiver should be granted.
- (h) Providing and maintaining the types and amounts of insurance or self-insurance specified in this paragraph is a material obligation of the Contractor and is of the essence of this contract.
- (i) The Contractor shall only obtain insurance from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in the State of North Carolina. All such insurance shall meet all laws of the State of North Carolina.
- (j) The Contractor shall comply at all times with all lawful terms and conditions of its insurance policies and all lawful requirements of its insurer.
- (k) The Contractor shall require its subcontractors to comply with the requirements of this paragraph.
- (l) The Contractor shall demonstrate its compliance with the requirements of this paragraph by submitting certificates of insurance to the County before the Contractor begins work under this contract.

Transportation of Clients by Contractor:

The contractor will maintain Insurance requirements if required as noted under Article 7 Rule R2-36 of the North Carolina Utilities Commission.

Default and Termination

Termination Without Cause: The County may terminate this contract without cause by giving 30 days written notice to the Contractor.

Termination for Cause: If, through any cause, the Contractor shall fail to fulfill its obligations under this contract in a timely and proper manner, the County shall have the right to terminate this contract by giving written notice to the Contractor and specifying the effective date thereof. In that event, all finished or unfinished deliverable items prepared by the Contractor under this contract shall, at the option of the County, become its property and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials, minus any payment or compensation

previously made. Notwithstanding the foregoing provision, the Contractor shall not be relieved of liability to the County for damages sustained by the County by virtue of the Contractor's breach of this agreement, and the County may withhold any payment due the Contractor for the purpose of setoff until such time as the exact amount of damages due the County from such breach can be determined. In case of default by the Contractor, without limiting any other remedies for breach available to it, the County may procure the contract services from other sources and hold the Contractor responsible for any excess cost occasioned thereby. The filing of a petition for bankruptcy by the Contractor shall be an act of default under this contract.

Waiver of Default: Waiver by the County of any default or breach in compliance with the terms of this contract by the Provider shall not be deemed a waiver of any subsequent default or breach and shall not be construed to be modification of the terms of this contract unless stated to be such in writing, signed by an authorized representative of the County and the Contractor and attached to the contract.

Availability of Funds: The parties to this contract agree and understand that the payment of the sums specified in this contract is dependent and contingent upon and subject to the appropriation, allocation, and availability of funds for this purpose to the County.

Force Majeure: Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

Survival of Promises: All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable Federal or State statutes of limitation.

Intellectual Property Rights

Copyrights and Ownership of Deliverables: All deliverable items produced pursuant to this contract are the exclusive property of the County. The Contractor shall not assert a claim of copyright or other property interest in such deliverables.

Federal Intellectual Property Bankruptcy Protection Act: The Parties agree that the County shall be entitled to all rights and benefits of the Federal Intellectual Property Bankruptcy Protection Act, Public Law 100-506, codified at 11 U.S.C. 365 (n) and any amendments thereto.

Compliance with Applicable Laws

Compliance with Laws: The Contractor shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority.

Title VI, Civil Rights Compliance: In accordance with Federal law and U.S. Department of Agriculture (USDA) and U.S. Department of Health and Human Services (HHS) policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age or disability. Under the Food Stamp Act and USDA policy, discrimination is prohibited also on the basis of religion or political beliefs.

Equal Employment Opportunity: The Contractor shall comply with all federal and State laws relating to equal employment opportunity.

Health Insurance Portability and Accountability Act (HIPAA): The Contractor agrees that, if the County determines that some or all of the activities within the scope of this contract are subject to the Health Insurance Portability and Accountability Act of 1996, P.L. 104-91, as amended ("HIPAA"), or its implementing regulations, it will comply with the HIPAA requirements and will execute such agreements and practices as the County may require to ensure compliance.

- (a) **Data Security:** The Contractor shall adopt and apply data security standards and procedures that comply with all applicable federal, state, and local laws, regulations, and rules.
- (b) **Duty to Report:** The Contractor shall report a suspected or confirmed security breach to the local Department of Social Services/Human Services Contract Administrator within twenty-four (24) hours after the breach is first discovered, provided that the Contractor shall report a breach involving Social Security Administration data or Internal Revenue Service data within one (1) hour after the breach is first discovered.
- (c) **Cost Borne by Contractor:** If any applicable federal, state, or local law, regulation, or rule requires the Contractor to give written notice of a security breach to affected persons, the Contractor shall bear the cost of the notice.

Trafficking Victims Protection Act of 2000 :

The Contractor will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104)

Executive Order # 24: It is unlawful for any vendor, contractor, subcontractor or supplier of the state to make gifts or to give favors to any state employee. For additional information regarding the specific requirements

and exemptions, contractors are encouraged to review Executive Order 24 and G.S. Sec. 133-32.

Confidentiality

Confidentiality: Any information, data, instruments, documents, studies or reports given to or prepared or assembled by the Contractor under this agreement shall be kept as confidential and not divulged or made available to any individual or organization without the prior written approval of the County. The Contractor acknowledges that in receiving, storing, processing or otherwise dealing with any confidential information it will safeguard and not further disclose the information except as otherwise provided in this contract.

Oversight

Access to Persons and Records: The State Auditor shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions in accordance with General Statute 147-64.7. Additionally, as the State funding authority, the Department of Health and Human Services shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions.

Record Retention: Records shall not be destroyed, purged or disposed of without the express written consent of the Division. State basic records retention policy requires all grant records to be retained for a minimum of five years or until all audit exceptions have been resolved, whichever is longer. If the contract is subject to federal policy and regulations, record retention may be longer than five years since records must be retained for a period of three years following submission of the final Federal Financial Status Report, if applicable, or three years following the submission of a revised final Federal Financial Status Report. Also, if any litigation, claim, negotiation, audit, disallowance action, or other action involving this Contract has been started before expiration of the five-year retention period described above, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five-year period described above, whichever is later. The record retention period for Temporary Assistance for Needy Families (TANF) and MEDICAID and Medical Assistance grants and programs must be retained for a minimum of ten years.

Warranties and Certifications

Date and Time Warranty: The Contractor warrants that the product(s) and service(s) furnished pursuant to this contract ("product" includes, without limitation, any piece of equipment, hardware, firmware, middleware, custom or commercial software, or internal components, subroutines, and interfaces therein) that perform any date and/or time data recognition function, calculation, or sequencing will support a four digit year format and will provide accurate date/time data and leap year

calculations. This warranty shall survive the termination or expiration of this contract.

Certification Regarding Collection of Taxes: G.S. 143-59.1 bars the Secretary of Administration from entering into contracts with vendors that meet one of the conditions of G.S. 105-164.8(b) and yet refuse to collect use taxes on sales of tangible personal property to purchasers in North Carolina. The conditions include: (a) maintenance of a retail establishment or office; (b) presence of representatives in the State that solicit sales or transact business on behalf of the vendor; and (c) systematic exploitation of the market by media-assisted, media-facilitated, or media-solicited means. The Contractor certifies that it and all of its affiliates (if any) collect all required taxes.

E-Verify

Pursuant to G.S. 143-48.5 and G.S. 147-33.95(g), the undersigned hereby certifies that the Contractor named below, and the Contractor's subcontractors, complies with the requirements of Article 2 of Chapter 64 of the NC General Statutes, including the requirement for each employer with more than 25 employees in North Carolina to verify the work authorization of its employees through the federal E-Verify system." E-Verify System Link: www.uscis.gov

Miscellaneous

Choice of Law: The validity of this contract and any of its terms or provisions, as well as the rights and duties of the parties to this contract, are governed by the laws of North Carolina. The Contractor, by signing this contract, agrees and submits, solely for matters concerning this Contract, to the exclusive jurisdiction of the courts of North Carolina and agrees, solely for such purpose, that the exclusive venue for any legal proceedings shall be the county in which the contract originated. The place of this contract and all transactions and agreements relating to it, and their situs and forum, shall be the county where the contract originated, where all matters, whether sounding in contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.

Amendment: This contract may not be amended orally or by performance. Any amendment must be made in written form and executed by duly authorized representatives of the County and the Contractor.

Severability: In the event that a court of competent jurisdiction holds that a provision or requirement of this contract violates any applicable law, each such provision or requirement shall continue to be enforced to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of this contract shall remain in full force and effect.

Headings: The Section and Paragraph headings in these General Terms and Conditions are not material parts of the agreement and should not be used to construe the meaning thereof.

Time of the Essence: Time is of the essence in the performance of this contract.

Key Personnel: The Contractor shall not replace any of the key personnel assigned to the performance of this contract without the prior written approval of the County. The term "key personnel" includes any and all persons identified as such in the contract documents and any other persons subsequently identified as key personnel by the written agreement of the parties.

Care of Property: The Contractor agrees that it shall be responsible for the proper custody and care of any property furnished to it for use in connection with the performance of this contract and will reimburse the County for loss of, or damage to, such property. At the termination of this contract, the Contractor shall contact the County for instructions as to the disposition of such property and shall comply with these instructions.

Travel Expenses: Reimbursement to the Contractor for travel mileage, meals, lodging and other travel expenses incurred in the performance of this contract shall not exceed the rates established in County policy.

Sales/Use Tax Refunds: If eligible, the Contractor and all subcontractors shall: (a) ask the North Carolina Department of Revenue for a refund of all sales and use taxes paid by them in the performance of this contract, pursuant to G.S. 105-164.14; and (b) exclude all refundable sales and use taxes from all reportable expenditures before the expenses are entered in their reimbursement reports.

Advertising: The Contractor shall not use the award of this contract as a part of any news release or commercial advertising.

ATTACHMENT B – Scope of Work Federal Tax Id. or SSN :

A. CONTRACTOR INFORMATION

1. Contractor Agency Name: Seven Homes, Inc.
2. *If different* from Contract Administrator Information in General Contract:
Address Telephone Number: Fax Number: Email:
3. Name of Program (s): Family Foster Care
4. Status: ☐ Public ☒ Private, Not for Profit ☐ Private, For Profit
5. Contractor's Financial Reporting Year January through December

B. Explanation of Services to be provided and to whom (include SIS Service Code):
Family Foster Care

C. Rate per unit of Service (define the unit): see below

1. If Standard Fixed Rate, Maximum Allowable, (See Rates for Services Chart)

Standard Board Rates	Monthly Rates		
	Age 0-5	Age 6-12	Age 13+
Foster Care			
Therapeutic Foster Care	\$475	\$581	\$634
Residential Treatment (Level 2)			
Child Placing Agency	\$1,433	\$1,564	\$1,638
Residential Child Caring Institution	\$4,279	\$4,437	\$4,516
Standard Board and Treatment Rates	Daily Rates		
	Board	Treatment*	
Residential Treatment Level 3, 0-4 beds	\$43	\$232.88	
Residential Treatment Level 3, 5+ beds	\$33	\$189.75	
Residential Treatment Level 4, 0-4 beds	\$43	\$315.71	
Residential Treatment Level 4, 5+ beds	\$40	\$315.71	
*Treatment Rates set by DMA and are subject to change.			

2. Negotiated County Rate.
Additional county funds per individual client agreements.

D. Number of units to be provided: The number of applications submitted by the Rowan County DSS and accepted by the Contractor during each fiscal year shall equal the number of units provided.

E. Details of Billing process and Time Frames: Invoices are due to Rowan County DSS no later than the 3rd working day of the month and payment is issued no later than the 25th day of each month.

F. Area to be served/Delivery site(s): Rowan County clients at Contractor facilities

G. MUTUAL AGREEMENT

I. Both Parties Agree to:

1. Meet at least annually to review the outcome data and quality standards information, and as needed to address special projects or issues throughout the year.
2. Return all phone calls received within twenty-four (24) hours or by the end of the next business day.
3. Share all information needed to ensure a good match/appropriate placement.
4. Clearly communicate any concerns about the partnership with a problem-solving approach that prioritizes the best interest of the child and family being served.

II. Private Partner

Private Partner agrees to provide foster care services for children in the custody of County, and shall do the following:

Share Performance Data:

1. Provide data to the County annually or as needed for special projects or to address specific concerns..
2. Enter data into the *Client Dashboard Data Capture Sheet* which will generate the aggregate data reports, which the Private Agency will share with the County. Data will be entered in accordance with the definitions provided in the *Performance Data Definition Guide*.
3. Ensure records are accessible for review for monitoring services rendered and for financial audits.
4. Ensure records are accessible for research and evaluation. Upon request of County, Private Partner shall provide data about individual children for research and study.

Provide Services:

1. Provide foster care services, guided by an individualized permanency and/or treatment plan to be developed with the child's social worker within 30 days of admission.
2. Provide for each child's safety, shelter, emotional, nutritional, and basic everyday needs. Within reason and to be negotiated as needed, provide for personal hygiene items, school supplies, school field trips, extracurricular activities, photos, and yearbooks.
3. Within reason and to be negotiated as needed, maintain the child's clothing inventory, providing adequate and appropriate attire to meet the child's growth, wear/tear, seasonal, and educational needs. A clothing inventory at admission and a clothing inventory at discharge (adequate for transition to the next placement) shall be completed.

4. Participate in County-supervised visits between child and family.
5. Train and support foster parents in shared parenting with biological parents.
6. Provide transportation within 100 miles round trip to and from parental visits, school, and medical, dental, and therapy appointments if required.
7. Coordinate non-emergency, temporary respite care placements that have been approved by a child's County-assigned social worker.
8. For placements involving mental health treatment (Levels 2-4, PRTF), provide case management including development and maintenance of Person-Centered Plan and oversee requests for authorizations and reauthorizations.
9. Adhere to the County's policy/procedures regarding discipline of children in foster care.
10. Adhere to the County's procedures for applying for day care (if applicable).

Communication and Planning:

1. Notify County immediately when a child receives emergency care, is hospitalized, is placed in detention, or is absent/missing (e.g., on the run). Private Partner will also notify local authorities immediately upon discovering a child is missing.
2. When a child is transported to the hospital for an emergency psychiatric hospital assessment, accompany/supervise the child in the emergency room for up to 4 hours to allow County adequate travel and coordination time to respond to the event.
3. Communicate with the County monthly regarding each child's needs and progress in the program, unless more frequent communications are needed based on the specific circumstances.
4. Notify County of Child and Family Team meetings, Treatment Team meetings, and other planning meetings as necessary.
5. With County, coordinate planning for any move of the child.
6. Work closely with County to develop a written transition plan within 7 business days prior to discharge from program.
7. Attend Permanency Planning Review meetings for each child. If attendance is not feasible, Private Partner will submit a written report prior to said meeting.
8. Attend court hearings and provide information to the court as needed. If attendance is not feasible, review report prior to court. Private Partner should provide a written summary to the court regarding each child's progress.
9. Provide County a minimum 30 day grace period prior to discharge of any child so that an appropriate subsequent placement can be secured. Shorter periods may be agreed upon if the Parties deem it necessary.
10. If Private Partner is the clinical home for the child: if after consultation with the County it is determined that continuation of the placement is not beneficial, provide 30 days notice to the County to arrange another more appropriate placement. Private Partner will continue meeting the child's clinical needs until another provider can assume clinical home responsibility for the child.
11. Discuss potential medication changes with the child's social worker, and provide written notification of medication changes or current medication list within 24 hours of changes, and upon discharge.

12. Provide a discharge summary within thirty (30) days of discharge, including history, course of treatment, progress in care, medications, and plan for the child.

III. County

The County shall retain custody of each child while the child is placed with the Private Partner, and shall do the following:

Share Information:

1. Provide the following for each child upon admission:
 - a. Verification of current physical exam within the last 12 months and assist with scheduling of exam within 72 hours of placement.
 - b. Social Security card (copy of).
 - c. Medicaid card.
 - d. Documentation of custody.
 - e. Case history, including information regarding special court sanctions, treatment plans, and medical records.
 - f. Out-of-home family services agreement.
 - g. Psychological evaluation (if applicable).
 - h. Immunization record.
 - i. Visitation agreement (if applicable).
 - j. Child Health Status Component (DSS-5125-II).
 - k. Education Component (DSS-5245).
 - l. Birth certificate (copy of).
 - m. School enrollment letter (if applicable).
 - n. A document outlining the financial criteria for each child. A signed copy of the document must be returned to the County in order for Private Partner to receive financial payment for the child. In the event of an emergency placement, the document will be provided to the Private Partner within seven (7) working days.
 - o. Any other forms or information required by the Private Partner.

Provide Services:

1. Conduct regular, face-to-face visits with Private Partner on at least a monthly basis to review each child's progress toward meeting the goals of the out-of-home services agreement and treatment plan.
2. Conduct in-person visits with each child at least once a month in the placement provider's home.

3. Monitor and assure implementation of all aspects of a child's treatment plan, including court-ordered visitation by parent/guardian.
4. Enroll/withdraw the child in school.
5. Collaborate with Private Partner to support shared parenting between foster parents and children's biological parents.

Communication and Planning:


1. Coordinate required medical exams for each child and advise Private Partner of results.
2. If not provided at placement (due to emergency circumstances), share the out-of-home family services agreement for each child within 7 business days of when it is developed.
3. Share updated out-of-home family services agreement every six months or when the child or family's circumstances or needs change.
4. Maintain close communication with the Private Partner regarding treatment issues, changes in each child's family situation, child/family needs, and discharge planning for each child.
5. Attend Child and Family Team meetings, Treatment Team meetings, and other planning meetings as necessary.
6. Provide a ten (10) day notice for all Permanency Planning Meetings and court dates, and notify Private Partner when the Permanency Plan changes.
7. Notify the child's parent/guardian and Guardian ad Litem when child will be moved or has been moved.
8. Plan for discharge in concert with the Private Partner's treatment team, providing a 7 business day advance notice prior to discharge.
9. Be available or have the supervisor or after hours staff respond to emergencies.


(Signature of County Authorized Person)

8-28-18
(Date Submitted)

(Signature of County Authorized Person)

(Date Submitted)


(Signature of Contractor)
8-8-18
(Date Submitted)

(Signature of Contractor)

(Date Submitted)

Contractor: Seven Homes, Inc.

ATTACHMENT C

**CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS
AND CERTIFICATION REGARDING NONDISCRIMINATION**

Rowan County Department of Social Services

- I. By execution of this Agreement the Contractor certifies that it will provide a drug-free workplace by:
- A. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - B. Establishing a drug-free awareness program to inform employees about:
 - (1) The dangers of drug abuse in the workplace;
 - (2) The Contractor's policy of maintaining a drug-free workplace;
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - C. Making it a requirement that each employee be engaged in the performance of the agreement be given a copy of the statement required by paragraph (A);
 - D. Notifying the employee in the statement required by paragraph (A) that, as a condition of employment under the agreement, the employee will:
 - (1) Abide by the terms of the statement; and
 - (2) Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction;
 - E. Notifying the County within ten days after receiving notice under subparagraph (D)(2) from an employee or otherwise receiving actual notice of such conviction;
 - F. Taking one of the following actions, within 30 days of receiving notice under subparagraph (D)(2), with respect to any employee who is so convicted:
 - (1) Taking appropriate personnel action against such an employee, up to and including termination; or
 - (2) 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; and

Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (A), (B), (C), (D), (E), and (F).

II. The site(s) for the performance of work done in connection with the specific agreement are listed below:

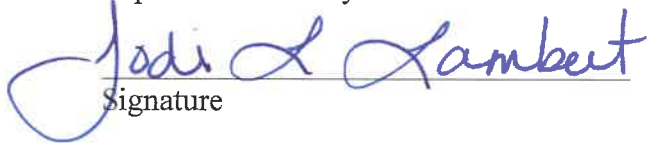
1. (Street address) 4270 Piedmont Pkwy, Ste 109
(City, county, state, zip code) Greensboro NC 27410
2. (Street address) 409 Hospital Drive, Ste C
(City, county, state, zip code) Gastonia NC 28054

Contractor will inform the County of any additional sites for performance of work under this agreement.

False certification or violation of the certification shall be grounds for suspension of payment, suspension or termination of grants, or government-wide Federal suspension or debarment
45 C.F.R. Section 82.510. Section 4 CFR Part 85, Section 85.615 and 86.620.

Certification Regarding Nondiscrimination

The Vendor certifies that it will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (h) the Food Stamp Act and USDA policy, which prohibit discrimination on the basis of religion and political beliefs; and (i) the requirements of any other nondiscrimination statutes which may apply to this Agreement.


Signature

Footer care program Manager
Title

Seven Homes Inc.

Agency/Organization

8/8/18

Date

(Certification signature should be same as Contract signature.)

Contractor: Seven Homes, Inc.

ATTACHMENT D

Conflict of Interest Policy

Instructions: (Use this for all contracts. Page one is to be completed by the Contractor and a copy of the Contractor's conflict of interest policy must be submitted. The Contractor can adopt page 1 and 2 as their conflict of interest policy or attach their current adopted policy. Note: Verification is needed on a yearly basis. For contracts extending more than one state fiscal year, the contract file must include documentation that the Conflict of Interest Policy has not changed from the previous year. If the policy has changed, a new conflict of interest policy must be submitted. Remember to delete all instructions in blue italic. (highlighted in yellow).)

The Board of Directors/Trustees or other governing persons, officers, employees or agents are to avoid any conflict of interest, even the appearance of a conflict of interest. The Organization's Board of Directors/Trustees or other governing body, officers, staff and agents are obligated to always act in the best interest of the organization. This obligation requires that any Board member or other governing person, officer, employee or agent, in the performance of Organization duties, seek only the furtherance of the Organization mission. At all times, Board members or other governing persons, officers, employees or agents, are prohibited from using their job title, the Organization's name or property, for private profit or benefit.

A. The Board members or other governing persons, officers, employees, or agents of the Organization should neither solicit nor accept gratuities, favors, or anything of monetary value from current or potential contractors/vendors, persons receiving benefits from the Organization or persons who may benefit from the actions of any Board member or other governing person, officer, employee or agent. This is not intended to preclude bona-fide Organization fund raising-activities.

B. A Board or other governing body member may, with the approval of Board or other governing body, receive honoraria for lectures and other such activities while not acting in any official capacity for the Organization. Officers may, with the approval of the Board or other governing body, receive honoraria for lectures and other such activities while on personal days, compensatory time, annual leave, or leave without pay. Employees may, with the prior written approval of their supervisor, receive honoraria for lectures and other such activities while on personal days, compensatory time, annual leave, or leave without pay. If a Board or other governing body member, officer, employee or agent is acting in any official capacity, honoraria received in connection with activities relating to the Organization are to be paid to the Organization.

C. No Board member or other governing person, officer, employee, or agent of the Organization shall participate in the selection, award, or administration of a purchase or contract with a vendor where, to his knowledge, any of the following has a financial interest in that purchase or contract:

1. The Board member or other governing person, officer, employee, or agent;
2. Any member of their family by whole or half blood, step or personal relationship or relative-in-law;
3. An organization in which any of the above is an officer, director, or employee;
4. A person or organization with whom any of the above individuals is negotiating or has any arrangement concerning prospective employment or contracts.

D. **Duty to Disclosure** -- Any conflict of interest, potential conflict of interest, or the appearance of a conflict of interest is to be reported to the Board or other governing body or one's supervisor immediately.

E. **Board Action** -- When a conflict of interest is relevant to a matter requiring action by the Board of Directors/Trustees or other governing body, the Board member or other governing person, officer, employee, or agent (person(s)) must disclose the existence of the conflict of interest and be given the opportunity to disclose all material facts to the Board and members of committees with governing board delegated powers considering the possible conflict of interest. After disclosure of all material facts, and after any discussion with the person, he/she shall leave the governing board or committee meeting while

the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists. In addition, the person(s) shall not participate in the final deliberation or decision regarding the matter under consideration and shall leave the meeting during the discussion of and vote of the Board of Directors/Trustees or other governing body.

F. Violations of the Conflicts of Interest Policy -- If the Board of Directors/Trustees or other governing body has reasonable cause to believe a member, officer, employee or agent has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose. If, after hearing the person's response and after making further investigation as warranted by the circumstances, the Board of Directors/Trustees or other governing body determines the member, officer, employee or agent has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

G. Record of Conflict -- The minutes of the governing board and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have an actual or possible conflict of interest, the nature of the conflict of interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement that presents a possible conflict of interest, the content of the discussion, including any alternatives to the transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Approved by:

Seven Homes Inc.

Name of Organization

Jodi L Lambert

Signature of Organization Official

8/8/18

Date

NOTARIZED CONFLICT OF INTEREST POLICY

State of North Carolina

County of

Davidson

I, D Leigh Koontz, Notary Public for said County and State, certify that

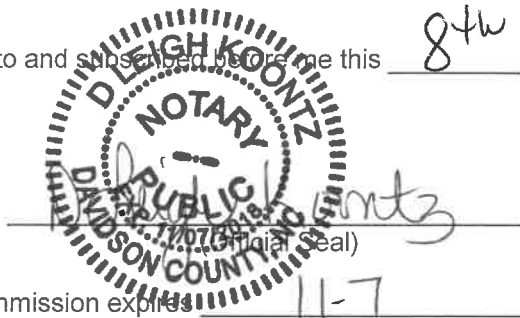
Jodi L Lambert personally appeared before me this day and acknowledged

that he/she is Foster Care Program Manager of Seven Homes Inc

[enter name of entity]

and by that authority duly given and as the act of the Organization, affirmed that the foregoing Conflict of Interest Policy was adopted by the Board of Directors/Trustees or other governing body in a meeting held on the 27th day of September, 2018.

Sworn to and subscribed before me this 8th day of August, 2018



Notary Public

My Commission expires 11-7, 2018



CONFLICT OF INTEREST

Conflict of Interest Defined:

A conflict of interest is defined as an actual or perceived interest by a employee/Board member in an action that results in, or has the appearance of resulting in, personal, organizational, or professional gain. A conflict of interest occurs when an employee/Board member has a direct or fiduciary interest in another relationship. A conflict of interest could include:

- Ownership with a member of the Board of Directors or an employee where one or the other has supervisory authority over the other or with a client who receives services.
- Employment of or by a member of the Board of Directors or an employee where one or the other has supervisory authority over the other or with a client who receives services.
- Contractual relationship with a member of the Board of Directors or an employee where one or the other has supervisory authority over the other or with a client who receives services.
- Creditor or debtor to a member of the Board of Directors or an employee where one or the other has supervisory authority over the other or with a client who receives services.
- Consultative or consumer relationship with a member of the Board of Directors or an employee where one or the other has supervisory authority over the other or with a client who receives services.

The definition of conflict of interest includes any bias or the appearance of bias in a decision-making process that would reflect a dual role played by a member of the organization or group. An example, for instance, might involve a person who is an employee and a Board member, or a person who is an employee and who hires family members as consultants.

Employee Responsibilities:

It is in the interest of the organization, individual staff, and Board members to strengthen trust and confidence in each other, to expedite resolution of problems, to mitigate the effect and to minimize organizational and individual stress that can be caused by a conflict of interest.

Employees are to avoid any conflict of interest, even the appearance of a conflict of interest. This organization serves the community as a whole rather than only serving a special interest group. The appearance of a conflict of interest can cause embarrassment to the organization and jeopardize the credibility of the organization. Any conflict of interest, potential conflict of interest, or the appearance of a conflict of interest is to be reported to your supervisor immediately. Employees are to maintain independence and objectivity with clients, the community, and organization. Employees are called to maintain a sense of fairness, civility, ethics, and personal integrity even through law, regulation, or custom does not require them.

Acceptance of Gifts:

Employees, members of employee's immediate family, and members of the Board are prohibited from accepting gifts, money, or gratuities from the following:

- a.) Persons receiving benefits or services from the organization;

4270 Piedmont Parkway Suite 109 Greensboro, NC 27410 ▪ Phone: 336-378-8030 ▪ Fax: 336-883-0205
▪ email: director@7homes4kids.com ▪ www.7homes4kids.com

Seven Homes is licensed by the North Carolina Department of Health and Human Services as a Child Placing and Adoption Agency. Seven Homes provides Family Foster Care, Therapeutic Foster Care and Adoption Services.

- b.) Any person or organization performing or seeking to perform services under contract with the organization;
- c.) Persons who are otherwise in a position to benefit from the actions of any employee of the organization.

Employees may, with the prior written approval of their supervisor, receive honoraria for lectures and other such activities while on personal days, compensatory time, annual leave, or leave without pay. If the employee is acting in any official capacity, honoraria received by an employee in connection with activities relating to employment with the organization are to be paid to the organization.



Jodi L. Lambert
Foster Care Program Manager

Attachment E – No Overdue Tax Debts

Instructions: Grantee/Provider/Contractor should complete this certification for all funds received. Entity should enter appropriate data in the yellow highlighted areas. The completed and signed form must be provided to the County Department of Social Services

Note: If you have a contract that extends more than one state fiscal year, you will need to obtain an updated certification for each year of the contract.

Entity's Letterhead

[Date of Certification (mmddyyyy)]

To: Rowan County Department of Social Services

Certification:

We certify that the **[insert organization's name]** does not have any overdue tax debts, as defined by N.C.G.S. 105-243.1, at the federal, State, or local level. We further understand that any person who makes a false statement in violation of N.C.G.S. 143C-6-23(c) is guilty of a criminal offense punishable as provided by N.C.G.S.) 143C-10-1b.

Sworn Statement:

[Name of Board Chair] and **[Name of Second Authorizing Official]** being duly sworn, say that we are the Board Chair and **[Title of the Second Authorizing Official]**, respectively, of **[insert name of organization]** of **[City]** in the State of **[Name of State]**; and that the foregoing certification is true, accurate and complete to the best of our knowledge and was made and subscribed by us. We also acknowledge and understand that any misuse of State funds will be reported to the appropriate authorities for further action.

Board Chair

[Title of Second Authorizing Official]

Sworn to and subscribed before me on the day of the date of said certification.

(Notary Signature and Seal)

My Commission Expires: _____

[†] G.S. 105-243.1 defines: Overdue tax debt. – Any part of a tax debt that remains unpaid 90 days or more after the notice of final assessment was mailed to the taxpayer. The term does not include a tax debt, however, if the taxpayer entered into an installment agreement for the tax debt under G.S. 105-237 within 90 days after the notice of final assessment was mailed and has not failed to make any payments due under the installment agreement."



April 12, 2018

To: State Agency Head and Chief Fiscal Officer

Certification:

We certify that the Seven Homes, Inc does not have any overdue tax debts, as defined by N.C.G.S. 105-243.1, at the federal, State, or local level. We further understand that any person who makes a false statement in violation of N.C.G.S. 143C-6-23(c) is guilty of a criminal offense punishable as provided by N.C.G.S. 143C-10-1b.

Sworn Statement:

Dan Koenig and Kenneth B. Maxwell being duly sworn, say that we are the Board Chair and Executive Director, respectively, of Seven Homes, Inc of Greensboro in the State of North Carolina; and that the foregoing certification is true, accurate and complete to the best of our knowledge and was made and subscribed by us. We also acknowledge and understand that any misuse of State funds will be reported to the appropriate authorities for further action.

Dan Koenig
Board Chair
Kenneth B. Maxwell
Executive Director

Dan Koenig Daniel W. Koenig
Printed Name
Kenneth B. Maxwell
Printed Name

Sworn to and subscribed before me on the day of the date of said certification.

Daniel W. Koenig
(Notary Signature and Seal)
DANIEL W. KOENIG
NOTARY PUBLIC
DAVIDSON COUNTY, NC
11/07/2018

My Commission Expires: 11-7-18

¹ G.S. 105-243.1 defines: Overdue tax debt. – Any part of a tax debt that remains unpaid 90 days or more after the notice of final assessment was mailed to the taxpayer. The term does not include a tax debt, however, if the taxpayer entered into an installment agreement for the tax debt under G.S. 105-237 within 90 days after the notice of final assessment was mailed and has not failed to make any payments due under the installment agreement.”

Quatanya K. Connelly
Notary
QUATANYA K. CONNELLY
NOTARY PUBLIC
GUILFORD COUNTY, NC

My Commission Expires: 11/1/2019

4270 Piedmont Parkway Suite 109 Greensboro, NC 27410 ▪ Phone: 336-378-8030 ▪ Fax: 336-883-0205
▪ email: director@7homes4kids.com ▪ www.7homes4kids.com

Seven Homes is licensed by the North Carolina Department of Health and Human Services as a Child Placing and Adoption Agency. Seven Homes provides Family Foster Care, Therapeutic Foster Care and Adoption Services.

Contractor: Seven Homes, Inc.

ATTACHMENT F

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Rowan County Department of Social Services

Certification for Contracts, Grants, Loans and Cooperative Agreements

Public Law 103-227, Part C-Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 per day and/or the imposition of an administrative compliance order on the responsible entity.

By signing and submitting this application, the Contractor certifies that it will comply with the requirements of the Act. The Contractor further agrees that it will require the language of this certification be included in any subawards which contain provisions for children's services and that all subgrantees shall certify accordingly.

Jodi Lambert
Signature

Footer care Program Manager
Title

Seven Homes Inc.
Agency/Organization

8/8/18
Date

(Certification signature should be same as Contract signature.)

Contractor: Seven Homes, Inc.

Attachment G

Rowan County Department of Social Services

Certification Regarding Lobbying

Certification for Contracts, Grants, Loans and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal, state or local government agency, a Member of Congress, a Member of the General Assembly, an officer or employee of Congress, an officer or employee of the General Assembly, an employee of a Member of Congress, or an employee of a Member of the General Assembly in connection with the awarding of any Federal or state contract, the making of any Federal or state grant, the making of any Federal or state loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal or state contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal, state or local government agency, a Member of Congress, a Member of the General Assembly, an officer or employee of Congress, an officer or employee of the General Assembly, an employee of a Member of Congress, or an employee of a Member of the General Assembly in connection with the awarding of any Federal or state contract, the making of any Federal or state grant, the making of any Federal or state loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal or state contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
- (4) This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Notwithstanding other provisions of federal OMB Circulars-CFR Title 2, Grants and Agreements, Part 200, costs associated with the following activities are unallowable:

Paragraph A.

- (1) Attempts to influence the outcomes of any Federal, State, or local election, referendum, initiative, or similar procedure, through in kind or cash contributions, endorsements, publicity, or similar activity;
- (2) Establishing, administering, contributing to, or paying the expenses of a political party, campaign, political action committee, or other organization established for the purpose of influencing the outcomes of elections;
- (3) Any attempt to influence: (i) The introduction of Federal or State legislation; or (ii) the enactment or modification of any pending Federal or State legislation through communication with any member or employee of the Congress or State legislature (including efforts to influence State or local officials to engage in similar lobbying activity),

- or with any Government official or employee in connection with a decision to sign or veto enrolled legislation;
- (4) Any attempt to influence: (i) The introduction of Federal or State legislation; or (ii) the enactment or modification of any pending Federal or State legislation by preparing, distributing or using publicity or propaganda, or by urging members of the general public or any segment thereof to contribute to or participate in any mass demonstration, march, rally, fundraising drive, lobbying campaign or letter writing or telephone campaign; or
 - (5) Legislative liaison activities, including attendance at legislative sessions or committee hearings, gathering information regarding legislation, and analyzing the effect of legislation, when such activities are carried on in support of or in knowing preparation for an effort to engage in unallowable lobbying.

The following activities as enumerated in Paragraph B are excepted from the coverage of Paragraph A:

Paragraph B.

- (1) Providing a technical and factual presentation of information on a topic directly related to the performance of a grant, contract or other agreement through hearing testimony, statements or letters to the Congress or a State legislature, or subdivision, member, or cognizant staff member thereof, in response to a documented request (including a Congressional Record notice requesting testimony or statements for the record at a regularly scheduled hearing) made by the recipient member, legislative body or subdivision, or a cognizant staff member thereof; provided such information is readily obtainable and can be readily put in deliverable form; and further provided that costs under this section for travel, lodging or meals are unallowable unless incurred to offer testimony at a regularly scheduled Congressional hearing pursuant to a written request for such presentation made by the Chairman or Ranking Minority Member of the Committee or Subcommittee conducting such hearing.
- (2) Any lobbying made unallowable by subparagraph A (3) to influence State legislation in order to directly reduce the cost, or to avoid material impairment of the organization's authority to perform the grant, contract, or other agreement.
- (3) Any activity specifically authorized by statute to be undertaken with funds from the grant, contract, or other agreement.

Paragraph C.

- (1) When an organization seeks reimbursement for indirect costs, total lobbying costs shall be separately identified in the indirect cost rate proposal, and thereafter treated as other unallowable activity costs in accordance with the procedures of subparagraph B.(3).
- (2) Organizations shall submit, as part of the annual indirect cost rate proposal, a certification that the requirements and standards of this paragraph have been complied with.
- (3) Organizations shall maintain adequate records to demonstrate that the determination of costs as being allowable or unallowable pursuant to this section complies with the requirements of this Circular.
- (4) Time logs, calendars, or similar records shall not be required to be created for purposes of complying with this paragraph during any particular calendar month when: (1) the employee engages in lobbying (as defined in subparagraphs (a) and (b)) 25 percent or less of the employee's compensated hours of employment during that calendar month, and (2) within the preceding five-year period, the organization has not materially misstated allowable or unallowable costs of any nature, including legislative lobbying costs. When conditions (1) and (2) are met, organizations are not required to establish records to support the allowability of claimed costs in addition to records already required or maintained. Also, when conditions (1) and (2) are met, the absence of time logs, calendars, or similar records will not serve as a basis for disallowing costs by contesting estimates of lobbying time spent by employees during a calendar month.
- (5) Agencies shall establish procedures for resolving in advance, in consultation with OMB, any significant questions or disagreements concerning the interpretation or application of this section. Any such advance resolution shall be binding in any subsequent

settlements, audits or investigations with respect to that grant or contract for purposes of interpretation of this Circular; provided, however, that this shall not be construed to prevent a contractor or grantee from contesting the lawfulness of such a determination.

Paragraph D.

Executive lobbying costs. Costs incurred in attempting to improperly influence either directly or indirectly, an employee or officer of the Executive Branch of the Federal Government to give consideration or to act regarding a sponsored agreement or a regulatory matter are unallowable. Improper influence means any influence that induces or tends to induce a Federal employee or officer to give consideration or to act regarding a federally sponsored agreement or regulatory matter on any basis other than the merits of the matter.

<u>Jodi Lambert</u>	<u>Footer care Program Manager</u>
Signature	Title
<u>Seven Homes Inc.</u>	<u>8/8/18</u>
Agency/Organization	Date

(Certification signature should be same as Contract signature.)

Contractor: Seven Homes, Inc.

ATTACHMENT H

Rowan County Department of Social Services

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION-LOWER TIER COVERED TRANSACTIONS

Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of the fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant will provide immediate written notice to the person to which the proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter any lower tier covered transaction with a person who is debarred, suspended, determined ineligible or voluntarily excluded from participation in this covered transaction unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended,

ineligible, or voluntarily excluded from covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency of which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized in paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension, and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Jodi A Lambert
Signature

Foster care Program Manager
Title

Seven Homes Inc.
Agency/Organization

8/8/18
Date

(Certification signature should be same as Contract signature.)

Contractor: Seven Homes, Inc.

ATTACHMENT J

CERTIFICATION REGARDING TRANSPORTATION

Rowan County Department of Social Services

By execution of this Agreement the Contractor certifies that it will provide safe client transportation by:

1. Insuring that all drivers (including employees, contractors, contractor's employees, and volunteers) shall be at least 18 years of age;
2. Insuring that all drivers (including employees, contractors, contractor's employees, and volunteers) shall be licensed to operate the specific vehicle used in transporting clients in accordance with Chapter 20-7 of the General Statutes of North Carolina and the Division of Motor Vehicle requirements;
3. Insuring that all vehicles transporting clients shall have at least the minimum level of liability insurance appropriate for the type of vehicle as defined by Article 7, Rule R2-36 of the North Carolina Utilities Commission;
4. Insuring that the contractor shall have written policies and procedures regarding how drivers handle and report client emergencies and/or vehicle crashes involving clients to contractor and how contractor notifies the Rowan County Department of Social Services;
5. Insuring that no more than one quarter of one percent of all trips be missed by the contractor during the course of the contract period; (*Medicaid only*)
6. Insuring that that no more than five percent (5%) of trips should be late for recipient drop off to their appointment per month; (*Medicaid only*)
7. Contractor will maintain records documenting the following (*County may require contractor to provide*):
 - a. Valid current copies of Drivers License for all drivers;
 - b. Current valid Vehicle Registration, for all vehicles transporting clients;
 - c. Driving records for all drivers for the past three years and with annual updates;
 - d. Criminal Background checks through North Carolina Law Enforcement or NCIC prior to employment and every three years thereafter;
 - e. Alcohol and Drug Testing policy to meet the Federal Transit Authority guidelines.
8. Disclosing, at the outset of the contract, upon renewal and upon request, any criminal convictions or other reasons for disqualifications from participation in Medicare, Medicaid or Title XX programs (*signature on this form confirms this statement*).

Signature

Title

Agency/Organization

Date

(Certification signature should be same as Contract signature.)

Contractor: Seven Homes, Inc.

ATTACHMENT K

What is a Private Non Profit Agency?

Answer: A private non profit is an organization that is incorporated under State law and whose purpose is not to make a profit, but rather to further a charitable, civic, religious, scientific, or other lawful purpose. The Secretary of State's office grants corporate status to organizations in North Carolina.

What is a 501(c)(3) designation?

Answer: When the agency becomes a state private non profit corporation, it can then apply for 501(c)(3) designation through the IRS. Once the IRS grants 501(c)(3) status, the organization is exempt from certain taxes and any donations to the charitable organization are tax deductible. Many individuals and organizations prefer to make donations to 501(c)(3) private non profits.

Who can obtain a 501(c)(3) designation?

Answer: Any organization or group can apply for 501(c)(3) status, provided their charter or mission focuses on the non profit's objective.

Another option is to apply for a 509(a)(1) status which falls under the 501(c)(3) umbrella. Being a 509(a)(1) designates an organization as a tax-free public charity that receives most of its support from a governmental unit or from the general public. Becoming a 509(a)(1) provides public recognition of tax-exempt status, advance assurance to donors of deductibility of contributions, exemption from certain State and federal taxes, and non profit mailing privileges. Organizations that typically qualify are churches, educational institutions, hospitals, and governmental units.

How does a Private Non Profit obtain Tax Exempt Status?

EO Web Site [www.irs.gov/eo]

IRS TE/GE Customer Service

You may direct technical and procedural questions concerning charities and other nonprofit organizations, including questions about your tax-exempt status and tax liability, to the IRS Tax Exempt and Government Entities Customer Account Services at (877) 829-5500 (toll-free number).

If you prefer to write, you may write at:

Internal Revenue Service
Exempt Organizations Determinations
P.O. Box 2508
Cincinnati, OH 45201

You may also contact the Taxpayer Advocate Service, an independent organization within the IRS that helps taxpayers resolve problems with the IRS and recommends changes that will prevent problems.

A private non profit must apply to the IRS for tax exempt status. To qualify, applicants must complete and submit to the IRS Form 1023. Once federal tax exempt status is granted, the private non profit applies for State tax exempt status by completing Form CD-435 and submitting it to the N. C. Department of Revenue.

What must a County Department of Social Services/Human Services do?

Answer: Verify the Tax Exempt Letter. Check date for expiration and check if current address of agency is reflected.

Attachment M

State Certification

Contractor Certifications Required by North Carolina Law

Instructions

The person who signs this document should read the text of the statutes listed below and consult with counsel and other knowledgeable persons before signing.

- The text of Article 2 of Chapter 64 of the North Carolina General Statutes can be found online at: http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/ByArticle/Chapter_64/Article_2.pdf
- The text of G.S. 105-164.8(b) can be found online at: http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter_105/GS_105-164.8.pdf
- The text of G.S. 143-48.5 (S.L. 2013-418, s. 2.(d)) can be found online at: <http://www.ncga.state.nc.us/Sessions/2013/Bills/House/PDF/H786v6.pdf>
- The text of G.S. 143-59.1 can be found online at: http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter_143/GS_143-59.1.pdf
- The text of G.S. 143-59.2 can be found online at: http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter_143/GS_143-59.2.pdf
- The text of G.S. 147-33.95(g) (S.L. 2013-418, s. 2. (e)) can be found online at: <http://www.ncga.state.nc.us/Sessions/2013/Bills/House/PDF/H786v6.pdf>

Certifications

- (1) **Pursuant to G.S. 143-48.5 and G.S. 147-33.95(g)**, the undersigned hereby certifies that the Contractor named below, and the Contractor's subcontractors, complies with the requirements of Article 2 of Chapter 64 of the NC General Statutes, including the requirement for each employer with more than 25 employees in North Carolina to verify the work authorization of its employees through the federal E-Verify system." E-Verify System Link: www.uscis.gov

Local government is specifically exempt from Article 2 of Chapter 64 of the North Carolina General Statutes. However, local government is subject to and must comply with North Carolina General Statute §153A-99.1., which states in part as follows:

Counties Must Use E-Verify. - Each county shall register and participate in E-Verify to verify the work authorization of new employees hired to work in the United States.

- (2) **Pursuant to G.S. 143-59.1(b)**, the undersigned hereby certifies that the Contractor named below is not an "ineligible Contractor" as set forth in G.S. 143-59.1(a) because:
- (a) Neither the Contractor nor any of its affiliates has refused to collect the use tax levied under Article 5 of Chapter 105 of the General Statutes on its sales delivered to North Carolina when the sales met one or more of the conditions of G.S. 105-164.8(b); **and**
- (b) [check **one** of the following boxes]



Neither the Contractor nor any of its affiliates has incorporated or reincorporated in a "tax haven country" as set forth in G.S. 143-59.1(c) (2) after December 31, 2001; **or**

☐ The Contractor or one of its affiliates **has** incorporated or reincorporated in a "tax haven country" as set forth in G.S. 143-59.1(c)(2) after December 31, 2001 **but** the United States is not the principal market for the public trading of the stock of the corporation incorporated in the tax haven country.

- (3) **Pursuant to G.S. 143-59.2(b)**, the undersigned hereby certifies that none of the Contractor's officers, directors, or owners (if the Contractor is an unincorporated business entity) has been convicted of any violation of Chapter 78A of the General Statutes or the Securities Act of 1933 or the Securities Exchange Act of 1934 within 10 years immediately prior to the date of the bid solicitation.
- (4) The undersigned hereby certifies further that:
- (a) He or she is a duly authorized representative of the Contractor named below;
 - (b) He or she is authorized to make, and does hereby make, the foregoing certifications on behalf of the Contractor; and
 - (c) He or she understands that any person who knowingly submits a false certification in response to the requirements of G.S. 143-59.1 and -59.2 shall be guilty of a Class I felony.

<u>Seven Homes, Inc.</u>	
Contractor's Name	
<u>Jodi L Lambert</u>	<u>8.8.18</u>
Signature of Contractor's Authorized Agent	Date
<u>Jodi L Lambert</u>	<u>Foster Care Program Manager</u>
Printed Name of Contractor's Authorized Agent	Title
<u>Alyssa Martin</u>	<u>Foster Home Licensing</u>
Signature of Witness	Title
<u>Alyssa Martin</u>	<u>8/8/18</u>
Printed Name of Witness	Date

The witness should be present when the Contractor's Authorized Agent signs this certification and should sign and date this document immediately thereafter.

Contractor: Seven Homes, Inc.

Attachment N
CERTIFICATION OF ELIGIBILITY
Under the Iran Divestment Act

Pursuant to G.S. 147-86.59, any person identified as engaging in investment activities in Iran, determined by appearing on the Final Divestment List created by the State Treasurer pursuant to G.S. 147-86.58, is ineligible to contract with the State of North Carolina or any political subdivision of the State. The Iran Divestment Act of 2015, G.S. 147-86.55 *et seq.** requires that each vendor, prior to contracting with the State certify, and the undersigned on behalf of the Vendor does hereby certify, to the following:

1. that the vendor is not identified on the Final Divestment List of entities that the State Treasurer has determined engages in investment activities in Iran;
2. that the vendor shall not utilize on any contract with the State agency any subcontractor that is identified on the Final Divestment List; and
3. that the undersigned is authorized by the Vendor to make this Certification.

Vendor: _____

By: _____

Signature

Date

Name

Title

Printed

The State Treasurer's Final Divestment List can be found on the State Treasurer's website at the address:
<https://www.nctreasurer.com/inside-the-department/OpenGovernment/Pages/Iran-Divestment-Act-Resources.aspx>
and will be updated every 180 days. For questions about the Department of State Treasurer's Iran Divestment Policy, please contact Meryl Murtagh at Meryl.Murtagh@nctreasurer.com or (919) 814-3852.

* Note: Enacted by Session Law 2015-118 as G.S. 143C-55 *et seq.*, but has been renumbered for codification at the direction of the Revisor of Statutes.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

07/05/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Hawley & Associates, LLC 11911 NE 1st St., Ste. B102 Bellevue WA 98005		CONTACT NAME: Andy Anderson PHONE (A/C, No, Ext): (425) 462-4758 FAX (A/C, No): (425) 462-4783 E-MAIL ADDRESS: andy@hawleyandassociates.com	
INSURED Seven Homes, Inc. 4270 Piedmont Parkway Suite 109 Greensboro NC 27410		INSURER(S) AFFORDING COVERAGE INSURER A: First Nonprofit Insurance Company INSURER B: Wesco Ins. Co. INSURER C: INSURER D: INSURER E: INSURER F:	
		NAIC # 10859 25011	

COVERAGES**CERTIFICATE NUMBER:** CL187504141**REVISION NUMBER:**

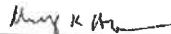
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:			NPP1000021 06	06/01/2018	06/01/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			NCA1000019 05	06/01/2018	06/01/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Uninsured motorist \$ 1,000,000
	UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/ MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	TWC3713844	06/01/2018	06/01/2019	PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
A	Professional Liability Sexual Abuse Liability			NPP1000021 06	06/01/2018	06/01/2019	Each Occ / Gen Agg \$1Mil / \$3Mil Each Occ / Gen Agg \$1Mil / \$1Mil

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Evidence of Insurance

CERTIFICATE HOLDER**CANCELLATION**

Seven Homes, Inc. 1312 Hamilton Place, Suite 101 High Point NC 27262	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
--	--

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Finance Department
DATE: September 21, 2018
SUBJECT: Miracle Houses Contract - Foster Care

Please see the attached contract.

Please approve the attached contract between Miracle Houses, Inc. and the Rowan County Department of Social Services for foster care services.

ATTACHMENTS:

Description	Upload Date	Type
Miracle Houses Contract - Foster Care	9/21/2018	Cover Memo

Date: 9/18/2018

Department:	<u>Social Services</u>	Account #:	<u>1155420-593005</u>	Amount:	<u>-</u>
		Account #:	<u>1155425-593008</u>	Amount:	<u>-</u>
				Total:	<u>\$30,000.00 - not to exceed</u>
Vendor name:	<u>Miracle Houses, Inc.</u>	Term Dates:	<u>7/21/2018-6/30/2019</u>		
Contract description:	<u>Theraputic Foster Care</u>				
POC name:	<u>Nikki Utsey</u>	Phone:	<u>704-535-4447</u>		
POC email:	<u>nutsey@miraclehouses.org</u>				
Vendor mail address:	<u>7508 E. Independence Blvd Suite, 119, Charlotte, NC 28227</u>			Vendor #:	<u>17178</u>
<input type="checkbox"/> New contract	<input checked="" type="checkbox"/>	Contract renewal	Munis contract #:		
<input type="checkbox"/> Amendment to contract	<input type="checkbox"/>	Vendor signatures	Munis BA #, if applicable:		
Notes:					

Department Head Initials: AW/DF

Date: 9/18/18

☒ Section I properly completed Y Requires Board approval (Y/N) 10/1/18
☒ Budgeted funds are available
 Contract Administrator Initials: JS Date: 9/20/18

This document has been reviewed and approved by the IT Director as to technical content.

IT Director Initials: NA

Date: _____

_____ Hold contract pending receipt of Certificate of Insurance	_____ Certificate attached and approved	_____ No insurance required
Risk Manager Initials: _____		Date: _____

_____	Non-appropriation clause	_____	Indemnity clause	_____	Termination clause	_____	E-verify clause
_____	Approved as to form and sufficiency		_____	If Board approval required, sent to Department for agenda item			
	Attorney Initials: _____			Date: _____			

Budgeted funds are available _____ Contract has been pre-audited

Finance Director Initials: _____ Date: _____

Contract has been properly signed by all parties

County Manager Initials: _____ Date: _____

This document has been reviewed and approved by
the Board of Commissioners and/or County Manager. _____ Yes _____ No Date: _____

_____ Document fully executed, scanned and posted on the County website Date: _____

Contract Administrator Initials: _____ Date: _____

Contract #**Fiscal Year Begins 7/1/2018 Ends 6/30/2019**

This contract is hereby entered into by and between the Rowan County Department of Social Services (the "County") and Miracle Houses, Inc. (the "Contractor") (referred to collectively as the "Parties"). The Contractor's federal tax identification number or Social Security Number is : and DUNS Number (required if funding from a federal funding source).

1. Contract Documents: This Contract consists of the following documents:

- (1) This contract
- (2) The General Terms and Conditions (Attachment A)
- (3) The Scope of Work, description of services, and rate (Attachment B)
- (4) Federal Certification Regarding Drug-Free Workplace & Certification Regarding Nondiscrimination (Attachment C)
- (5) Conflict of Interest (Attachment D)
- (6) No Overdue Taxes (Attachment E)
- (7) Federal Certification Regarding Environmental Tobacco Smoke (Attachment F)
- (8) Federal Certification Regarding Lobbying (Attachment G)
- (9) Federal Certification Regarding Debarment (Attachment H)
- (10) *If applicable*, HIPAA Business Associate Addendum (checklist and forms)
- (11) Certification of Transportation (Attachment J)
- (12) *If applicable*, IRS federal tax exempt letter or 501 (c)(Attachment K) <http://www.irs.gov/pub/irs-fill/k1023.pdf>
- (13) Certain Reporting and Auditing Requirements (Attachment L)
- (14) State Certification (Attachment M)
- (15) Iran Divestment Act Certification (Attachment N)
- (16) Contract Determination Questionnaire (required)

These documents constitute the entire agreement between the Parties and supersede all prior oral or written statements or agreements.

2. Precedence among Contract Documents: In the event of a conflict between or among the terms of the Contract Documents, the terms in the Contract Document with the highest relative precedence shall prevail. The order of precedence shall be the order of documents as listed in Paragraph 1, above, with the first-listed document having the highest precedence and the last-listed document having the lowest precedence. If there are multiple Contract Amendments, the most recent amendment shall have the highest precedence and the oldest amendment shall have the lowest precedence.**3. Effective Period:** This contract shall be effective on 07/01/2018 and shall terminate on 06/30/2019, This contract must be twelve months or less.**4. Contractor's Duties:** The Contractor shall provide the services and in accordance with the approved rate as described in Attachment B, Scope of Work.**5. County's Duties:** The County shall pay the Contractor in the manner and in the amounts specified in the Contract Documents. The total amount paid by the County to the Contractor under this contract shall not exceed \$ 30,000.00. This amount consists of \$ in Federal funds (CFDA #), \$ in State Funds, \$ in County funds

☒ a. There are no matching requirements from the Contractor.

☐ b. The Contractor's matching requirement is \$, which shall consist of:

☐ In-kind

☐ Cash

☐ Cash and In-kind

☐ Cash and/or In-kind

The contributions from the Contractor shall be sourced from non-federal funds.
The total contract amount including any Contractor match shall not exceed \$30,000.00.

6. Reversion of Funds:

Any unexpended grant funds shall revert to the County Department of Social Services/Human Services upon termination of this contract.

7. Reporting Requirements:

Contractor shall comply with audit requirements as described in N.C.G.S. § 143C-6-22 & 23 and OMB Circular- CFR Title 2 Grants and Agreements, Part 200, and shall disclose all information required by 42 USC 455.104, or 42 USC 455.105, or 42 USC 455.106.

8. Payment Provisions:

Payment shall be made in accordance with the Contract Documents as described in the Scope of Work, Attachment B.

- 9. Contract Administrators:** All notices permitted or required to be given by one Party to the other and all questions about the contract from one Party to the other shall be addressed and delivered to the other Party's Contract Administrator. The name, post office address, street address, telephone number, fax number, and email address of the Parties' respective initial Contract Administrators are set out below. Either Party may change the name, post office address, street address, telephone number, fax number, or email address of its Contract Administrator by giving timely written notice to the other Party.

For the County:

IF DELIVERED BY US POSTAL SERVICE		IF DELIVERED BY ANY OTHER MEANS	
Name & Title	Donna F. Fayko, Director	Name & Title	Donna F. Fayko, Director
County	Rowan	County	Rowan
Mailing Address	1813 East Innes Street	Street Address	1813 East Innes Street
City, State, Zip	Salisbury NC 28146	City, State, Zip	Salisbury NC 28146
Telephone	704.216.8422		
Fax	704.638.3041		
Email	donna.fayko@rowancountync.gov		

For the Contractor:

IF DELIVERED BY US POSTAL SERVICE		IF DELIVERED BY ANY OTHER MEANS	
Name & Title	Nikki T. Utsey	Name & Title	Nikki T. Utsey
Company Name	Miracle Houses, Inc.	Company Name	Miracle Houses, Inc.
Mailing Address	7508 E. Independence Blvd, Ste 119	Street Address	7508 E. Independence Blvd, Ste 119
City State Zip	Charlotte NC 28227	City State Zip	Charlotte NC 28227
Telephone	704.535.4447		
Fax	704.535.4476		
Email	nutsey@miraclehouses.org		

10. Supplementation of Expenditure of Public Funds:

The Contractor assures that funds received pursuant to this contract shall be used only to supplement, not to supplant, the total amount of federal, state and local public funds that the Contractor otherwise expends for contract services and related programs. Funds received under this contract shall be used to provide additional public funding for such services; the funds shall not be used to reduce the Contractor's total expenditure of other public funds for such services.

11. Disbursements:

As a condition of this contract, the Contractor acknowledges and agrees to make disbursements in accordance with the following requirements:

- (a) Implement adequate internal controls over disbursements;
- (b) Pre-audit all vouchers presented for payment to determine:
 - Validity and accuracy of payment
 - Payment due date
 - Adequacy of documentation supporting payment
 - Legality of disbursement
- (c) Assure adequate control of signature stamps/plates;
- (d) Assure adequate control of negotiable instruments; and
- (e) Implement procedures to insure that account balance is solvent and reconcile the account monthly.

12. Outsourcing to Other Countries:

The Contractor certifies that it has identified to the County all jobs related to the contract that have been outsourced to other countries, if any. The Contractor further agrees that it will not outsource any such jobs during the term of this contract without providing notice to the County.

13. Federal Certifications:


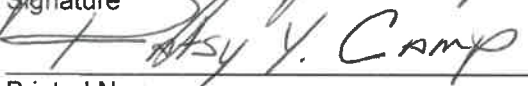
Individuals and Organizations receiving federal funds must ensure compliance with certain certifications required by federal laws and regulations. The contractor is hereby complying with Certifications regarding Nondiscrimination, Drug-Free Workplace Requirements, Environmental Tobacco Smoke, Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions, and Lobbying. These assurances and certifications are to be signed by the contractor's authorized representative.

14. Specific Language Not Previously Addressed:


(can be delted if not needed)

15. Signature Warranty: The undersigned represent and warrant that they are authorized to bind their principals to the terms of this agreement.

The Contractor and the County have executed this contract in duplicate originals, with one original being retained by each party.

 _____ Signature	9/11/18 _____ Date
 _____ Printed Name	EXECUTIVE DIRECTOR _____ Title

COUNTY

 _____ Signature	9-17-18 _____ Date
Donna F Fayko _____ Printed Name	Director _____ Title

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

_____ Signature of County Finance Officer	_____ Date
--	---------------

**Attachment A
General Terms and Conditions**

Relationships of the Parties

Independent Contractor: The Contractor is and shall be deemed to be an independent contractor in the performance of this contract and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. The Contractor represents that it has, or shall secure at its own expense, all personnel required in performing the services under this agreement. Such employees shall not be employees of, or have any individual contractual relationship with the County.

Subcontracting: The Contractor shall not subcontract any of the work contemplated under this contract without prior written approval from the County. Any approved subcontract shall be subject to all conditions of this contract. Only the subcontractors specified in the contract documents are to be considered approved upon award of the contract. The County shall not be obligated to pay for any work performed by any unapproved subcontractor. The Contractor shall be responsible for the performance of all of its subcontractors.

Assignment: No assignment of the Contractor's obligations or the Contractor's right to receive payment hereunder shall be permitted. However, upon written request approved by the issuing purchasing authority, the County may:

- (a) Forward the Contractor's payment check(s) directly to any person or entity designated by the Contractor, or
- (b) Include any person or entity designated by Contractor as a joint payee on the Contractor's payment check(s).

In no event shall such approval and action obligate the County to anyone other than the Contractor and the Contractor shall remain responsible for fulfillment of all contract obligations.

Beneficiaries: Except as herein specifically provided otherwise, this contract shall inure to the benefit of and be binding upon the parties hereto and their respective successors. It is expressly understood and agreed that the enforcement of the terms and conditions of this contract, and all rights of action relating to such enforcement, shall be strictly reserved to the County and the named Contractor. Nothing contained in this document shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of the County and Contractor that any such person or entity, other than the County or the Contractor, receiving services or benefits under this contract shall be deemed an incidental beneficiary only.

Indemnity and Insurance

Indemnification: The Contractor agrees to indemnify and hold harmless the County and any of their officers, agents and employees, from any claims of third parties arising out of or any act or omission of the Contractor in connection with the performance of this contract.

Insurance: During the term of the contract, the Contractor at its sole cost and expense shall provide commercial insurance of such type and with such terms and limits as may be reasonably associated with the contract. As a minimum, the Contractor shall provide and maintain the following coverage and limits:

- (a) **Worker's Compensation** - The contractor shall provide and maintain Worker's Compensation Insurance as required by the laws of North Carolina, as well as employer's liability coverage with minimum limits of \$500,000.00, covering all of Contractor's employees who are engaged in any work under the contract. If any work is sublet, the Contractor shall require the subcontractor to provide the same coverage for any of his employees engaged in any work under the contract.
- (b) **Commercial General Liability** - General Liability Coverage on a Comprehensive Broad Form on an occurrence basis in the minimum amount of \$1,000,000.00 Combined Single Limit. (Defense cost shall be in excess of the limit of liability.)
- (c) **Automobile Liability Insurance:** The Contractor shall provide automobile liability insurance with a combined single limit of \$500,000.00 for bodily injury and property damage; a limit of \$500,000.00 for uninsured/under insured motorist coverage; and a limit of \$2,000.00 for medical payment coverage. The Contractor shall provide this insurance for all automobiles that are:
 - (a) owned by the Contractor and used in the performance of this contract;
 - (b) hired by the Contractor and used in the performance of this contract; and
 - (c) Owned by Contractor's employees and used in performance of this contract ("non-owned vehicle insurance"). Non-owned vehicle insurance protects employers when employees use their personal vehicles for work purposes. Non-owned vehicle insurance supplements, but does not replace, the car-owner's liability insurance.

The Contractor is not required to provide and maintain automobile liability insurance on any vehicle -- owned, hired, or non-owned -- unless the vehicle is used in the performance of this contract.

- (d) The insurance coverage minimums specified in subparagraph (a) are exclusive of defense costs.
- (e) The Contractor understands and agrees that the insurance coverage minimums specified in subparagraph (a) are not limits, or caps, on the Contractor's liability or obligations under this contract.
- (f) The Contractor may obtain a waiver of any one or more of the requirements in subparagraph (a) by demonstrating that it has insurance that provides protection that is equal to or greater than the coverage and limits specified in subparagraph (a). The County shall be the sole judge of whether such a waiver should be granted.
- (g) The Contractor may obtain a waiver of any one or more of the requirements in paragraph (a) by demonstrating that it is self-insured and that its self-insurance provides protection that is equal to or greater than the coverage and limits specified in subparagraph (a). The County shall be the sole judge of whether such a waiver should be granted.
- (h) Providing and maintaining the types and amounts of insurance or self-insurance specified in this paragraph is a material obligation of the Contractor and is of the essence of this contract.
 - (i) The Contractor shall only obtain insurance from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in the State of North Carolina. All such insurance shall meet all laws of the State of North Carolina.
 - (j) The Contractor shall comply at all times with all lawful terms and conditions of its insurance policies and all lawful requirements of its insurer.
 - (k) The Contractor shall require its subcontractors to comply with the requirements of this paragraph.
 - (l) The Contractor shall demonstrate its compliance with the requirements of this paragraph by submitting certificates of insurance to the County before the Contractor begins work under this contract.

Transportation of Clients by Contractor:

The contractor will maintain Insurance requirements if required as noted under Article 7 Rule R2-36 of the North Carolina Utilities Commission.

Default and Termination

Termination Without Cause: The County may terminate this contract without cause by giving 30 days written notice to the Contractor.

Termination for Cause: If, through any cause, the Contractor shall fail to fulfill its obligations under this contract in a timely and proper manner, the County shall have the right to terminate this contract by giving written notice to the Contractor and specifying the effective date thereof. In that event, all finished or unfinished deliverable items prepared by the Contractor under this contract shall, at the option of the County, become its property and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials, minus any payment or compensation

previously made. Notwithstanding the foregoing provision, the Contractor shall not be relieved of liability to the County for damages sustained by the County by virtue of the Contractor's breach of this agreement, and the County may withhold any payment due the Contractor for the purpose of setoff until such time as the exact amount of damages due the County from such breach can be determined. In case of default by the Contractor, without limiting any other remedies for breach available to it, the County may procure the contract services from other sources and hold the Contractor responsible for any excess cost occasioned thereby. The filing of a petition for bankruptcy by the Contractor shall be an act of default under this contract.

Waiver of Default: Waiver by the County of any default or breach in compliance with the terms of this contract by the Provider shall not be deemed a waiver of any subsequent default or breach and shall not be construed to be modification of the terms of this contract unless stated to be such in writing, signed by an authorized representative of the County and the Contractor and attached to the contract.

Availability of Funds: The parties to this contract agree and understand that the payment of the sums specified in this contract is dependent and contingent upon and subject to the appropriation, allocation, and availability of funds for this purpose to the County.

Force Majeure: Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

Survival of Promises: All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable Federal or State statutes of limitation.

Intellectual Property Rights

Copyrights and Ownership of Deliverables: All deliverable items produced pursuant to this contract are the exclusive property of the County. The Contractor shall not assert a claim of copyright or other property interest in such deliverables.

Federal Intellectual Property Bankruptcy Protection Act: The Parties agree that the County shall be entitled to all rights and benefits of the Federal Intellectual Property Bankruptcy Protection Act, Public Law 100-506, codified at 11 U.S.C. 365 (n) and any amendments thereto.

Compliance with Applicable Laws

Compliance with Laws: The Contractor shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority.

Title VI, Civil Rights Compliance: In accordance with Federal law and U.S. Department of Agriculture (USDA) and U.S. Department of Health and Human Services (HHS) policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age or disability. Under the Food Stamp Act and USDA policy, discrimination is prohibited also on the basis of religion or political beliefs.

Equal Employment Opportunity: The Contractor shall comply with all federal and State laws relating to equal employment opportunity.

Health Insurance Portability and Accountability Act (HIPAA): The Contractor agrees that, if the County determines that some or all of the activities within the scope of this contract are subject to the Health Insurance Portability and Accountability Act of 1996, P.L. 104-91, as amended ("HIPAA"), or its implementing regulations, it will comply with the HIPAA requirements and will execute such agreements and practices as the County may require to ensure compliance.

(a) **Data Security:** The Contractor shall adopt and apply data security standards and procedures that comply with all applicable federal, state, and local laws, regulations, and rules.

(b) **Duty to Report:** The Contractor shall report a suspected or confirmed security breach to the local Department of Social Services/Human Services Contract Administrator within twenty-four (24) hours after the breach is first discovered, provided that the Contractor shall report a breach involving Social Security Administration data or Internal Revenue Service data within one (1) hour after the breach is first discovered.

(c) **Cost Borne by Contractor:** If any applicable federal, state, or local law, regulation, or rule requires the Contractor to give written notice of a security breach to affected persons, the Contractor shall bear the cost of the notice.

Trafficking Victims Protection Act of 2000 :

The Contractor will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104)

Executive Order # 24: It is unlawful for any vendor, contractor, subcontractor or supplier of the state to make gifts or to give favors to any state employee. For additional information regarding the specific requirements

and exemptions, contractors are encouraged to review Executive Order 24 and G.S. Sec. 133-32.

Confidentiality

Confidentiality: Any information, data, instruments, documents, studies or reports given to or prepared or assembled by the Contractor under this agreement shall be kept as confidential and not divulged or made available to any individual or organization without the prior written approval of the County. The Contractor acknowledges that in receiving, storing, processing or otherwise dealing with any confidential information it will safeguard and not further disclose the information except as otherwise provided in this contract.

Oversight

Access to Persons and Records: The State Auditor shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions in accordance with General Statute 147-64.7. Additionally, as the State funding authority, the Department of Health and Human Services shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions.

Record Retention: Records shall not be destroyed, purged or disposed of without the express written consent of the Division. State basic records retention policy requires all grant records to be retained for a minimum of five years or until all audit exceptions have been resolved, whichever is longer. If the contract is subject to federal policy and regulations, record retention may be longer than five years since records must be retained for a period of three years following submission of the final Federal Financial Status Report, if applicable, or three years following the submission of a revised final Federal Financial Status Report. Also, if any litigation, claim, negotiation, audit, disallowance action, or other action involving this Contract has been started before expiration of the five-year retention period described above, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five-year period described above, whichever is later. The record retention period for Temporary Assistance for Needy Families (TANF) and MEDICAID and Medical Assistance grants and programs must be retained for a minimum of ten years.

Warranties and Certifications

Date and Time Warranty: The Contractor warrants that the product(s) and service(s) furnished pursuant to this contract ("product" includes, without limitation, any piece of equipment, hardware, firmware, middleware, custom or commercial software, or internal components, subroutines, and interfaces therein) that perform any date and/or time data recognition function, calculation, or sequencing will support a four digit year format and will provide accurate date/time data and leap year

calculations. This warranty shall survive the termination or expiration of this contract.

Certification Regarding Collection of Taxes: G.S. 143-59.1 bars the Secretary of Administration from entering into contracts with vendors that meet one of the conditions of G.S. 105-164.8(b) and yet refuse to collect use taxes on sales of tangible personal property to purchasers in North Carolina. The conditions include: (a) maintenance of a retail establishment or office; (b) presence of representatives in the State that solicit sales or transact business on behalf of the vendor; and (c) systematic exploitation of the market by media-assisted, media-facilitated, or media-solicited means. The Contractor certifies that it and all of its affiliates (if any) collect all required taxes.

E-Verify

Pursuant to G.S. 143-48.5 and G.S. 147-33.95(g), the undersigned hereby certifies that the Contractor named below, and the Contractor's subcontractors, complies with the requirements of Article 2 of Chapter 64 of the NC General Statutes, including the requirement for each employer with more than 25 employees in North Carolina to verify the work authorization of its employees through the federal E-Verify system." E-Verify System Link: www.uscis.gov

Miscellaneous

Choice of Law: The validity of this contract and any of its terms or provisions, as well as the rights and duties of the parties to this contract, are governed by the laws of North Carolina. The Contractor, by signing this contract, agrees and submits, solely for matters concerning this Contract, to the exclusive jurisdiction of the courts of North Carolina and agrees, solely for such purpose, that the exclusive venue for any legal proceedings shall be the county in which the contract originated. The place of this contract and all transactions and agreements relating to it, and their situs and forum, shall be the county where the contract originated, where all matters, whether sounding in contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.

Amendment: This contract may not be amended orally or by performance. Any amendment must be made in written form and executed by duly authorized representatives of the County and the Contractor.

Severability: In the event that a court of competent jurisdiction holds that a provision or requirement of this contract violates any applicable law, each such provision or requirement shall continue to be enforced to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of this contract shall remain in full force and effect.

Headings: The Section and Paragraph headings in these General Terms and Conditions are not material parts of the agreement and should not be used to construe the meaning thereof.

Time of the Essence: Time is of the essence in the performance of this contract.

Key Personnel: The Contractor shall not replace any of the key personnel assigned to the performance of this contract without the prior written approval of the County. The term "key personnel" includes any and all persons identified as such in the contract documents and any other persons subsequently identified as key personnel by the written agreement of the parties.

Care of Property: The Contractor agrees that it shall be responsible for the proper custody and care of any property furnished to it for use in connection with the performance of this contract and will reimburse the County for loss of, or damage to, such property. At the termination of this contract, the Contractor shall contact the County for instructions as to the disposition of such property and shall comply with these instructions.

Travel Expenses: Reimbursement to the Contractor for travel mileage, meals, lodging and other travel expenses incurred in the performance of this contract shall not exceed the rates established in County policy.

Sales/Use Tax Refunds: If eligible, the Contractor and all subcontractors shall: (a) ask the North Carolina Department of Revenue for a refund of all sales and use taxes paid by them in the performance of this contract, pursuant to G.S. 105-164.14; and (b) exclude all refundable sales and use taxes from all reportable expenditures before the expenses are entered in their reimbursement reports.

Advertising: The Contractor shall not use the award of this contract as a part of any news release or commercial advertising.

ATTACHMENT B – Scope of Work Federal Tax Id. or SSN

A. CONTRACTOR INFORMATION

1. Contractor Agency Name: Miracle Houses, Inc.
2. *If different* from Contract Administrator Information in General Contract:
Address Telephone Number: Fax Number: Email:
3. Name of Program (s): Residential Treatment/Level 3
4. Status: ☐ Public ☐ Private, Not for Profit ☒ Private, For Profit
5. Contractor's Financial Reporting Year 1/1 through 12/31

B. Explanation of Services to be provided and to whom (include SIS Service Code):
Residential Treatment/Level 3

C. Rate per unit of Service (define the unit):

1. If Standard Fixed Rate, Maximum Allowable, (See Rates for Services Chart)

Standard Board Rates	Monthly Rates		
	Age 0-5	Age 6-12	Age 13+
Foster Care			
Therapeutic Foster Care	\$475	\$581	\$634
Residential Treatment (Level 2)			
Child Placing Agency	\$1,433	\$1,564	\$1,638
Residential Child Caring Institution	\$4,279	\$4,437	\$4,516
Standard Board and Treatment Rates	Daily Rates		
	Board	Treatment*	
Residential Treatment Level 3, 0-4 beds	\$43	\$232.88	
Residential Treatment Level 3, 5+ beds	\$33	\$189.75	
Residential Treatment Level 4, 0-4 beds	\$43	\$315.71	
Residential Treatment Level 4, 5+ beds	\$40	\$315.71	
*Treatment Rates set by DMA and are subject to change.			

2. Negotiated County Rate.
Additional county funds per individual client agreements.

D. Number of units to be provided: The number of applications submitted by the Rowan County DSS and accepted by the Contractor during each fiscal year shall equal the number of units provided.

E. Details of Billing process and Time Frames: Invoices are due to Rowan County DSS no later than the 3rd working day of the month and payment is issued no later than the 25th day of each month.

F. Area to be served/Delivery site(s): Rowan County clients at Contractor facilities

G. MUTUAL AGREEMENT

I. Both Parties Agree to:

1. Meet at least annually to review the outcome data and quality standards information, and as needed to address special projects or issues throughout the year.
2. Return all phone calls received within twenty-four (24) hours or by the end of the next business day.
3. Share all information needed to ensure a good match/appropriate placement.
4. Clearly communicate any concerns about the partnership with a problem-solving approach that prioritizes the best interest of the child and family being served.

II. Private Partner

Private Partner agrees to provide foster care services for children in the custody of County, and shall do the following:

Share Performance Data:

1. Provide data to the County annually or as needed for special projects or to address specific concerns..
2. Enter data into the *Client Dashboard Data Capture Sheet* which will generate the aggregate data reports, which the Private Agency will share with the County. Data will be entered in accordance with the definitions provided in the *Performance Data Definition Guide*.
3. Ensure records are accessible for review for monitoring services rendered and for financial audits.
4. Ensure records are accessible for research and evaluation. Upon request of County, Private Partner shall provide data about individual children for research and study.

Provide Services:

1. Provide foster care services, guided by an individualized permanency and/or treatment plan to be developed with the child's social worker within 30 days of admission.
2. Provide for each child's safety, shelter, emotional, nutritional, and basic everyday needs. Within reason and to be negotiated as needed, provide for personal hygiene items, school supplies, school field trips, extracurricular activities, photos, and yearbooks.
3. Within reason and to be negotiated as needed, maintain the child's clothing inventory, providing adequate and appropriate attire to meet the child's growth, wear/tear, seasonal, and educational needs. A clothing inventory at admission and a clothing inventory at discharge (adequate for transition to the next placement) shall be completed.

4. Participate in County-supervised visits between child and family.
5. Train and support foster parents in shared parenting with biological parents.
6. Provide transportation within 100 miles round trip to and from parental visits, school, and medical, dental, and therapy appointments if required.
7. Coordinate non-emergency, temporary respite care placements that have been approved by a child's County-assigned social worker.
8. For placements involving mental health treatment (Levels 2-4, PRTF), provide case management including development and maintenance of Person-Centered Plan and oversee requests for authorizations and reauthorizations.
9. Adhere to the County's policy/procedures regarding discipline of children in foster care.
10. Adhere to the County's procedures for applying for day care (if applicable).

Communication and Planning:

1. Notify County immediately when a child receives emergency care, is hospitalized, is placed in detention, or is absent/missing (e.g., on the run). Private Partner will also notify local authorities immediately upon discovering a child is missing.
2. When a child is transported to the hospital for an emergency psychiatric hospital assessment, accompany/supervise the child in the emergency room for up to 4 hours to allow County adequate travel and coordination time to respond to the event.
3. Communicate with the County monthly regarding each child's needs and progress in the program, unless more frequent communications are needed based on the specific circumstances.
4. Notify County of Child and Family Team meetings, Treatment Team meetings, and other planning meetings as necessary.
5. With County, coordinate planning for any move of the child.
6. Work closely with County to develop a written transition plan within 7 business days prior to discharge from program.
7. Attend Permanency Planning Review meetings for each child. If attendance is not feasible, Private Partner will submit a written report prior to said meeting.
8. Attend court hearings and provide information to the court as needed. If attendance is not feasible, review report prior to court. Private Partner should provide a written summary to the court regarding each child's progress.
9. Provide County a minimum 30 day grace period prior to discharge of any child so that an appropriate subsequent placement can be secured. Shorter periods may be agreed upon if the Parties deem it necessary.
10. If Private Partner is the clinical home for the child: if after consultation with the County it is determined that continuation of the placement is not beneficial, provide 30 days notice to the County to arrange another more appropriate placement. Private Partner will continue meeting the child's clinical needs until another provider can assume clinical home responsibility for the child.
11. Discuss potential medication changes with the child's social worker, and provide written notification of medication changes or current medication list within 24 hours of changes, and upon discharge.

12. Provide a discharge summary within thirty (30) days of discharge, including history, course of treatment, progress in care, medications, and plan for the child.

III. County

The County shall retain custody of each child while the child is placed with the Private Partner, and shall do the following:

Share Information:

1. Provide the following for each child upon admission:
 - a. Verification of current physical exam within the last 12 months and assist with scheduling of exam within 72 hours of placement.
 - b. Social Security card (copy of).
 - c. Medicaid card.
 - d. Documentation of custody.
 - e. Case history, including information regarding special court sanctions, treatment plans, and medical records.
 - f. Out-of-home family services agreement.
 - g. Psychological evaluation (if applicable).
 - h. Immunization record.
 - i. Visitation agreement (if applicable).
 - j. Child Health Status Component (DSS-5125-II).
 - k. Education Component (DSS-5245).
 - l. Birth certificate (copy of).
 - m. School enrollment letter (if applicable).
 - n. A document outlining the financial criteria for each child. A signed copy of the document must be returned to the County in order for Private Partner to receive financial payment for the child. In the event of an emergency placement, the document will be provided to the Private Partner within seven (7) working days.
 - o. Any other forms or information required by the Private Partner.

Provide Services:

1. Conduct regular, face-to-face visits with Private Partner on at least a monthly basis to review each child's progress toward meeting the goals of the out-of-home services agreement and treatment plan.
2. Conduct in-person visits with each child at least once a month in the placement provider's home.

3. Monitor and assure implementation of all aspects of a child's treatment plan, including court-ordered visitation by parent/guardian.
4. Enroll/withdraw the child in school.
5. Collaborate with Private Partner to support shared parenting between foster parents and children's biological parents.

Communication and Planning:

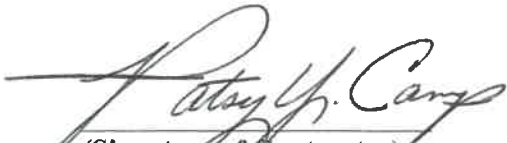
1. Coordinate required medical exams for each child and advise Private Partner of results.
2. If not provided at placement (due to emergency circumstances), share the out-of-home family services agreement for each child within 7 business days of when it is developed.
3. Share updated out-of-home family services agreement every six months or when the child or family's circumstances or needs change.
4. Maintain close communication with the Private Partner regarding treatment issues, changes in each child's family situation, child/family needs, and discharge planning for each child.
5. Attend Child and Family Team meetings, Treatment Team meetings, and other planning meetings as necessary.
6. Provide a ten (10) day notice for all Permanency Planning Meetings and court dates, and notify Private Partner when the Permanency Plan changes.
7. Notify the child's parent/guardian and Guardian ad Litem when child will be moved or has been moved.
8. Plan for discharge in concert with the Private Partner's treatment team, providing a 7 business day advance notice prior to discharge.
9. Be available or have the supervisor or after hours staff respond to emergencies.


(Signature of County Authorized Person)

9-17-18
(Date Submitted)

(Signature of County Authorized Person)

(Date Submitted)


(Signature of Contractor)
9/11/18
(Date Submitted)


(Signature of Contractor)
9/11/18
(Date Submitted)

Contractor: Miracle Houses, Inc.

ATTACHMENT C

**CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS
AND CERTIFICATION REGARDING NONDISCRIMINATION**

Rowan County Department of Social Services

- I. By execution of this Agreement the Contractor certifies that it will provide a drug-free workplace by:
 - A. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - B. Establishing a drug-free awareness program to inform employees about:
 - (1) The dangers of drug abuse in the workplace;
 - (2) The Contractor's policy of maintaining a drug-free workplace;
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - C. Making it a requirement that each employee be engaged in the performance of the agreement be given a copy of the statement required by paragraph (A);
 - D. Notifying the employee in the statement required by paragraph (A) that, as a condition of employment under the agreement, the employee will:
 - (1) Abide by the terms of the statement; and
 - (2) Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction;
 - E. Notifying the County within ten days after receiving notice under subparagraph (D)(2) from an employee or otherwise receiving actual notice of such conviction;
 - F. Taking one of the following actions, within 30 days of receiving notice under subparagraph (D)(2), with respect to any employee who is so convicted:
 - (1) Taking appropriate personnel action against such an employee, up to and including termination; or
 - (2) 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; and

Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (A), (B), (C), (D), (E), and (F).

II. The site(s) for the performance of work done in connection with the specific agreement are listed below:

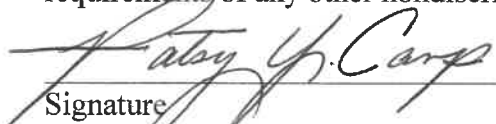
1. (Street address)
(City, county, state, zip code)
2. (Street address)
(City, county, state, zip code)

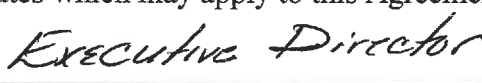
Contractor will inform the County of any additional sites for performance of work under this agreement.


False certification or violation of the certification shall be grounds for suspension of payment, suspension or termination of grants, or government-wide Federal suspension or debarment
45 C.F.R. Section 82.510. Section 4 CFR Part 85, Section 85.615 and 86.620.


Certification Regarding Nondiscrimination

The Vendor certifies that it will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (h) the Food Stamp Act and USDA policy, which prohibit discrimination on the basis of religion and political beliefs; and (i) the requirements of any other nondiscrimination statutes which may apply to this Agreement.


Signature


Title


Agency/Organization


Date

(Certification signature should be same as Contract signature.)

Miracle Houses Inc.
7508 East Independence Blvd., Ste. 119
Charlotte, NC 28227
(704) 535-4447 office
(704) 535-4476 fax



Miracle Houses, Inc. Conflict of Interest Policy

The Board of Directors/Trustees or other governing persons, officers, employees or agents are to avoid any conflict of interest, even the appearance of a conflict of interest. The Organization's Board of Directors/Trustees or other governing body, officers, staff and agents are obligated to always act in the best interest of the organization. This obligation requires that any Board member or other governing person, officer, employee or agent, in the performance of Organization duties, seek only the furtherance of the Organization mission. At all times, Board members or other governing persons, officers, employees or agents, are prohibited from using their job title, the Organization's name or property, for private profit or benefit.

A. The Board members or other governing persons, officers, employees, or agents of the Organization should neither solicit nor accept gratuities, favors, or anything of monetary value from current or potential contractors/vendors, persons receiving benefits from the Organization or persons who may benefit from the actions of any Board member or other governing person, officer, employee or agent. This is not intended to preclude bona-fide Organization fund raising-activities.

B. A Board or other governing body member may, with the approval of Board or other governing body, receive honoraria for lectures and other such activities while not acting in any official capacity for the Organization. Officers may, with the approval of the Board or other governing body, receive honoraria for lectures and other such activities while on personal days, compensatory time, annual leave, or leave without pay. Employees may, with the prior written approval of their supervisor, receive honoraria for lectures and other such activities while on personal days, compensatory time, annual leave, or leave without pay. If a Board or other governing body member, officer, employee or agent is acting in any official capacity, honoraria received in connection with activities relating to the Organization are to be paid to the Organization.

C. No Board member or other governing person, officer, employee, or agent of the Organization shall participate in the selection, award, or administration of a purchase or contract with a vendor where, to his knowledge, any of the following has a financial interest in that purchase or contract:

1. The Board member or other governing person, officer, employee, or agent;
2. Any member of their family by whole or half blood, step or personal relationship or relative-in-law;
3. An organization in which any of the above is an officer, director, or employee;
4. A person or organization with whom any of the above individuals is negotiating or has any arrangement concerning prospective employment or contracts.

D. **Duty to Disclosure** -- Any conflict of interest, potential conflict of interest, or the appearance of a conflict of interest is to be reported to the Board or other governing body or one's supervisor immediately.

E. **Board Action** -- When a conflict of interest is relevant to a matter requiring action by the Board of Directors/Trustees or other governing body, the Board member or other governing person, officer, employee, or agent (person(s)) must disclose the existence of the conflict of interest and be given the opportunity to disclose all material facts to the Board and members of committees with governing board delegated powers considering the possible conflict of interest. After disclosure of all material facts, and after any discussion with the person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists. In addition, the person(s) shall not participate in the final deliberation or decision regarding the matter under consideration and shall leave the meeting during the discussion of and vote of the Board of Directors/Trustees or other governing body.

Miracle Houses Inc.
7508 East Independence Blvd., Ste. 119
Charlotte, NC 28227
(704) 535-4447 office
(704) 535-4476 fax

F. Violations of the Conflicts of Interest Policy -- If the Board of Directors/Trustees or other governing body has reasonable cause to believe a member, officer, employee or agent has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose. If, after hearing the person's response and after making further investigation as warranted by the circumstances, the Board of Directors/Trustees or other governing body determines the member, officer, employee or agent has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

G. Record of Conflict -- The minutes of the governing board and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have an actual or possible conflict of interest, the nature of the conflict of interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement that presents a possible conflict of interest, the content of the discussion, including any alternatives to the transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Approved by:

Miracle Houses Inc.
Name of Organization
[Signature]
Signature of Organization Official
9/11/18
Date

Miracle Houses Inc.
7508 East Independence Blvd., Ste. 119
Charlotte, NC 28227
(704) 535-4447 office
(704) 535-4476 fax

NOTARIZED CONFLICT OF INTEREST POLICY

State of North Carolina

County of Mecklenburg

I, Mumukshu Brahmhatt, Notary Public for said County and State, certify that

Patsy Young Camp personally appeared before me this day and
acknowledged

that he/she is Executive Director of
Miracle House Inc. [enter name of entity]

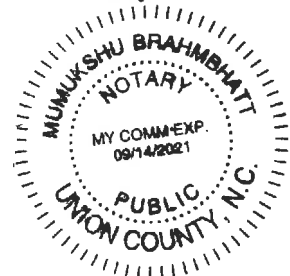
and by that authority duly given and as the act of the Organization, affirmed that the foregoing Conflict of Interest
Policy was adopted by the Board of Directors/Trustees or other governing body in a meeting held on the
14th day of Sep, 2018.

Sworn to and subscribed before me this 14 day of Sep, 2018

Mumukshu S. Brahmhatt
(Official Seal)

My Commission expires Sep. 14th, 2018

Notary Public



Miracle Houses Inc.
7508 East Independence Blvd., Ste. 119
Charlotte, NC 28227
(704) 535-4447 office
(704) 535-4476 fax



September 14, 2018

Rowan County Department of Social Services
1813 East Innes Street
Salisbury, North Carolina 28146

Certification:

We certify that the Miracle Houses Inc. does not have any overdue tax debts, as defined by N.C.G.S. 105-243.1, at the federal, State, or local level. We further understand that any person who makes a false statement in violation of N.C.G.S. 143C-6-23(c) is guilty of a criminal offense punishable as provided by N.C.G.S.) 143C-10-1b.

Sworn Statement:

Xavier L. Young, Chairman of Board of Directors for Miracle Houses Inc. and Shanairea Camp Second Authorizing Official being duly sworn, say that we are the Board Chair and CFO/Treasurer, respectively, of Miracle House Inc. of Charlotte in the State of North Carolina; and that the foregoing certification is true, accurate and complete to the best of our knowledge and was made and subscribed by us. We also acknowledge and understand that any misuse of State funds will be reported to the appropriate authorities for further action.

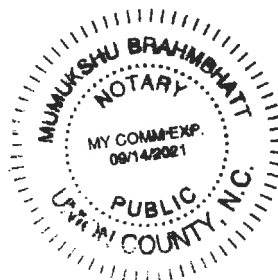
X. L. Young
Board Chair

[Signature]
Secretary and Second Authorizing Official

Sworn to and subscribed before me on the day of the date of said certification.

Mumukshu S. Brahmhatt
(Notary Signature and Seal)

My Commission Expires: Sep. 14th 2021



Contractor: Miracle Houses, Inc.

ATTACHMENT F

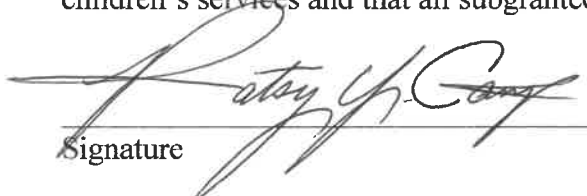
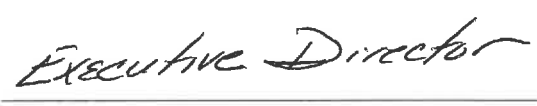
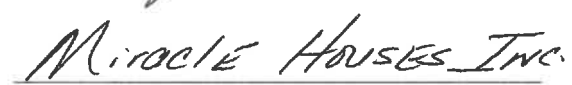

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Rowan County Department of Social Services

Certification for Contracts, Grants, Loans and Cooperative Agreements

Public Law 103-227, Part C-Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 per day and/or the imposition of an administrative compliance order on the responsible entity.

By signing and submitting this application, the Contractor certifies that it will comply with the requirements of the Act. The Contractor further agrees that it will require the language of this certification be included in any subawards which contain provisions for children's services and that all subgrantees shall certify accordingly.

 Signature	 Title
 Agency/Organization	 Date

(Certification signature should be same as Contract signature.)

Contractor: Miracle Houses, Inc.

Attachment G

Rowan County Department of Social Services

Certification Regarding Lobbying

Certification for Contracts, Grants, Loans and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal, state or local government agency, a Member of Congress, a Member of the General Assembly, an officer or employee of Congress, an officer or employee of the General Assembly, an employee of a Member of Congress, or an employee of a Member of the General Assembly in connection with the awarding of any Federal or state contract, the making of any Federal or state grant, the making of any Federal or state loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal or state contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal, state or local government agency, a Member of Congress, a Member of the General Assembly, an officer or employee of Congress, an officer or employee of the General Assembly, an employee of a Member of Congress, or an employee of a Member of the General Assembly in connection with the awarding of any Federal or state contract, the making of any Federal or state grant, the making of any Federal or state loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal or state contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
- (4) This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Notwithstanding other provisions of federal OMB Circulars-CFR Title 2, Grants and Agreements, Part 200, costs associated with the following activities are unallowable:

Paragraph A.

- (1) Attempts to influence the outcomes of any Federal, State, or local election, referendum, initiative, or similar procedure, through in kind or cash contributions, endorsements, publicity, or similar activity;
- (2) Establishing, administering, contributing to, or paying the expenses of a political party, campaign, political action committee, or other organization established for the purpose of influencing the outcomes of elections;
- (3) Any attempt to influence: (i) The introduction of Federal or State legislation; or (ii) the enactment or modification of any pending Federal or State legislation through communication with any member or employee of the Congress or State legislature (including efforts to influence State or local officials to engage in similar lobbying activity),

- or with any Government official or employee in connection with a decision to sign or veto enrolled legislation;
- (4) Any attempt to influence: (i) The introduction of Federal or State legislation; or (ii) the enactment or modification of any pending Federal or State legislation by preparing, distributing or using publicity or propaganda, or by urging members of the general public or any segment thereof to contribute to or participate in any mass demonstration, march, rally, fundraising drive, lobbying campaign or letter writing or telephone campaign; or
 - (5) Legislative liaison activities, including attendance at legislative sessions or committee hearings, gathering information regarding legislation, and analyzing the effect of legislation, when such activities are carried on in support of or in knowing preparation for an effort to engage in unallowable lobbying.

The following activities as enumerated in Paragraph B are excepted from the coverage of Paragraph A:

Paragraph B.

- (1) Providing a technical and factual presentation of information on a topic directly related to the performance of a grant, contract or other agreement through hearing testimony, statements or letters to the Congress or a State legislature, or subdivision, member, or cognizant staff member thereof, in response to a documented request (including a Congressional Record notice requesting testimony or statements for the record at a regularly scheduled hearing) made by the recipient member, legislative body or subdivision, or a cognizant staff member thereof; provided such information is readily obtainable and can be readily put in deliverable form; and further provided that costs under this section for travel, lodging or meals are unallowable unless incurred to offer testimony at a regularly scheduled Congressional hearing pursuant to a written request for such presentation made by the Chairman or Ranking Minority Member of the Committee or Subcommittee conducting such hearing.
- (2) Any lobbying made unallowable by subparagraph A (3) to influence State legislation in order to directly reduce the cost, or to avoid material impairment of the organization's authority to perform the grant, contract, or other agreement.
- (3) Any activity specifically authorized by statute to be undertaken with funds from the grant, contract, or other agreement.

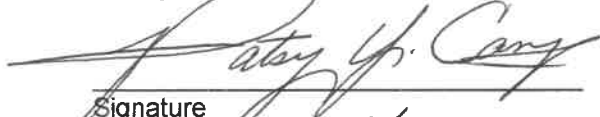
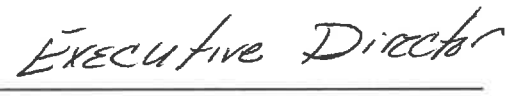


Paragraph C.

- (1) When an organization seeks reimbursement for indirect costs, total lobbying costs shall be separately identified in the indirect cost rate proposal, and thereafter treated as other unallowable activity costs in accordance with the procedures of subparagraph B.(3).
- (2) Organizations shall submit, as part of the annual indirect cost rate proposal, a certification that the requirements and standards of this paragraph have been complied with.
- (3) Organizations shall maintain adequate records to demonstrate that the determination of costs as being allowable or unallowable pursuant to this section complies with the requirements of this Circular.
- (4) Time logs, calendars, or similar records shall not be required to be created for purposes of complying with this paragraph during any particular calendar month when: (1) the employee engages in lobbying (as defined in subparagraphs (a) and (b)) 25 percent or less of the employee's compensated hours of employment during that calendar month, and (2) within the preceding five-year period, the organization has not materially misstated allowable or unallowable costs of any nature, including legislative lobbying costs. When conditions (1) and (2) are met, organizations are not required to establish records to support the allowability of claimed costs in addition to records already required or maintained. Also, when conditions (1) and (2) are met, the absence of time logs, calendars, or similar records will not serve as a basis for disallowing costs by contesting estimates of lobbying time spent by employees during a calendar month.
- (5) Agencies shall establish procedures for resolving in advance, in consultation with OMB, any significant questions or disagreements concerning the interpretation or application of this section. Any such advance resolution shall be binding in any subsequent

settlements, audits or investigations with respect to that grant or contract for purposes of interpretation of this Circular; provided, however, that this shall not be construed to prevent a contractor or grantee from contesting the lawfulness of such a determination.

Paragraph D.

Executive lobbying costs. Costs incurred in attempting to improperly influence either directly or indirectly, an employee or officer of the Executive Branch of the Federal Government to give consideration or to act regarding a sponsored agreement or a regulatory matter are unallowable. Improper influence means any influence that induces or tends to induce a Federal employee or officer to give consideration or to act regarding a federally sponsored agreement or regulatory matter on any basis other than the merits of the matter.

 _____ Signature	 _____ Title
 _____ Agency/Organization	 _____ Date

(Certification signature should be same as Contract signature.)

ATTACHMENT H

Rowan County Department of Social Services

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY
AND VOLUNTARY EXCLUSION-LOWER TIER COVERED TRANSACTIONS

Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of the fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant will provide immediate written notice to the person to which the proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter any lower tier covered transaction with a person who is debarred, suspended, determined ineligible or voluntarily excluded from participation in this covered transaction unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended,

ineligible, or voluntarily excluded from covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency of which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.


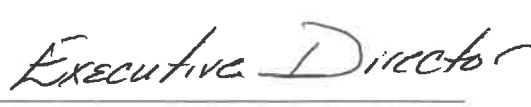
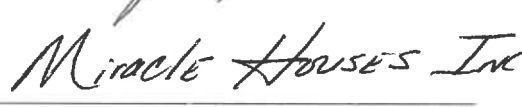
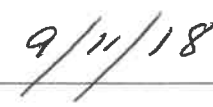
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized in paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension, and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

 Signature	 Title
 Agency/Organization	 Date

(Certification signature should be same as Contract signature.)

Contractor: Miracle Houses, Inc.

ATTACHMENT J

CERTIFICATION REGARDING TRANSPORTATION

Rowan County Department of Social Services

By execution of this Agreement the Contractor certifies that it will provide safe client transportation by:

1. Insuring that all drivers (including employees, contractors, contractor's employees, and volunteers) shall be at least 18 years of age;
2. Insuring that all drivers (including employees, contractors, contractor's employees, and volunteers) shall be licensed to operate the specific vehicle used in transporting clients in accordance with Chapter 20-7 of the General Statutes of North Carolina and the Division of Motor Vehicle requirements;
3. Insuring that all vehicles transporting clients shall have at least the minimum level of liability insurance appropriate for the type of vehicle as defined by Article 7, Rule R2-36 of the North Carolina Utilities Commission;
4. Insuring that the contractor shall have written policies and procedures regarding how drivers handle and report client emergencies and/or vehicle crashes involving clients to contractor and how contractor notifies the Rowan County Department of Social Services;
5. Insuring that no more than one quarter of one percent of all trips be missed by the contractor during the course of the contract period; *(Medicaid only)*
6. Insuring that that no more than five percent (5%) of trips should be late for recipient drop off to their appointment per month; *(Medicaid only)*
7. Contractor will maintain records documenting the following *(County may require contractor to provide)*:
 - a. Valid current copies of Drivers License for all drivers;
 - b. Current valid Vehicle Registration, for all vehicles transporting clients;
 - c. Driving records for all drivers for the past three years and with annual updates;
 - d. Criminal Background checks through North Carolina Law Enforcement or NCIC prior to employment and every three years thereafter;
 - e. Alcohol and Drug Testing policy to meet the Federal Transit Authority guidelines.
8. Disclosing, at the outset of the contract, upon renewal and upon request, any criminal convictions or other reasons for disqualifications from participation in Medicare, Medicaid or Title XX programs *(signature on this form confirms this statement)*.

Signature

Miracle Houses

Agency/Organization

Title

Executive Director

Date

9/11/18

(Certification signature should be same as Contract signature.)

Contractor: Miracle Houses, Inc.

ATTACHMENT K

What is a Private Non Profit Agency?

Answer: A private non profit is an organization that is incorporated under State law and whose purpose is not to make a profit, but rather to further a charitable, civic, religious, scientific, or other lawful purpose. The Secretary of State's office grants corporate status to organizations in North Carolina.

What is a 501(c)(3) designation?

Answer: When the agency becomes a state private non profit corporation, it can then apply for 501(c)(3) designation through the IRS. Once the IRS grants 501(c)(3) status, the organization is exempt from certain taxes and any donations to the charitable organization are tax deductible. Many individuals and organizations prefer to make donations to 501(c)(3) private non profits.

Who can obtain a 501(c)(3) designation?

Answer: Any organization or group can apply for 501(c)(3) status, provided their charter or mission focuses on the non profit's objective.

Another option is to apply for a 509(a)(1) status which falls under the 501(c)(3) umbrella. Being a 509(a)(1) designates an organization as a tax-free public charity that receives most of its support from a governmental unit or from the general public. Becoming a 509(a)(1) provides public recognition of tax-exempt status, advance assurance to donors of deductibility of contributions, exemption from certain State and federal taxes, and non profit mailing privileges. Organizations that typically qualify are churches, educational institutions, hospitals, and governmental units.

How does a Private Non Profit obtain Tax Exempt Status?

EO Web Site [www.irs.gov/eo]

IRS TE/GE Customer Service

You may direct technical and procedural questions concerning charities and other nonprofit organizations, including questions about your tax-exempt status and tax liability, to the IRS Tax Exempt and Government Entities Customer Account Services at (877) 829-5500 (toll-free number).

If you prefer to write, you may write at:

Internal Revenue Service
Exempt Organizations Determinations
P.O. Box 2508
Cincinnati, OH 45201

You may also contact the Taxpayer Advocate Service, an independent organization within the IRS that helps taxpayers resolve problems with the IRS and recommends changes that will prevent problems.

A private non profit must apply to the IRS for tax exempt status. To qualify, applicants must complete and submit to the IRS Form 1023. Once federal tax exempt status is granted, the private non profit applies for State tax exempt status by completing Form CD-435 and submitting it to the N. C. Department of Revenue.

What must a County Department of Social Services/Human Services do?

Answer: Verify the Tax Exempt Letter. Check date for expiration and check if current address of agency is reflected.

Attachment M

State Certification

Contractor Certifications Required by North Carolina Law

Instructions

The person who signs this document should read the text of the statutes listed below and consult with counsel and other knowledgeable persons before signing.

- The text of Article 2 of Chapter 64 of the North Carolina General Statutes can be found online at: http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/ByArticle/Chapter_64/Article_2.pdf
- The text of G.S. 105-164.8(b) can be found online at: http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter_105/GS_105-164.8.pdf
- The text of G.S. 143-48.5 (S.L. 2013-418, s. 2.(d)) can be found online at: <http://www.ncga.state.nc.us/Sessions/2013/Bills/House/PDF/H786v6.pdf>
- The text of G.S. 143-59.1 can be found online at: http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter_143/GS_143-59.1.pdf
- The text of G.S. 143-59.2 can be found online at: http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter_143/GS_143-59.2.pdf
- The text of G.S. 147-33.95(g) (S.L. 2013-418, s. 2. (e)) can be found online at: <http://www.ncga.state.nc.us/Sessions/2013/Bills/House/PDF/H786v6.pdf>

Certifications

- (1) **Pursuant to G.S. 143-48.5 and G.S. 147-33.95(g)**, the undersigned hereby certifies that the Contractor named below, and the Contractor's subcontractors, complies with the requirements of Article 2 of Chapter 64 of the NC General Statutes, including the requirement for each employer with more than 25 employees in North Carolina to verify the work authorization of its employees through the federal E-Verify system." E-Verify System Link: www.uscis.gov

Local government is specifically exempt from Article 2 of Chapter 64 of the North Carolina General Statutes. However, local government is subject to and must comply with North Carolina General Statute §153A-99.1., which states in part as follows:

Counties Must Use E-Verify. - Each county shall register and participate in E-Verify to verify the work authorization of new employees hired to work in the United States.

- (2) **Pursuant to G.S. 143-59.1(b)**, the undersigned hereby certifies that the Contractor named below is not an "ineligible Contractor" as set forth in G.S. 143-59.1(a) because:
- (a) Neither the Contractor nor any of its affiliates has refused to collect the use tax levied under Article 5 of Chapter 105 of the General Statutes on its sales delivered to North Carolina when the sales met one or more of the conditions of G.S. 105-164.8(b); **and**
- (b) [check **one** of the following boxes]
- ☐ Neither the Contractor nor any of its affiliates has incorporated or reincorporated in a "tax haven country" as set forth in G.S. 143-59.1(c) (2) after December 31, 2001; **or**

as set forth in G.S. 143-59.1(c)(2) after December 31, 2001 **but** the United States is not the principal market for the public trading of the stock of the corporation incorporated in the tax haven country.

- (3) **Pursuant to G.S. 143-59.2(b)**, the undersigned hereby certifies that none of the Contractor's officers, directors, or owners (if the Contractor is an unincorporated business entity) has been convicted of any violation of Chapter 78A of the General Statutes or the Securities Act of 1933 or the Securities Exchange Act of 1934 within 10 years immediately prior to the date of the bid solicitation.
- (4) The undersigned hereby certifies further that:
- (a) He or she is a duly authorized representative of the Contractor named below;
 - (b) He or she is authorized to make, and does hereby make, the foregoing certifications on behalf of the Contractor; and
 - (c) He or she understands that any person who knowingly submits a false certification in response to the requirements of G.S. 143-59.1 and -59.2 shall be guilty of a Class I felony.

Miracle Houses Inc.
Contractor's Name

Patsy V. Camp
Signature of Contractor's Authorized Agent

9/11/18
Date

Executive Director
Title

Robin V. Murdock
Printed Name of Contractor's Authorized Agent

Robin V. Murdock
Signature of Witness

Human Resource Director
Title

Robin V. Murdock
Printed Name of Witness

9/11/2018
Date

The witness should be present when the Contractor's Authorized Agent signs this certification and should sign and date this document immediately thereafter.

Contractor: Miracle Houses, Inc.

**CERTIFICATION OF ELIGIBILITY
Under the Iran Divestment Act**

Pursuant to G.S. 147-86.59, any person identified as engaging in investment activities in Iran, determined by appearing on the Final Divestment List created by the State Treasurer pursuant to G.S. 147-86.58, is ineligible to contract with the State of North Carolina or any political subdivision of the State. The Iran Divestment Act of 2015, G.S. 147-86.55 *et seq.** requires that each vendor, prior to contracting with the State certify, and the undersigned on behalf of the Vendor does hereby certify, to the following:

1. that the vendor is not identified on the Final Divestment List of entities that the State Treasurer has determined engages in investment activities in Iran;
2. that the vendor shall not utilize on any contract with the State agency any subcontractor that is identified on the Final Divestment List; and
3. that the undersigned is authorized by the Vendor to make this Certification.

Vendor: _____

By: _____

Signature

Date

Name

Title

Printed

The State Treasurer's Final Divestment List can be found on the State Treasurer's website at the address:
<https://www.nctreasurer.com/inside-the-department/OpenGovernment/Pages/Iran-Divestment-Act-Resources.aspx>
and will be updated every 180 days. For questions about the Department of State Treasurer's Iran Divestment Policy, please contact Meryl Murtagh at Meryl.Murtagh@nctreasurer.com or (919) 814-3852.

* Note: Enacted by Session Law 2015-118 as G.S. 143C-55 *et seq.*, but has been renumbered for codification at the direction of the Revisor of Statutes.

RECEIVED

AUG 10 2018



Department of Community and Economic Development Rowan County, NC **CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)

08/08/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER ISU Gilmore Insurance & Associates, Inc. PO Box 1069 Concord, NC 28026	CONTACT NAME: Lisa Smith PHONE (A/C, No. Ext): (704)788-1415 FAX (A/C, No.): (704)788-1421 E-MAIL ADDRESS: lsmith@gilmoreins.net														
INSURED Miracle Houses Inc. 7508 E. Independence Bl119 Charlotte, NC 28227	<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A : Philadelphia Indemnity Insurance Co</td> <td>18058</td> </tr> <tr> <td>INSURER B : Progressive Southeastern Insurance</td> <td>38784</td> </tr> <tr> <td>INSURER C : Philadelphia Indemnity Ins. Co.</td> <td>18058</td> </tr> <tr> <td>INSURER D :</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Philadelphia Indemnity Insurance Co	18058	INSURER B : Progressive Southeastern Insurance	38784	INSURER C : Philadelphia Indemnity Ins. Co.	18058	INSURER D :		INSURER E :		INSURER F :	
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INSURER D :															
INSURER E :															
INSURER F :															

COVERAGES

CERTIFICATE NUMBER: 00000000-1111550

REVISION NUMBER: 11

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		PHPK1770899	01/30/2018	01/30/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COM/OP AGG \$ 3,000,000
B	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY		02354279-4	08/13/2017	08/13/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ EACH OCCURRENCE \$ AGGREGATE \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$					PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/> N/A	PHPK1770899	01/30/2018	01/30/2019	See below
C	Professional Liab Hired & Non Owned		PHPK1770899	01/30/2018	01/30/2019	3,000,000 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Professional Liability: \$1,000,000 per occurrence; \$3,000,000 aggregate
 Retro Date 1-30-09 *** AMENDED CERTIFICATE AS OF 8-8-18 *****

CERTIFICATE HOLDER**CANCELLATION**

Rowan County DSS
 1813 East Innes Street
 Salisbury, NC 28146

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

(LHS)

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Finance Department
DATE: 9/21/2018
SUBJECT: Rowan-Salisbury Schools Contract - School Nursing Services

Please see the attached contract.

Please approve the attached contract between the Rowan-Salisbury School System and the Rowan County Health Department for school nursing services.

ATTACHMENTS:

Description	Upload Date	Type
Rowan Salisbury Schools Contract - School Nursing Services	9/21/2018	Cover Memo

ROWAN COUNTY CONTRACT CONTROL FORM

Date: 18-Sep-18

SECTION I - DEPARTMENT COMPLETES

Department: Health Account #: 1155240-585000-52422 Amount: \$ 100,000.00
 Account #: _____ Amount: \$ -
 Total: \$ 100,000.00

Vendor name: School Health Nursing Services Term Dates: 6/1/2018-5/31/2019

Contract description: Provide school nursing services to promote health and well-being of all students

POC name: Angela Worley Phone: 704-216-8811

POC email: Angela.Worley@rowancountync.gov

Vendor mail address: _____ Vendor #: _____

☐ New contract ☒ Contract renewal Munis contract #: _____

☐ Amendment to contract _____ Vendor signatures _____ Munis BA #, if applicable: _____

Notes: _____

Department Head Initials: [Signature] Date: 9-18-18

SECTION II - CONTRACT ADMINISTRATOR REVIEW

☒ Section I properly completed ☒ Requires Board approval (Y/N) 10/1/18

☐ Budgeted funds are available

Contract Administrator Initials: [Signature] Date: 9/20/18

SECTION III - INFORMATION TECHNOLOGY REVIEW, IF APPLICABLE

This document has been reviewed and approved by the IT Director as to technical content.

IT Director Initials: NA Date: _____

SECTION IV - INSURANCE REVIEW

☐ Hold contract pending receipt of Certificate of Insurance ☐ Certificate attached and approved ☐ No insurance required

Risk Manager Initials: _____ Date: _____

SECTION V - LEGAL REVIEW

☐ Non-appropriation clause ☐ Indemnity clause ☐ Termination clause ☐ E-verify clause

☐ Approved as to form and sufficiency ☐ If Board approval required, sent to Department for agenda item

Attorney Initials: _____ Date: _____

SECTION VI - FINANCE DIRECTOR REVIEW AND PRE-AUDIT

☐ Budgeted funds are available ☐ Contract has been pre-audited

Finance Director Initials: _____ Date: _____

SECTION VII - COUNTY MANAGER REVIEW

☐ Contract has been properly signed by all parties

County Manager Initials: _____ Date: _____

SECTION VIII - CONTRACT ADMINISTRATOR COMPLETES

This document has been reviewed and approved by the Board of Commissioners and/or County Manager. ☐ Yes ☐ No Date: _____

☐ Document fully executed, scanned and posted on the County website Date: _____

Clerk Initials: _____ Date: _____

Aldridge, Karla L

From: Oliver, Nina M.
Sent: Tuesday, September 18, 2018 3:40 PM
To: Aldridge, Karla L
Subject: FW: contract

Print this out and place with the contract.

Thanks!!

Nina Oliver, MS
Public Health Director

From: Worley, Angela L.
Sent: Tuesday, September 18, 2018 3:37 PM
To: Oliver, Nina M.
Subject: FW: contract

Please see Carol Ann Houpe request below concerning dating the contracts. What are your thoughts?

Angie

From: Carol S. Houpe [<mailto:Carol.Houpe@rss.k12.nc.us>]
Sent: Tuesday, September 18, 2018 3:24 PM
To: Worley, Angela L.
Subject: contract

Angela,

Dr. Moody signed the contracts on August 15, 2018. We give you permission to put 8-15-2018 on the contracts.

Thanks,
Carol Ann Houpe
Director of Student Services
Rowan-Salisbury School System

**Contract for School Health Nursing Services
Between the
County of Rowan and Rowan-Salisbury School System
June 1, 2018 – May 31, 2019**

This agreement between the Rowan County Health Department, hereinafter referred to as the "Department", and the Rowan-Salisbury School System (sub-contractor), hereinafter referred to as the "School", is entered into for the purpose of providing school nursing (SNFI) services to the students of the Rowan-Salisbury School System.

Whereas: Both the Department and the School mutually agree that the purpose of providing school nursing services is to promote the optimal health and well-being, and readiness to learn of all students in Rowan-Salisbury Schools; and,

Whereas: Both the Department and the School mutually agree that the long-term purpose of these funds is to provide full-time nursing services to each school in the system; and,

Whereas: Both the Department and the School mutually agree that the School Nurse Funding Initiative (SNFI) is a useful step toward the goal of having a nurse to student ratio that is consistent with the national standard, and improves access to basic health services for all students served; and

Whereas: Both the Department and the School mutually agree to continue to provide school nursing services as specified in the annually developed Contract between Rowan County Health Department and Rowan-Salisbury School System.

THEREFORE: In consideration of the following mutual covenants/conditions and any sums to be paid, the Department and the School agree as follows:

The Department agrees:

1. To provide funds not to exceed \$100,000 to the sub-contractor for the purpose of supporting two nationally certified school nurse(s) or registered nurse(s) working toward school nursing certification for the 2018-2019 school year.
2. To pay funds monthly upon submission of an invoice that specifies personnel and other allowable costs and the Department shall pay the sub-contractor within thirty (30) days of receipt of the invoice. Any adjustments to the invoice shall be taken into account in the succeeding invoice or soon thereafter.
3. To assure payment for funds is used only for personnel costs (salary and fringe) and continuing education costs up to \$750 per SNFI position.
4. To participate in the Rowan-Salisbury School Health Advisory Council.
5. To collaborate with the School to include the School Health Nurses in emergency/disaster preparedness trainings, and to include information on the school health nurse role in a public health emergency situation.
6. To collaborate with the School in providing communicable disease control and prevention measures in the school system. This will include immunization events in an effort to have all students meet the Department of Public Health requirements for childhood vaccinations.

The Sub-Contractor agrees:

1. To provide a detailed budget to the Division of Public Health Regional School Health Nursing Consultant, Lucy Heffelfinger, by September 1, 2018.
2. To utilize funds not to exceed \$100,000 for the purpose of supporting two nationally certified school nurse(s) or registered nurse(s) working toward school nurse certification for the 2018-

2019 school year. This certification for must be completed no later than three years after employment as a school nurse. The School will submit a certification plan within 30 days of hire and will update the plan at least twice annually until the nurse is certified.

3. To complete, sign, and submit an annual written Work Plan to assure the provision of identified basic health services.
4. To provide direct nursing services to students within one or more schools following the scope of work in Attachment II.
5. To submit an invoice to the Department monthly that specifies personnel and other allowable costs for the period.
6. To provide adequate space, computer equipment, supplies and travel reimbursement for the designated position through other funds at the same level as provided to other school nurses supported by the Department or the Sub-Contractor.
7. To inform the Division of Public Health Regional School Health Nursing Consultant of the employment of the nurses, and in the event of termination, whether voluntary or involuntary, and the date of termination within 4 working days of such action.
8. To maintain documentation that each nurse employed under this contract is and remains current in his/her licensure as a Registered Nurse in good standing with the North Carolina Board of Nursing.
9. To provide supervision of the SNFI nurses according to the Division of Public Health Regional School Health Nursing Consultant.
10. To assume the full responsibility for negligence of its employees that provide nursing services under the terms of this contract for the contract positions, and for all nurses employed directly by the Sub-Contractor, but functioning under the direction of this contract.
11. To only use funds for salary, fringe, and to support continuing education and required school nurse training.
12. To assure that these funds will not supplant existing funds supporting school nurse positions.
13. To assure that the SNFI nursing positions will be allowed to assist the Department for local public health emergencies during state FY 2018-2019. The school health nurses may be called upon anytime to help the Department in a public health emergency which may include, but is not limited to, outbreak investigations, staffing mass dispensing or immunization clinics, providing disaster relief, or other incidents that may arise.
14. To assure that services are provided in accordance with standards established by the North Carolina Nurse Practice Act and the NC Board of Nursing.
15. To assure that services are provided in a culturally sensitive manner.
16. To assure that services are provided in adherence to federal law in relation to privacy of student records, following both HIPAA (Health Insurance Portability and Accountability Act) and FERPA (Family Educational Rights and Privacy Act), as applicable. Where HIPAA and FERPA may appear to conflict, FERPA shall be followed in regards to records that become a part of the student's educational records.
17. To assure maintenance, storage, destruction, and archiving of student health records per FERPA and the NC Division of Cultural Resources, Records Retention and Disposition Schedule

This contract shall be in effect for the period June 1, 2018 through May 31, 2019 and is renewable annually thereafter. Either party may terminate this contract with or without cause upon 60 days written notice.



Ms. Nina Oliver
Health Director

8-26-18

Date



Dr. Lynn Moody
Superintendent

~~8-26-18~~

08-15-2018

Date

(This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act)

Ms. Leslie Heidrick
County Finance Officer

Date



Ms. Carol Herndon
School Finance Officer

8/15/18

Date

Attachment I

Assurances

(To be signed by the Superintendent of the Local Education Agency or other Sub-Contractor CEO)

Initials

Assure that these contracted funds will not be used to supplant existing federal, state, or local funds supporting school nurse positions. Communities will maintain current level of effort and funding for school nurses.

_____

Assure that school nurses will be allowed to participate in required trainings.

_____

Attachment II Scope of Work

Purpose:

The purpose of the contract is to improve the school nurse to student ratio in the School District in order to have a positive impact on improving children's health and their readiness to learn. Funds will be used to employ nationally certified school nurse(s) or registered nurse(s) working toward national certification to work full time in schools and enhance the local capacity to provide basic health services to students.

1. Employ two nationally certified school nurse(s) or registered nurse(s) working toward national certification, to work full time.
2. Submit an annual written work plan for each school nurse, no later than one month from hire date to the Division of Public Health Regional School Health Nursing Consultant.
 - a. The plan shall address delivery of basic health services, including activities, strategies and goals, within, but not limited to, the following areas:
 - i. Preventing and responding to communicable disease outbreaks;
 - ii. Developing and implementing plans for emergency medical assistance for students and staff;
 - iii. Supervising specialized clinical services and associated health teaching for students with chronic conditions and other special health needs;
 - iv. Administering, delegating where appropriate, and providing oversight and evaluation of medication administration and associated health teaching for other school staff who provide this service;
 - v. Providing or arranging for routine health assessments, such as vision, hearing, or dental screening, and follow-up of referrals; and
 - vi. Assuring that federal and state mandated health related activities are completed, which includes but is not limited to: Kindergarten Health Assessments, Immunization Status Report, blood-borne pathogen control plan (OSHA) requirements, services under Section 504, Individuals with Disabilities Education Act, Healthy Active Children (GCS-S-000) requirements for School Health Advisory Councils, and other mandated laws, rules and regulations pertaining to school health.
 - b. As required by HB 200 SL 2011-145 Section 10.22 (b): School nurses funded by SNFI do not assist in any instructional or administrative duties associated with a school's curriculum and do perform all of the following with respect to school health programs:
 - i. Serve as coordinator of the health services program and provide nursing care;
 - ii. Provide health education to students, staff, and parents;
 - iii. Identify health and safety concerns in the school environment and promote a nurturing school environment;
 - iv. Support healthy food services programs;
 - v. Promote healthy physical education, sports policies, and practices;
 - vi. Provide health counseling, assess mental health needs, provide interventions, and refer students to appropriate school staff or community agencies;
 - vii. Promote community involvement in assuring a healthy school and serve as school liaison to a health advisory committee;
 - viii. Provide health education and counseling and promote healthy activities and a healthy environment for school staff;
 - ix. Be available to assist the county health department during a public health emergency.
 - c. The plan shall also outline the steps the nurse(s) will take toward completing degree and certification requirements, if not already certified, no later than three years from the date of employment as a school nurse in North Carolina.

3. Submit a mid-year review of progress toward achieving goals in the work plan, scheduled by January 31, 2019 (if hired at start of school year) or by a date to be determined by the DPH regional school nurse consultant, if hired at a date different from start of school year.
4. Submit an annual report to the DPH Regional School Health Nursing Consultant that addresses the overall progress toward meeting the work plan outcomes, related, but not limited to, the health service areas listed above. Any information regarding strengths, challenges and the accomplishments of the position will also be reviewed. The report form for the annual report of data will be provided by the DPH Regional School Health Nursing Consultant to the sub-contractor in September of each school year. The link to the online report will be provided by the Regional School Health Nurse Consultant to each SNFI nurse in the spring. The report is due from each individual SNFI nurse no later than a week after the end of the school year; prior to resignation if not working the full school year; or upon a date to be determined with the DPH Regional School Health Nursing Consultant.

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Cari Price
DATE: September 21, 2018
SUBJECT: Request To Apply For The NRA Foundation Grant

Rowan County Government is seeking permission to apply for the NRA Foundation Grant. We are requesting \$36,975 for upgrades to the Boy Scout Hut and to Faith Town Hall.

This grant would allow upgrades to be made to the Boy Scout Hut and to Faith Town Hall, providing a safe meeting place for these groups.

ATTACHMENTS:

Description	Upload Date	Type
Request to Apply	9/24/2018	Cover Memo

September 21, 2018

Rowan County Commissioners:

Rowan County Government is seeking permission to apply for the NRA Foundation Grant. We are requesting \$36,975 for upgrades to the Boy Scout Hut and to Faith Town Hall.

This grant would allow upgrades to be made to the Boy Scout Hut and to Faith Town Hall, providing a safe meeting place for these groups.

Respectfully,

Cari Price

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Kevin Davis, Airport Director
DATE: 9/21/2018
SUBJECT: WEL Aviation LLC Lease Amendment

WEL Aviation LLC First Amendment To Lease

ATTACHMENTS:

Description	Upload Date	Type
WEL Aviation LLC Lease Amendment	9/21/2018	Cover Memo

NORTH CAROLINA

ROWAN COUNTY

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE is made as of the 10 day of September, 2018 by and between Rowan County, a body politic ("Landlord"), and WEL Aviation, LLC, a North Carolina limited liability company ("Tenant").

WHEREAS, Landlord and Tenant have previously entered into that certain Lease Agreement dated the 7th day of October, 2013 ("Lease") with an Initial Term of FIVE (5) years upon the terms and conditions contained therein; and

WHEREAS, Tenant now desire to extend said Lease and Landlord hereby agrees to extend said Lease for an additional Term of FIVE (5) years as outlined herein below; and

WHEREAS, Landlord and Tenant now desire to amend the terms and conditions as provided herein.

NOW, THEREFORE, for and in consideration of the terms, conditions, covenants and promises made herein, the sufficiency of which is hereby acknowledged, Landlord and Tenant agree as follows:

1. Article I "TERM" first sentence is hereby amended to read : "The Extended Term of this Agreement shall be for a period of FIVE (5) years commencing on the 1st day of October, 2018 and continuing through the 30th day of September, 2023 unless earlier terminated as provided for in the Lease." The rest and remainder of Article 1 shall remain unchanged.
2. Article II "LEASED PREMISES AND EQUIPMENT" shall be amended by including the following additional text as the first sentence: "The parties understand that the Lease provided for certain of Landlord's Business Personal Property and Equipment ("Equipment") would be remain on the Leased Premises for Tenant's use in the operation of its aviation mechanical repair business. The parties further understand that certain Equipment may have become obsolete or exceeded its useful economic life. At the end of this Extended Term or unless earlier terminated as provided in the Lease, the parties agree that any Equipment originally belonging to Landlord shall be returned to Landlord."
3. Article III(B) "OPERATING STANDARDS" subsection (5) is hereby amended to read: "Except as otherwise provided in (E)(2)(A) below, Tenant shall keep the Premises in good condition, order and repair, and shall surrender the same upon the expiration of this Agreement, in the condition in which they are required to be kept, reasonable wear and tear and damage by the elements not caused by Tenant's negligence excepted."
4. Article III(E)(2)(A) first sentence is hereby amended to read: "Landlord, at its sole cost and expense, shall maintain and keep the exterior portions of the

Premises in reasonable repair, including but not limited to, exterior and supporting walls, roof, hanger door, electrical wiring, water lines and sanitary sewer lines; provided, however, that the cost of any such repairs resulting from the negligence or any willful act of Tenant or its licensees, guests, agents, or employees shall be borne by Tenant.” The rest and remainder of this section shall remain unchanged.

5. Article VI “PAYMENTS” SUBSECTION (1) the Rental Rate shall be \$1827.21.
6. Article VI “PAYMENTS” SUBSECTION (2) the Tie-Down rate shall be \$5.00.
7. Except as expressly modified and amended by this First Amendment, the Lease remains in full force and effect according to its terms therein, and the same is incorporated herein as if fully set forth..

{Signature Page Follows}

IN WITNESS WHEREOF, Landlord and Tenant have duly executed and delivered this First Amendment to the Lease on the date set forth above.

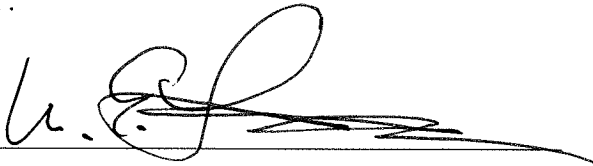
LANDLORD: ROWAN COUNTY

BY:

Gregory C. Edds, Chairman

TENANT: WEL AVIATION, LLC

BY:



Its: Member/Manager

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Franklin Barnes Rowan Transit Director
DATE: 09-20-18
SUBJECT: FY19 Rural Operating Assistance Program (ROAP)

Authorize the County Manager to execute the NCDOT Grant Certification Statement containing the standard assurances that Rowan County will use the ROAP funding in a manner consistent with the State Management Plan for the ROAP funding.

ATTACHMENTS:

Description	Upload Date	Type
ROAP Cover Memo	9/20/2018	Cover Memo



ROWAN TRANSIT SYSTEM

2726 Old Concord Road, Salisbury North Carolina 28146

MEMORANDUM

To: Rowan County Board of Commissioners
CC: Aaron Church, County Manager
From: Franklin Barnes, RTS Director
Date: September 19, 2018
Re: FY'19 ROAP Grant

The NC Department of Transportation has released the application for the FY'19 Rural Operating Assistance Program [ROAP], which is funded by the NC General Assembly. This program consolidates three different state transportation programs into a single application making Rowan County eligible to apply for \$221,665 in transit operating funds. The Board of Commissioners is the only eligible applicant with the decision-making authority on how ROAP funding will be used in Rowan County.

The RTS Advisory Committee is making the following recommendations:

- 1. To apply for \$103,830 in Elderly & Disabled Transportation Program [EDTAP; no match]**
*The purpose of EDTAP funding is to provide additional transportation for Elderly & Disabled.
The funds cannot replace existing funding for transportation.
The RTS Advisory Committee recommends the following sub-allocations:*

Rowan Transit	\$71,369	Trinity Living Center	\$22,634	Therapeutic Recreation	\$9,827
---------------	----------	-----------------------	----------	------------------------	---------

- 2. To apply for \$84,955 [90%] in Rural General Public [RGP] [\$9,439 match 10%; total \$94,394]**
These funds must be used to provide general public transportation for rural county residents who travel to any public destination. RGP is used for our RITA service. Passengers are picked up at their home for trips to doctors, pharmacies, grocery shopping, bill paying, post offices, public agency appointments, dialysis, and some recreational locations. Public passengers under 60 years of age pay a \$2.00 fare that helps pay the program match. The balance of matching funds from the county is in the approved RTS Operating Budget.
- 3. To apply for \$32,880 in Employment Transportation. [100% grant funding]**
These funds are used for the general public to travel to work and/or other employment related destinations. Under new program guidelines only trip based services are considered an eligible expense.

Board Action

- ☐ **Authorize the County Manager to execute the NCDOT Grant Certification Statement containing the standard assurances that Rowan County will use the ROAP funding in a manner consistent with the State Management Plan for the ROAP funding.**

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Franklin Barnes, RTS Director
DATE: 09-20-18
SUBJECT: Request To Schedule Transportation Grants Public Hearing For October 15, 2018

ATTACHMENTS:

Description

Memorandum

Upload Date

9/24/2018

Type

Cover Memo

FROM: Franklin Barnes, RTS Director

Subject: Requesting Public Hearing

FY'20 - 5311 Community Transportation Grant [CTP]

FY'20 - 5310 Elderly and Disabled Transportation Assistance Program Grant (Rural)

FY'20 - 5307 Transportation Program Grant

FY'20 - Combined Capital Grant

FY'20 - 5310 Elderly and Disabled Transportation Assistance Program Grant (Urban)

The North Carolina Public Transportation Division is now accepting Transportation Program applications for fiscal year 2020. The BOC is the only official applicant for these funds and in that capacity Rowan County is required to hold a Public Hearing prior to the application deadline of November 2, 2018. This year NCDOT has released all transportation grants at the same time in an effort to reduce duplication of efforts for all. Each transportation program can now be presented to the BOC during one public hearing.

5311 - Community Transportation Program [CTP] application will secure 85% grant support for RTS administrative costs and 90% grant support for Vehicles utilized in the rural area. In conjunction with submitting these budgets Rowan County must also execute agreements on multiple Federal and State certifications and assurances.

5310 – (State / Rural) Enhanced Mobility of Seniors and Individuals with Disabilities Program

Application will provide rural operating funds in support of increased demands for Dialysis transportation and continued service to Rowan Vocational Opportunities and Trinity Living Center. No county match.

5310 – (Federal / Urban) Enhanced Mobility of Seniors and Individuals with Disabilities Program

Application will provide urban operating funds in support of increased demands for Dialysis transportation and continued service to Rowan Vocational Opportunities and Trinity Living Center. No county match.

5307 – Urbanized Area Formula Program: Application will provide operating funds for the Rowan Express. No county match

Combined Capital (Federal Section 5311, 5311 Appalachian, 5307, 5339) application will secure 90% grant support for Vehicles utilized in the rural and urban areas. In conjunction with submitting these budgets Rowan County must also execute agreements on multiple Federal and State certifications and assurances.

The purpose of the public hearing is to allow residents of the community the opportunity to comment on Rowan County transportation needs and grant applications. This step requires the Board to publish a public notice in the newspaper that gives the date, time, and place for a public hearing. It is a requirement that the Public Hearing Notice provide a minimum of seven (7) calendar days notice and a maximum of fourteen (14) calendar days notice between the time the notice is published and the actual public hearing date.

ACTION STEP: This is a request for the BOC to hold a Public Hearing on the FY'2020 Transportation applications at the October 15, 2018 board meeting. I am prepared to discuss each application in greater detail at that time and answer any questions.

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Carolyn Barger, Clerk to the Board
DATE: September 25, 2018
SUBJECT: Thanksgiving Office Hours

ATTACHMENTS:

Description

Memorandum

Upload Date

9/25/2018

Type

Cover Memo



Rowan County Board of Commissioners
130 West Innes Street, Salisbury, NC 28144
(704) 216-8180

To: Rowan County Board Commissioners
From: Carolyn Barger, Clerk to the Board/Assistant to the County Manager
Date: September 21, 2018
Subject: Thanksgiving Office Hours

Rowan County Government has historically closed at 1:00 p.m. on the day before Thanksgiving due to road closings for the holiday parade, which travels through both downtown Spencer and Salisbury.

The Board is asked to consider allowing County offices to close at 1:00 p.m. on November 21, 2018. The early closing represents a five (5) hour workday and employees must work the full five (5) hours (no lunches) to receive credit for the full day. All Department Directors will be responsible for ensuring their office remains staffed and fully operational until 1:00 p.m.

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Finance Department
DATE: September 21, 2018
SUBJECT: Approval to Purchase Microsoft Software Enterprise Agreement

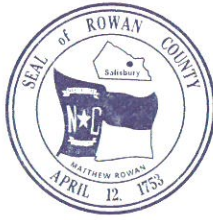
Please see the attached information.

Please approve the attached recommendation that a contract be awarded to SHI International Corp. to enter into a Microsoft Software Enterprise Agreement at a cost not to exceed \$208,608.

ATTACHMENTS:

Description	Upload Date	Type
Approval to Purchase Microsoft Software Enterprise Agreement	9/25/2018	Backup Material

Leslie E. Heidrick, CPA
Assistant County Manager/
Finance Director



James M. Howden, CPA
Assistant Finance Director

Rowan County Finance Department

130 West Innes Street • Salisbury, NC 28144-4326

Telephone 704-216-8170 • FAX 704-216-8110

Memorandum

To: Rowan County Board of Commissioners
Aaron Church, County Manager

From: Leslie E. Heidrick, Assistant County Manager/Finance Director *LSH*
David Sifford, Purchasing Agent *DS*

Re: Approval to Purchase Microsoft Software Enterprise Agreement

Date: September 21, 2018

In accordance with G.S. 143-129(e)(3), Rowan County is exempt from bidding requirements if the County purchases equipment from a contract established through a competitive bidding group purchasing program and if the contractor is willing to extend to the County the same or more favorable prices, terms and conditions as established in that contract. SHI International Corp. has agreed to extend to the County the same price and terms as set forth in its contract with the State of North Carolina (NC State Contract #208C) to enter into a Microsoft Software Enterprise Agreement. The software is for County email, office applications and all County IT servers and databases used for MUNIS, Energov, OSSI Public Safety, etc. The cost of the software, excluding taxes, is \$208,608 for each year of a three year agreement. Attached is the contract information from the State of North Carolina and the quote for the software from SHI International Corp. The purchase of the software is within the approved fiscal year 2019 budget.

Staff's Recommendation: The Information Technologies Department and the Finance Department recommend that a contract be awarded to SHI International Corp. to enter into a Microsoft Software Enterprise Agreement at a cost not to exceed \$208,608.

All Entities ordering on this contract will be required to complete a Microsoft Enterprise Agreement.

The completion of a Microsoft Enterprise Agreement is a mandatory requirement. The contract Vendor will assist all Entities with the enrollment process.

208C – Microsoft Software Enterprise Agreement

Contract Number:	208C (ITS-400175)
Effective Date:	May 1, 2017 through April 30, 2020
Renewals:	Two One-year renewal options
Administrator:	Kristen Burnette
E-mail:	kristen.burnette@nc.gov

Scope

This contract is for the use of Executive Branch Agencies.

This is a **MANDATORY Statewide Term Contract** for the use of **State Governmental Agencies** and is a **Convenience** Contract, not mandatory, for the use of **non-Educational Entities and Local (Municipal and County) Governments**.

This contract does **NOT INCLUDE** the **North Carolina University System** and its member campuses, **Instructional components of the Department of Public Instruction, Instructional components of the Department of Community Colleges**.

State Agencies with the need to acquire Microsoft Software not covered by this contract are required to comply with IT Procurement Rules, Policies and Procedures.

Manufacturer Pricing

To obtain pricing, contact the Vendor(s) listed in the Ordering and Vendor Contact Information section.

Ordering and Vendor Contact Information

Vendor	
SHI International Corp.	<p data-bbox="565 247 873 468"> <u>Send Orders To:</u> SHI International Corp. (State Contract 208C) 290 Davidson Ave. Somerset, NJ 08873 Fed ID: 22-30099648 Fax: 800-211-7954 </p> <p data-bbox="565 506 950 663"> <u>Local Primary Representatives</u> Carolina Team (Inside Sales) CarolinaTeam@shi.com Phone: 800-211-0831 Fax: 800-211-7954 </p> <p data-bbox="565 701 1133 793"> Carly Higginbotham (Outside Software Sales) Carly_higginbotham@shi.com Phone: 919-219-7355 </p>

Abnormal Quantity

There is no Abnormal Quantity provision for this contract.

Transportation Charges

FOB – Destination

Freight, handling and distribution charges shall be included in the total price of each item listed.

Delivery

The Vendor(s) will complete physical delivery within five (5) business days after receipt of a Purchase Order.

As an alternative, if the end user wants the product delivered online, the Vendor(s) will complete online delivery within two (2) consecutive calendar days after receipt of a Purchase Order.

Return of Merchandise

Merchandise may be returned within thirty (30) days from date of delivery without penalty.

After thirty (30) days from date of delivery no returns are allowed.

Warranty

The Warranty provisions of the State of North Carolina and the Microsoft Enterprise Agreement apply.

Taxes

Prices do not include North Carolina sales or use taxes.

Value Added Services

Contract related value added services may be provided by the Vendor(s). These additional services will be negotiated by the Agency with the contract holder in accordance with IT Policies and Procedures. The Agency is responsible for reviewing and amending if necessary the scope of work, lease agreement, etc. prior to order placement.

Amendments:

September 6, 2006 – Changed Contract Administrator
May 8, 2009 – Updated the contract term
May 11, 2010 – Updated the contract term and Dell Contact Information
October 22, 2010 – Changed Contract Administrator
June 1, 2011 – Updated the contract term
April 25, 2013 – Updated Dell Contact Information
August 7, 2013 – Updated Dell Contract Information
February 24, 2014 - Updated Dell Contract Information
May 16, 2014 – Extended expiration date to May 31, 2015
June 26, 2014 – Updated Dell Contact Information
August 12, 2014 – Updated Dell Contract Information
May 28, 2015 – Extended expiration date to May 31, 2016
May 31, 2016 – Extended expiration date to December 31, 2016 and changed outside software sales rep.
May 1, 2017 – Change of Reseller to SHI International Corp.



Pricing Proposal
Quotation #: 15810838
Created On: 8/16/2018
Valid Until: 9/30/2018

NC ROWAN COUNTY

Randy Cress

130 W Innes Street
Suite 300
Salisbury, NC 28144
UNITED STATES
Phone: 704.216.8114
Fax:
Email: randy.cress@rowancountync.gov

Account Representative

Ralph Parmenter

290 Davidson Avenue
Somerset, NJ 08873
Phone: 800-211-0831
Fax: 800-211-7954
Email: carolinateam@shi.com

All Prices are in US Dollar (USD)

Product	Qty	Your Price	Total
1 O365E1FromSA ShrdSvr ALNG SubsVL MVL PerUsr Microsoft - Part#: 7R7-00002 Contract Name: NC Microsoft Software - Enterprise Agreement Contract #: 208C Coverage Term: 10/1/2018 – 9/30/2019 Note: Annual Payment - Year 1 of 3	776	\$58.97	\$45,760.72
2 CoreCALBridgeO365FromSA ALNG SubsVL MVL Pltfrm PerUsr Microsoft - Part#: AAA-12417 Contract Name: NC Microsoft Software - Enterprise Agreement Contract #: 208C Coverage Term: 10/1/2018 – 9/30/2019 Note: Annual Payment - Year 1 of 3	776	\$14.84	\$11,515.84
3 OfficeStd ALNG SA MVL Pltfrm Microsoft - Part#: 021-08258 Contract Name: NC Microsoft Software - Enterprise Agreement Contract #: 208C Coverage Term: 10/1/2018 – 9/30/2019 Note: Annual Payment - Year 1 of 3	776	\$63.06	\$48,934.56
4 OfficeProPlus ALNG SASU MVL fromOfficeStd Pltfrm Microsoft - Part#: 269-12436 Contract Name: NC Microsoft Software - Enterprise Agreement Contract #: 208C Coverage Term: 10/1/2018 – 9/30/2019 Note: Annual Payment - Year 1 of 3	776	\$40.13	\$31,140.88
5 OfficeProPlus ALNG SA MVL Pltfrm Microsoft - Part#: 269-12442 Contract Name: NC Microsoft Software - Enterprise Agreement Contract #: 208C Coverage Term: 10/1/2018 – 9/30/2019 Note: Annual Payment - Year 1 of 3	1	\$85.99	\$85.99
6 WINE3perDVC ALNG SA MVL Pltfrm Microsoft - Part#: KV3-00353	777	\$38.49	\$29,906.73

Contract Name: NC Microsoft Software - Enterprise Agreement
Contract #: 208C
Coverage Term: 10/1/2018 – 9/30/2019
Note: Annual Payment - Year 1 of 3

7	ExchgSvrEnt ALNG SA MVL Microsoft - Part#: 395-02504 Contract Name: NC Microsoft Software - Enterprise Agreement Contract #: 208C Coverage Term: 10/1/2018 – 9/30/2019 Note: Annual Payment - Year 1 of 3	2	\$651.10	\$1,302.20
8	SharePointSvr ALNG SA MVL Microsoft - Part#: H04-00268 Contract Name: NC Microsoft Software - Enterprise Agreement Contract #: 208C Coverage Term: 10/1/2018 – 9/30/2019 Note: Annual Payment - Year 1 of 3	1	\$1,092.55	\$1,092.55
9	SQLSvrStdCore ALNG SA MVL 2Lic CoreLic Microsoft - Part#: 7NQ-00292 Contract Name: NC Microsoft Software - Enterprise Agreement Contract #: 208C Coverage Term: 10/1/2018 – 9/30/2019 Note: Annual Payment - Year 1 of 3	10	\$576.58	\$5,765.80
10	VSPProSubMSDN ALNG SA MVL Microsoft - Part#: 77D-00111 Contract Name: NC Microsoft Software - Enterprise Agreement Contract #: 208C Coverage Term: 10/1/2018 – 9/30/2019 Note: Annual Payment - Year 1 of 3	2	\$302.21	\$604.42
11	WinRmtDsktpSrvcsCAL ALNG SA MVL DvcCAL Microsoft - Part#: 6VC-01253 Contract Name: NC Microsoft Software - Enterprise Agreement Contract #: 208C Coverage Term: 10/1/2018 – 9/30/2019 Note: Annual Payment - Year 1 of 3	768	\$16.38	\$12,579.84
12	WinSvrDCCore ALNG SA MVL 2Lic CoreLic Microsoft - Part#: 9EA-00278 Contract Name: NC Microsoft Software - Enterprise Agreement Contract #: 208C Coverage Term: 10/1/2018 – 9/30/2019 Note: Annual Payment - Year 1 of 3	160	\$124.49	\$19,918.40

Subtotal	\$208,607.93
*Tax	\$15,243.81
Total	\$223,851.74

*Tax is estimated. Invoice will include the full and final tax due.

The Products offered under this proposal are resold in accordance with the SHI Online Customer Resale Terms and Conditions, unless a separate resale agreement exists between SHI and the Customer.

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Finance Department
DATE: September 21, 2018
SUBJECT: Approval to Purchase a Landfill Motor Grader for Environmental Management

Please see the attached information.

Please approve the attached recommendation that a contract be awarded to Carolina CAT for the purchase of a 12M3 Motor Grader at a cost not to exceed \$242,171.

ATTACHMENTS:

Description	Upload Date	Type
Approval to Purchase a Landfill Motor Grader for Environmental Management	9/25/2018	Backup Material

Leslie E. Heidrick, CPA
Assistant County Manager/
Finance Director



James M. Howden, CPA
Assistant Finance Director

Rowan County Finance Department

130 West Innes Street • Salisbury, NC 28144-4326

Telephone 704-216-8170 • FAX 704-216-8110

Memorandum

To: Rowan County Board of Commissioners
Aaron Church, County Manager

From: Leslie E. Heidrick, Assistant County Manager/Finance Director *LEH*
David Sifford, Purchasing Agent *DS*

Re: Approval to Purchase a Landfill Motor Grader for Environmental Management

Date: September 21, 2018

In accordance with G.S. 143-129(e)(3), Rowan County is exempt from bidding requirements if the County purchases equipment from a contract established through a competitive bidding group purchasing program and if the contractor is willing to extend to the County the same or more favorable prices, terms and conditions as established in that contract. Carolina CAT, authorized dealer for Caterpillar, Inc., has agreed to extend to the County the same price and terms as set forth in its contract with the National Joint Powers Alliance (NJPA contract #032515) for the purchase of one 12M3 Motor Grader. The cost of the motor grader, excluding taxes, is \$242,171. Attached is the Contract Acceptance and Award certification from NJPA and the quote for the new equipment from Carolina CAT. The NJPA bid documents are on file in the Purchasing Office. The purchase of the compactor is within the approved fiscal year 2019 budget.

Staff's Recommendation: The Department of Environmental Management and the Finance Department recommend that a contract be awarded to Carolina CAT for the purchase of a 12M3 Motor Grader at a cost not to exceed \$242,171.



Contract Acceptance and Award

(To be completed only by NJPA)

**NJPA 032515 HEAVY CONSTRUCTION EQUIPMENT WITH RELATED ACCESSORIES,
ATTACHMENTS, AND SUPPLIES**

Caterpillar, Inc
Proposer's full legal name

Your proposal is hereby accepted and awarded. As an awarded Proposer, you are now bound to provide the defined product/equipment and services contained in your proposal offering according to all terms, conditions, and pricing set forth in this RFP, any amendments to this RFP, your Response, and any exceptions accepted or rejected by NJPA on Form C.

The effective start date of the Contract will be May 19th, 20 15 and continue for four years from the board award date. This contract has the consideration of a fifth year renewal option at the discretion of NJPA.

National Joint Powers Alliance® (NJPA)

NJPA Authorized signature: [Signature]

NJPA Executive Director

Dr. Chad Coquette

(Name printed or typed)

Awarded this 19th day of May, 20 15 NJPA Contract Number 032515-CAT

NJPA Authorized signature: [Signature]

NJPA Board Member

Scott Veroren

(Name printed or typed)

Executed this 19th day of May, 20 15 NJPA Contract Number 032515-CAT

Proposer hereby accepts contract award including all accepted exceptions and NJPA clarifications identified on FORM C.

Vendor Name CATERPILLAR INC.

Vendor Authorized signature: [Signature]

Mike Hynes

(Name printed or typed)

Title: GOVERNMENTAL ACCOUNT MANAGER

Executed this 20th day of MAY, 20 15 NJPA Contract Number 032515-CAT

Carolina

CAROLINA CAT
P.O. BOX 1095
CHARLOTTE, NC 28201-1095
WWW.CAROLINACAT.COM

Paul Carpenter
Territory Manager
Charlotte

QUOTATION/SALES ORDER

SOLD TO
Rowan County Enviromental
2727 D Old Concord
Salisbury, NC 28146

SHIP TO

CONTACT: Jeff Boyd**CONTACT: 704-202-5585**

SALESMAN	ACCOUNT NUMBER	ORDER NUMBER	CUSTOMER P.O. NUMBER
P Carpenter	688925		
DATE	FOB	SHIP VIA	WHEN
9/10/2018	Charlotte	CAT	

	Caterpillar 12M3 Motor Grader	List \$341,780
	Global Arrangement	
	12' moldboard	
	Towing Hitch	\$530
	cold weather pkg	\$745
	Std Lines	\$0
	SyKlone pre-cleaner	
	Base + 1 pkg	\$2,255
	Brake and back up light	
	HD Starter	
	CAB Plus with Std glass	# \$1,085
	CAB Plus interior	\$2,950
	Travel Alarm	
	Seat Belt	
	Product Link	
	No Accugrade	
	Joystick controls basic	
	14.0 R24 BS VKT*G2	
	Mid Mount Scarfire Pkg	\$15,970
	Working Lights	\$755
	LED warning strobe	\$555
	Rear Camera	\$2,485
	Outside mirror	\$485
	Low Halagen Front Headlights	\$625
	Sourcewell/NJPA Cat Contract #032515	
	Rowan County Member # 19580	
	Machine List Price Discount - 30%	
	WT List Discount - 15%	
	TOTALS	\$0.00 \$370,220.00
TERMS:	Payment due upon receipt of invoice.	Total List \$370,220.00
		Freight & Prep 1,200.00
WARRANTY:	12 month / unlimited hours Standard	Sourcewell Discount 111,066.00
INSURANCE:		Subtotal \$260,354.00
CSA:		Trade - In 0.00
TRADE-IN:	MAKE:	Subtotal \$260,354.00
	MODEL:	Additional Dealer Discount -18,183.00
	S/N:	Grand Total \$242,171.00
SUBMITTED BY:	Brian Hoffman	ACCEPTED BY:

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Finance Department
DATE: September 21, 2018
SUBJECT: Procurement Policy Revisions and Resolution Regarding Electronic Payments

Please see the attached information.

Please approve the attached revised Procurement Policy and Resolution.

ATTACHMENTS:

Description	Upload Date	Type
Memo	9/25/2018	Backup Material
Red-lined Procurement Policy	9/25/2018	Backup Material
Procurement Policy	9/25/2018	Backup Material
Resolution	9/25/2018	Backup Material

Leslie E. Heidrick, CPA
Assistant County Manager/
Finance Director



James M. Howden, CPA
Assistant Finance Director

Rowan County Finance Department

130 West Innes Street • Salisbury, NC 28144-4326

Telephone 704-216-8170 • FAX 704-216-8110

Memorandum

To: Rowan County Board of Commissioners
Aaron Church, County Manager

From: Leslie E. Heidrick, Assistant County Manager/Finance Director *LEH*
Derrick Atkins, Internal Auditor *KDA*
Finance Procurement Personnel *B* *Smith* *OS* *OMS*

Re: Procurement Policy Revisions and Resolution Regarding Electronic Payments

Date: September 21, 2018

The Finance Department is proposing major revisions to the County's Procurement Policy. The revisions are necessary due to newly implemented federal regulations (Code of Federal Regulations, Title 2, Subtitle A, Chapter II, Part 200 or commonly referred to as Uniform Guidance), State changes to pre-audit certification requirements for electronic obligations and payments (Administrative Codes 20NCAC 03.0409 and 03.0410), and a desire to improve operational efficiency while maintaining strong internal controls. Finance staff has been working on the revisions for the past six months. We recently received final clarification on several issues from the State. Attached are a red-lined Procurement Policy, a clean copy of the revised Procurement Policy and a Resolution Authorizing Rowan County to Engage in Electronic Payments as Defined by General Statute 159-28. The County has been following the new federal regulation guidelines since July 1, 2018, which will become the effective date of the revised Policy.

Staff's Recommendation: The Finance Department recommends that the Board of Commissioners approve the attached revised Procurement Policy and a Resolution that authorizes the County to engage in electronic payments.





ROWAN COUNTY

Procurement Policy

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~~August 2016~~ July 2018

ROWAN COUNTY

Procurement Policy

TABLE OF CONTENTS

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Attachment C – Conflict of Interest Policy	

INTRODUCTION

The purchasing and contracting policies of the Rowan County ~~of Rowan~~ are not based upon a single statutory reference but rather are adopted to form compliance with a variety of statutory and policy provisions found in Federal and State laws and regulations and standing Orders and Resolutions of the Board of Commissioners. These policies have been drafted to conform to the requirements in the Code of Federal Regulations (CFR) Title 2, Subtitle A, Chapter II, Part 200 (commonly referred to as the Uniform Guidance). Specifically, the procurement guidelines may be found in sections 200.317 through 200.326 OMB A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations; 49CFR19; Federal Transit Administration (FTA) Circular 4220.1D, Third Party Contracting Requirements; North Carolina General Statute 143-129; and North Carolina State Management Plan for The Nonurbanized Area Formula Program, Section 5311.

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The policies contained herein are intended to establish a baseline for compliance with Federal and State law and Board policy. It is the responsibility of the County Commissioners to determine the disposition of any issue not specifically addressed herein or otherwise prescribed in law or regulation.

The Board of Commissioners is committed to maintaining high standards of performance based upon fair, ethical and professional business practices and welcomes recommendations for improvements to conformance, quality, and efficiency standards. Any such recommendations should be submitted in writing to the Chairperson, Rowan County Board of Commissioners.

1. Responsibility and Authority

The County Manager has the authority ~~for the County of Rowan~~ to enter into grant agreements, ~~and to~~ purchase property and services, ~~and to~~ enter into third-party contracts on behalf of ~~the Rowan County of Rowan~~ and the Board of Commissioners.

1.1 Delegation to the Finance Director

The Finance Director has been delegated authority from the Board to purchase property and services and to enter into third-party contracts on behalf of Rowan County.

1.2 Delegation to the Purchasing Agent

The Purchasing Agent has received delegated authority from the Chairperson to conduct competitive procurements to purchase, sell, lease, or license property in accordance with Board policy and law. Responsibility for the preparation of internal policies and procedures consistent with the provision of this manual remains with the Finance Director.

1.3 Delegated authority is subject to the condition that certain of these transactions be submitted to the Board for review and approval. Transactions that require prior Board approval are as follows:

~~1.3.1~~ ~~Any~~ ~~It~~ transaction which exceeds ~~\$230,000.00~~;

~~1.3.2~~ ~~Any transaction which exceeds \$30,000.00 and is awarded without the taking of competitive bids (sole source). This condition does not apply to sole brand acquisitions which are acquired under competitive procedures nor to contracts pursuant to a planned purchasing program or master agreement previously reviewed and approved by the Board of Commissioners;~~

~~1.3.3~~ ~~Transactions which contain County wide obligations, liabilities or encumbrances (requests for delegation shall be considered);~~

~~1.3.4~~ Transactions or requests related to the preceding conditions must be submitted with all related documentation and an explanation of the transaction to the Board for prior approval.

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1.4 Delegation to the Finance Director

The Finance Director has been delegated authority from the Board to approve and submit requests for reimbursements on behalf of Rowan County.

2. Fundamental Policy

2.1 Written Procurement Procedures

Written procurement procedures are a requirement of ~~OMB A-110 and FTA C 4220.1D~~ the Uniform Guidance. After adoption by the Board, these procedures will be reviewed annually by the Finance Director and the Purchasing Agent and updated as ~~needed~~required.

2.2 Responsibility for Settlement of Contract Issues/Disputes

The Board of Commissioners alone will be responsible in accordance with good administrative practice and sound business judgment for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. The Federal/State government will not substitute its judgment for that of the Board of Commissioners, unless the matter is primarily a Federal/State concern. Violations of the law will be referred to the local, State, or Federal authority having proper jurisdiction.

2.3 Written Protest Procedures

Rowan County shall have written protest procedures to handle and resolve disputes relating to ~~their~~ procurements and shall in all instances disclose information regarding the protest. All protest decisions must be in writing. A protester must exhaust all administrative remedies with Rowan County before pursuing further legal action.

2.3.1 Authority - The Board of Commissioners has final authority to resolve protests, disputes, and complaints arising from the solicitation, award, or performance of a contract.

2.3.2 Protest of Requirements Prior to Award - The solicitation document shall provide potential bidders with the opportunity to take exception to specifications and/or requirements. Protests of requirements received after the time identified in the solicitation document shall be considered untimely and shall be rejected.

2.3.3 Protest of Award - If, prior to award of contract, a protest is received in writing and filed on the grounds that the award is not in conformance with the provisions of the solicitation document, the contract or award shall not be awarded until the protest has been withdrawn or a decision has been reached by the County. Complaints lodged by a bidder prior to award may be resolved informally. However, in the event that the matter is not

resolved, bidders shall be advised of the timeframe for submitting a full and complete formal statement of the grounds for the protest within the timeframes specified in the solicitation document.

- 2.3.4** Decisions - The County Manager shall review the merits and timeliness of the protest and ensure that a decision in writing is submitted within a reasonable period of time following receipt of the protest. The County shall issue a decision in writing or otherwise furnish to the bidder the decision in such a manner as to ensure receipt. The decision of the County is final.

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- 2.3.5** Disputes Subsequent to Award - Disputes subsequent to award may include, but not be limited to, contention over terms, pricing, payment, scope and/or deliverables. A dispute resolution and escalation clause, describing resolution procedures and the appropriate parties to which the matter may be escalated, may be included in solicitation documents and contracts, as applicable.

2.4 Standards of Conduct

The County shall maintain a written code of standards of conduct (~~C~~onflict of ~~I~~nterest ~~P~~olicy) governing the performance of ~~their~~-~~its~~ employees ~~engaged in the award and administration of contracts~~. These standards will be relayed to all members in writing and the County will obtain each member's signature ~~to~~-~~or~~ acknowledgment of ~~their~~-~~his/her~~ review, understanding, and acceptance of the ~~P~~olicy. See ~~Exhibit 1-Attachment C~~ for ~~C~~onflict of ~~I~~nterest ~~P~~olicy.

- 2.5 All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition.**

2.5.1 Unreasonable requirements will not be placed on firms in order for them to qualify to do business.

2.5.2 The County will be alert to organizational conflicts of interest.

2.5.3 The County will be alert to noncompetitive practices among contractors that may restrict or eliminate competition.

2.5.4 Unnecessary experience and excessive bonding requirements will not be placed on firms.

2.5.5 Contracts will not be awarded to consultants simply because they may be on a retainer contract with the County.

2.5.65 Contractors that develop or draft specifications/requirements shall be excluded from competing for such procurements.

2.5.76 Except in cases where a product of a specified brand name is the only product that can properly meet the needs of a requester, the drafting or application of specifications or bid requirements that directly or indirectly limit the bidding to a single brand is prohibited. A "brand name or equal" is a competitive process that allows bidders to propose equivalent

items. The County will not specify only a "brand name" product without listing its salient characteristics and not allowing "an equal" product to be offered.

2.5.87 Awards shall be made to the lowest responsive and responsible bidder. ~~whose bid is responsive to solicitation and is~~ While determining "responsible", the County will consider factors, including but not limited to, most advantageous to the County recipient, price, and quality, ~~and other factors considered.~~

2.5.98 Solicitations shall clearly state all requirements.

2.5.109 Basis for Bid Rejection - In sealed bidding, there is generally no further modification of material terms: the County either accepts one of the offers or rejects all bids. In the other procurement methods, the County may request or receive additional offers before accepting one. Bid responsiveness involves the question of whether the bid as submitted,

represents an unequivocal offer to do exactly what the County has specified, so that acceptance of the bid will bind the contractor to meet the County's requirements in all material aspects. Any and all bids judged to be nonresponsive must be rejected. The County will properly document the reason for any bid rejection.

Examples of bids typically considered nonresponsive include:

- The bid fails to conform to material requirements;
- The bid does not conform to applicable specifications (unless the invitation allowed alternates);
- The bid fails to conform to delivery schedule or permissible alternates;
- The bid imposes conditions that would modify the requirements of the invitation or limit the bidder's liability to the entity;
- There is a condition of the bid which affects the substance of the bid (i.e., affects price, quantity, quality, or delivery of the items offered) or works an injustice on other bidders;
- The bid contains prices for line items that are materially unbalanced, (i.e., figures in the bid conflict with the total bid price);
- ~~Date~~ The bidder fails to submit the bid by the deadline;
- The bidder fails to furnish a bid guaranty in accordance with the requirements of the invitation; or
- ~~Failure~~ The bidder fails to submit a Buy America Certification (if required).
- For construction contracts with a value exceeding \$100,000, solicitation documents ~~must will~~ include bid bond, the performance bond, and payment bond, and bid security requirements. Bids that do not include the required bid security bond shall ~~are to be~~ rejected.

• When there are lower bids than the bid being accepted for award, the award decision document must give the reasons for rejecting the lower bids. When there are equal low bids, the documentation must describe how the tie was broken.

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2.5.1~~9~~ Architectural, Engineering, Design or Related Services ~~—Comply with equivalent qualifications-based requirements of the State.~~

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—The County shall follow the applicable statute, N.C.G.S. 143-64.31-34, to retain a qualified registered architect or professional engineer.

- Geographic location may be a selection criterion in procurements for architectural and engineering (A&E) services provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.
- Selection shall be based on qualifications and competence.
- Price negotiation ~~is~~ shall be conducted with the most qualified offerer.

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Exemption~~s~~ from ~~RFP~~ Requests for Qualifications (RFQ) and formal procedures for securing A&E services, N.C.G.S. 143-64.32 are as follows:-

- If the design fee is estimated to be less than \$50,000, the above procedures may be waived by the Board of County Commissioners in compliance with N.C.G.S. 143-64-31.
- If the design fee is estimated to be below \$20,000, the County Manager may grant exemptions in compliance with N.C.G.S. 143-64-31.
- A&E firms may be contacted directly.
 - One or more may be evaluated for qualifications
 - Negotiated contract

2.6 The County will ensure that:

2.6.1 Unnecessary or duplicate items are not purchased.

2.6.2 Analysis is made of lease and purchase alternatives, as appropriate, to determine the most economical and practical procurement.

2.6.3 The type of procurement instruments used (~~i.e.,~~ fixed price contracts, cost reimbursable contracts, purchase orders, and incentive contracts) shall be appropriate for the particular procurement. "Time and material" contracts are strictly prohibited, unless specifically approved by the Rowan County Board of Commissioners.

2.6.4 Contracts are made only with responsible contractors who possess potential ability to perform successfully under terms and conditions of the contract.

2.6.5 Procurement documents and records are retained for at least three (3) years after project completion.

2.6.6 Some form of cost or price analysis is made and documented in the procurement files in connection with every ~~procurement action~~ request for bids. The records detailing the history of the procurement, at a minimum will include the following:

- Rationale for the method of procurement;
- Selection of contract type;
- Reasons for contractor selection or rejection; ~~and~~ and
- ~~Basis for the contract price.~~

2.6.7 A system for contract administration is maintained to ensure contractor conformance with the terms, conditions and specifications of the contract and to ensure adequate and timely follow-up of all purchases.

2.6.8 ~~Solicitations~~ Requests for bids for goods and services will provide for all of the following:

- Clear and accurate descriptions of the purchase requirements. ~~Description~~s shall not contain features that unduly restrict competition.
- Requirements that bidder must fulfill ~~and all other factors to be used in in order to be considered in the~~ bid evaluation process.

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- Description of technical requirements in terms of performance required.
- Specific features of "brand name or equal" descriptions that bidders are required to meet, as applicable.
- ~~Acceptance of products and services dimensioned in the metric system of measurement, to the extent practicable.~~
- Preference for products and services that conserve natural resources, ~~and~~ protect the environment and are energy efficient.

2.7 Solicitation Methodologies for Bids and Proposals

2.7.1 Informal quotes must be obtained for equipment/supplies procurements when the cost is \$5,000 - \$89,999 and for construction procurements when the cost is \$30,000 - \$499,999.

- Written quotes must be solicited from at least three (3) bidders.
- ~~If funded, in whole or in part, with federal funds, Federal funding requirements must be included funds see federal specific threshold amounts in section 2.8.~~
- Requests must be approved by the Department Director.

2.7.2 Formal bids must be obtained for equipment/supplies procurements when the cost is \$90,000 or greater and for construction procurements when the cost is \$500,000 or greater.

- Advertisement for the bid must be published at least once, seven (7) days prior to opening.

- At least three (3) suppliers must be solicited.

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- A bid guarantee bond (5% of bid price) is required for construction but may be waived for equipment and supplies.
- A performance bond (100% of contract price) is required for construction procurements but may be waived for equipment and supplies.
- Additional requirements for construction procurements:
 - A minimum of three (3) sealed bids must be received. If less than three (3) bids are received, the County must advertise for bids again; and if as a result of such second advertisement, less than three (3) competitive bids are received from reputable and qualified contractors, the County may let the contract to the lowest responsible bidder submitting a bid for such project, even if only one bid is received.
 - A bid guarantee bond (5% of bid price) is required for construction.
 - A performance bond (100% of contract price) is required for construction.
 - Multi-prime bidding optional for construction procurements \$100,000-\$499,999.

- Multi-prime bidding required for construction procurements when the cost is \$500,000 or greater.
- Single-prime bidding optional at any threshold.
- If funded, in whole or in part, with federal funds, all applicable federal funding federal specific requirements must be followed (see section 2.8). ~~must be included.~~
- Requests must be approved by the governing board.

2.7.3 Request for Proposals are used when an item or service to be procured is such that a complete, adequate and realistic specification cannot be developed. The Purchasing Agent shall be responsible for ensuring that:

- Proposals are solicited from an adequate number of qualified sources to permit reasonable competition consistent with the nature and requirements of the procurement. The Request-For-Proposal shall be publicized and reasonable requests by other sources to compete shall be honored to the maximum extent practicable;
- The Request-For-Proposal identifies all significant evaluation factors, including price or cost where required and their relative importance;

- Proper mechanisms are in place for technical evaluation of the proposals received, determinations of responsible offerers for the purpose of written or oral discussions, and selection for contract award;
- If funded, in whole or in part, with federal funds, all applicable federal requirements must be contained in the proposal document (see section 2.8); and
- Award may be made to the responsible offerer whose proposal will be most advantageous to the County, price and other factors considered.
- Procurement records accurately document each step of the process, including but not limited to an explanation of the basis for selection of the contractor, including the evaluation criteria and the results of the County's technical evaluation; a list of all proposals received; and a cost breakdown for the proposed contract proposal.
- Unsuccessful offerers should be notified promptly that their proposal was not accepted.

2.7.4 Non-Competitive (Sole Source) Procurements. If procurement is not feasible under any of the above procedures, the County may conduct a noncompetitive negotiated procurement. Sole source procurements are accomplished through solicitation or acceptance of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. A contract amendment or change order that is not within the scope of the original contract is considered a sole source procurement that must comply with this subparagraph. Noncompetitive negotiation shall be approved by the Purchasing Agent in advance. If funded, in whole or in part, with federal funds, all applicable federal requirements must be contained in the proposal document (see section 2.8 below). A cost analysis, i.e., verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profit, is required.

Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under sealed bids or competitive proposals and at least one of the following circumstances applies:

- The item is available only from a single source;
- Public exigency or emergency when the urgency for the requirement will not permit a delay incident to competitive solicitation;
- After solicitation of a number of sources, competition is determined inadequate; or
- The item is an associated capital maintenance item as defined in 49 U.S.C. 5307(a)(1) that is procured directly from the original manufacturer or supplier. (Note: This exception is not allowed if federal funds are used for the purchase).

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Sole source solicitations may not be issued nor may noncompetitive proposals be accepted except under the unusual conditions listed above. Often, there are practical means of obtaining competition which are not at first apparent. If a noncompetitive proposal is accepted, a careful cost analysis must be done. Because of the strict scrutiny applied to sole source procurements, painstaking documentation of the justification for

the noncompetitive proposal and of the cost analysis is valuable in the long run. Because procurement by sole source is a noncompetitive procurement, it is treated as an "exception-to-the-norm." The County must ensure that sufficient justification is documented and pre-approval is obtained before awarding a sole source contract.

2.8 Federal Specific regulations

~~In addition to the provisions noted elsewhere in this policy, provisions to define a sound and complete agreement, all contracts-purchases funded, in whole or in part, with funds from any federal agency shall comply with the rules and regulations contained in the Code of Federal Regulations (CFR) Title 2, Subtitle A, Chapter II, Part 200 (commonly referred to as the Uniform Guidance). Specifically, the procurement guidelines may be found in sections 200.317 through 200.326. contain the following procurement provisions~~To be in compliance, all purchases funded, in whole or in part, with federal funds shall comply with the additional requirements below, as applicable:

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2.8.1 ~~Contracts in excess of \$2,500 shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms, and provide for such remedial actions as may be appropriate~~All purchases (goods and services) must comply with the following thresholds:

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a. "Micro-purchase" is defined in 48 CFR 2.2101. This threshold may change from time to time. The Purchasing Agent/Designee will be responsible for ensuring that current thresholds are followed. At the time this policy was adopted, the "micro-purchase" amount is \$10,000. However, the local threshold of \$5,000 is more restrictive. Therefore purchases less than the more restrictive local threshold of \$5,000 may be purchased without soliciting competitive quotes (informal or formal) if the County considers the price to be reasonable. The purchases must be, to the extent practicable, distributed among qualified suppliers.

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b. Purchases of non construction goods greater than the more restrictive local threshold of \$5,000 but below \$90,000 (the more restrictive State threshold) may be purchased using price quotes from at least three vendors (unless the federal granting agency specifies a more stringent requirement). The quotes must be approved by the Department Director/Designee.

c. Purchase of any services or construction related goods above \$5,000 (the more restrictive local threshold) but below the Simplified Acquisition Threshold may be purchased using price quotes from at least three vendors (unless the federal granting agency specifies a more stringent requirement). The quotes must be approved by the Department Director/Designee. The Simplified Acquisition Threshold is defined in 48 CFR 2.2101. This threshold may change from time to time. The Purchasing Agent/Designee will be responsible for ensuring that current thresholds are followed. At the time this policy was adopted, the Simplified Acquisition Threshold is \$250,000.

d. Purchases of non construction goods above \$90,000 (the more restrictive State threshold) must have formal sealed bids that comply with section 2.7.2 above.

e. Purchases services above the Simplified Acquisition Threshold must be purchased by sealed bids (see sections 2.7.2, 4.1.2 and 4.1.3 of this policy). The contract awarded will be a firm fixed price contract.

f. Construction-related purchases above the Simplified Acquisition Threshold must be purchased by sealed bids that comply with sections 2.7.2, 4.1.2 and 4.1.3 of this policy and the bonding requirements in section 2.8.3. The contract awarded will be a firm fixed price contract.

g. Purchases of architectural and engineering (A&E) services may be purchased using section 2.5.11 of this policy, as well as all the "federal specific" requirements identified in sections 2.8.2 and 2.8.3.

h. To ensure compliance with the Uniform Guidance, for purchases in excess of the "micro-purchase" threshold, the County shall not purchase goods or services using an existing contract that was negotiated by the County or any other State or local government for a prior, separate transaction (commonly referred to as "piggybacking"). The County may use existing State contracts for items over the "micro-purchase" threshold only if the contract was bid in compliance with the Uniform Guidance.

2.8.2 In addition to the provisions of sections 2.5 and 2.6, any purchase funded, in whole or in part, with federal funds must also comply with the following provisions:

a. The procurement must be conducted in a manner that prohibits the use of statutorily or administratively imposed State, local, or tribal geographical preferences in the evaluation of the bids or proposals, except in those cases where federal Statutes expressly mandate or encourage geographic preference.

b. The County will take all necessary affirmative steps to ensure that minority businesses, women's business enterprises and labor surplus area firms are used when possible. These steps will include all steps described in Uniform Guidance section 200.321.

c. The costs or prices based on estimated costs for contracts will only be allowable to the extent that they would be allowable under CFR Part 200, Subpart E-Cost Principles.

d. Contracts shall not be in the form of "cost plus percentage of cost" or a "percentage of construction cost".

e. For procurements greater than the Simplified Acquisition Threshold (including contract modifications), the County must perform a cost or price analysis prior to soliciting bids.

f. In compliance with Uniform Guidance, section 200.324, the County will make all necessary documentation available to the awarding federal agency or pass-through agency upon request to do so.

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2.8.3 In addition to the provisions elsewhere in this document that define a sound and complete agreement, all contracts funded, in whole or in part, with federal funds shall contain the following procurement provisions, as applicable:.

- a. Contracts in excess of the Simplified Acquisition Threshold shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms, and provide for such remedial actions as may be appropriate.
- b. Contracts in excess of \$10,000 shall contain suitable provisions for termination by the recipient, including the manner by which termination shall be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.
- c. Bonding – for construction or facility improvement contracts exceeding the Simplified Acquisition Threshold:
 - Bid guarantee from each bidder equivalent to five (5) percent of the bid price.
 - Performance bond on the part of the contractor for one hundred percent of the contract price.
 - Payment bond on the part of the contractor for one hundred percent of the contract price.
- d. Preference for recycled products as described in Uniform Guidance section 200.322.
- e. Equal Employment Opportunity.
- f. Copeland "Anti-Kickback" Act for all contracts in excess of \$2,000 for construction or repair.
- g. Davis-Bacon Act for all construction contracts of more than \$2,000.
- h. Contract Work Hours and Safety Standards Act for contracts awarded in excess of \$100,000 that involve the employment of mechanics or laborers.
- i. Rights to Inventions Made Under a Contract.
- j. Clean Air Act and the Federal Water Pollution Control Act for contracts in excess of \$150,000.
- k. Byrd Anti-Lobbying Amendment – contractors who apply or bid for an award of \$100,000 or more shall file the required certification.
- l. Debarment and Suspension – contracts shall not be made with parties listed on the government-wide exclusions in the System for Award Management (SAM).

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~~2.8.2 Contracts in excess of \$2,500 shall contain suitable provisions for termination by the recipient, including the manner by which termination shall be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.~~

~~2.8.3 Bonding for construction or facility improvement contracts exceeding \$100,000:~~

- ~~• Bid guarantee from each bidder equivalent to five (5) percent of the bid price.~~
- ~~• Performance bond on the part of the contractor for 100 percent of the contract price.~~
- ~~• Payment bond on the part of the contractor, as follows:~~
 - ~~- 50% of the contract price if the contract price is more than \$1 million;~~

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~~• 40% of the contract price if the contract price is more than \$1 million but not more than \$5 million; or~~

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~~• \$2.5 million if the contract price is more than \$5 million.~~

~~2.8.4 Contracts for \$2,500 or more shall include a provision to allow access to any books, documents, papers and records of the contractor which are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts and transcriptions.~~

~~2.8.5 Preference for Recycled Products.~~

~~2.8.6 Equal Employment Opportunity.~~

~~2.8.7 Copeland "Anti-Kickback" Act for all contracts in excess of \$2,000 for construction or repair.~~

~~2.8.8 Davis-Bacon Act for all construction contracts of more than \$2,000.~~

~~2.8.9 Contract Work Hours and Safety Standards Act for contracts awarded in excess of \$2,000 for construction and in excess of \$2,500 for other contracts that involve the employment of mechanics or laborers.~~

~~2.8.10 Rights to Inventions Made under a Contract.~~

~~2.8.11 Clean Air Act and the Federal Water Pollution Control Act for contracts in excess of \$100,000.~~

~~2.8.12 Byrd Anti-Lobbying Amendment—contractors who apply or bid for an award of \$100,000 or more shall file the required certification.~~

~~2.8.13 Debarment and Suspension—contractors with awards that exceed \$2,500 shall provide the required certification regarding its exclusion status and that of its principal employees.~~

3. The Purchasing Process

Purchase orders shall be issued for all purchases \$1,000 and over for all apparatus, supplies, materials and services. County Departments are to obtain a written purchase order ~~before~~~~BEFORE~~ ordering. While it is the responsibility of the Department Director to determine if funds are available in the appropriated departmental line-item before the request to purchase goods or services is approved, the written purchase order documents this process and protects against the inability to pay an invoice when presented due to the lack of available funds. Written purchase orders are processed by the Finance Department and encumber the needed funds until the invoice is received and payment is made.

~~ALL CAPITAL OUTLAY EXPENDITURES REQUIRE A PURCHASE ORDER REGARDLESS OF COST.~~

The following items represent types of disbursements which ~~do not~~~~DO NOT~~ require a purchase order:

- Utility bills (telephone, electricity, water, natural gas, etc.)
- Travel reimbursement for employees
- Public assistance payments ~~(AFDC Initial Payments) Foster Care, etc.)~~
- School health and prenatal payments
- Physician, hospital and veterinarian billings
- Withholding taxes and other payroll deductions
- Reimbursement of Petty Cash accounts
- Purchases under \$1,000
- Postage to the US Post Office
- Concessions at parks and jail, food for jail and meal sites
- Library books and periodical purchases, dues and subscriptions
- Gasoline
- Advertising
- Repairs/maintenance to equipment and buildings. This does not permit over-expenditure of the repair and maintenance line-items. Care should be taken to receive quotes and bids when possible. A purchase order may be requested at the discretion of ~~the Department Director~~~~the~~ Purchasing Agent/Designee.

3.1 Purchase Levels

Purchases within the following increments must meet the stated requirements (Note: If the purchase is funded, in whole or in part, with federal funds, also refer to section 2.8 for additional threshold requirements):

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3.1.1 Under \$1,000, no formal requirements.

3.1.2 • \$1,000 and above, purchase order required.

- \$5,000 - \$89,999, three (3) informal written quotes. Quotes are to be forwarded to the Finance Department.
- \$90,000 and up will be governed by G.S. 159, 143-129 and 131. Specifications are to be prepared and submitted to the Purchasing Agent/Designee for approval and the bidding process.
- Do not divide order to circumvent the above guidelines.
- Any purchase ~~or construction contract~~ over \$30,000 is required to be approved by the Board of Commissioners. ~~This does not include service contracts.~~

3.2 Vendors

Each department is required to obtain sufficient information from a vendor at the time of purchase to assist the Finance Department in issuing a purchase order and paying the obligation. Vendor numbers will be assigned by the Finance Department when the information below is submitted. The information must include the following:

- W-9, with:
 - Name of individual or company
 - Complete mailing address
 - Business type (corporation, partnership, individual, employee, other)
 - Tax Identification Number/Social Security Number
 - Telephone Number
- Complete mailing address

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- ~~Business type (corporation, partnership, individual, employee, other)~~
- ~~Business class (minority, non-minority)~~ Business class refers to a minority or non-minority business. GS 143-128 defines a "minority business" as a business or corporation in which at least 50% is owned by one or more minority persons and of which "the management and daily business operations are controlled by one or more of the minority persons who own it". "Minority person" means a United States citizen or permanent resident who is black (having origins in any of the black racial groups in Africa); Hispanic (of Spanish or Portuguese culture with origins in Mexico, South or Central America, or the Caribbean Islands); Asian American (with origins in any of the original peoples of the Far East, Southeast Asia and Asia, the Indian subcontinent, or the Pacific Islands); American Indian or Alaskan Native (with origins in any of the original peoples of North America); or female. A good faith effort should be taken to ensure the recruitment and selection of minority businesses in participation of contracts awarded. When a purchase is funded, in whole or in part, with federal funds, the County will comply with section 2.8.2 (b).
- ~~Tax Identification Number/Social Security Number~~ Remittance address
- ~~Telephone Number~~ Telephone number
- ~~Commodity or service sold~~

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~~3.2.1 The Tax Identification Number/Social Security Number is mandatory in order for the Finance Department to issue federal form 1099 to the vendors.~~

~~3.2.2 Business class refers to a minority or non minority business. GS 143-128 defines a "Minority business" as a business or corporation in which at least 50% is owned by one or more minority persons and of which "the management and daily business operations are controlled by one or more of the minority persons who own it". "Minority person" means a United States citizen or permanent resident who is black (having origins in any of the black racial groups in Africa); hispanic (of Spanish or Portuguese culture with origins in Mexico, South or Central America, or the Caribbean Islands); Asian American (with origins in any of the original peoples of the Far East, Southeast Asia and Asia, the Indian subcontinent, or the Pacific Islands); American Indian or Alaskan Native (with origins in any of the original peoples of North America); or Female. A good faith effort should be taken to ensure the recruitment and selection of minority businesses in participation of contracts awarded. A county goal of 10% has been set by the Board of County Commissioners.~~

~~3.2.3 Vendor numbers will be assigned by the Finance Department when the above information is submitted on the proper form.~~

3.3 Purchase Orders

All purchases for apparatus, supplies, materials, and other goods \$1,000 and over must be submitted for issuance of a purchase order ~~BEFORE~~ before purchased. If the purchase was not made by a purchase order, the invoice will be returned to the Department Director and the approval of the Finance Director/~~Designee~~ will be necessary before payment is made. If not approved by the Finance Director/~~Designee~~, the Department Director and/or the employee who made the actual purchase will be personally liable for the payment (G.S. 159-28(e)).

The purchase order ~~is electronically generated within the accounting software. One copy of the purchase order is electronically delivered to the ordering department for them to provide to the vendor. The Finance Department receives the other copy electronically. This electronic purchase order is electronically matched and attached to the invoice once the item has been received and is ready for payment. consists of a four (4) part NCR form:~~

- ~~• White copy – Vendor~~
- ~~• Yellow copy – Department~~
- ~~• Pink copy – Receiving and pay request~~
- ~~• Blue copy – Finance Department~~

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3.3.1 Purchase Order Procedure

- The Department Director/~~and/or d~~Designee approves a Rowan County Purchase Requisition form from his/her staff. The purchase requisition should include complete specifications, or reference to specifications, as well as cost, account number, shipping and invoicing instructions.
- The purchase requisition is transmitted to the Purchasing Agent/Designee and a purchase order is generated. A purchase order will not be generated if there are insufficient funds in the account to cover the purchase. Funds are encumbered in the proper account.
- Purchase orders must be approved ~~and signed~~ by the Purchasing Agent/Designee. Once approved the department receives an electronic copy of the purchase order to distribute to the vendor. Finance receives the other electronic copy. Vendor, department, and receiving copies are returned to the requesting department for distribution unless the Finance Department is requested to mail/fax the Vendor's copy.
- ~~When goods are received, the receiving copy (pink) should be signed by the employee who checked the goods.~~
- The vendor invoices the department placing the order. Department personnel will enter the invoice into the accounting software, electronically matching The receiving copy (pink), the purchase order requisition, packing slip and/or delivery ticket (verifying receipt of the goods/services) and invoice are matched and compared. Payment is approved by the ~~signature of the~~ Department Director/Designee ~~in the lower right corner electronically~~ and the complete packet is submitted to the Finance Department for payment.
- Outstanding purchase orders will be reviewed periodically. Those outstanding over six (6) months ~~will~~ may be cancelled.
- All purchase orders will be liquidated at the end of each fiscal year.

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3.3.2 Blanket Purchase Orders

A blanket purchase order is used to make repetitive purchases from a single vendor over a period of time. The blanket order establishes an initial encumbrance amount which cannot be exceeded. The use of the blanket purchase order must be authorized by the Purchasing Agent/Designee.

- The blanket order is processed in exactly the same manner as a purchase order.
- ~~No single purchase on the blanket order can exceed \$1,000~~ blanket order may exceed \$10,000.
- No single purchase on the blanket order may exceed \$5,000.
- ~~For all orders received on a blanket purchase order, a signed counter ticket, packing slip, invoice, etc. showing the order number and a copy of the blanket purchase order must be forwarded to the Finance Department for payment~~ Payment for items purchased from a blanket purchase order are processed in the same manner as purchases made from a normal purchase order (see section 3.3.1).
- Examples of items which might come under this procedure are gravel, automotive parts, electrical supplies, and small maintenance supplies. Blanket purchase orders should not be used for office supplies.

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- All blanket purchase orders will be liquidated at the end of each fiscal year.

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Revised August 2016

ROWAN COUNTY

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Procurement Policy

4. Formal Bids, Informal Bids and Request for Proposals

4.1 Formal Bids

All formal bids must be sent out by the Purchasing Agent/Designee as the authorized representative of the County. Bids will be opened and tabulated by the Purchasing Agent/Designee. When architects are employed to perform this service on construction bids, the Purchasing Agent should be present at openings when possible, receive copies of the public notice, bids and recommendation of award of the bid. The following requirements must be followed in the formal bid process:

- 4.1.1** Written specifications must be prepared. Efficient purchasing practices require buying in accordance with carefully developed specifications. For purchases of fairly standard terms, development of elaborate specifications is not necessary and simple standard specifications should be used. Good, clear specifications are an essential aspect of competitive bidding. Quality and service are as important as price; therefore, specifications are needed that will fulfill but not exceed the requirements for which the items and/or services are intended. A general policy should be followed which would encourage the purchasing of a good standard product which represents the best relationship between quality and price while providing a satisfactory level of service. Draft specifications are prepared by the Purchasing Agent with input from the ordering Department to ensure that the products purchased fill the need. A lengthy specification designed solely for the purpose of eliminating competition, other than those able to supply a particular brand name, will not be permitted. Brand names should be used only when no other description would be equally satisfactory.
- 4.1.2** Bids must be advertised for prospective bidders. Advertisements must be published at least one week before the time specified for the opening of the bids in a newspaper having general circulation in the County. The advertisement must contain the time and place where plans and specifications may be obtained and the time and place for the opening of the proposals. On all construction contracts, the advertisement must also contain a notice that bidders must be properly licensed under Chapter 87, General Statutes of North Carolina.
- 4.1.3** Unless the invitation to bid states differently, bids must be sealed and the contents must not be disclosed or exhibited prior to the time set for the bid opening.
- 4.1.4** Bid results must be presented to the Board of Commissioners for acceptance and award. The Board of Commissioners reserves the right to reject any or all bids.

4.1.5 Formal bids are not required in the following instances:

- State of emergency. The Board of Commissioners may set aside the normal requirements in the case of an emergency involving the health and safety of the ~~people~~ citizens or their property. In such cases, the Board of Commissioners may let contracts as necessary ~~in~~ at its discretion.

- If the contract is with (1) the United States of America or any agency thereof, or (2) any other governmental unit or agency thereof within the United States, for the purchase, lease or other acquisition of any apparatus, supplies, materials, or equipment (Note: If the purchase is funded, in whole or in part, with Federal funds, this exception is not allowed).
- A construction project that the work is to be done by the forces of the government unit, if the total cost of the project does not exceed \$125,000 or if the labor costs do not exceed \$50,000 (G.S. 143-135) (Note: If the purchase is funded, in whole or in part, with Federal funds, this exception is not allowed).
- Purchases made under a ~~S~~state contract if the local government has become a party to the contract (G.S. 143-49 and ~~129~~). (Note: If the purchase is funded, in whole or in part, with Federal funds, this exception applies only if the State contract was bid and awarded under the Uniform Guidance regulations.)

4.1.6 Bid bonds for purchase contracts under ~~\$100,000~~ 90,000 are not required. Bid bonds for purchase contracts over ~~\$100,000~~ 90,000 and all construction and repair contracts cannot be waived.

4.2 Request for Proposal

Requests for proposal (RFP) are normally used in lieu of formal bids when the services of professionals are required. Such services are provided by accountants (CPAs), attorneys, doctors, ~~architects~~, etc. Certain procedures must be followed when utilizing the RFP.

- 4.2.1** ~~RFPs~~ Specifications should be drawn up by the appropriate ~~D~~department in such a manner as the ~~D~~department deems appropriate to solicit responses from the providers of professional services required.
- 4.2.2** Notice of the RFP must be published by the ~~department~~ Purchasing Agent/Designee at least one week before the time ~~S~~specified for the opening of the proposal in a newspaper having general circulation in the ~~C~~county. The advertisement should contain the time and place where a copy of the RFP may be obtained and the time and date for the submission of the proposals by the respondents.
- 4.2.3** ~~A copy of the RFP must be sent to the Purchasing Agent for file in addition of a list of respondents.~~

- 4.2.4 After ~~the department has evaluated the RFP and decided on a particular individual or firm,~~ the proposals have been evaluated and the best proposal has been chosen, a contract or purchase order will be issued. If a contract is used it must first be sent to the ~~Finance Director for preaudit.~~ Contract Administrator to begin the approval process.

4.3 Informal Bids or Quotes

Informal bids or quotes are distinguished from formal bids by the following:

- 4.3.1 Construction or repair work with expenditure of \$30,000 to \$499,000-999 and purchase or lease-purchase of apparatus, supplies, materials, or equipment when expenditures of \$5,000 to \$89,999 are involved (Note: If the purchase is funded, in whole or in part, with federal funds, see section 2.8 for specific threshold guidelines).

- 4.3.2 Written specifications are not required. Proposals may be requested ~~orally~~ over the telephone. Documentation of the conversation must be submitted with the invoice.
- 4.3.3 Advertising for quotes is not necessary.
- 4.3.4 Sealed bids are not required.
- 4.3.5 Award shall be made by the Purchasing Agent after conferring with the Department Director and County Manager. Award shall be made to the lowest responsible bid/quote, taking into consideration quality, performance and the time specified in the proposal.

4.4 Contracts

All contracts entered into by the County must be properly reviewed before being executed. This review process will consist of the following steps:

~~All Contracts entered into by any county department/agency must be preaudited (G.S. 159-28). In compliance with this section of state law, the following procedures relative to contracts will apply:~~

- 4.4.1 All contract requests will be submitted to the Contract Administrator for the County (Finance Department). Once the Contract Administrator has prepared/reviewed the contract, it will be circulated to Risk Management, Information Systems, and Legal for review. All contracts should be sent to the Finance Director for preaudit as follows: "This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act". _____ Finance Director.
- 4.4.2 Once the contract has been reviewed by all of the appropriate parties, it should be sent to the Finance Director. As required by North Carolina General Statute (G.S.) 159-28, the Finance Director will preaudit the contract as follows: "This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act". _____ Finance Director.

4.4.2 ~~Once it has been preaudited, the contract is sent to the County Manager (less than \$30,000) or the Board of Commissioners for review and approval. Once approved, the appropriate party will sign the contract and return it to the Contract Administrator for distribution. The contract may be sent to the County Attorney for approval as to form if the Finance Director deems necessary.~~

4.4.3 ~~A copy of the eContract~~ will be maintained ~~in the~~ by the Finance Department and ~~the original returned to the Department Director.~~ posted on the County website.

5. Surplus Property

In the event County property becomes surplus to the County's needs due to obsolescence, end of useful life, etc., such property is disposed of by means most advantageous to the County.

5.1 Property is declared surplus on a fixed asset form furnished by the Finance Department. It should be completed by the Department Director/Designee and forwarded to the Finance Department.

5.2 Disposal of surplus property is the responsibility of the Finance Department and ~~the Administration Department~~ Facilities Management. It is accomplished by trade-in at the time new equipment is purchased, transferred to another County Department/Agency or sale by public auction or competitive bid.

5.3 If it is determined that a trade-in is not economical to the County, the surplus property will be offered to all other County Departments on an equal basis. A written notice of availability with a description of the surplus property will be distributed to all departments. When a department advises the Finance Department of an interest in the item, the Purchasing Agent/Designee will transfer to that department the equipment on a request of need.

5.4 If the property is neither traded not transferred, it is offered for sale by public auction or competitive bids.

5.5 The Board of Commissioners must declare ~~any~~ County property valued at \$10,000 or above as surplus and decide the most appropriate method of disposal with a recommendation from the Finance Department and the Administration Department.

5.6 The Purchasing Agent/Designee, with the approval of the County Manager, is authorized to declare any one item or group of items as surplus property owned by Rowan County and valued at less than \$10,000, to set its fair market value, to sell it or exchange it for a comparable item, and to convey title to the property on behalf of the County.

Upon declaring as surplus personal property and setting its fair market value, the Purchasing Agent/Designee may initiate proceedings for the sale or exchange of property and may convey title to the property for the County. The Purchasing Agent/Designee is not required to publish notice and the sale or exchange may be either public or private.

The Purchasing Agent/~~Designee~~ shall keep a record of all property sold under this authorization and that record shall generally describe the property sold or exchanged, to whom it was sold or with whom exchanged, and the amount of money or other consideration received for each sale or exchange.

5.7 The Purchasing Agent/~~Designee~~ shall not sell surplus County property to or exchange for a comparable item with employees of County departments, agencies, boards or commissions except at public auction. This prohibition shall apply to any interest which shall yield, direct or indirectly, a monetary or other material benefit to the employee.

5.8 The Purchasing Agent/~~Designee~~ has the authority to determine surplus property as "worthless" if the property has a salvage value less than the cost associated with a sale. "Worthless" items include those broken or burned beyond repair, those that hold no value for parts, and those that would not warrant being listed as sale items at auction of bidder sale. Departments must complete a fixed asset disposal form and note the item has been determined by them to be "worthless". All items will be removed from their locations by ~~Administration/General Services~~ ~~Facilities Management~~ and disposed of by them after notification from the Purchasing Agent/~~Designee~~. A list of property disposed of in this manner will be retained by the Purchasing Agent/~~Designee~~. ~~The County Manager will indicate approval of the list prior to disposal of the items.~~

6. Charge Accounts

Charge accounts should not be established without approval of the Finance Director. All applications must be signed by the Finance Director. New vendors should mail invoices and statements to the Finance Department.

7. Conflicts of Interest

GS 14-234 includes a general prohibition against any public official having a personal interest in any contract to which he/she is a party in his/her official capacity. Four types of transactions are exempt from this general prohibition if proper procedures are followed: doing business with a bank, with a savings and loan association, with a regulated utility, and with needed persons who receive benefits under ~~S~~state or federal assistance programs.

In addition, elected ~~C~~ounty officials and physicians, pharmacists, and dentists, optometrists, veterinarians, or nurses who are members of social services, health, ~~and~~-area mental health boards ~~and animal services~~ in whose jurisdictions there is not a town with a population of more than 7,500 are exempt from the prohibition if prescribed procedures are followed.

To use the exemption, the unit must:

- 7.1 Approve the contract in an open and public meeting.
- 7.2 Record the approval in its minutes
- 7.3 Note the amount of all such undertakings with each official in its audited annual report and post a list in a conspicuous place each quarter, showing the amounts paid during the preceding four quarters.
- 7.4 The official with whom the undertaking is made must not participate in any way in the decision in his/her official capacity or contract for more than \$15,000.00 (\$10,000.00 if medically related) within a twelve (12) month period.

Members of Rowan County elected boards and appointed boards are not exempt due to the population of Salisbury. As an entity, we will not be able to purchase or contract with members of these boards if the board member has a personal interest in the contract in his/her official capacity.

Exemption procedures are very narrowly drawn and we will not attempt to exempt any of our elected officials or appointed board members.

8. Gifts and Favors

It is unlawful for a contractor, subcontractor, or supplier who, with respect to any public agency, (1) has a current contract; (2) has performed under a contract within the past year; or (3) anticipates bidding on a future contract to make gifts or favors to any officer or employee of the agency ~~who is charged with the duty of (1) preparing plans, specifications, or estimates; (2) awarding or administering contracts; or (3) inspecting or supervising construction.~~ It is also unlawful for the officer ~~or~~ employee to accept any such gift or favor.

Exempted from the prohibition are ~~“...honorariums for participating in meetings, advertising items or souvenirs of minimal value, or meals furnished at banquets.” Also exempted are “...customary gifts or favors between employees or officers and their friends and relatives...” But officers and employees must report to their agency head gifts and favors from their friends and relatives if made by a covered contractor, subcontractor, or supplier.~~

This statute is not intended to prevent contractors from making donations to support activities at meetings of professional organizations, or participation in those activities by governmental officials, if the activities are available to all those attending the meetings (GS 133-32).

9. State Contracts

If Rowan County or any department becomes a party to a State contract, all purchases for the commodities on the contract will be purchased from vendors who are parties to the contract for

the duration of the contract. ~~The contract must be signed by the County Manager to be valid. As noted in section 4.1.5, if the purchase is funded, in whole or in part, with federal funds, this exception only applies if the State contract was bid and awarded under the Uniform Guidance regulations.~~

10. Procurement Cards

Procurement cards ~~(also known as purchasing cards)~~, which also includes credit cards and fuel cards, enable a unit to make small purchases more quickly and efficiently by minimizing paperwork and processing time. Similar to VISA and MasterCard formats, procurement cards can be processed by vendors just like personal ~~charge credit~~ cards. Rather than making multiple small payments to many vendors, the ~~organization~~ County ~~writes one check~~ pays one invoice to the card provider. Vendors receive payment within a few days of the transaction without extra paperwork. Inventories can be reduced or eliminated, since items are now purchased when needed. As with any type of purchasing procedure, adequate controls must be established to ensure that public funds are expended properly. These include built-in transactional limits for any one card, cardholder education, pre-audit ~~certification~~, and supervisory review procedures. Purchases can be limited by amount per transaction, total per time period, number of purchases per time period, Merchant Category Codes, etc. Each card can be encoded with specific controls unique to the cardholder's job responsibilities. These controls also can be enacted on individual, divisional, or departmental lines. Cardholder education includes informing card users of all procedures, regulations, etc. and the consequences of improper use. Cardholders must sign an acknowledgement that they have read and understand these rules prior to receipt of a card. Cardholders are also trained to verify and code monthly ~~statements~~ transactions to facilitate payment. Sales tax for refund purposes can also be coded at this point. The purchases made via procurement cards are subject to the pre-audit ~~certification~~ requirements as defined by General Statute (G.S.) 158-28 (d2) and North Carolina Administrative Codes (NCAC) 20 NCAC 03.0409 and 20 NCAC 03.0410. Purchases using the procurement card must be for expenditures that have a properly approved budget, project or grant ordinance. Open purchase orders can be prepared to cover estimated procurement card expenditures over a specific period of time. Typically, a set amount will be encumbered to cover purchases through procurement cards during the period. Further, expenditures made using procurement cards must be properly encumbered prior to incurring the charge. After cardholders have verified and coded their ~~monthly statements~~ monthly charges, supervisors should review the transactions and receipts. After departmental approval, ~~payment can be processed~~ Finance will review the transactions and attached supporting documentation, reconcile transactions to the bank and post the transactions to the general ledger. Once the transactions are posted to the general ledger, a separate reconciliation is done between the statement and the general ledger. The Finance Director is provided with a copy of the procurement card statement each month to ensure that funds are available to cover the electronic draft used to pay the invoice.

10.1 Responsibilities

The Purchasing Agent/~~Designee~~ shall be responsible for the implementation and enforcement of this procurement card program. If anyone has questions concerning the procurement card program, they should notify the Purchasing Agent in the Finance Department.

All personnel issued ~~procurement~~credit cards under this program shall be responsible for the ~~credit procurement~~ card and its use in accordance with the policy and procedures set forth.

10.2 Receiving a ~~Credit Procurement~~ Card

Department Directors may propose personnel to be a cardholder by completing the ~~request for credit card~~Procurement Card Application (Attachment A). The request(s) is to be forwarded to the Purchasing Agent/~~Designee~~ for processing.

The proposed cCardholder shall be ~~issued a copy of this procedure and shall be~~required to ~~acknowledge (countersign) an authorization memorandum~~the Procurement Card Agreement (Attachment B) ~~and/or the Fuel Card User Agreement (Attachment C)~~, indicating that the cCardholder understands ~~the his/her responsibilities under this program procedures.~~

10.3 Authorized ~~Credit Procurement~~ Card Use

The unique ~~credit procurement~~ card that the cCardholder receives has his/her name embossed on it and shall ~~only~~ONLY be used by the cCardholder. ~~NO OTHER PERSON IS AUTHORIZED~~No other person is authorized to use that card. The cCardholder may make transactions on behalf of others in ~~his/her~~their department. However, the cCardholder is responsible for all use of his/her card.

~~Team cards are also available for units and/or departments. The team card is one card with several authorized users.~~

Use of the ~~credit card~~ shall be limited to the ~~comply with the~~ following conditions:

- Payment for a purchase ~~WILL NOT~~will not be split into multiple transactions to stay within the single purchase limit or to circumvent the need for a Purchase Order.
- All items purchased "over the counter" must be immediately available at time of credit card use. No back ordering of merchandise is allowed.
- ~~Cardholder must ensure that there is adequate budget remaining before incurring the charge.~~

10.4 Unauthorized ~~Credit Procurement~~ Card Use

The ~~credit procurement~~ card ~~SHALL NOT BE USED~~shall not be used for the following:

- Personal purchase ~~or Identification~~
- A single purchase of supplies or equipment that exceeds \$999.99 ~~unless accompanied by an appropriate purchase order (travel cost can exceed the \$999.99)~~
- Cash advances
- Telephone calls

A ~~c~~Cardholder who makes unauthorized purchases or carelessly uses the ~~credit procurement~~ card may be liable to Rowan County for the total dollar amount of such unauthorized purchases ~~plus~~ ~~and~~ any administrative fees charged by the ~~b~~Bank in connection with the misuse. ~~Further, the employee will be subject to disciplinary action up to and including termination of employment.~~

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10.5 Making a Purchase

Whenever making a ~~credit procurement~~ card purchase, the ~~c~~Cardholder will check as many suppliers as reasonable to the situation to assure best price and delivery, or request assistance of the Purchasing Agent.

10.6 Cardholder Record Keeping

Whenever a ~~credit procurement~~ card purchase is made, either over the counter or by telephone, documentation shall be retained as proof of purchase. Such documentation will be used to verify the purchases listed on the ~~c~~Cardholder's ~~monthly statement of account~~ ~~monthly transaction listing~~.

When the purchase is made over the counter, the ~~c~~Cardholder shall retain the invoice and "customer copy" of the charge receipt. The ~~c~~Cardholder is responsible to check that the vendor lists the quantity, fully describes the item(s), and does not make arithmetic errors prior to the ~~c~~Cardholder signing the slip. ~~When making a purchase by telephone, the cardholder shall also document the transaction. The transaction's details shall also be added to the Cardholder's "Purchasing Log" (Attachment C).~~

~~When making a purchase by telephone, the Cardholder shall also document the transaction on the "Purchasing Log".~~

When the goods are received after placing the telephone order, retain all shipping documentation and the invoice.

10.7 Review of Monthly ~~Statement~~ ~~Procurement Card transactions~~

At the end of each billing cycle, the ~~County Cardholder~~ shall receive from the ~~b~~Bank ~~his/her a~~ monthly statement of account that will list the ~~Cardholder's~~ transactions for that period, ~~by department and cardholder. This statement will be imported into the general ledger so that individual cardholders can view their transactions.~~

~~Once the transactions are imported, T~~he ~~c~~Cardholder shall check each transaction listed against his/her ~~Purchasing Log, receipts and any shipping supporting documents to verify the monthly statement transactions.~~

The original sales document (invoice, cash register tape, credit card slip, etc.) for all items listed on the ~~monthly statement~~ ~~cardholder's transaction listing~~ ~~and the Purchasing Log~~ ~~MUST be~~ ~~must be~~ ~~neatly electronically attached to the transaction, in date order to the statement.~~ The ~~data~~ attachment ~~of sufficient, valid documentation for the transaction~~ is critical to provide audit substantiation. ~~If this routine procedure~~ is not adhered to, it will be grounds for withdrawing the ~~credit procurement~~ card from ~~that~~ user. ~~T~~he careful matching of complete support~~ing~~

documents to the ~~log and then to the statement~~ transaction listing is vital to the ~~successful~~ successful use of the program.

After ~~review~~ reviewing transactions and attaching the necessary supporting documents, the ~~c~~Cardholder shall ~~sign the monthly statement~~ release the transaction list, and present it to his/her ~~A~~pproving Supervisor for approval. (Note: The entire list must be released at once. Individual transactions cannot be released.) ~~and signature.~~

The ~~A~~pproving Supervisor shall check the ~~c~~Cardholder's ~~monthly statement and Purchasing Log~~ transaction list and supporting documentation and confirm ~~with the Cardholder~~ the following items ~~at~~ a minimum:

- ~~The goods were received or the services were performed. Receipts and shipping documents exist for each purchase.~~
- ~~The goods were received or the services were performed. Receipts and shipping documents, if applicable, are attached for each purchase.~~

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~~Once the approving Supervisor is satisfied with all of the transactions and supporting documents, he/she shall approve and release the transactions to Finance for final review and processing. By doing so, the Approving Supervisor's signature/approval of a Cardholder's monthly statement indicates that the cCardholder was authorized to make those purchases and those purchases were made in accordance with the applicable procedures.~~

~~It is extremely important for the departments to review and reconcile the monthly transaction list, attach appropriate documentation, approve and release all transactions to Finance. The Cardholder shall secure his/her Approving Supervisor's approval and send the Purchasing Log with receipts to the Purchasing Agent by the 30th of the month the statement is received. within thirty(30) days of receiving the monthly transaction list. More than two (2) reminders to a cardholder and his/her Department Director by Finance that an imported monthly transaction list is delinquent will be grounds for revoking the procurement card from the user.~~

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~~It is extremely important for the Cardholder to review and reconcile the monthly statement, obtain the Approving Supervisor's approval and pass the statement on to the Purchasing Agent as quickly as possible.~~

~~More than two (2) reminders to a Cardholder by the Purchasing Agent that an approved monthly statement is delinquent will be grounds for withdrawing the credit card from that user.~~

If the ~~c~~Cardholder does not have documentation of a transaction listed on the ~~monthly statement~~ monthly transaction list, he/she shall attach an explanation that includes a description of the item(s) purchased, date of purchase, vendor's name, and reason for lack of supporting documentation. ~~Failure to provide a receipt will be reviewed and cardholder may be responsible for charges.~~

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If the ~~c~~Cardholder is disputing a charge, he/she shall contact the vendor and see what the charge was for and who made the charge. If the vendor does not give the information needed, the

cCardholder needs to call ~~the Purchasing Agent and he/she will~~ the number on the back of the procurement card to dispute the charge with the bank.

If an item has been returned and a credit voucher received, the cCardholder shall verify that this credit is reflected on ~~the monthly statement~~ the transaction list.

If the cCardholder's ~~monthly statement~~ transaction list ~~list shows~~ a transaction where the goods have not been received or some other discrepancy, the cCardholder should contact the vendor and see what the vendor can do to resolve the problem. Most problems can be resolved between the cCardholder and the vVendor. If the dispute cannot be settled at this level, the cCardholder or Approving Supervisor shall advise the Purchasing Agent/Designee.

10.8 Card Security

It is the cCardholder's responsibility to safeguard the ~~credit~~ procurement card and account number.

The cCardholder must not allow anyone to use his/her account number. A violation of this trust ~~will~~ may result in that cCardholder having his/her card ~~withdrawn~~ revoked.

Revised August 2016

ROWAN COUNTY

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Procurement Policy

If the card is lost or stolen, the cCardholder shall immediately notify the bBank by calling ~~its~~ their 800 number. Representatives are available ~~twenty-four~~ (24) hours a day. Advise the representative that the call is regarding a lost or stolen pProcurement cCard. The Purchasing Agent/Designee is also to be notified immediately.

10.9 Cardholder Transfer/Separation

Prior to a transfer to another County department or separation from Rowan County, the cCardholder shall surrender the credit card and ~~current credit card Purchasing Log~~ supporting documents related to any pending charges to his/her Approving Supervisor. The Supervisor shall notify the Purchasing Agent/Designee.

If a cCardholder transfers to another County department, he/she may request a new card to be issued through their new Supervisor.

10.10 Fuel Card

Each County vehicle will have a fuel card assigned to it. Department Directors will request, from the Purchasing Agent/Designee, a unique Personal Identification Number (PIN) for individuals that are required to drive as part of their County duties. The user will be required to sign a Fuel Card User Agreement (Attachment C). Upon receipt of the signed agreement, the Purchasing Agent/Designee will assign each user a unique PIN that can be used to track usage. This acknowledgment states that the user has read and understands the policies that relate to the use of the fuel cards. Expenditures on the card will be posted to the general ledger "Fuel" account, which is a properly approved budget line item in each appropriate Department. The users must submit the original receipt for fuel purchases to the

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designated Department personnel. Each Department is responsible for maintaining the original receipts. The Purchasing Agent/Designee will ensure that charges made to the fuel cards are properly encumbered and preaudited in accordance with G.S. 159-28 (d2) and NC Administrative Codes 20 NCAC 03.0409 and 20 NCAC 03.4010. The Purchasing Agent/Designee receives the monthly invoice from the bank. He/she reviews the invoice for reasonableness using supporting documents provided by the bank, which details transactions by employee and Department. Using these documents, the Purchasing Agent/Designee codes the charges to the appropriate Departments' fuel account. The Departments are responsible for ensuring that the charges that hit the general ledger for their Department's fuel card(s) purchases agree to the receipt documentation.

Employees who make unauthorized fuel card purchases, or allow their PIN to be used for authorized purchases, may be liable to Rowan County for the total dollar amount of such purchases and any administrative fees charged by the bank in connection with the misuse. Further, the employee will be subject to disciplinary action up to and including termination of employment.

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ATTACHMENT A

CREDIT CARD PROCUREMENT POLICY

REQUEST FOR CREDIT CARD

A credit card is requested for the following employee:

DATE: _____

NAME: _____

DEPARTMENT NAME: _____

DEPARTMENT NUMBER: _____

TELEPHONE NUMBER: _____

TITLE, BRIEF JOB DESCRIPTION: _____

PROPOSED SINGLE PURCHASE \$ LIMIT: _____

PROPOSED MONTHLY \$ LIMIT: _____

APPROVING SUPERVISOR: _____

Signature

EMPLOYEE: _____

Signature

~~Revised August 2016~~

~~ROWAN COUNTY~~

~~Procurement Policy~~

ATTACHMENT B

TO:

FROM: ~~David Sifford, Rowan County Purchasing Agent~~

SUBJECT: ~~Credit Card Procurement System~~
~~Authorization for Credit Card Use~~

~~You are hereby delegated to purchase goods and services utilizing the Rowan County credit card that do not exceed \$999.99 in value for a single transaction for purchases and _____ for travel.~~

~~Goods and services may be purchased, consistent with your organizational responsibilities, to satisfy legitimate needs.~~

~~All purchases shall be made in accordance with applicable Rowan County Purchasing Policy and in particular the Rowan County Credit Card Procurement System Procedures.~~

~~This delegation shall automatically cease upon your separation from Rowan County or upon your reassignment to another department within the County.~~

~~Please acknowledge your review and understanding of the various provisions of the above referenced procedures by signing below and returning the original signed copy of this memorandum to me.~~

I HAVE REVIEWED AND UNDERSTAND THE PROVISIONS OF THE CREDIT CARD PROCUREMENT SYSTEM.

Name—Signed

Name—Printed

Date

Rowan County Procurement Card Application

Department: _____

Date: _____

Department Number: _____

Employee Name: _____

Employee #: _____

Job Title: _____

Limit Per Transaction: \$ 1,000

Overall Limit: \$ _____

Approving Supervisor: _____
(print name)

Requesting Director: _____
(print name)

Director's Signature: _____

FINANCE DEPARTMENT USE

Approved Limit Per Transaction: \$ 1,000

Approved Overall Limit: \$ _____

Approved By: _____
(print name)

Title: _____

Date: _____

Signature: _____

ATTACHMENT B

Rowan County Procurement Cardholder Agreement

This agreement outlines the responsibilities I have as a holder of a Rowan County procurement card ("p-card") or as a director of a department that uses p-cards for operational purchases. My signature below indicates I have read and understand these responsibilities and that I agree to adhere to the following:

1. I understand the p-card is solely for official business of Rowan County, intended to facilitate the purchase of goods and services for the conduct of County business within applicable limits and is not for personal use.
2. I understand the p-card should be used for day-to-day operational purchases and that the use of vendor credit accounts is prohibited except with prior approval of the Finance Director.
3. I understand that cardholders must follow all applicable purchasing guidelines of *Rowan County Procurement Policy* and the specific department. I also understand that cardholders will be held personally liable for unauthorized use of the card.
4. I understand use of the p-card for purchases not authorized within the *Rowan County Procurement Policy* will be considered misuse of the card and will be grounds for its immediate forfeiture, disciplinary action up to and including termination of employment, and any applicable criminal prosecution.
5. I understand the p-card is issued in the cardholder's name and that the cardholder is responsible for maintaining the security of the p-card issued to them and for all charges made by or authorized by them against it. I also understand that all p-card transactions will be billed directly to and paid directly by Rowan County.
6. I understand cardholders are responsible for obtaining and retaining an original receipt for every charge made by or authorized by them against the p-card and for submitting the receipts to the department's accounts payable supervisor on a daily basis (same day or day following the purchase date).
7. I understand cardholders must safeguard their p-card with appropriate security from the time they receive the card to the time they surrender it to Rowan County. If the p-card is lost or stolen, cardholders agree to immediately notify the bank at its 800 number, the Department Director and the Purchasing Agent/Designee..
8. I understand p-cards must be surrendered by cardholders upon request by Department Director or Purchasing Agent/Designee for any reason and/or upon termination of the cardholder's employment with Rowan County.
9. I understand that should a cardholder violate the terms of the *Procurement Cardholder Agreement*, the cardholder will reimburse Rowan County for all charges improperly authorized by the cardholder using the p-card and all costs incurred by Rowan County related to the collection of such charges.

Cardholder's Signature: _____ Date: _____

Cardholder's Name (*please print*): _____

Department Name: _____

Director's Signature: _____ Date: _____

Director's Name (*please print*): _____

ATTACHMENT C

Rowan County Fuel Card User Agreement

This agreement outlines the responsibilities I have as a user of a Rowan County fuel card or as a director of a department that uses fuel cards for operational purchases. My signature below indicates I have read and understand these responsibilities and that I agree to adhere to the following:

1. I understand the fuel card is solely for official business of Rowan County, intended to facilitate the purchase of fuel to be used in Rowan County vehicles only and is not for personal use.
2. I understand that as a fuel card user I will be assigned a unique Personal Identification Number (PIN) and it is my responsibility to safeguard my PIN. I understand that it is prohibited to share my PIN with anyone and doing so may lead to disciplinary action up to and including termination of employment.
3. I understand that as a user of the fuel card I must follow all applicable purchasing guidelines of *Rowan County Procurement Policy* and the specific department. I also understand that all fuel card transactions will be billed directly to and paid directly by Rowan County and I will be held personally liable for unauthorized use of the card that is tracked to my PIN.
4. I understand use of the fuel card for fuel purchases not authorized within the *Rowan County Procurement Policy* will be considered misuse of the card and will be grounds for its immediate forfeiture, disciplinary action up to and including termination of employment, and any applicable criminal prosecution.
5. I understand fuel card users are responsible for obtaining and retaining an original receipt for every charge made by or authorized by them against the fuel card and for submitting the receipts to the appropriate department personnel on a daily basis (same day or day following the purchase date). These receipts should be kept in a file in the department.
6. I understand that as a fuel card user I share the responsibility of safeguarding the fuel card itself from unauthorized use. Therefore, I understand that if I discover that the card has been lost or stolen, it is my responsibility to notify the Department Director and the Purchasing Agent/Designee immediately.
7. I understand that my PIN will be deactivated immediately upon request by Department Director or Purchasing Agent/Designee for any reason and/or upon my termination of employment with Rowan County.
8. I understand that should a card user violate the terms of the *Procurement Cardholder Agreement*, the card user will reimburse Rowan County for all charges improperly authorized by the card user using the fuel card and all costs incurred by Rowan County related to the collection of such charges.

Fuel Card User Signature: _____ Date: _____

Fuel Card User Name (*please print*): _____

Department Name: _____

Director's Signature: _____ Date: _____

Director's Name (*please print*): _____

July 2018

ATTACHMENT **DC**

CONFLICT OF INTEREST POLICY

Conflict of Interest

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In accordance with Board policy and related legislation, no employee, officer, agent, immediate family member, or Board member of the County shall participate in the selection, award, or administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when any of the following has a financial or other interest in or could receive a tangible personal benefit from the firm selected for award firm considered for a contract:

- The employee, officer, agent, or Board member,
- Any member of his/her immediate family,
- His or her partner, or
- An organization that employs, or is about to employ, any of the above.

~~The County's officers, employees, agents, or Board members will neither solicit nor accept gifts, gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to subagreements.~~

Rowan County is not able to purchase or contract with members of Rowan County elected boards and/or appointed boards if the board member has a personal interest in the contract in his/her official capacity.

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

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Gifts:

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It is unlawful for a contractor, subcontractor, or supplier who, with respect to any public agency, (1) has a current contract; (2) has performed under a contract within the past year; or (3) anticipates bidding on a future contract to make gifts or favors to any officer or employee of the agency. It is also unlawful for the officer, employee or agent of recipients or subrecipients to accept any such gift or favor.

Exempted from the prohibition are honorariums for participating in meeting, advertising items or souvenirs of minimal value, or meals furnished at banquets.

Violations:

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Any employee that violates this Conflict of Interest Policy will be subject to disciplinary action, up to and including termination. Any contractor violating this policy will result in termination of the contract and may not be eligible for future contract awards.

The undersigned hereby acknowledges, understands, and agrees to abide by this Policy.

(Printed Name)

(Signature)

(Date)

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ROWAN COUNTY

Procurement Policy

July 2018

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INTRODUCTION

The purchasing and contracting policies of Rowan County are not based upon a single statutory reference but rather are adopted to form compliance with a variety of statutory and policy provisions found in federal and State laws and regulations and standing Orders and Resolutions of the Board of Commissioners. These policies have been drafted to conform to the requirements in the Code of Federal Regulations (CFR) Title 2, Subtitle A, Chapter II, Part 200 (commonly referred to as the Uniform Guidance). Specifically, the procurement guidelines may be found in sections 200.317 through 200.326; 49CFR19; *Federal Transit Administration (FTA) Circular 4220.1D, Third Party Contracting Requirements*; *North Carolina General Statute 143-129*; and *North Carolina State Management Plan for The Nonurbanized Area Formula Program, Section 5311*.

The policies contained herein are intended to establish a baseline for compliance with federal and State law and Board policy. It is the responsibility of the County Commissioners to determine the disposition of any issue not specifically addressed herein or otherwise prescribed in law or regulation.

The Board of Commissioners is committed to maintaining high standards of performance based upon fair, ethical and professional business practices and welcomes recommendations for improvements to conformance, quality and efficiency standards. Any such recommendations should be submitted in writing to the Chairperson, Rowan County Board of Commissioners.

1. RESPONSIBILITY AND AUTHORITY

The County Manager has the authority for Rowan County to enter into grant agreements, purchase property and services, and enter into third-party contracts on behalf of Rowan County and the Board of Commissioners.

1.1 Delegation to the Finance Director

1.1.1 The Finance Director has been delegated authority from the Board to purchase property and services and to enter into third-party contracts on behalf of Rowan County.

1.1.2 The Finance Director has been delegated authority from the Board to approve and submit requests for reimbursements on behalf of Rowan County.

1.2 Delegation to the Purchasing Agent

The Purchasing Agent has received delegated authority from the Chairperson to conduct competitive procurements to purchase, sell, lease, or license property in accordance with Board policy and law. Responsibility for the preparation of internal policies and procedures consistent with the provision of this manual remains with the Finance Director.

1.3 Delegated authority is subject to the condition that certain of these transactions be submitted to the Board for review and approval. Transactions that require prior Board approval are as follows:

Transactions that exceed \$90,000.

Transactions or requests related to the preceding conditions must be submitted with all related documentation and an explanation of the transaction to the Board for prior approval.

2. FUNDAMENTAL POLICY

2.1 Written Procurement Procedures

Written procurement procedures are a requirement of the Uniform Guidance. After adoption by the Board, these procedures will be reviewed annually by the Finance Director and the Purchasing Agent and updated as needed.

2.2 Responsibility for Settlement of Contract Issues/Disputes

The Board of Commissioners alone will be responsible in accordance with good administrative practice and sound business judgment for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes and claims. The federal/State government will not substitute its judgment for that of the Board of Commissioners, unless the matter is primarily a federal/State concern.

Violations of the law will be referred to the local, State or federal authority having proper jurisdiction.

2.3 Written Protest Procedures

Rowan County shall have written protest procedures to handle and resolve disputes relating to procurements and shall in all instances disclose information regarding the protest. All protest decisions must be in writing. A protester must exhaust all administrative remedies with Rowan County before pursuing further legal action.

- 2.3.1 Authority** - The Board of Commissioners has final authority to resolve protests, disputes and complaints arising from the solicitation, award or performance of a contract.
- 2.3.2 Protest of Requirements Prior to Award** - The solicitation document shall provide potential bidders with the opportunity to take exception to specifications and/or requirements. Protests of requirements received after the time identified in the solicitation document shall be considered untimely and shall be rejected.
- 2.3.3 Protest of Award** - If, prior to award of contract, a protest is received in writing and filed on the grounds that the award is not in conformance with the provisions of the solicitation document, the contract or award shall not be awarded until the protest has been withdrawn or a decision has been reached by the County. Complaints lodged by a bidder prior to award may be resolved informally. However, in the event that the matter is not resolved, bidders shall be advised of the timeframe for submitting a full and complete formal statement of the grounds for the protest within the timeframes specified in the solicitation document.
- 2.3.4 Decisions** - The County Manager shall review the merits and timeliness of the protest and ensure that a decision in writing is submitted within a reasonable period of time following receipt of the protest. The County shall issue a decision in writing or otherwise furnish to the bidder the decision in such a manner as to ensure receipt. The decision of the County is final.
- 2.3.5 Disputes Subsequent to Award** - Disputes subsequent to award may include, but not be limited to, contention over terms, pricing, payment, scope and/or deliverables. A dispute resolution and escalation clause, describing resolution procedures and the appropriate parties to which the matter may be escalated, may be included in solicitation documents and contracts, as applicable.

2.4 Standards of Conduct

The County shall maintain a written code of standards of conduct (Conflict of Interest Policy) governing the performance of its employees. These standards will be relayed to all members in writing and the County will obtain each member's signature or acknowledgement of his/her review, understanding and acceptance of the Policy. See Attachment D for Conflict of Interest Policy.

2.5 All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition.

- 2.5.1** Unreasonable requirements will not be placed on firms in order for them to qualify to do business.
- 2.5.2** The County will be alert to organizational conflicts of interest.
- 2.5.3** The County will be alert to noncompetitive practices among contractors that may restrict or eliminate competition.
- 2.5.4** Unnecessary experience and excessive bonding requirements will not be placed on firms.
- 2.5.5** Contracts will not be awarded to consultants simply because they may be on a retainer contract with the County.
- 2.5.6** Contractors that develop or draft specifications/requirements shall be excluded from competing for such procurements.
- 2.5.7** Except in cases where a product of a specified brand name is the only product that can properly meet the needs of a requester, the drafting or application of specifications or bid requirements that directly or indirectly limit the bidding to a single brand is prohibited. A "brand name or equal" is a competitive process that allows bidders to propose equivalent items. The County will not specify only a "brand name" product without listing its salient characteristics and not allowing "an equal" product to be offered.
- 2.5.8** Awards shall be made to the lowest responsive and responsible bidder. While determining "responsible", the County will consider factors, including but not limited to, most advantageous to the County, price and quality.
- 2.5.9** Solicitations shall clearly state all requirements.
- 2.5.10** Basis for Bid Rejection - In sealed bidding, there is generally no further modification of material terms: the County either accepts one of the offers or rejects all bids. In the other procurement methods, the County may request or receive additional offers before accepting one. Bid responsiveness involves the question of whether the bid as submitted represents an unequivocal offer to do exactly what the County has specified, so that acceptance of the bid will bind the contractor to meet the County's requirements in all material aspects. Any and all bids judged to be nonresponsive must be rejected. The County will properly document the reason for any bid rejection.

Examples of bids typically considered nonresponsive include:

- The bid fails to conform to material requirements;
- The bid does not conform to applicable specifications (unless the invitation allowed alternates);
- The bid fails to conform to delivery schedule or permissible alternates;
- The bid imposes conditions that would modify the requirements of the invitation or limit the bidder's liability to the entity;
- There is a condition of the bid which affects the substance of the bid (i.e., affects price, quantity, quality or delivery of the items offered) or works an injustice on other bidders;
- The bid contains prices for line items that are materially unbalanced (i.e., figures in the bid conflict with the total bid price);
- The bidder fails to submit the bid by the deadline;
- The bidder fails to furnish a bid guaranty in accordance with the requirements of the invitation; or
- The bidder fails to submit a Buy America Certification (if required).
- For construction contracts with a value exceeding \$100,000, solicitation documents will include bid bond, performance bond and payment bond requirements. Bids that do not include the required bid bond shall be rejected.

When there are lower responsive bids than the bid being accepted for award, the award decision document must give the reasons for rejecting the lower bids. When there are equal low bids, the documentation must describe how the tie was broken.

2.5.11 Architectural, Engineering, Design or Related Services - The County shall follow the applicable statute, N.C.G.S. 143-64.31-34, to retain a qualified registered architect or professional engineer.

- a. Geographic location may be a selection criterion in procurements for architectural and engineering (A&E) services provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.
- b. Selection shall be based on qualifications and competence.
- c. Price negotiation shall be conducted with the most qualified offerer.

Exemptions from Requests for Qualifications (RFQ) and formal procedures for securing A&E services, N.C.G.S. 143-64.32, are as follows:

- a. If the design fee is estimated to be less than \$50,000, the above procedures may be waived by the Board of County Commissioners in compliance with N.C.G.S. 143-64-31.
- b. If the design fee is estimated to be below \$20,000, the County Manager may grant exemptions in compliance with N.C.G.S. 143-64-31.

If the above exceptions are made, the County may contact A&E firms directly. The County may evaluate the qualifications of one or more firms and negotiate a contract with the selected firm.

2.6 The County will ensure that:

- 2.6.1** Unnecessary or duplicate items are not purchased.
- 2.6.2** Analysis is made of lease and purchase alternatives, as appropriate, to determine the most economical and practical procurement.
- 2.6.3** The type of procurement instruments used (i.e., fixed price contracts, cost reimbursable contracts, purchase orders and incentive contracts) shall be appropriate for the particular procurement. "Time and material" contracts are strictly prohibited, unless specifically approved by the Rowan County Board of Commissioners.
- 2.6.4** Contracts are made only with responsible contractors who possess potential ability to perform successfully under terms and conditions of the contract.
- 2.6.5** Procurement documents and records are retained for at least three (3) years after project completion.
- 2.6.6** Some form of cost or price analysis is made and documented in the procurement files in connection with every request for bids. The records detailing the history of the procurement, at a minimum will include the following:
 - a. Rationale for the method of procurement;
 - b. Selection of contract type;
 - c. Reasons for contractor selection or rejection; and
 - d. Basis for the contract price.

2.6.7 A system for contract administration is maintained to ensure contractor conformance with the terms, conditions and specifications of the contract and to ensure adequate and timely follow-up of all purchases.

2.6.8 Requests for bids for goods and services will provide all of the following:

- a. Clear and accurate descriptions of purchase requirements. Descriptions shall not contain features that unduly restrict competition.
- b. Requirements that bidder must fulfill in order to be considered in the bid evaluation process.
- c. Description of technical requirements in terms of performance required.
- d. Specific features of "brand name or equal" descriptions that bidders are required to meet, as applicable.
- e. Preference for products and services that conserve natural resources, protect the environment and are energy efficient.

2.7 Solicitation Methodologies for Bids and Proposals

2.7.1 Informal quotes must be obtained for equipment/supplies procurements when the cost is \$5,000 - \$89,999 and for construction procurements when the cost is \$30,000 - \$499,999.

- a. Written quotes must be solicited from at least three (3) bidders.
- b. If funded, in whole or in part, with federal funds, see federal specific threshold amounts in section 2.8.
- c. Requests must be approved by the Department Director.

2.7.2 Formal bids must be obtained for equipment/supplies procurements when the cost is \$90,000 or greater and for construction procurements when the cost is \$500,000 or greater.

- a. Advertisement for the bid must be published at least once, seven (7) days prior to opening.
- b. At least three (3) suppliers must be solicited.
- c. A bid guarantee bond (5% of bid price) is required for construction but may be waived for equipment and supplies.

- d. A performance bond (100% of contract price) is required for construction procurements but may be waived for equipment and supplies.
- e. Additional requirements for construction procurements:
 - A minimum of three (3) sealed bids must be received. If less than three (3) bids are received, the County must advertise for bids again; and if as a result of such second advertisement, less than three (3) competitive bids are received from reputable and qualified contractors, the County may let the contract to the lowest responsible bidder submitting a bid for such project, even if only one bid is received.
 - A bid guarantee bond (5% of bid price) is required for construction.
 - A performance bond (100% of contract price) is required for construction.
 - Multi-prime bidding optional for construction procurements \$100,000-\$499,999.
 - Multi-prime bidding required for construction procurements when the cost is \$500,000 or greater.
 - Single-prime bidding optional at any threshold.
- f. If funded, in whole or in part, with federal funds, all applicable federal specific requirements must be followed (see section 2.8).
- g. Requests must be approved by the governing board.

2.7.3 Request for Proposals are used when an item or service to be procured is such that a complete, adequate and realistic specification cannot be developed. The Purchasing Agent shall be responsible for ensuring that:

- a. Proposals are solicited from an adequate number of qualified sources to permit reasonable competition consistent with the nature and requirements of the procurement. The Request for Proposal shall be publicized and reasonable requests by other sources to compete shall be honored to the maximum extent practicable;
- b. The Request for Proposal identifies all significant evaluation factors, including price or cost where required and their relative importance;
- c. Proper mechanisms are in place for technical evaluation of the proposals received, determinations of responsible offerers for the purpose of written or oral discussions, and selection for contract award;

- d. If funded, in whole or in part, with federal funds, all applicable federal requirements must be contained in the proposal document (see section 2.8); and
- e. Award may be made to the responsible offerer whose proposal will be most advantageous to the County, price and other factors considered.
- f. Procurement records accurately document each step of the process, including but not limited to, an explanation of the basis for selection of the contractor, including the evaluation criteria and the results of the County's technical evaluation; a list of all proposals received; and a cost breakdown for the proposed contract proposal.
- g. Unsuccessful offerors should be notified promptly that their proposal was not accepted.

2.7.4 Non-Competitive (Sole Source) Procurements. If procurement is not feasible under any of the above procedures, the County may conduct a noncompetitive negotiated procurement. Sole source procurements are accomplished through solicitation or acceptance of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. A contract amendment or change order that is not within the scope of the original contract is considered a sole source procurement that must comply with this subparagraph. Noncompetitive negotiation shall be approved by the Purchasing Agent in advance. If funded, in whole or in part, with federal funds, all applicable federal requirements must be contained in the proposal document (see section 2.8). A cost analysis, i.e., verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profit, is required.

Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under sealed bids or competitive proposals and at least one of the following circumstances applies:

- a. The item is available only from a single source;
- b. Public exigency or emergency when the urgency for the requirement will not permit a delay incident to competitive solicitation;
- c. After solicitation of a number of sources, competition is determined inadequate; or
- d. The item is an associated capital maintenance item as defined in 49 U.S.C. 5307(a)(1) that is procured directly from the original manufacturer or supplier. (Note: This exception is not allowed if federal funds are used for the purchase).

Sole source solicitations may not be issued nor may noncompetitive proposals be accepted except under the unusual conditions listed above. Often, there are practical means of obtaining competition which are not at first apparent. If a noncompetitive proposal is accepted, a careful cost analysis must be done. Because of the strict scrutiny applied to sole source procurements, painstaking documentation of the justification for the noncompetitive proposal and of the cost analysis is valuable in the long run. Because procurement by sole source is a noncompetitive procurement, it is treated as an "exception-to-the-norm." The County must ensure that sufficient justification is documented and pre-approval is obtained before awarding a sole source contract.

2.8 Federal Specific Regulations

In addition to the provisions noted elsewhere in this policy, all purchases funded, in whole or in part, with funds from any federal agency shall comply with the rules and regulations contained in the Code of Federal Regulations (CFR) Title 2, Subtitle A, Chapter II, Part 200 (commonly referred to as the Uniform Guidance). Specifically, the procurement guidelines may be found in sections 200.317 through 200.326. To be in compliance, all purchases funded, in whole or in part, with federal funds shall comply with the additional requirements below, as applicable:

2.8.1 All purchases (goods and services) must comply with the following thresholds:

- a. "Micro-purchase" is defined in 48 CFR 2.2101. This threshold may change from time to time. The Purchasing Agent/Designee will be responsible for ensuring that current thresholds are followed. At the time this policy was adopted, the "micro-purchase" amount is \$10,000. However, the local threshold of \$5,000 is more restrictive. Therefore, purchases less than the more restrictive local threshold of \$5,000 may be purchased without soliciting competitive quotes (informal or formal) if the County considers the price to be reasonable. The purchases must be, to the extent practicable, distributed among qualified suppliers.
- b. Purchases of non-construction goods greater than the more restrictive local threshold of \$5,000 but below \$90,000 (the more restrictive State threshold) may be purchased using price quotes from at least three (3) vendors (unless the federal granting agency specifies a more stringent requirement). The quotes must be approved by the Department Director/Designee.
- c. Purchase of any services or construction related goods above \$5,000 (the more restrictive local threshold) but below the Simplified Acquisition Threshold may be purchased using price quotes from at least three (3) vendors (unless the federal granting agency specifies a more stringent requirement). The quotes must be approved by the Department Director/Designee. The Simplified Acquisition Threshold is defined in 48 CFR 2.2101. This threshold may change from time to time. The Purchasing Agent/Designee will be responsible for ensuring that current thresholds are followed. At the time this policy was adopted, the Simplified Acquisition Threshold is \$250,000.

- d. Purchases of non-construction goods above \$90,000 (the more restrictive State threshold) must have formal sealed bids that comply with sections 2.7.2, 4.1.2 and 4.1.3 of this Policy.
- e. Purchases of services above the Simplified Acquisition Threshold must be purchased by sealed bids (see sections 2.7.2, 4.1.2 and 4.1.3 of this policy). The contract awarded will be a firm fixed price contract.
- f. Construction-related purchases above the Simplified Acquisition Threshold must be purchased by sealed bids that comply with sections 2.7.2, 4.1.2 and 4.1.3 of this policy and the bonding requirements in section 2.8.3. The contract awarded will be a firm fixed price contract.
- g. Purchases of architectural and engineering (A&E) services may be purchased using section 2.5.11 of this policy, as well as all the "federal specific" requirements identified in sections 2.8.2 and 2.8.3.
- h. To ensure compliance with the Uniform Guidance for purchases in excess of the "micro-purchase" threshold, the County shall not purchase goods or services using an existing contract that was negotiated by the County or any other State or local government for a prior, separate transaction (commonly referred to as "piggybacking"). The County may use existing State contracts for items over the "micro-purchase" threshold only if the contract was bid in compliance with the Uniform Guidance.

2.8.2 In addition to the provisions of sections 2.5 and 2.6, any purchase funded, in whole or in part, with federal funds must also comply with the following provisions:

- a. The procurement must be conducted in a manner that prohibits the use of statutorily or administratively imposed State, local, or tribal geographical preferences in the evaluation of the bids or proposals, except in those cases where federal Statutes expressly mandate or encourage geographic preference.
- b. The County will take all necessary affirmative steps to ensure that minority businesses, women's business enterprises and labor surplus area firms are used when possible. These steps will include all steps described in Uniform Guidance section 200.321.
- c. The costs or prices based on estimated costs for contracts will only be allowable to the extent that they would be allowable under CFR Part 200, Subpart E - Cost Principles.
- d. Contracts shall not be in the form of "cost plus percentage of cost" or a "percentage of construction cost".

- e. For procurements greater than the Simplified Acquisition Threshold (including contract modifications), the County must perform a cost or price analysis prior to soliciting bids.
- f. In compliance with Uniform Guidance, section 200.324, the County will make all necessary documentation available to the awarding federal agency or pass-through agency upon request to do so.

2.8.3 In addition to the provisions elsewhere in this document that define a sound and complete agreement, all contracts funded, in whole or in part, with federal funds shall contain the following procurement provisions, as applicable:

- a. Contracts in excess of the Simplified Acquisition Threshold shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms, and provide for such remedial actions as may be appropriate.
- b. Contracts in excess of \$10,000 shall contain suitable provisions for termination by the recipient, including the manner by which termination shall be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.
- c. Bonding – for construction or facility improvement contracts exceeding the Simplified Acquisition Threshold:
 - Bid guarantee from each bidder equivalent to five (5) percent of the bid price.
 - Performance bond on the part of the contractor for one hundred (100) percent of the contract price.
 - Payment bond on the part of the contractor for one hundred (100) percent of the contract price.
- d. Preference for recycled products as described in Uniform Guidance section 200.322.
- e. Equal Employment Opportunity.
- f. Copeland "Anti-Kickback" Act for all contracts in excess of \$2,000 for construction or repair.
- g. Davis-Bacon Act for all construction contracts of more than \$2,000.
- h. Contract Work Hours and Safety Standards Act for contracts awarded in excess of \$100,000 that involve the employment of mechanics or laborers.

- i. Rights to Inventions Made Under a Contract.
- j. Clean Air Act and the Federal Water Pollution Control Act for contracts in excess of \$150,000.
- k. Byrd Anti-Lobbying Amendment – contractors who apply or bid for an award of \$100,000 or more shall file the required certification.
- l. Debarment and Suspension – contracts shall not be made with parties listed on the government-wide exclusions in the System for Award Management (SAM).

3. THE PURCHASING PROCESS

Purchase orders shall be issued for all purchases \$1,000 and over for all apparatus, supplies, materials and services. County Departments are to obtain a written purchase order before ordering. While it is the responsibility of the Department Director/Designee to determine if funds are available in the appropriate departmental line-item before the request to purchase goods or services is approved, the written purchase order documents this process and protects against the inability to pay an invoice when presented due to the lack of available funds. Written purchase orders are processed by the Finance Department and encumber the needed funds until the invoice is received and payment is made.

The following items represent types of disbursements which do not require a purchase order:

- Utility bills (telephone, electricity, water, natural gas, etc.)
- Travel reimbursement for employees
- Public assistance payments
- School health and prenatal payments
- Physician, hospital and veterinarian billings
- Withholding taxes and other payroll deductions
- Reimbursement of Petty Cash accounts
- Purchases under \$1,000
- Postage to the US Post Office
- Concessions at parks and jail, food for jail and meal sites
- Library books and periodical purchases, dues and subscriptions
- Gasoline
- Advertising
- Repairs/maintenance to equipment and buildings. This does not permit over-expenditure of the repair and maintenance line-items. Care should be taken to receive quotes and bids when possible. A purchase order may be requested at the discretion of the Purchasing Agent/Designee.

3.1 Purchase Levels

Purchases within the following increments must meet the stated requirements (Note: If the purchase is funded, in whole or in part, with federal funds, also refer to section 2.8 for additional threshold requirements):

3.1.1 Under \$1,000, no formal requirements.

3.1.2 a. \$1,000 and above, purchase order required.

b. \$5,000 - \$89,999, three (3) informal written quotes. Quotes are to be forwarded to the Finance Department.

c. \$90,000 and up will be governed by G.S. 159, 143-129 and 131. Specifications are to be prepared and submitted to the Purchasing Agent/Designee for approval and the bidding process.

d. Do not divide order to circumvent the above guidelines.

e. Any purchase over \$90,000 is required to be approved by the Board of Commissioners.

3.2 Vendors

Each department is required to obtain sufficient information from a vendor at the time of purchase to assist the Finance Department in issuing a purchase order and paying the obligation. Vendor numbers will be assigned by the Finance Department when the information below is submitted. The information must include the following:

a. W-9, with:

- Name of individual or company
- Complete mailing address
- Business type (corporation, partnership, individual, employee, other)
- Tax Identification Number/Social Security Number

b. Business class - Business class refers to a minority or non-minority business. GS 143-128 defines a "minority business" as a business or corporation in which at least 50% is owned by one or more minority persons and of which "the management and daily business operations are controlled by one or more of the minority persons who own it". "Minority person" means a United States citizen or permanent resident who is black (having origins in any of the black racial groups in Africa); Hispanic (of Spanish or Portuguese culture with origins in Mexico, South or Central America, or the Caribbean Islands); Asian American (with origins in any of the original peoples of the Far East, Southeast Asia and Asia, the Indian subcontinent, or the Pacific Islands); American Indian or Alaskan Native (with origins in any of the original peoples

of North America); or female. A good faith effort should be taken to ensure the recruitment and selection of minority businesses in participation of contracts awarded. When a purchase is funded, in whole or in part, with federal funds, the County will comply with section 2.8.2 (b).

- c. Remittance address
- d. Telephone number

3.3 Purchase Orders

All purchases for apparatus, supplies, materials, and other goods \$1,000 and over must be submitted for issuance of a purchase order before purchased. If the purchase was not made by a purchase order, the invoice will be returned to the Department Director and the approval of the Finance Director/Designee will be necessary before payment is made. If not approved by the Finance Director/Designee, the Department Director and/or the employee who made the actual purchase will be personally liable for the payment [G.S. 159-28(e)].

The purchase order is electronically generated within the accounting software. One copy of the purchase order is electronically delivered to the ordering department for them to provide to the vendor. The Finance Department receives the other copy electronically. This electronic purchase order is electronically matched and attached to the invoice once the item has been received and is ready for payment.

3.3.1 Purchase Order Procedure

- a. The Department Director/Designee approves a Rowan County Purchase Requisition form from his/her staff. The purchase requisition should include complete specifications, or reference to specifications, as well as cost, account number, shipping and invoicing instructions.
- b. The purchase requisition is transmitted to the Purchasing Agent/Designee and a purchase order is generated. A purchase order will not be generated if there are insufficient funds in the account to cover the purchase. Funds are encumbered in the proper account.
- c. Purchase orders must be approved by the Purchasing Agent/Designee. Once approved, the department receives an electronic copy of the purchase order to distribute to the vendor. Finance receives the other electronic copy.
- d. The vendor invoices the department placing the order. Department personnel will enter the invoice into the accounting software, electronically matching the purchase order, packing slip and/or delivery ticket (verifying receipt of the goods/services) and invoice. Payment is approved by the Department Director/Designee electronically and the complete packet is submitted to the Finance Department for payment.

- e. Outstanding purchase orders will be reviewed periodically. Those outstanding over six (6) months may be cancelled.
- f. All purchase orders will be liquidated at the end of each fiscal year.

3.3.2 Blanket Purchase Orders

A blanket purchase order is used to make repetitive purchases from a single vendor over a period of time. The blanket order establishes an initial encumbrance amount which cannot be exceeded. The use of the blanket purchase order must be authorized by the Purchasing Agent/Designee.

- a. The blanket order is processed in exactly the same manner as a purchase order.
- b. No blanket order may exceed \$10,000.
- c. No single purchase on the blanket order may exceed \$5,000.
- d. Payment for items purchased from a blanket purchase order are processed in the same manner as purchases made from a normal purchase order (see section 3.3.1).
- e. Examples of items which might come under this procedure are gravel, automotive parts, electrical supplies, and small maintenance supplies. Blanket purchase orders should not be used for office supplies.
- f. All blanket purchase orders will be liquidated at the end of each fiscal year.

4. FORMAL BIDS, INFORMAL BIDS AND REQUEST FOR PROPOSALS

4.1 Formal Bids

All formal bids must be sent out by the Purchasing Agent/Designee as the authorized representative of the County. Bids will be opened and tabulated by the Purchasing Agent/Designee. When architects are employed to perform this service on construction bids, the Purchasing Agent should be present at openings when possible, receive copies of the public notice, bids and recommendation of award of the bid. The following requirements must be followed in the formal bid process:

- 4.1.1** Written specifications must be prepared. Efficient purchasing practices require buying in accordance with carefully developed specifications. For purchases of fairly standard terms, development of elaborate specifications is not necessary and simple standard specifications should be used. Good, clear specifications are an essential aspect of competitive bidding. Quality and service are as important as price; therefore, specifications are needed that will fulfill but not exceed the requirements for which the

items and/or services are intended. A general policy should be followed which would encourage the purchasing of a good standard product which represents the best relationship between quality and price while providing a satisfactory level of service. Draft specifications are prepared by the Purchasing Agent/Designee with input from the ordering Department to ensure that the products purchased fill the need. A lengthy specification designed solely for the purpose of eliminating competition, other than those able to supply a particular brand name, will not be permitted. Brand names should be used only when no other description would be equally satisfactory.

- 4.1.2** Bids must be advertised for prospective bidders. Advertisements must be published at least one week before the time specified for the opening of the bids in a newspaper having general circulation in the County. The advertisement must contain the time and place where plans and specifications may be obtained and the time and place for the opening of the proposals. On all construction contracts, the advertisement must also contain a notice that bidders must be properly licensed under Chapter 87, General Statutes of North Carolina.
- 4.1.3** Unless the invitation to bid states differently, bids must be sealed and the contents must not be disclosed or exhibited prior to the time set for the bid opening.
- 4.1.4** Bid results must be presented to the Board of Commissioners for acceptance and award. The Board of Commissioners reserves the right to reject any or all bids.
- 4.1.5** Formal bids are not required in the following instances:
 - a.** State of emergency. The Board of Commissioners may set aside the normal requirements in the case of an emergency involving the health and safety of the citizens or their property. In such cases, the Board of Commissioners may let contracts as necessary at its discretion.
 - b.** If the contract is with (1) the United States of America or any agency thereof, or (2) any other governmental unit or agency thereof within the United States, for the purchase, lease or other acquisition of any apparatus, supplies, materials, or equipment (Note: If the purchase is funded, in whole or in part, with federal funds, this exception is not allowed).
 - c.** A construction project that the work is to be done by the forces of the government unit, if the total cost of the project does not exceed \$125,000 or if the labor costs do not exceed \$50,000 (G.S. 143-135) (Note: If the purchase is funded, in whole or in part, with federal funds, this exception is not allowed).
 - d.** Purchases made under a State contract if the local government has become a party to the contract (G.S. 143-49 and -129). (Note: If the purchase is funded, in whole or in part, with federal funds, this exception applies only if the State contract was bid and awarded under the Uniform Guidance regulations.)

- 4.1.6** Bid bonds for purchase contracts under \$90,000 are not required. Bid bonds for purchase contracts over \$90,000 and all construction and repair contracts cannot be waived.

4.2 Request for Proposal

Requests for proposal (RFP) are normally used in lieu of formal bids when the services of professionals are required. Such services are provided by accountants (CPAs), attorneys, doctors, etc. Certain procedures must be followed when utilizing the RFP.

- 4.2.1** Specifications should be drawn up by the appropriate Department in such a manner as the Department deems appropriate to solicit responses from the providers of professional services required.
- 4.2.2** Notice of the RFP must be published by the Purchasing Agent/Designee at least one week before the time specified for the opening of the proposal in a newspaper having general circulation in the County. The advertisement should contain the time and place where a copy of the RFP may be obtained and the time and date for the submission of the proposals by the respondents.
- 4.2.3** After the proposals have been evaluated and the best proposal has been chosen, a contract or purchase order will be issued. If a contract is used, it must first be sent to the Contract Administrator to begin the approval process.

4.3 Informal Bids or Quotes

Informal bids or quotes are distinguished from formal bids by the following:

- 4.3.1** Construction or repair work with expenditures of \$30,000 to \$499,999 and purchase or lease-purchase of apparatus, supplies, materials, or equipment when expenditures of \$5,000 to \$89,999 are involved (Note: If the purchase is funded, in whole or in part, with federal funds, see section 2.8 for specific threshold guidelines).
- 4.3.2** Written specifications are not required. Proposals may be requested orally over the telephone. Documentation of the conversation must be submitted with the invoice.
- 4.3.3** Advertising for quotes is not necessary.
- 4.3.4** Sealed bids are not required.
- 4.3.5** Award shall be made by the Purchasing Agent/Designee after conferring with the Department Director and County Manager when applicable. Award shall be made to the lowest responsible bid/quote, taking into consideration quality, performance and the time specified in the proposal.

4.4 Contracts

All contracts entered into by the County must be properly reviewed before being executed. This review process will consist of the following steps:

- 4.4.1** All contract requests will be submitted to the Contract Administrator for the County (Finance Department). Once the Contract Administrator has prepared/reviewed the contract, it will be circulated to Risk Management, Information Systems, and Legal for review.
- 4.4.2** Once the contract has been reviewed by all of the appropriate parties, it should be sent to the Finance Director. As required by North Carolina General Statute (G.S.) 159-28, the Finance Director will preaudit the contract as follows: "This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act". _____ Finance Director.
- 4.4.3** Once it has been preaudited, the contract is sent to the County Manager (less than \$90,000) or the Board of Commissioners for review and approval. Once approved, the appropriate party will sign the contract and return it to the Contract Administrator for distribution.
- 4.4.4** Contracts will be maintained by the Finance Department and posted on the County website.

5. SURPLUS PROPERTY

In the event County property becomes surplus to the County's needs due to obsolescence, end of useful life, etc., such property is disposed of by means most advantageous to the County.

- 5.1** Property is declared surplus on a fixed asset form furnished by the Finance Department. It should be completed by the Department Director/Designee and forwarded to the Finance Department.
- 5.2** Disposal of surplus property is the responsibility of the Finance Department and Facilities Management. It is accomplished by trade-in at the time new equipment is purchased, transferred to another County Department/Agency or sale by public auction or competitive bid.
- 5.3** If it is determined that a trade-in is not economical to the County, the surplus property will be offered to all other County Departments on an equal basis. A written notice of availability with a description of the surplus property will be distributed to all departments. When a department advises the Finance Department of an interest in the item, the Purchasing Agent/Designee will transfer to that department the equipment on a request of need.
- 5.4** If the property is neither traded not transferred, it is offered for sale by public auction or competitive bids.

- 5.5** The Board of Commissioners must declare County property valued at \$10,000 or above as surplus and decide the most appropriate method of disposal with a recommendation from the Finance Department and/or Facilities Management.
- 5.6** The Purchasing Agent/Designee, with the approval of the County Manager, is authorized to declare any one item or group of items as surplus property owned by Rowan County and valued at less than \$10,000, to set its fair market value, to sell it or exchange it for a comparable item, and to convey title to the property on behalf of the County.

Upon declaring as surplus personal property and setting its fair market value, the Purchasing Agent/Designee may initiate proceedings for the sale or exchange of property and may convey title to the property for the County. The Purchasing Agent/Designee is not required to publish notice and the sale or exchange may be either public or private.

The Purchasing Agent/Designee shall keep a record of all property sold under this authorization and that record shall generally describe the property sold or exchanged, to whom it was sold or with whom exchanged, and the amount of money or other consideration received for each sale or exchange.

- 5.7** The Purchasing Agent/Designee shall not sell surplus County property to or exchange for a comparable item with employees of County departments, agencies, boards or commissions except at public auction. This prohibition shall apply to any interest which shall yield, direct or indirectly, a monetary or other material benefit to the employee.
- 5.8** The Purchasing Agent/Designee has the authority to determine surplus property as “worthless” if the property has a salvage value less than the cost associated with a sale. “Worthless” items include those broken or burned beyond repair, those that hold no value for parts, and those that would not warrant being listed as sale items at auction or bidder sale. Departments must complete a fixed asset disposal form and note the item has been determined by them to be “worthless”. All items will be removed from their locations by Facilities Management and disposed of by them after notification from the Purchasing Agent/Designee. A list of property disposed of in this manner will be retained by the Purchasing Agent/Designee.

6. CHARGE ACCOUNTS

Charge accounts should not be established without approval of the Finance Director. All applications must be signed by the Finance Director. New vendors should mail invoices and statements to the Finance Department.

7. CONFLICTS OF INTEREST

GS 14-234 includes a general prohibition against any public official having a personal interest in any contract to which he/she is a party in his/her official capacity. Four types of transactions are exempt from this general prohibition if proper procedures are followed: doing business with a bank, with a savings and loan association, with a regulated utility, and with needed persons who receive benefits under State or federal assistance programs.

In addition, elected County officials and physicians, pharmacists, dentists, optometrists, veterinarians, or nurses who are members of social services, health, area mental health boards and animal services in whose jurisdictions there is not a town with a population of more than 7,500 are exempt from the prohibition if prescribed procedures are followed.

To use the exemption, the unit must:

- 7.1** Approve the contract in an open and public meeting.
- 7.2** Record the approval in its minutes.
- 7.3** Note the amount of all such undertakings with each official in its audited annual report and post a list in a conspicuous place each quarter, showing the amounts paid during the preceding four quarters.
- 7.4** The official with whom the undertaking is made must not participate in any way in the decision in his/her official capacity or contract for more than \$15,000 (\$10,000 if medically related) within a twelve (12) month period.

Members of Rowan County elected boards and appointed boards are not exempt due to the population of Salisbury. As an entity, we will not be able to purchase or contract with members of these boards if the board member has a personal interest in the contract in his/her official capacity.

Exemption procedures are very narrowly drawn and we will not attempt to exempt any of our elected officials or appointed board members.

8. GIFTS AND FAVORS

It is unlawful for a contractor, subcontractor, or supplier who, with respect to any public agency, (1) has a current contract; (2) has performed under a contract within the past year; or (3) anticipates bidding on a future contract to make gifts or favors to any officer or employee of the agency. It is also unlawful for the officer or employee to accept any such gift or favor.

Exempted from the prohibition are honorariums for participating in meetings, advertising items or souvenirs of minimal value, or meals furnished at banquets.

This statute is not intended to prevent contractors from making donations to support activities at meetings of professional organizations, or participation in those activities by governmental officials, if the activities are available to all those attending the meetings (GS 133-32).

9. STATE CONTRACTS

If Rowan County or any department becomes a party to a State contract, all purchases for the commodities on the contract will be purchased from vendors who are parties to the contract for the duration of the contract. As noted in section 4.1.5, if the purchase is funded, in whole or in part, with federal funds, this exception only applies if the State contract was bid and awarded under the Uniform Guidance regulations.

10. PROCUREMENT CARDS

Procurement cards, which also includes credit cards and fuel cards, enable a unit to make small purchases more quickly and efficiently by minimizing paperwork and processing time. Similar to VISA and MasterCard formats, procurement cards can be processed by vendors just like personal credit cards. Rather than making multiple small payments to many vendors, the County pays one invoice to the card provider. Vendors receive payment within a few days of the transaction without extra paperwork. Inventories can be reduced or eliminated, since items are now purchased when needed. As with any type of purchasing procedure, adequate controls must be established to ensure that public funds are expended properly. These include built-in transactional limits for any one card, cardholder education, pre-audit, and supervisory review procedures. Purchases can be limited by amount per transaction, total per time period, number of purchases per time period, Merchant Category Codes, etc. Each card can be encoded with specific controls unique to the cardholder's job responsibilities. These controls also can be enacted on individual, divisional, or departmental lines. Cardholder education includes informing card users of all procedures, regulations, etc. and the consequences of improper use. Cardholders must sign an acknowledgement that they have read and understand these rules prior to receipt of a card. Cardholders are also trained to verify and code monthly transactions to facilitate payment. Sales tax for refund purposes can also be coded at this point. The purchases made via procurement cards are subject to the pre-audit requirements as defined by General Statute (G.S.) 158-28 (d2) and North Carolina Administrative Codes (NCAC) 20 NCAC 03.0409 and 20 NCAC 03.0410. Purchases using the procurement card must be for expenditures that have a properly approved budget, project or grant ordinance. Further, expenditures made using procurement cards must be properly encumbered prior to incurring the charge. After cardholders have verified and coded their monthly charges, supervisors should review the transactions and receipts. After departmental approval, Finance will review the transactions and attached supporting documentation, reconcile transactions to the bank and post the transactions to the general ledger. Once the transactions are posted to the general ledger, a separate reconciliation is done between the statement and the general ledger. The Finance Director is provided with a copy of the procurement card statement each month to ensure that funds are available to cover the electronic draft used to pay the invoice.

10.1 Responsibilities

The Purchasing Agent/Designee shall be responsible for the implementation and enforcement of this procurement card program. If anyone has questions concerning the procurement card program, they should notify the Purchasing Agent/Designee in the Finance Department.

All personnel issued procurement cards under this program shall be responsible for the procurement card and its use in accordance with the policy and procedures set forth.

10.2 Receiving a Procurement Card

Department Directors may request personnel to be a cardholder by completing the Procurement Card Application (Attachment A). The request(s) is to be forwarded to the Purchasing Agent/Designee for processing.

The proposed cardholder shall be required to sign the Procurement Cardholder Agreement (Attachment B) and/or the Fuel Card User Agreement (Attachment C), indicating that the cardholder understands his/her responsibilities under this program.

10.3 Authorized Procurement Card Use

The unique procurement card that the cardholder receives has his/her name embossed on it and shall only be used by the cardholder. No other person is authorized to use that card. The cardholder may make transactions on behalf of others in his/her department. However, the cardholder is responsible for all use of his/her card.

Use of the card must comply with the following:

- a. Payment for a purchase will not be split into multiple transactions to stay within the single purchase limit or to circumvent the need for a purchase order.
- b. All items purchased "over the counter" must be immediately available at time of procurement card use. No back ordering of merchandise is allowed.
- c. Cardholder must ensure that there is adequate budget remaining before incurring the charge.

10.4 Unauthorized Procurement Card Use

The procurement card shall not be used for the following:

- a. Personal purchase
- b. A single purchase of supplies or equipment that exceeds \$999.99 unless accompanied by an appropriate purchase order

- c. Cash advances
- d. Telephone calls

A cardholder who makes unauthorized purchases or carelessly uses the procurement card may be liable to Rowan County for the total dollar amount of such unauthorized purchases and any administrative fees charged by the bank in connection with the misuse. Further, the employee will be subject to disciplinary action up to and including termination of employment.

10.5 Making a Purchase

Whenever making a procurement card purchase, the cardholder will check as many suppliers as reasonable to the situation to assure best price and delivery, or request assistance of the Purchasing Agent/Designee.

10.6 Cardholder Record Keeping

Whenever a procurement card purchase is made, either over the counter or by telephone, documentation shall be retained as proof of purchase. Such documentation will be used to verify the purchases listed on the cardholder's monthly transaction listing.

When the purchase is made over the counter, the cardholder shall retain the invoice and "customer copy" of the charge receipt. The cardholder is responsible to check that the vendor lists the quantity, fully describes the item(s), and does not make arithmetic errors prior to the cardholder signing the slip. When making a purchase by telephone, the cardholder shall also document the transaction.

When the goods are received after placing the telephone order, all shipping documentation and the invoice shall be retained.

10.7 Review of Monthly Procurement Card Transactions

At the end of each billing cycle, the County shall receive from the bank a monthly statement of account that will list the transactions for that period, by department and cardholder. This statement will be imported into the general ledger so that individual cardholders can view their transactions.

Once the transactions are imported, the cardholder shall check each transaction listed against his/her supporting documents to verify the transactions.

The original sales document (invoice, cash register tape, credit card slip, etc.) for all items listed on the cardholder's transaction listing must be electronically attached to the transaction. The attachment of sufficient, valid documentation for the transaction is critical to provide audit substantiation. If this procedure is not adhered to, it will be grounds for withdrawing the procurement card from the user. The careful matching of complete supporting documents to the transaction listing is vital to the successful use of the program.

After reviewing transactions and attaching the necessary supporting documents, the cardholder shall release the transaction list to his/her approving Supervisor for approval. (Note: The entire list must be released at once. Individual transactions cannot be released.)

The approving Supervisor shall check the cardholder's transaction list and supporting documentation and confirm the following items at a minimum:

- a. The goods were received or the services were performed.
- b. Receipts and shipping documents, if applicable, are attached for each purchase.

Once the approving Supervisor is satisfied with all of the transactions and supporting documents, he/she shall approve and release the transactions to Finance for final review and processing. By doing so, the approving Supervisor indicates that the cardholder was authorized to make those purchases and those purchases were made in accordance with the applicable procedures.

It is extremely important for the departments to review and reconcile the monthly transaction list, attach appropriate documentation, approve and release all transactions to Finance within thirty (30) days of receiving the monthly transaction list. More than two (2) reminders to a cardholder and his/her Department Director by Finance that an imported monthly transaction list is delinquent will be grounds for revoking the procurement card from the user.

If the cardholder does not have documentation of a transaction listed on the monthly transaction list, he/she shall attach an explanation that includes a description of the item(s) purchased, date of purchase, vendor's name, and reason for lack of supporting documentation. Failure to provide a receipt will be reviewed and cardholder may be responsible for charges.

If the cardholder is disputing a charge, he/she shall contact the vendor and see what the charge was for and who made the charge. If the vendor does not give the information needed, the cardholder needs to call the number on the back of the procurement card to dispute the charge with the bank.

If an item has been returned and a credit voucher received, the cardholder shall verify that this credit is reflected on the transaction list.

If the cardholder's transaction list shows a transaction where the goods have not been received or some other discrepancy, the cardholder should contact the vendor and see what the vendor can do to resolve the problem. Most problems can be resolved between the cardholder and the vendor. If the dispute cannot be settled at this level, the cardholder or approving Supervisor shall advise the Purchasing Agent/Designee.

10.8 Card Security

It is the cardholder's responsibility to safeguard the procurement card and account number.

The cardholder must not allow anyone to use his/her account number. A violation of this trust may result in that cardholder having his/her card revoked.

If the card is lost or stolen, the cardholder shall immediately notify the bank by calling its 800 number. Representatives are available twenty-four (24) hours a day. Advise the representative that the call is regarding a lost or stolen procurement card. The Purchasing Agent/Designee is also to be notified immediately.

10.9 Cardholder Transfer/Separation

Prior to a transfer to another County department or separation from Rowan County, the cardholder shall surrender the procurement card and supporting documents related to any pending charges to his/her approving Supervisor. The Supervisor shall notify the Purchasing Agent/Designee.

If a cardholder transfers to another County department, he/she may request a new card to be issued through their new Supervisor.

10.10 Fuel Card

Each County vehicle will have a fuel card assigned to it. Department Directors shall request from the Purchasing Agent/Designee a unique Personal Identification Number (PIN) for individuals that are required to drive as part of their County duties. The user will be required to sign an authorization acknowledgement (Attachment C). Upon receipt of the signed authorization acknowledgement, the Purchasing Agent/Designee will assign each user a unique PIN that can be used to track usage. This acknowledgment states that the user has read and understands the policies that relate to the use of the fuel cards. Expenditures on the card will be posted to the general ledger "Fuel" account, which is a properly approved budget line item in each appropriate Department. The users must submit the original receipt for fuel purchases to the designated Department personnel. Each Department is responsible for maintaining the original receipts. The Purchasing Agent/Designee will ensure that charges made to the fuel cards are properly encumbered and preaudited in accordance with G.S. 159-28 (d2) and NC Administrative Codes 20 NCAC 03.0409 and 20 NCAC 03.4010. The Purchasing Agent/Designee receives the monthly invoice from the bank. He/she reviews the invoice for reasonableness using supporting documents provided by the bank, which details transactions by employee and Department. Using these documents, the Purchasing Agent/Designee codes the charges to the appropriate Department's fuel account. The Departments are responsible for ensuring that the charges that hit the general ledger for their Department's fuel card(s) purchases agree to the receipt documentation.

Employees who make unauthorized fuel card purchases, or allows their PIN to be used for unauthorized purchases, may be liable to Rowan County for the total dollar amount of such purchases and any administrative fees charged by the bank in connection with the misuse. Further, the employee will be subject to disciplinary action up to and including termination of employment.

ATTACHMENT A

Procurement Card Application

Date: _____

Department Name: _____

Department #: _____

Employee Name: _____

Employee #: _____

Job Title: _____

Limit Per Transaction: \$1,000

Overall Limit: \$ _____

Approving Supervisor (*please print*): _____Requesting Director (*please print*): _____

Director's Signature: _____

.....

FINANCE DEPARTMENT USE

Approved Limit Per Transaction: \$1,000

Approved Overall Limit: \$ _____

Approved By (*please print*): _____

Title: _____

Date: _____

Signature: _____

ATTACHMENT B

Procurement Cardholder Agreement

This agreement outlines the responsibilities I have as a holder of a Rowan County procurement card ("p-card") or as a director of a department that uses p-cards for operational purchases. My signature below indicates I have read and understand these responsibilities and that I agree to adhere to the following:

1. I understand the p-card is solely for official business of Rowan County, intended to facilitate the purchase of goods and services for the conduct of County business within applicable limits and is not for personal use.
2. I understand the p-card should be used for day-to-day operational purchases and that the use of vendor credit accounts is prohibited except with prior approval of the Finance Director.
3. I understand that cardholders must follow all applicable purchasing guidelines of the *Rowan County Procurement Policy* and the specific department. I also understand that cardholders will be held personally liable for unauthorized use of the card.
4. I understand use of the p-card for purchases not authorized within the *Rowan County Procurement Policy* will be considered misuse of the card and will be grounds for its immediate forfeiture, disciplinary action up to and including termination of employment, and any applicable criminal prosecution.
5. I understand the p-card is issued in the cardholder's name and that the cardholder is responsible for maintaining the security of the p-card issued to them and for all charges made by or authorized by them against it. I also understand that all p-card transactions will be billed directly to and paid directly by Rowan County.
6. I understand cardholders are responsible for obtaining and retaining an original receipt for every charge made by or authorized by them against the p-card and for submitting the receipts to the department's accounts payable supervisor on a daily basis (same day or day following the purchase date).
7. I understand cardholders must safeguard their p-card with appropriate security from the time they receive the card to the time they surrender it to Rowan County. If the p-card is lost or stolen, cardholders agree to immediately notify the bank at its 800 number, the Department Director and the Purchasing Agent/Designee.
8. I understand p-cards must be surrendered by cardholders upon request by Department Director or Purchasing Agent/Designee for any reason and/or upon termination of the cardholder's employment with Rowan County. Further, I understand that if I transfer to another department, my card will be surrendered and a new card may be requested by my new Department Director.
9. I understand that should a cardholder violate the terms of the *Procurement Cardholder Agreement*, the cardholder will reimburse Rowan County for all charges improperly authorized by the cardholder using the p-card and all costs incurred by Rowan County related to the collection of such charges.

Cardholder's Signature: _____ Date: _____

Cardholder's Name (*please print*): _____

Department Name: _____

Director's Signature: _____ Date: _____

Director's Name (*please print*): _____

ATTACHMENT C

Fuel Card User Agreement

This agreement outlines the responsibilities I have as a user of a Rowan County fuel card or as a director of a department that uses fuel cards for operational purchases. My signature below indicates I have read and understand these responsibilities and that I agree to adhere to the following:

1. I understand the fuel card is solely for official business of Rowan County, intended to facilitate the purchase of fuel to be used in Rowan County vehicles only and is not for personal use.
2. I understand that as a fuel card user I will be assigned a unique Personal Identification Number (PIN) and it is my responsibility to safeguard my PIN. I understand that it is prohibited to share my PIN with anyone and doing so may lead to disciplinary action up to and including termination of employment.
3. I understand that as a user of the fuel card I must follow all applicable purchasing guidelines of the *Rowan County Procurement Policy* and the specific department. I also understand that all fuel card transactions will be billed directly to and paid directly by Rowan County and I will be held personally liable for unauthorized use of the card that is tracked to my PIN.
4. I understand use of the fuel card for fuel purchases not authorized within the *Rowan County Procurement Policy* will be considered misuse of the card and will be grounds for its immediate forfeiture, disciplinary action up to and including termination of employment, and any applicable criminal prosecution.
5. I understand fuel card users are responsible for obtaining and retaining an original receipt for every charge made by or authorized by them against the fuel card and for submitting the receipts to the department's accounts payable supervisor on a daily basis (same day or day following the purchase date).
6. I understand that as a fuel card user I share the responsibility of safeguarding the fuel card itself from unauthorized use. Therefore, I understand that if I discover that the card has been lost or stolen, it is my responsibility to notify the Department Director and the Purchasing Agent/Designee immediately.
7. I understand that my PIN will be deactivated immediately upon request by the Department Director or Purchasing Agent/Designee for any reason and/or upon my termination of employment with Rowan County.
8. I understand that should a card user violate the terms of the *Fuel Card User Agreement*, the card user will reimburse Rowan County for all charges improperly authorized by the card user using the fuel card and all costs incurred by Rowan County related to the collection of such charges.

Fuel Card User Signature: _____ Date: _____

Fuel Card User Name (*please print*): _____

Department Name: _____

Director's Signature: _____ Date: _____

Director's Name (*please print*): _____

ATTACHMENT D**Conflict of Interest Policy****Conflict of Interest**

In accordance with Board policy and related legislation, no employee, officer, agent, immediate family member, or Board member of the County shall participate in the selection, award, or administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when any of the following has a financial or other interest in or could receive a tangible personal benefit from a firm considered for a contract:

- The employee, officer, agent, or Board member;
- Any member of his/her immediate family;
- His or her partner; or
- An organization that employs, or is about to employ, any of the above.

Rowan County is not able to purchase or contract with members of Rowan County elected boards and/or appointed boards if the board member has a personal interest in the contract in his/her official capacity.

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

Gifts

It is unlawful for a contractor, subcontractor, or supplier who, with respect to any public agency, (1) has a current contract; (2) has performed under a contract within the past year; or (3) anticipates bidding on a future contract to make gifts or favors to any officer or employee of the agency. It is also unlawful for the officer, employee or agent of recipients or sub-recipients to accept any such gift or favor.

Exempted from the prohibition are honorariums for participating in meetings, advertising items or souvenirs of minimal value, or meals furnished at banquets.

Violations

Any employee that violates this Conflict of Interest Policy will be subject to disciplinary action, up to and including termination. Any contractor violating this Policy will result in termination of the contract and may not be eligible for future contract awards.

The undersigned hereby acknowledges, understands, and agrees to abide by this Policy.

Signature: _____ Date: _____

Printed Name: _____

Greg Edds, Chairman
Jim Greene, Vice-Chairman
Mike Caskey
Judy Klusman
Craig Pierce



Aaron Church, County Manager
Carolyn Barger, Clerk to the Board
John W. Dees, II, County Attorney

Rowan County Board of Commissioners

130 West Innes Street • Salisbury, NC 28144
Telephone 704-216-8180 • FAX 704-216-8195

RESOLUTION AUTHORIZING ROWAN COUNTY TO ENGAGE IN ELECTRONIC PAYMENTS AS DEFINED BY GENERAL STATUTE (G.S.) 159-28

WHEREAS, it is the desire of the Board of Commissioners that Rowan County engage in electronic payments as defined by G.S. 159-28;

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

WHEREAS, it is the responsibility of the Finance Officer, who is appointed by and serves at the pleasure of the Rowan County Board of Commissioners, to adopt a written policy outlining procedures for disbursing public funds by electronic transaction as required by NC Administrative Code 20 NCAC 03 .0410.

NOW, THEREFORE, BE IT RESOLVED, by the Rowan County Board of Commissioners that this Resolution:

- Section 1. Authorizes Rowan County to engage in electronic payments as defined by G.S. 159-28;
- Section 2. Authorizes the Finance Officer to prepare and present a written policy to be approved by the Rowan County Board of Commissioners outlining procedures for pre-auditing obligations that will be incurred by electronic payments as required by NC Administrative Code 20 NCAC 03 .0409;
- Section 3. Authorizes the Finance Officer to prepare and present a written policy to be approved by the Rowan County Board of Commissioners outlining procedures for disbursing public funds by electronic transaction as required by NC Administrative Code 20 NCAC 03 .0410; and
- Section 4. This Resolution shall take effect on the 1st day of July, 2018.

Gregory C. Edds
Chairman, Board of Commissioners

ATTEST:

Carolyn Barger, MMC, NCMCC
Clerk to the Board / Assistant to the County Manager

(S E A L)

Equal Opportunity Employer



ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Finance Department
DATE: September 21, 2018
SUBJECT: Declaration of Official Intent to Reimburse Expenditures

Please see the attached information.

Please approve the attached Declaration of Official Intent to Reimburse Expenditures.

ATTACHMENTS:

Description	Upload Date	Type
Declaration of Official Intent to Reimburse Expenditures	9/25/2018	Backup Material

Leslie E. Heidrick, CPA
Assistant County Manager/
Finance Director



James M. Howden, CPA
Assistant Finance Director

Rowan County Finance Department

130 West Innes Street • Salisbury, NC 28144-4326

Telephone 704-216-8170 • FAX 704-216-8110

ROWAN COUNTY, NORTH CAROLINA

DECLARATION OF OFFICIAL INTENT TO REIMBURSE EXPENDITURES

I, Leslie E. Heidrick, Assistant County Manager/Finance Director of Rowan County, North Carolina (the "County"), having been designated by the Board of Commissioners of the County for such purposes, and on behalf of the County, DO HEREBY DECLARE as follows:

This declaration (the "Declaration") of official intent is made pursuant to Treasury Regulations Section 1.150-2, or any successor or substitute Regulations which may be promulgated hereafter, and is intended to expressly declare the County's intention to reimburse itself for certain expenditures heretofore paid or to be paid by the County, such reimbursement to be made with the proceeds of debt to be incurred by the County.

The County has advanced and/or will advance its own funds to pay certain capital costs (the "Original Expenditures") associated with the purchase of twenty-five (25) vehicles for various County departments (the "Project").

The funds heretofore advanced or to be advanced by the County to pay the Original Expenditures are or will be available only on a temporary basis, and do not consist of funds that were otherwise earmarked or intended to be used by the County to permanently finance the Original Expenditures.

As of the date hereof, the County reasonably expects that it will reimburse itself for such Original Expenditures with the proceeds of debt to be incurred by the County, and the maximum principal amount of debt to be incurred with respect to the Project will not exceed \$1,150,000.

All Original Expenditures to be reimbursed by the County, except to the extent permitted by applicable Treasury Regulations, were paid no more than 60 days prior to, or will be paid on or after the date of, this declaration of official intent. The County understands that such reimbursements must occur not later than 18 months after the latter of (i) the date the Original Expenditure was paid; or (ii) the date the Project is placed in service or abandoned, but in no event more than three years after the Original Expenditure was paid.

IN WITNESS WHEREOF, I have hereunto set my hand this the 1st day of October 2018.

ROWAN COUNTY, NORTH CAROLINA

By: _____
Assistant County Manager/Finance Director

Equal Opportunity Employer



ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: County Attorney Jay Dees
DATE: September 26, 2018
SUBJECT: Access Agreement For Cleveland Library Project

ATTACHMENTS:

Description	Upload Date	Type
Request	9/26/2018	Cover Memo
Access Agreement	9/26/2018	Cover Memo

Barger, Carolyn M

From: Dees, Jay
Sent: Wednesday, September 26, 2018 12:08 PM
To: Barger, Carolyn M; Edds, Greg; Church, Aaron
Cc: Hall, Jeff A.
Subject: Cleveland Library Project
Attachments: Access Agreement RSSS Draft v.2 Clean (9-21-18) RSSS Comments.pdf; Access Agreement RSSS Draft v.2 Clean (9-21-18) RSSS Comments.doc

Carolyn,

Attached in Word and PDF is an Access Agreement that Jeff Hall requested for the County to gain access to the former Cleveland Elementary School site to begin conducting some due diligence and for architect access for measuring and designing.

This version has been reviewed and revised by the RSSS attorney, Rod Malone, and approved for submittal to each of our respective boards. RSSS will process this for its October 8 meeting.

I am respectfully requesting that this be added to our October 1 meeting agenda. If this is not possible, Jeff, please let me and Carolyn know whether October 15 meeting is acceptable for your schedule.

Thank you all,

Jay

John W. (Jay) Dees, II
Rowan County
Office of the County Attorney
130 West Innes Street
Salisbury, NC 28144
Jay.Dees@rowancountync.gov

NORTH CAROLINA

ROWAN COUNTY

RIGHT OF ENTRY AGREEMENT

THIS AGREEMENT is made this ___ day of _____ by and between the Rowan-Salisbury Board of Education (herein referred to as the "BOE"), whose mailing address is 500 North Main Street, Salisbury, North Carolina 28144 and Rowan County, a body politic (herein referred to as "COUNTY"), whose mailing address is 130 West Innes Street, Salisbury, NC 28144.

WITNESSETH:

WHEREAS, BOE owns property and operates a school at 107 School Street, Cleveland, North Carolina, more specifically being the former Cleveland Elementary School site and being shown as Tax Map 252 Parcel 031 in the Rowan County Tax Office ("School");

WHEREAS, COUNTY and BOE have agreed that the BOE will transfer a certain portion of the School and its existing buildings and real property to COUNTY for future development as a West Branch Public Library ("Project Areas");

WHEREAS, prior to such transfer, COUNTY desires to have access to the Project Areas to conduct due diligence, including testing, inspecting, measuring and drawing plans and otherwise have its agents on site for the purpose of developing the Project Areas consistent with the agreement between BOE and COUNTY;

WHEREAS, it is the intent of BOE to allow COUNTY access to the School and Project Areas for the purpose of such Due Diligence at COUNTY's sole expense and liability;

NOW, THEREFORE, in consideration of the promises made herein and other good and valuable consideration, the following terms and conditions are hereby mutually agreed to, by and between BOE and COUNTY:

1. Access and Scope of Work. BOE does hereby grant COUNTY, including its agents and employees, free ingress and egress to the School and Project Areas for the sole purpose of conducting its Due Diligence and drawing plans ("County's Work"), and all similar and necessary activities as COUNTY may deem necessary in order to complete County's Work, at the sole cost of COUNTY. The sequence and timing of the County's Work shall be at a time that is approved by BOE or its designee. The COUNTY acknowledges that BOE shall have no financial responsibility for payment for any services performed or work completed on BOE's property. COUNTY shall be solely responsible for payment for any services provided or work completed. It is expressly intended and agreed that this Agreement shall apply to subsequently discovered, unknown, or unanticipated work to be performed by COUNTY as well as County's Work outlined above. The COUNTY shall repair any damage to real or personal property caused by County's Work, including the activities of its agents, consultants, and/or contractors, on the site.

2. Indemnification. COUNTY shall indemnify and hold harmless BOE and its agents and employees from and against all claims, actions, demands, costs, damages, losses, and/or expenses of any kind whatsoever proximately resulting from the omission or commission of any act, lawful or

unlawful, by COUNTY or its agents, contractors, and/or employees, including but not limited to court costs and attorney's fees, incurred in connection with the defense of said matters. The parties agree that this indemnification clause is an "evidence of indebtedness" for purpose of N. C. Gen. Stat. § 6-21.2.

3. Insurance. The COUNTY shall obtain and maintain in effect during the term of this Agreement or at any time that COUNTY is on BOE property performing the work outlined in this Agreement, policies for general liability and automobile liability insurance in which the COUNTY and BOE shall each be named as insured parties. COUNTY shall ensure that its agents, consultants and contractors (collectively "County's Contractors") who it retains for County's Work also maintain general liability and automobile liability insurance in which BOE shall be named as an additional insured. Such policies for COUNTY and County's Contractors shall be in the amount of not less than \$1,000,000 for personal injury, including death, to any one person and in an amount not less than \$1,000,000 for any one occurrence, and from claims for property damages in an amount of not less than \$1,000,000 for each occurrence arising from any act or omission of COUNTY, its agents, employees or subcontractors, unless other limits are agreed upon between the parties in writing. The COUNTY and COUNTY's Contractors shall also obtain and maintain in effect during the term of this Agreement, a policy of workers' compensation liability insurance in which the policy shall protect the COUNTY and BOE from claims in an amount not less than the statutory amount. The COUNTY shall promptly furnish BOE certificates of insurance evidencing such insurance coverage.

4. Compliance with Applicable Laws. COUNTY shall comply with all applicable laws and regulations in providing services under this Agreement. In particular, COUNTY shall not employ any individuals to provide services to or complete work for BOE who are not authorized by federal law to work in the United States. COUNTY represents and warrants that it is aware of and in compliance with the Immigration Reform and Control Act and North Carolina law (Article 2 of Chapter 64 of the North Carolina General Statutes) requiring use of the E-Verify system for employers who employ twenty-five (25) or more employees and that it is and will remain in compliance with these laws at all times while providing services pursuant to this Agreement. COUNTY shall also ensure that any of County's Contractors will remain in compliance with these laws at all times while providing services in connection with this Agreement. COUNTY acknowledges that N.C. Gen. Stat. § 14-208.18 prohibits registered sex offenders from being on property owned by the BOE as set forth in that statute.

5. Term. The term of this Agreement shall be from the Effective Date of this Agreement through and including the date the BOE transfers the Project Areas to COUNTY and this Agreement shall automatically expire upon such transfer, except the insurance and indemnification provisions shall survive any termination of this agreement.

{Signature Page Follows}

IN WITNESS WHEREOF, BOE and COUNTY have caused these presents to be signed by a person with the authority to enter this Agreement, as hereinafter attested, all as of the day and year first above written.

ROWAN-SALISBURY BOARD OF EDUCATION

Dr. Lynn Moody, Superintendent

ROWAN COUNTY

Aaron Church, Manager

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Scott Shelton, Vice-President of Operations
DATE: September 21, 2018
SUBJECT: Public Hearing & Executive Summary Presentation - Project Arizona

The Rowan EDC will present an Economic Impact Analysis for the potential expansion of Project Arizona in Rowan County.

The proposed project would represent approximately \$188 million of new investment in Rowan County through the construction of an additional facility, placement of new equipment and other improvements. The proposed project would also create 77 new jobs by the end of 2022. The average salary for these new jobs would be in excess of \$59,000 per year.

ATTACHMENTS:

Description	Upload Date	Type
Project Arizona - Executive Summary & Incentive Agt	9/21/2018	Cover Memo

September 21, 2018



PARTNERSHIP for ECONOMIC DEVELOPMENT
SALISBURY, NC

Be an original.

ECONOMIC
IMPACT
SUMMARY

SUMMARY OF PROPOSED EXPANSION OF PROJECT
ARIZONA IN ROWAN COUNTY



Submitted by:
The Rowan EDC

September 21, 2018

The Honorable Gregory C. Edds
Rowan County Board of Commissioners
130 West Innes Street
Salisbury, NC 28144

Re: Summary of Proposed Expansion of Project Arizona in Rowan County, NC

Dear Chairman Edds and County Commissioners:

On behalf of your Economic Development Commission, please allow me to present to you this summary of the proposed expansion of Project Arizona in Rowan County.

We are optimistic that, with your support, this project will reach a successful conclusion, creating new employment and expanding the nonresidential tax base in Rowan County. This document addresses the primary drivers and impacts of the project, and is designed to provide you the information necessary to consider their request for assistance.

We sincerely hope that you find this document a useful resource as you consider this matter. We have expended substantial efforts to gather as much information as possible regarding the potential impacts this project could have on our County and its citizens. In order to accomplish this, we have relied on a variety of public and private sector partners. At this time, in addition to company representatives from Project Arizona, we would like to thank:

- David Hartigan, President, Hartigan Management, Inc.
- Melanie O'Connell Underwood, Regional Industry Manager, Economic Development Partnership of NC
- Chris Corriher, District Engineer, NC Department of Transportation

In the preparation of this document, we have strived to utilize factual data and realistic projections extrapolated from the best information available. It is our intent that this document serve as a resource for you as you deliberate potential actions.

Please do not hesitate to contact our offices with any questions you may have regarding this matter. We look forward to your feedback.

Sincerely,



Scott Shelton
Vice President of Operations

Contents

1. Project Description
2. Regulatory Approval Process
3. Requested Assistance
4. Other Potential Incentive Request
5. Model of County Revenue – 10-Year Horizon
6. Closing
7. Draft Incentive Agreement

1. Project Description

About The Company

The company behind Project Arizona is an advanced manufacturer that has been a valued employer in Rowan County for years. The company currently employs dozens of people in our community.

Proposed Project

Project Arizona is considering a major corporate restructuring which will result in new opportunities and investment for certain divisions within the company.

Project Arizona's facility in Rowan County is under consideration for this new investment, along with multiple facilities in Europe.

If our community were chosen, the company would add 77 new jobs by the end of 2022. These new jobs would pay an average annual salary in excess of \$59,000, with benefits.

The company would also invest approximately \$188 million dollars in improvements to its chosen location through the construction of an additional facility, placement of new equipment and other improvements as part of the proposed project. This new investment would be spread out over the next five years, with full completion by the end of 2023.

2. Regulatory Approval Process

Zoned appropriately for their current use, there does not appear to be any regulatory barriers to this project moving forward. The company will work with the City of Salisbury and the Rowan County Building Inspections Department to navigate the appropriate review and permitting process. There are no components of the proposed project that appear outside the normal scope of operations for these types of facilities.

3. Requested Assistance

Rowan County's adopted Investment Grant Program provides a five-year grant to companies investing in our community. The grant is established by a contract between the company and Rowan County. The company must pay their taxes in full each year based on the actual tax value of the property or investment to be eligible to receive the grant. If the company meets all of the criteria in the contract, a portion of the property tax will be returned as a grant. The amount of the grant is based on a designated percentage level for five consecutive years. Below is a chart that summarizes the categories of grants, including the minimum investment required and the percentage of new taxes paid that would be returned as a grant:

<i>Grant Category</i>	<i>Minimum Taxable Investment Required</i>	<i>Percentage of Paid Taxes Returned as a Grant</i>
Level 1 Grant	\$5 million dollars	75%
Level 2 Grant	\$50 million dollars	80%
Level 3 Grant	\$100 million dollars	85%

The company is requesting assistance under this program for the amount and duration adopted in the policy. In order to illustrate the revenue impact of this potential project on Rowan County, we have projected revenue returns over a 10-year period. These projections are provided below in Section 5.

Approval of this incentive request would be consistent with the County's longstanding goal of providing assistance to existing industry. We respectfully request that the Board of Commissioners consider approving their request based on the potential impact on our community from the project. A "Draft" copy of the proposed Incentive Agreement is attached.

4. Other Potential Incentive Request

The companies behind Project Arizona and Project Care are located within close proximity of each other. Both have expressed interest in a new, shared access road that would provide better truck flow and driver safety. Options for this new road are currently being discussed by upper management from both companies as well as the NC Department of Transportation. If both companies decide to move forward with the new road, the Rowan EDC will explore a variety of grant options to help fund it. There is also the possibility that the companies may request funding assistance for the road from Rowan County and the City of Salisbury at a later date.

5. Model of County Revenue – 10-Year Horizon

Project Arizona expects that the majority of construction, equipment installation, and infrastructure improvements will be complete by December 31, 2023. The overall investment timeline is based on information provided to the Rowan EDC by the company.

The evolving nature of County tax rates, assessed value of the installed equipment, and construction timelines require certain assumptions in order to develop a functioning model. To establish a baseline, the following constants were applied:

- The County tax rate is fixed at the current rate of .6625
- \$188 million of new equipment and construction occurs prior to December 31, 2023
- The project is complete by December 31, 2023

In application, it is unlikely that all assumptions will hold constant. The model provides general trends of expected revenues and expenditures.

Incorporating the above framework, the following outcomes are projected:

- During the five incentivized years, Rowan County would collect \$4,194,288 in revenue and provide incentive grants totaling \$3,565,144. The County would retain \$629,144 of revenue during the incentive term.
- Modeled with a 10-year horizon, Rowan County would stand to collect an estimated \$10,421,788, disburse a \$3,565,144 grant and retain an estimated \$6,856,644 of new revenue.

Project Arizona:

<i>(Construction Completed by December 31, 2023)</i>		Time Period	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
		Calendar Year	2019	2020	2021	2022	2023
Total Capital Investment	Total planned amount of Expansion project		\$56,300,000	\$113,800,000	\$125,000,000	\$150,000,000	\$188,000,000
County Tax Rate	0.6625%		0.6625%	0.6625%	0.6625%	0.6625%	0.6625%
County Tax Revenue	Local Taxable Capital Investment times County Tax Rate		\$372,988	\$753,925	\$828,125	\$993,750	\$1,245,500
Expansion Grant %	85% for 5 years. Paid in FY 2021 - 2025		85%	85%	85%	85%	85%
Expansion Grant %	County Tax Revenue times Expansion Grant		\$317,039	\$640,836	\$703,906	\$844,688	\$1,058,675
County Net Revenue	County Tax Revenue minus Expansion Grant		\$55,948	\$113,089	\$124,219	\$149,063	\$186,825

FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	10 Year Sum.
2024	2025	2026	2027	2028	
\$188,000,000	\$188,000,000	\$188,000,000	\$188,000,000	\$188,000,000	\$188,000,000
0.6625%	0.6625%	0.6625%	0.6625%	0.6625%	0.6625%
\$1,245,500	\$1,245,500	\$1,245,500	\$1,245,500	\$1,245,500	\$10,421,788
\$0	\$0	\$0	\$0	\$0	\$3,565,144
\$1,245,500	\$1,245,500	\$1,245,500	\$1,245,500	\$1,245,500	\$6,856,643

6. Closing

This project appears to have a lengthy list of positive attributes and no apparent liabilities. If Rowan County were chosen, Project Arizona would create a total of 77 new full time jobs as well as add \$188 million dollars to the County's tax base. The project would also generate approximately \$1.2 million dollars of annual tax revenue for the County after the incentive period concludes.

On behalf of the staff of your Economic Development Commission, we look forward to providing you any additional information requested, or meeting with you personally to discuss these findings in detail. We hope that you have found this information useful as you consider this matter.

7. Draft Incentive Agreement

NORTH CAROLINA
ROWAN COUNTY

RELOCATION AND EXPANSION ASSISTANCE AGREEMENT

THIS RELOCATION AND EXPANSION ASSISTANCE AGREEMENT (the "Agreement") is made and entered into as of the ____ day of _____, 20____, by and between Rowan County, North Carolina, a body politic (hereinafter referred to as the "County") and "Project Arizona" and its wholly owned subsidiary, _____, (hereinafter jointly referred to as the "Company").

WITNESSETH

WHEREAS, the Company has explored the possibility of establishing a new or expanding an existing facility in Rowan County (the "Project"), which would increase taxable property in the County and result in the creation of a number of jobs in the County, but would not have a significant detrimental impact to the environment of the County; and

WHEREAS, the Company has determined that the property located at _____, Salisbury, North Carolina (the "Property"), is a suitable location for its expansion and improvement; and

WHEREAS, in order to induce the Company to relocate, expand, or improve on the Property, the County is willing to provide, or cause to be provided, to the Company certain inducements, upon terms and conditions binding upon the County as set forth herein; and

WHEREAS, prior to beginning any relocation, expansion or improvement on the Property, the Company and County met and agreed to enter into this Agreement; and

WHEREAS, in consideration of the undertakings and agreements set forth herein, approximately \$188 million dollars will be invested by or on behalf of the Company in new equipment and other real property improvements on the Property, and to create a certain number of jobs as provided herein and further comply with the covenants and conditions binding upon it as set forth herein, all of which are intended to create a positive economic impact in the County.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Company and the County hereby agree as follows:

ARTICLE I
COUNTY INDUCEMENTS

The County shall provide financial assistance to the Company through its "Relocation and Expansion Assistance Program", as hereinafter described, with respect to the Company's development of the Property and other related expenses as follows:

- 1) The "Relocation and Expansion Assistance Program" will be provided as a "Relocation and Expansion Incentive Grant" ("Grant") to assist the Company with construction, equipment, and other capital improvements in Rowan County. The Grant will specifically apply to the Property and all real property improvements and personal property newly installed and used at the Property ("Facility").
- 2) The amount of the Grant will be computed using the following steps:

a) Real Property Valuation.

- i) For each tax year that the Grant is applicable to a Property (subject to the limitations below), determine the actual assessed tax value of the real property, located at such Property.
- ii) Subtract from the above amount in a) i) the baseline real property value of the Property assessed as of January 1, 2019, and prior to the investments made by the Company in real property at such property. The annual result of this computation shall be defined as the “New Real Property Value” for the applicable Property.

b) Personal Property Valuation.

- i) For each tax year that the Grant is applicable (subject to the limitations below), determine the actual assessed tax value of all personal property, excluding supplies and rolling stock, located at and used in such Property.
- ii) Subtract from the above amount in b) i) the assessed tax value of personal property, excluding supplies and rolling stock, located at and used on such Property as of January 1, 2019. The annual result of this computation shall be defined as the “New Personal Property Value” for the applicable Property.

c) County Property Tax Determination. The sum of the New Real Property Value and the New Personal Property Value of a Property for each applicable year shall be the “New Property Value” of such Property for such year. Multiply the New Property Value for each applicable Property by the County tax rate (excluding municipal and fire district tax rates) applicable for the tax year at issue to determine the amount of property taxes applicable to the new property at such Property.

d) Grant Amount Determination. Multiply the property taxes applicable to the New Property Value for each applicable Property by 85% (0.85).

- 3) The Grant will be structured as a reimbursement of a portion of the real and personal property taxes assessed against each applicable Property and the Company. Such payment of the Grant will be made to the Company. Payment may be requested by the Company no sooner than January 1st and no later than June 30th of the fiscal year in which the taxes are due. The Grant will be paid within sixty (60) days of the Company providing certifications as set forth in Article III(3), and receipt of the Company’s full payment of all real and personal property taxes due to the County. Payment of the Grant shall be equal to Eighty-Five Percent (85%) of the County property taxes (excluding municipal and fire district taxes) paid on the New Property Value of the Property by the Company according to Paragraph (2) above at the prevailing Rowan County tax rate for the tax year of the requested Grant.
- 4) Tax amounts due on property discovered by the County through its customary audit procedures and not listed by the Company shall be excluded from this Agreement, and the County shall not be responsible for reimbursement on these amounts for any tax year.

ARTICLE II
SCHEDULE OF CORPORATE IMPROVEMENTS

- 1) The Company has determined that the Property is a suitable site for location of its Facility and shall acquire all local permits, zoning approvals, and required state and federal permits, if applicable. The Company expects to have the Facility substantially completed by December 31, 2019.
- 2) The Company shall receive the Grant for five separate tax years ("Grant Term"), which shall begin with property assessed as of January 1, 2020, with the first such reimbursement to be provided to the Company by the County during fiscal year ended June 30, 2021. If the Facility is not complete by January 1, 2020, the Grant shall be based on the percentage complete and assessed for that year.
- 3) Unless an event triggering the Force Majeure provision set forth in Article VII herein shall occur, the initial year shall commence on property assessed as of January 1, 2020.
- 4) Any subsequent qualifying expansion of the Facility by the Company shall be eligible (provided the Relocation and Expansion Assistance Program is still in effect) for consideration as a separate Grant under the Relocation and Expansion Assistance Program, each for a separate Grant Term.

ARTICLE III
EMPLOYMENT

- 1) The Company projects that it will create 77 Full Time Equivalents ("FTEs") with this Project. As of December 31, 2022, the Company shall employ 199 FTEs at this Project. A FTE position requires at least 1,600 hours of work per year and is provided standard company benefits.
- 2) In each Fiscal Year (FY) that the company requests the disbursement of grant funds, the Company shall certify that the following employment goals have been met, prior to receiving payment:

<u>County Fiscal Year (FY)</u>	<u>Number of New FTEs (in aggregate)</u>
FY 20-21	22
FY 21-22	56
FY 22-23	62
FY 23-24	77
FY 24-25	77

- 3) The Company shall certify annual progress towards the employment of the required number of FTEs to the County on or before June 30, 2019, and on June 30th following each of the remaining years of the Grant Term. Such certification shall include a copy of the Company's "*Employers Quarterly Tax and Wage Report*" (Form NCU1 101 filed with the NC Employment Security Commission) for the quarter a) ending on or immediately preceding the date of the annual request and b) the number of FTEs as of that same date. If the NCUI 101 is discontinued or modified, a successor form performing a comparable function must be submitted. The Company shall also provide copies of its One NC Grant reporting to the County when they have been submitted to the State.

- 4) Should the Company fail to certify its annual employment numbers by June 30th, the County may allow the Company an extended cure period to file and certify this particular report annually.
- 5) If the Company does not meet the employment goals, the County will reduce the annual Grant payment on a pro-rata basis until such time as the Company once again meets employment goals. Pro-rata reduction shall be computed based on the percentage of the goal not met for the given year.

ARTICLE IV
TERMINATION OF GRANT AGREEMENT AND REQUIRED REPAYMENT OF
GRANT FUNDS UPON ANNOUNCED TERMINATION OF OPERATIONS OR
MAJORITY REDUCTION IN WORKFORCE

- 1) The assistance provided by Rowan County, through the Relocation and Expansion Assistance Program, represents a substantial commitment of public resources. Companies that participate in this program are expected to maintain and continue operations beyond the end of the Grant Term.
- 2) Should the Company cease operations or eliminate the majority of their workforce (51% reduction or more within a twelve (12) month span), the Agreement will be terminated and the Company will be required to repay all grant proceeds provided during the thirty-six (36) months prior to the cessation or reduction.
- 3) Repayment of grant funds shall be required if the Company has received any grant disbursements from the County within the thirty-six (36) months prior to the earlier of (a) Public announcement by the Company of plans to close or eliminate the majority of the workforce, (b) Actual cessation of operations, or elimination of a majority of the workforce.
- 4) The Company shall make payment to the County within one hundred and twenty (120) days of such announcement or event. The County may use any and all legal recourse to pursue restitution from the Company and / or its successors.

ARTICLE V
RELOCATION AND ASSISTANCE GRANT ADDITIONAL TERMS AND
CONDITIONS

As further consideration for the granting of certain relocation and assistance grants to the Company by the County, the Company further agrees that it shall abide by the Federal Immigration and Control Act of 1986 and all subsequent amendments thereto (collectively the "Act"). To that end, the Company agrees as follows:

- 1) The Company shall provide to Rowan County an annual certification, as of the time the Company first claims the Grant and each year it claims an installment or carryforward of the Grant, that the Company has implemented measures necessary to be in compliance with the Act and does not knowingly employ any unauthorized alien at the Facility; and
- 2) If the Company fails to implement measures necessary to be in compliance with the Act or knowingly employs an unauthorized alien at the Facility, and if upon learning of such

event, fails to cure such matter within sixty (60) days from learning of such, then the Grant shall expire and the Company may not take any remaining installment or carryforward of the Grant.

ARTICLE VI
REPRESENTATIONS, WARRANTIES AND COVENENANTS - COMPANY

The Company represents, warrants and covenants to the County, as applicable, as of the date of this Agreement that:

- 1) Standing. The Company is a company duly organized and existing and in good standing under the laws of the State of North Carolina.
- 2) Authority. The Company has the corporate power and authority to own its properties and assets, to carry on its business as it is now being conducted and to execute and perform this Agreement.
- 3) Enforceability. This Agreement is the legal, valid and binding agreement of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar state or federal laws, in effect from time to time, which affect the enforcement of creditors' rights generally.
- 4) No Violations. This agreement does not violate the charter documents or bylaws of the Company or any provisions of any indenture, agreement or other instrument to which the Company is a party.
- 5) No Conflicts. This agreement does not conflict with, result in a breach of or constitute an event of default under (or an event which, with notice or lapse of time, or both, would constitute an event of default under) any indenture, agreement or other instrument to which the Company is a party.
- 6) Certifications. The Company shall be solely responsible for providing certifications of expenditures and jobs to the appropriate County officer at the time of filing the request for the annual Grant

ARTICLE VII
REPRESENTATIONS, WARRANTIES AND COVENENANTS - COUNTY

The County represents, warrants and covenants to the Company, as applicable, as of the date of this Agreement that:

- 1) The County (a) has full power and authority to enter into this Agreement and to enter into and carry out the transactions contemplated by this Agreement (b) by proper action has duly authorized the execution and delivery of this Agreement; and (c) is not in default under any provisions of this Agreement.
- 2) The County has duly authorized, executed, and delivered this Agreement, and this Agreement constitutes the County's legal, valid, and binding obligation, enforceable in accordance with its terms.

- 3) There is no litigation or proceeding pending or threatened against the County or affecting it which would adversely affect the validity of this Agreement.
- 4) The County is not in default under any provision of State law which would affect its existence or its powers as referred to in subsection (1).
- 5) To the best of the County's knowledge, no officer or official of the County has any interest (financial, employment, or other) in the Company or the transactions contemplated by this Agreement.
- 6) With respect to this Agreement, the County has complied fully with all requirements of N.C. General Statute 158-7.1 *et seq.*

ARTICLE VIII GENERAL PROVISIONS

- 1) Governing Law. This Agreement shall be governed and construed under the laws of the State of North Carolina, notwithstanding any rules concerning application of the laws of another state or jurisdiction.
- 2) Assignment. This Agreement shall not be assignable by either party without the prior written consent of the other party, except that Company may assign this Agreement to a parent, subsidiary or affiliate as a part of any corporate restructuring.
- 3) Entire Agreement. This Agreement, and its attachments, constitute the entire agreement of the parties, and may not be contradicted by any prior or contemporaneous communications of any kind. This Agreement may only be modified by a written instrument that is signed by an authorized representative of each party.
- 4) Breach. In the event of a breach of this Agreement, the non-breaching party shall provide written notice of the breach to the breaching party, and the party in breach shall have thirty (30) days from the date of notice of the breach to cure its performance under this Agreement.
- 5) Waiver. Nothing in this Agreement shall constitute a waiver of any rights that the Company may have to appeal or otherwise contest any listing, appraisal or assessment that the County may make relative to the Properties.
- 6) Force Majeure. Any delay in the performance of any duties or obligations of either party hereunder (the "Delayed Party") shall not be considered a breach of this Agreement and the time required for performance shall be extended for a period equal to the lesser of (a) the period of such delay or (b) 24 months, provided that such delay has been caused by or is the result of any acts of God; acts of the public enemy; insurrections; riots; embargoes; labor disputes, including strikes, lockouts, job actions, or boycotts; shortages of materials or energy; fires; explosions; floods; changes in laws governing international trades; or other unforeseeable causes beyond the control and without the fault or negligence of the Delayed Party. The Delayed Party shall give prompt notice to the other party of such cause, and shall take whatever reasonable steps are necessary to relieve of such cause as promptly as possible. No such event shall excuse the payment of any sums due and payable

hereunder on the due date thereof except any payment due upon the occurrence of any act or event for which delayed performance is excused as provided above.

- 7) Notices. All notices required or allowed by this Agreement shall be delivered in person, by overnight courier service (such as Federal Express), by certified mail, return receipt requested, postage prepaid, secure electronic transfers or by fax with written confirmation of receipt (with a copy sent by one of the other methods specified herein), addressed to the party or person to whom notice is to be given at the following addresses:

To County: Rowan County Manager
130 West Innes Street
Salisbury, NC 28144
Phone: (704) 216-8180
Facsimile: (704) 216-8195

With Copy (which does not constitute notice to):
Rowan County Attorney
130 West Innes Street
Salisbury, NC 28144
Phone: (704) 216-8198
Facsimile: (704) 216-8195

To Company: Name and Contact Information

To Company Regarding Payment of Grant, also include:
Contact for the Grants

With Copy (which does not constitute notice to):
If requested by the Company

Notice shall be deemed to have been given with respect to overnight carrier or certified mail, one (1) day after deposit with such carrier and as to facsimile, on date of transmission, provided additional service is made. The addresses may be changed by giving written notice as provided herein; provided, however, that unless and until such written notice is actually received, the last address stated herein shall be deemed to continue in effect for all purposes hereunder.

[Signature page follows]

IN WITNESS WHEREOF, the County and the Company have caused this Agreement to be executed in quadruplicate originals, in their respective names, by persons duly authorized by proper authority, and have sealed the same as of the day and year first above written.

(Company Name)

By: _____

Title: _____

[Corporate Seal]

ATTEST:

_____ (Seal)

Name _____

ROWAN COUNTY, NORTH CAROLINA

Gregory C. Edds, Chairman
Rowan County Board of Commissioners

[Corporate Seal]

ATTEST:

Carolyn Barger
Clerk to the Board of Commissioners

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

Leslie Heidrick
Rowan County Finance Director

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

John Dees II
County Attorney

ATTACHMENT I

LEGAL DESCRIPTION OF THE PROPERTY

DRAFT

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Scott Shelton, Vice-President of Operations
DATE: September 21, 2018
SUBJECT: Public Hearing & Executive Summary Presentation - Project Care

The Rowan EDC will present an Economic Impact Analysis for the potential expansion of Project Care in Rowan County.

The proposed project would represent approximately \$68 million of new investment in Rowan County through improvements to the company's existing facility and major equipment upgrades. The proposed project would also create 59 new jobs by the end of 2020. The average salary for these new jobs would be \$46,000 per year.

ATTACHMENTS:

Description	Upload Date	Type
Project Care - Executive Summary & Incentive Agt	9/21/2018	Cover Memo

September 21, 2018



PARTNERSHIP for ECONOMIC DEVELOPMENT
SALISBURY, NC

Be an original.

ECONOMIC
IMPACT
SUMMARY

SUMMARY OF PROPOSED EXPANSION OF PROJECT
CARE IN ROWAN COUNTY



Submitted by:
The Rowan EDC

September 21, 2018

The Honorable Gregory C. Edds
Rowan County Board of Commissioners
130 West Innes Street
Salisbury, NC 28144

Re: Summary of Proposed Expansion of Project Care in Rowan County, NC

Dear Chairman Edds and County Commissioners:

On behalf of your Economic Development Commission, please allow me to present to you this summary of the proposed expansion of Project Care in Rowan County.

We are optimistic that, with your support, this project will reach a successful conclusion, creating new employment and expanding the nonresidential tax base in Rowan County. This document addresses the primary drivers and impacts of the project, and is designed to provide you the information necessary to consider their request for assistance.

We sincerely hope that you find this document a useful resource as you consider this matter. We have expended substantial efforts to gather as much information as possible regarding the potential impacts this project could have on our County and its citizens. In order to accomplish this, we have relied on a variety of public and private sector partners. At this time, in addition to company representatives from Project Care, we would like to thank:

- David Hartigan, President, Hartigan Management, Inc.
- Melanie O'Connell Underwood, Regional Industry Manager, Economic Development Partnership of NC
- Chris Corriher, District Engineer, NC Department of Transportation

In the preparation of this document, we have strived to utilize factual data and realistic projections extrapolated from the best information available. It is our intent that this document serve as a resource for you as you deliberate potential actions.

Please do not hesitate to contact our offices with any questions you may have regarding this matter. We look forward to your feedback.

Sincerely,



Scott Shelton
Vice President of Operations

Contents

1. Project Description
2. Regulatory Approval Process
3. Requested Assistance
4. Other Potential Incentive Request
5. Model of County Revenue – 10-Year Horizon
6. Closing
7. Draft Incentive Agreement

1. Project Description

About The Company

The company behind Project Care is an advanced manufacturer that has been a valued employer in Rowan County for years. The company currently employs dozens of people in our community.

Proposed Project

Project Care is considering its Rowan County facility for a major expansion. Our primary competition for this expansion is one of the company's other facilities in the western United States as well as facilities in 3 foreign countries.

If our community were chosen, the company would add 59 new jobs by the end of 2020. These new jobs would pay an average annual salary in excess of \$46,000, with benefits.

The company would also invest approximately \$68 million dollars into the chosen location through improvements to the existing facility and major equipment upgrades. These improvements would be completed by the end of 2019.

2. Regulatory Approval Process

Zoned appropriately for their current use, there does not appear to be any regulatory barriers to this project moving forward. The company will work with the City of Salisbury and the Rowan County Building Inspections Department to navigate the appropriate review and permitting process. There are no components of the proposed project that appear outside the normal scope of operations for these types of facilities.

3. Requested Assistance

Rowan County's adopted Investment Grant Program provides a five-year grant to companies investing in our community. The grant is established by a contract between the company and Rowan County. The company must pay their taxes in full each year based on the actual tax value of the property or investment to be eligible to receive the grant. If the company meets all of the criteria in the contract, a portion of the property tax will be returned as a grant. The amount of the grant is based on a designated percentage level for five consecutive years. Below is a chart that summarizes the categories of grants, including the minimum investment required and the percentage of new taxes paid that would be returned as a grant:

<i>Grant Category</i>	<i>Minimum Taxable Investment Required</i>	<i>Percentage of Paid Taxes Returned as a Grant</i>
Level 1 Grant	\$5 million dollars	75%
Level 2 Grant	\$50 million dollars	80%
Level 3 Grant	\$100 million dollars	85%

The company is requesting assistance under this program for the amount and duration adopted in the policy. In order to illustrate the revenue impact of this potential project on Rowan County, we have projected revenue returns over a 10-year period. These projections are provided below in Section 5.

Approval of this incentive request would be consistent with the County's longstanding goal of providing assistance to existing industry. We respectfully request that the Board of Commissioners consider approving their request based on the potential impact on our community from the project. A "Draft" copy of the proposed Incentive Agreement is attached.

4. Other Potential Incentive Request

The companies behind Project Arizona and Project Care are located within close proximity of each other. Both have expressed interest in a new, shared access road that would provide better truck flow and driver safety. Options for this new road are currently being discussed by upper management from both companies as well as the NC Department of Transportation. If both companies decide to move forward with the new road, the Rowan EDC will explore a variety of grant options to help fund it. There is also the possibility that the companies may request funding assistance for the road from Rowan County and the City of Salisbury at a later date.

5. Model of County Revenue – 10-Year Horizon

Project Care expects that the majority of construction, equipment installation, and infrastructure improvements will be complete by December 31, 2019. The overall investment timeline is based on information provided to the Rowan EDC by the company.

The evolving nature of County tax rates, assessed value of the installed equipment, and construction timelines require certain assumptions in order to develop a functioning model. To establish a baseline, the following constants were applied:

- The County tax rate is fixed at the current rate of .6625
- \$68 million of new equipment and construction occurs prior to December 31, 2019
- The project is complete by December 31, 2019

In application, it is unlikely that all assumptions will hold constant. The model provides general trends of expected revenues and expenditures.

Incorporating the above framework, the following outcomes are projected:

- During the five incentivized years, Rowan County would collect \$1,980,875 in revenue and provide incentive grants totaling \$1,584,700. The County would retain \$396,175 of revenue during the incentive term.
- Modeled with a 10-year horizon, Rowan County would stand to collect an estimated \$4,233,375, disburse a \$1,584,700 grant and retain an estimated \$2,648,675 of new revenue.

Project Care:

<i>(Construction Completed by December 31, 2019)</i>		Time Period	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
		Calendar Year	2018	2019	2020	2021	2022
Total Capital Investment	Total planned amount of Expansion project		\$27,000,000	\$68,000,000	\$68,000,000	\$68,000,000	\$68,000,000
County Tax Rate	0.6625%		0.6625%	0.6625%	0.6625%	0.6625%	0.6625%
County Tax Revenue	Local Taxable Capital Investment times County Tax Rate		\$178,875	\$450,500	\$450,500	\$450,500	\$450,500
Expansion Grant %	80% for 5 years. Paid in FY 2020 - 2024		80%	80%	80%	80%	80%
Expansion Grant %	County Tax Revenue times Expansion Grant		\$143,100	\$360,400	\$360,400	\$360,400	\$360,400
County Net Revenue	County Tax Revenue minus Expansion Grant		\$35,775	\$90,100	\$90,100	\$90,100	\$90,100

FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	10 Year Sum.
2023	2024	2025	2026	2027	
\$68,000,000	\$68,000,000	\$68,000,000	\$68,000,000	\$68,000,000	\$68,000,000
0.6625%	0.6625%	0.6625%	0.6625%	0.6625%	0.6625%
\$450,500	\$450,500	\$450,500	\$450,500	\$450,500	\$4,233,375
\$0	\$0	\$0	\$0	\$0	\$1,584,700
\$450,500	\$450,500	\$450,500	\$450,500	\$450,500	\$2,648,675

6. Closing

This project appears to have a lengthy list of positive attributes and no apparent liabilities. If Rowan County were chosen, Project Care would create a total of 59 new full time jobs as well as add \$68 million dollars to the County's tax base. The project would also generate approximately \$450,000 of annual tax revenue for the County after the incentive period concludes.

On behalf of the staff of your Economic Development Commission, we look forward to providing you any additional information requested, or meeting with you personally to discuss these findings in detail. We hope that you have found this information useful as you consider this matter.

7. Draft Incentive Agreement

NORTH CAROLINA
ROWAN COUNTY

RELOCATION AND EXPANSION ASSISTANCE AGREEMENT

THIS RELOCATION AND EXPANSION ASSISTANCE AGREEMENT (the "Agreement") is made and entered into as of the ____ day of _____, 20____, by and between Rowan County, North Carolina, a body politic (hereinafter referred to as the "County") and "Project Care" and its wholly owned subsidiary, _____, (hereinafter jointly referred to as the "Company").

WITNESSETH

WHEREAS, the Company has explored the possibility of establishing a new or expanding an existing facility in Rowan County (the "Project"), which would increase taxable property in the County and result in the creation of a number of jobs in the County, but would not have a significant detrimental impact to the environment of the County; and

WHEREAS, the Company has determined that the property located at _____, Salisbury, North Carolina (the "Property"), is a suitable location for its expansion and improvement; and

WHEREAS, in order to induce the Company to relocate, expand, or improve on the Property, the County is willing to provide, or cause to be provided, to the Company certain inducements, upon terms and conditions binding upon the County as set forth herein; and

WHEREAS, prior to beginning any relocation, expansion or improvement on the Property, the Company and County met and agreed to enter into this Agreement; and

WHEREAS, in consideration of the undertakings and agreements set forth herein, approximately \$68 million dollars will be invested by or on behalf of the Company in new equipment and other real property improvements on the Property, and to create a certain number of jobs as provided herein and further comply with the covenants and conditions binding upon it as set forth herein, all of which are intended to create a positive economic impact in the County.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Company and the County hereby agree as follows:

ARTICLE I
COUNTY INDUCEMENTS

The County shall provide financial assistance to the Company through its "Relocation and Expansion Assistance Program", as hereinafter described, with respect to the Company's development of the Property and other related expenses as follows:

- 1) The "Relocation and Expansion Assistance Program" will be provided as a "Relocation and Expansion Incentive Grant" ("Grant") to assist the Company with construction, equipment, and other capital improvements in Rowan County. The Grant will specifically apply to the Property and all real property improvements and personal property newly installed and used at the Property ("Facility").
- 2) The amount of the Grant will be computed using the following steps:

a) Real Property Valuation.

- i) For each tax year that the Grant is applicable to a Property (subject to the limitations below), determine the actual assessed tax value of the real property, located at such Property.
- ii) Subtract from the above amount in a) i) the baseline real property value of the Property assessed as of January 1, 2018, and prior to the investments made by the Company in real property at such property. The annual result of this computation shall be defined as the “New Real Property Value” for the applicable Property.

b) Personal Property Valuation.

- i) For each tax year that the Grant is applicable (subject to the limitations below), determine the actual assessed tax value of all personal property, excluding supplies and rolling stock, located at and used in such Property.
- ii) Subtract from the above amount in b) i) the assessed tax value of personal property, excluding supplies and rolling stock, located at and used on such Property as of January 1, 2018. The annual result of this computation shall be defined as the “New Personal Property Value” for the applicable Property.

c) County Property Tax Determination. The sum of the New Real Property Value and the New Personal Property Value of a Property for each applicable year shall be the “New Property Value” of such Property for such year. Multiply the New Property Value for each applicable Property by the County tax rate (excluding municipal and fire district tax rates) applicable for the tax year at issue to determine the amount of property taxes applicable to the new property at such Property.

d) Grant Amount Determination. Multiply the property taxes applicable to the New Property Value for each applicable Property by 80% (0.80).

- 3) The Grant will be structured as a reimbursement of a portion of the real and personal property taxes assessed against each applicable Property and the Company. Such payment of the Grant will be made to the Company. Payment may be requested by the Company no sooner than January 1st and no later than June 30th of the fiscal year in which the taxes are due. The Grant will be paid within sixty (60) days of the Company providing certifications as set forth in Article III(3), and receipt of the Company’s full payment of all real and personal property taxes due to the County. Payment of the Grant shall be equal to Eighty Percent (80%) of the County property taxes (excluding municipal and fire district taxes) paid on the New Property Value of the Property by the Company according to Paragraph (2) above at the prevailing Rowan County tax rate for the tax year of the requested Grant.
- 4) Tax amounts due on property discovered by the County through its customary audit procedures and not listed by the Company shall be excluded from this Agreement, and the County shall not be responsible for reimbursement on these amounts for any tax year.

ARTICLE II
SCHEDULE OF CORPORATE IMPROVEMENTS

- 1) The Company has determined that the Property is a suitable site for location of its Facility and shall acquire all local permits, zoning approvals, and required state and federal permits, if applicable. The Company expects to have the Facility substantially completed by December 31, 2018.
- 2) The Company shall receive the Grant for five separate tax years ("Grant Term"), which shall begin with property assessed as of January 1, 2019, with the first such reimbursement to be provided to the Company by the County during fiscal year ended June 30, 2020. If the Facility is not complete by January 1, 2019, the Grant shall be based on the percentage complete and assessed for that year.
- 3) Unless an event triggering the Force Majeure provision set forth in Article VII herein shall occur, the initial year shall commence on property assessed as of January 1, 2019.
- 4) Any subsequent qualifying expansion of the Facility by the Company shall be eligible (provided the Relocation and Expansion Assistance Program is still in effect) for consideration as a separate Grant under the Relocation and Expansion Assistance Program, each for a separate Grant Term.

ARTICLE III
EMPLOYMENT

- 1) The Company projects that it will create 59 Full Time Equivalents ("FTEs") with this Project. As of December 31, 2020, the Company shall employ 257 FTEs at this Project. A FTE position requires at least 1,600 hours of work per year and is provided standard company benefits.
- 2) In each Fiscal Year (FY) that the company requests the disbursement of grant funds, the Company shall certify that the following employment goals have been met, prior to receiving payment:

<u>County Fiscal Year (FY)</u>	<u>Number of New FTEs (in aggregate)</u>
FY 19-20	0
FY 20-21	24
FY 21-22	59
FY 22-23	59
FY 23-24	59

- 3) The Company shall certify annual progress towards the employment of the required number of FTEs to the County on or before June 30, 2019, and on June 30th following each of the remaining years of the Grant Term. Such certification shall include a copy of the Company's "*Employers Quarterly Tax and Wage Report*" (Form NCU1 101 filed with the NC Employment Security Commission) for the quarter a) ending on or immediately preceding the date of the annual request and b) the number of FTEs as of that same date. If the NCUI 101 is discontinued or modified, a successor form performing a comparable function must be submitted. The Company shall also provide copies of its One NC Grant reporting to the County when they have been submitted to the State.

- 4) Should the Company fail to certify its annual employment numbers by June 30th, the County may allow the Company an extended cure period to file and certify this particular report annually.
- 5) If the Company does not meet the employment goals, the County will reduce the annual Grant payment on a pro-rata basis until such time as the Company once again meets employment goals. Pro-rata reduction shall be computed based on the percentage of the goal not met for the given year.

ARTICLE IV
TERMINATION OF GRANT AGREEMENT AND REQUIRED REPAYMENT OF
GRANT FUNDS UPON ANNOUNCED TERMINATION OF OPERATIONS OR
MAJORITY REDUCTION IN WORKFORCE

- 1) The assistance provided by Rowan County, through the Relocation and Expansion Assistance Program, represents a substantial commitment of public resources. Companies that participate in this program are expected to maintain and continue operations beyond the end of the Grant Term.
- 2) Should the Company cease operations or eliminate the majority of their workforce (51% reduction or more within a twelve (12) month span), the Agreement will be terminated and the Company will be required to repay all grant proceeds provided during the thirty-six (36) months prior to the cessation or reduction.
- 3) Repayment of grant funds shall be required if the Company has received any grant disbursements from the County within the thirty-six (36) months prior to the earlier of (a) Public announcement by the Company of plans to close or eliminate the majority of the workforce, (b) Actual cessation of operations, or elimination of a majority of the workforce.
- 4) The Company shall make payment to the County within one hundred and twenty (120) days of such announcement or event. The County may use any and all legal recourse to pursue restitution from the Company and / or its successors.

ARTICLE V
RELOCATION AND ASSISTANCE GRANT ADDITIONAL TERMS AND
CONDITIONS

As further consideration for the granting of certain relocation and assistance grants to the Company by the County, the Company further agrees that it shall abide by the Federal Immigration and Control Act of 1986 and all subsequent amendments thereto (collectively the "Act"). To that end, the Company agrees as follows:

- 1) The Company shall provide to Rowan County an annual certification, as of the time the Company first claims the Grant and each year it claims an installment or carryforward of the Grant, that the Company has implemented measures necessary to be in compliance with the Act and does not knowingly employ any unauthorized alien at the Facility; and
- 2) If the Company fails to implement measures necessary to be in compliance with the Act or knowingly employs an unauthorized alien at the Facility, and if upon learning of such

event, fails to cure such matter within sixty (60) days from learning of such, then the Grant shall expire and the Company may not take any remaining installment or carryforward of the Grant.

ARTICLE VI
REPRESENTATIONS, WARRANTIES AND COVENENANTS - COMPANY

The Company represents, warrants and covenants to the County, as applicable, as of the date of this Agreement that:

- 1) Standing. The Company is a company duly organized and existing and in good standing under the laws of the State of North Carolina.
- 2) Authority. The Company has the corporate power and authority to own its properties and assets, to carry on its business as it is now being conducted and to execute and perform this Agreement.
- 3) Enforceability. This Agreement is the legal, valid and binding agreement of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar state or federal laws, in effect from time to time, which affect the enforcement of creditors' rights generally.
- 4) No Violations. This agreement does not violate the charter documents or bylaws of the Company or any provisions of any indenture, agreement or other instrument to which the Company is a party.
- 5) No Conflicts. This agreement does not conflict with, result in a breach of or constitute an event of default under (or an event which, with notice or lapse of time, or both, would constitute an event of default under) any indenture, agreement or other instrument to which the Company is a party.
- 6) Certifications. The Company shall be solely responsible for providing certifications of expenditures and jobs to the appropriate County officer at the time of filing the request for the annual Grant

ARTICLE VII
REPRESENTATIONS, WARRANTIES AND COVENENANTS - COUNTY

The County represents, warrants and covenants to the Company, as applicable, as of the date of this Agreement that:

- 1) The County (a) has full power and authority to enter into this Agreement and to enter into and carry out the transactions contemplated by this Agreement (b) by proper action has duly authorized the execution and delivery of this Agreement; and (c) is not in default under any provisions of this Agreement.
- 2) The County has duly authorized, executed, and delivered this Agreement, and this Agreement constitutes the County's legal, valid, and binding obligation, enforceable in accordance with its terms.

- 3) There is no litigation or proceeding pending or threatened against the County or affecting it which would adversely affect the validity of this Agreement.
- 4) The County is not in default under any provision of State law which would affect its existence or its powers as referred to in subsection (1).
- 5) To the best of the County's knowledge, no officer or official of the County has any interest (financial, employment, or other) in the Company or the transactions contemplated by this Agreement.
- 6) With respect to this Agreement, the County has complied fully with all requirements of N.C. General Statute 158-7.1 *et seq.*

ARTICLE VIII GENERAL PROVISIONS

- 1) Governing Law. This Agreement shall be governed and construed under the laws of the State of North Carolina, notwithstanding any rules concerning application of the laws of another state or jurisdiction.
- 2) Assignment. This Agreement shall not be assignable by either party without the prior written consent of the other party, except that Company may assign this Agreement to a parent, subsidiary or affiliate as a part of any corporate restructuring.
- 3) Entire Agreement. This Agreement, and its attachments, constitute the entire agreement of the parties, and may not be contradicted by any prior or contemporaneous communications of any kind. This Agreement may only be modified by a written instrument that is signed by an authorized representative of each party.
- 4) Breach. In the event of a breach of this Agreement, the non-breaching party shall provide written notice of the breach to the breaching party, and the party in breach shall have thirty (30) days from the date of notice of the breach to cure its performance under this Agreement.
- 5) Waiver. Nothing in this Agreement shall constitute a waiver of any rights that the Company may have to appeal or otherwise contest any listing, appraisal or assessment that the County may make relative to the Properties.
- 6) Force Majeure. Any delay in the performance of any duties or obligations of either party hereunder (the "Delayed Party") shall not be considered a breach of this Agreement and the time required for performance shall be extended for a period equal to the lesser of (a) the period of such delay or (b) 24 months, provided that such delay has been caused by or is the result of any acts of God; acts of the public enemy; insurrections; riots; embargoes; labor disputes, including strikes, lockouts, job actions, or boycotts; shortages of materials or energy; fires; explosions; floods; changes in laws governing international trades; or other unforeseeable causes beyond the control and without the fault or negligence of the Delayed Party. The Delayed Party shall give prompt notice to the other party of such cause, and shall take whatever reasonable steps are necessary to relieve of such cause as promptly as possible. No such event shall excuse the payment of any sums due and payable

hereunder on the due date thereof except any payment due upon the occurrence of any act or event for which delayed performance is excused as provided above.

- 7) Notices. All notices required or allowed by this Agreement shall be delivered in person, by overnight courier service (such as Federal Express), by certified mail, return receipt requested, postage prepaid, secure electronic transfers or by fax with written confirmation of receipt (with a copy sent by one of the other methods specified herein), addressed to the party or person to whom notice is to be given at the following addresses:

To County: Rowan County Manager
130 West Innes Street
Salisbury, NC 28144
Phone: (704) 216-8180
Facsimile: (704) 216-8195

With Copy (which does not constitute notice to):
Rowan County Attorney
130 West Innes Street
Salisbury, NC 28144
Phone: (704) 216-8198
Facsimile: (704) 216-8195

To Company: Name and Contact Information

To Company Regarding Payment of Grant, also include:
Contact for the Grants

With Copy (which does not constitute notice to):
If requested by the Company

Notice shall be deemed to have been given with respect to overnight carrier or certified mail, one (1) day after deposit with such carrier and as to facsimile, on date of transmission, provided additional service is made. The addresses may be changed by giving written notice as provided herein; provided, however, that unless and until such written notice is actually received, the last address stated herein shall be deemed to continue in effect for all purposes hereunder.

[Signature page follows]

IN WITNESS WHEREOF, the County and the Company have caused this Agreement to be executed in quadruplicate originals, in their respective names, by persons duly authorized by proper authority, and have sealed the same as of the day and year first above written.

(Company Name)

By: _____

Title: _____

[Corporate Seal]

ATTEST:

_____ (Seal)

Name _____

ROWAN COUNTY, NORTH CAROLINA

Gregory C. Edds, Chairman
Rowan County Board of Commissioners

[Corporate Seal]

ATTEST:

Carolyn Barger
Clerk to the Board of Commissioners

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

Leslie Heidrick
Rowan County Finance Director

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

John Dees II
County Attorney

ATTACHMENT I

LEGAL DESCRIPTION OF THE PROPERTY

DRAFT

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Scott Shelton, Vice-President of Operations
DATE: September 21, 2018
SUBJECT: Public Hearing & Executive Summary Presentation - Project Kodiak

The Rowan EDC will present an Economic Impact Analysis for the potential location of Project Kodiak in Rowan County. This would be the first facility for the company in Rowan County.

The proposed project would represent approximately \$55 million of new investment in Rowan County through the construction of a new 700,000 square foot distribution center. If Rowan County were chosen for this project, the new facility would be constructed on the Trevey Site at Long Ferry Road and Interstate 85. The proposed project would also create 600 new jobs by the end of 2022.

ATTACHMENTS:

Description	Upload Date	Type
Project Kodiak - Executive Summary & Incentive Agt	9/21/2018	Cover Memo

September 21, 2018



PARTNERSHIP for ECONOMIC DEVELOPMENT
SALISBURY, NC

Be an original.

ECONOMIC
IMPACT
SUMMARY

SUMMARY OF PROPOSED LOCATION OF PROJECT
KODIAK IN ROWAN COUNTY



Submitted by:
The Rowan EDC

September 21, 2018

The Honorable Gregory C. Edds
Rowan County Board of Commissioners
130 West Innes Street
Salisbury, NC 28144

Re: Summary of Proposed Location of Project Kodiak in Rowan County, NC

Dear Chairman Edds and County Commissioners:

On behalf of your Economic Development Commission, please allow me to present to you this summary of the proposed location of Project Kodiak in Rowan County.

We are optimistic that, with your support, this project will reach a successful conclusion, creating new employment and expanding the nonresidential tax base in Rowan County. This document addresses the primary drivers and impacts of the project, and is designed to provide you the information necessary to consider their request for assistance.

We sincerely hope that you find this document a useful resource as you consider this matter. We have expended substantial efforts to gather as much information as possible regarding the potential impacts this project could have on our County and its citizens. In order to accomplish this, we have relied on a variety of public and private sector partners. At this time, in addition to company representatives from Project Kodiak, we would like to thank:

- David Hartigan, President, Hartigan Management, Inc.
- Ellen Tai, Senior Business Recruitment Manager, Economic Development Partnership of NC
- Carol Henderson, Senior Director - Business Incentives Practice, Cushman & Wakefield
- Ian McDonald, General Counsel, NorthPoint Development

In the preparation of this document, we have strived to utilize factual data and realistic projections extrapolated from the best information available. It is our intent that this document serve as a resource for you as you deliberate potential actions.

Please do not hesitate to contact our offices with any questions you may have regarding this matter. We look forward to your feedback.

Sincerely,



Scott Shelton
Vice President of Operations

Contents

1. Project Description
2. Regulatory Approval Process
3. Requested Assistance
4. Other Potential Incentive Request
5. Model of County Revenue – 10-Year Horizon
6. Closing
7. Draft Incentive Agreement

1. Project Description

About The Company

The company behind Project Kodiak is an online retailer that offers thousands of products to its customers and serves them from warehouses and fulfillment centers located throughout the United States.

Proposed Project

Project Kodiak is evaluating locations to establish a new eCommerce Fulfillment Center facility within the South Atlantic region of the United States.

Rowan County is under consideration for this new 700,000 square foot facility, along with sites in South Carolina and Georgia.

If our community were chosen, Project Kodiak would construct this new facility on the Trevey Site. The project would create 600 new jobs by the end of 2022. The company would also invest approximately \$55 million dollars through the construction of the new facility, placement of new equipment and other improvements as part of the proposed project. This new investment would be spread out over the next five years, with full completion by the end of 2022.

About the Site

The Trevey Site, located at the intersection of Interstate 85 and Long Ferry Road, has long been regarded as one of Rowan County's premier sites due to its visibility and excellent highway access. Privately-owned, the Trevey Site is approximately 78 acres and is zoned 85-ED-2. A Conditional Use Permit was recently approved by the County Commissioners to allow warehousing and distribution-related uses on the site.



2. Regulatory Approval Process

Zoned appropriately for this proposed use, there does not appear to be any regulatory barriers to this project moving forward. The company will work with the Rowan County Planning and Development Department as well as the Building Inspections Department to navigate the appropriate review and permitting process. There are no components of the proposed project that appear outside the normal scope of operations for these types of facilities.

3. Requested Assistance

Investment Grant Program

Rowan County's adopted Investment Grant Program provides a five-year grant to companies investing in our community. The grant is established by a contract between the company and Rowan County. The company must pay their taxes in full each year based on the actual tax value of the property or investment to be eligible to receive the grant. If the company meets all of the criteria in the contract, a

portion of the property tax will be returned as a grant. The amount of the grant is based on a designated percentage level for five consecutive years. Below is a chart that summarizes the categories of grants, including the minimum investment required and the percentage of new taxes paid that would be returned as a grant:

<i>Grant Category</i>	<i>Minimum Taxable Investment Required</i>	<i>Percentage of Paid Taxes Returned as a Grant</i>
Level 1 Grant	\$5 million dollars	75%
Level 2 Grant	\$50 million dollars	80%
Level 3 Grant	\$100 million dollars	85%

The company is requesting a Level 2 Grant under this program for the amount and duration adopted in the policy. In order to illustrate the revenue impact of this potential project on Rowan County, we have projected revenue returns over a 10-year period. These projections are provided below in Section 5.

Site Development Funds

In order to increase Rowan County's competitiveness toward securing this project, the Rowan EDC proposes that the County utilize its Economic Development Funds to provide an additional \$100,000 grant to the Company. The funds could only be used toward grading and other site development-related expenses.

4. Other Potential Incentive Request

The Trevey Site is not currently served by public sewer, which is required for this potential facility. Salisbury-Rowan Utilities (SRU) has studied the site and recommends running an approximately 16" gravity sewer line under Interstate 85 to serve the property. SRU estimates that extending sewer to the Trevey Site will cost \$1.5 million dollars. This extension would also bring public sewer closer to the Carlton Site, which is approximately 1,500 feet east of the Trevey Site.

While the State of North Carolina has recommended up to \$1.5 million dollars in Community Development Block Grant (CDBG) funds to help pay for a sewer extension to the site, Rowan County would still need to apply for the grant funds and receive formal approval. There is no need to submit the CDBG application until after a location decision is made by Project Kodiak and other incentives are approved and announced by the State of North Carolina.

If Project Kodiak chooses our community and a CDBG application is necessary, we recommend that Rowan County apply for the entire \$1.5 million dollars in CDBG grant funds that the County is eligible to receive. If the project's final costs met SRU's estimate of \$1.5 million dollars, then Rowan County's required local match would be \$375,000 with \$1,125,000 coming from CDBG funds. This would leave additional grant funds available if the project were to exceed SRU's estimate.

5. Model of County Revenue – 10-Year Horizon

Project Kodiak expects that the majority of construction, equipment installation, and infrastructure improvements will be complete by December 31, 2022. The overall investment timeline is based on information provided to the Rowan EDC by the company.

The evolving nature of County tax rates, assessed value of the installed equipment, and construction timelines require certain assumptions in order to develop a functioning model. To establish a baseline, the following constants were applied:

- The County tax rate is fixed at the current rate of .6625
- \$55 million of new equipment and construction occurs prior to December 31, 2022
- The project is complete by December 31, 2022

In application, it is unlikely that all assumptions will hold constant. The model provides general trends of expected revenues and expenditures.

Incorporating the above framework, the following outcomes are projected:

- During the five incentivized years, Rowan County would collect \$1,735,750 in revenue and provide incentive grants totaling \$1,388,600. The County would retain \$350,150 of revenue during the incentive term.
- Modeled with a 10-year horizon, Rowan County would stand to collect an estimated \$3,557,625, disburse a \$1,388,600 grant and retain an estimated \$2,169,025 of new revenue.

Project Kodiak:

<i>(Construction Completed by December 31, 2022)</i>		Time Period	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
		Calendar Year	2019	2020	2021	2022	2023
Total Capital Investment	Total planned amount of Expansion project		\$48,000,000	\$51,000,000	\$53,000,000	\$55,000,000	\$55,000,000
County Tax Rate	0.6625%		0.6625%	0.6625%	0.6625%	0.6625%	0.6625%
County Tax Revenue	Local Taxable Capital Investment times County Tax Rate		\$318,000	\$337,875	\$351,125	\$364,375	\$364,375
Expansion Grant %	80% for 5 years. Paid in FY 2021 - 2025		80%	80%	80%	80%	80%
Expansion Grant %	County Tax Revenue times Expansion Grant		\$254,400	\$270,300	\$280,900	\$291,500	\$291,500
County Net Revenue	County Tax Revenue minus Expansion Grant		\$63,600	\$67,575	\$70,225	\$72,875	\$72,875

FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	10 Year Sum.
2024	2025	2026	2027	2028	
\$55,000,000	\$55,000,000	\$55,000,000	\$55,000,000	\$55,000,000	\$55,000,000
0.6625%	0.6625%	0.6625%	0.6625%	0.6625%	0.6625%
\$364,375	\$364,375	\$364,375	\$364,375	\$364,375	\$3,557,625
\$0	\$0	\$0	\$0	\$0	\$1,388,600
\$364,375	\$364,375	\$364,375	\$364,375	\$364,375	\$2,169,025

6. Closing

This project appears to have a lengthy list of positive attributes and no apparent liabilities. If Rowan County were chosen, Project Kodiak would create a total of 600 new full time jobs as well as add \$55 million dollars to the County's tax base. The project would also generate approximately \$364,000 of annual tax revenue for the County after the incentive period concludes.

On behalf of the staff of your Economic Development Commission, we look forward to providing you any additional information requested, or meeting with you personally to discuss these findings in detail. We hope that you have found this information useful as you consider this matter.

7. Draft Incentive Agreement

NORTH CAROLINA
ROWAN COUNTY

RELOCATION AND EXPANSION ASSISTANCE AGREEMENT

THIS RELOCATION AND EXPANSION ASSISTANCE AGREEMENT (the "Agreement") is made and entered into as of the ____ day of _____, 20____, by and between Rowan County, North Carolina, a body politic (hereinafter referred to as the "County") and "Project Kodiak" and its wholly owned subsidiary, _____, (hereinafter jointly referred to as the "Company").

WITNESSETH

WHEREAS, the Company has explored the possibility of establishing a new or expanding an existing facility in Rowan County (the "Project"), which would increase taxable property in the County and result in the creation of a number of jobs in the County, but would not have a significant detrimental impact to the environment of the County; and

WHEREAS, the Company has determined that the property identified as Rowan County Tax Parcel 052 096, located at the intersection of Long Ferry Road and Interstate 85 (the "Property"), is a suitable location for its expansion and improvement; and

WHEREAS, in order to induce the Company to relocate, expand, or improve on the Property, the County is willing to provide, or cause to be provided, to the Company certain inducements, upon terms and conditions binding upon the County as set forth herein; and

WHEREAS, prior to beginning any relocation, expansion or improvement on the Property, the Company and County met and agreed to enter into this Agreement; and

WHEREAS, in consideration of the undertakings and agreements set forth herein, approximately \$55 million dollars will be invested by or on behalf of the Company in new equipment and other real property improvements on the Property, and to create a certain number of jobs as provided herein and further comply with the covenants and conditions binding upon it as set forth herein, all of which are intended to create a positive economic impact in the County.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Company and the County hereby agree as follows:

ARTICLE I
COUNTY INDUCEMENTS

The County shall provide financial assistance to the Company through its "Relocation and Expansion Assistance Program", as hereinafter described, with respect to the Company's development of the Property and other related expenses as follows:

- 1) The "Relocation and Expansion Assistance Program" will be provided as a "Relocation and Expansion Incentive Grant" ("Grant") to assist the Company with construction, equipment, and other capital improvements in Rowan County. The Grant will specifically apply to the Property and all real property improvements and personal property newly installed and used at the Property ("Facility").
- 2) The amount of the Grant will be computed using the following steps:

a) Real Property Valuation.

- i) For each tax year that the Grant is applicable to a Property (subject to the limitations below), determine the actual assessed tax value of the real property, located at such Property.
- ii) Subtract from the above amount in a) i) the baseline real property value of the Property assessed as of January 1, 2018, and prior to the investments made by the Company in real property at such property. The annual result of this computation shall be defined as the “New Real Property Value” for the applicable Property.

b) Personal Property Valuation.

- i) For each tax year that the Grant is applicable (subject to the limitations below), determine the actual assessed tax value of all personal property, excluding supplies and rolling stock, located at and used in such Property.
- ii) Subtract from the above amount in b) i) the assessed tax value of personal property, excluding supplies and rolling stock, located at and used on such Property as of January 1, 2018. The annual result of this computation shall be defined as the “New Personal Property Value” for the applicable Property.

c) County Property Tax Determination. The sum of the New Real Property Value and the New Personal Property Value of a Property for each applicable year shall be the “New Property Value” of such Property for such year. Multiply the New Property Value for each applicable Property by the County tax rate (excluding municipal and fire district tax rates) applicable for the tax year at issue to determine the amount of property taxes applicable to the new property at such Property.

d) Grant Amount Determination. Multiply the property taxes applicable to the New Property Value for each applicable Property by 80% (0.80).

- 3) The Grant will be structured as a reimbursement of a portion of the real and personal property taxes assessed against each applicable Property and the Company. Such payment of the Grant will be made to the Company. Payment may be requested by the Company no sooner than January 1st and no later than June 30th of the fiscal year in which the taxes are due. The Grant will be paid within sixty (60) days of the Company providing certifications as set forth in Article III(3), and receipt of the Company’s full payment of all real and personal property taxes due to the County. Payment of the Grant shall be equal to Eighty Percent (80%) of the County property taxes (excluding municipal and fire district taxes) paid on the New Property Value of the Property by the Company according to Paragraph (2) above at the prevailing Rowan County tax rate for the tax year of the requested Grant.
- 4) Tax amounts due on property discovered by the County through its customary audit procedures and not listed by the Company shall be excluded from this Agreement, and the County shall not be responsible for reimbursement on these amounts for any tax year.

ARTICLE II
SCHEDULE OF CORPORATE IMPROVEMENTS

- 1) The Company has determined that the Property is a suitable site for location of its Facility and shall acquire all local permits, zoning approvals, and required state and federal permits, if applicable. The Company expects to have the Facility substantially completed by December 31, 2019.
- 2) The Company shall receive the Grant for five separate tax years ("Grant Term"), which shall begin with property assessed as of January 1, 2020, with the first such reimbursement to be provided to the Company by the County during fiscal year ended June 30, 2021. If the Facility is not complete by January 1, 2020, the Grant shall be based on the percentage complete and assessed for that year.
- 3) Unless an event triggering the Force Majeure provision set forth in Article VII herein shall occur, the initial year shall commence on property assessed as of January 1, 2020.
- 4) Any subsequent qualifying expansion of the Facility by the Company shall be eligible (provided the Relocation and Expansion Assistance Program is still in effect) for consideration as a separate Grant under the Relocation and Expansion Assistance Program, each for a separate Grant Term.

ARTICLE III
EMPLOYMENT

- 1) The Company projects that it will create 600 Full Time Equivalents ("FTEs") with this Project. As of December 31, 2022, the Company shall employ 600 FTEs at this Project. A FTE position requires at least 1,600 hours of work per year and is provided standard company benefits.
- 2) In each Fiscal Year (FY) that the company requests the disbursement of grant funds, the Company shall certify that the following employment goals have been met, prior to receiving payment:

<u>County Fiscal Year (FY)</u>	<u>Number of New FTEs (in aggregate)</u>
FY 20-21	147
FY 21-22	385
FY 22-23	484
FY 23-24	600
FY 24-25	600

- 3) The Company shall certify annual progress towards the employment of the required number of FTEs to the County on or before June 30, 2020, and on June 30th following each of the remaining years of the Grant Term. Such certification shall include a copy of the Company's "*Employers Quarterly Tax and Wage Report*" (Form NCU1 101 filed with the NC Employment Security Commission) for the quarter a) ending on or immediately preceding the date of the annual request and b) the number of FTEs as of that same date. If the NCUI 101 is discontinued or modified, a successor form performing a comparable function must be submitted. The Company shall also provide copies of its One NC Grant reporting to the County when they have been submitted to the State.

- 4) Should the Company fail to certify its annual employment numbers by June 30th, the County may allow the Company an extended cure period to file and certify this particular report annually.
- 5) If the Company does not meet the employment goals, the County will reduce the annual Grant payment on a pro-rata basis until such time as the Company once again meets employment goals. Pro-rata reduction shall be computed based on the percentage of the goal not met for the given year.

ARTICLE IV
TERMINATION OF GRANT AGREEMENT AND REQUIRED REPAYMENT OF
GRANT FUNDS UPON ANNOUNCED TERMINATION OF OPERATIONS OR
MAJORITY REDUCTION IN WORKFORCE

- 1) The assistance provided by Rowan County, through the Relocation and Expansion Assistance Program, represents a substantial commitment of public resources. Companies that participate in this program are expected to maintain and continue operations beyond the end of the Grant Term.
- 2) Should the Company cease operations or eliminate the majority of their workforce (51% reduction or more within a twelve (12) month span), the Agreement will be terminated and the Company will be required to repay all grant proceeds provided during the thirty-six (36) months prior to the cessation or reduction.
- 3) Repayment of grant funds shall be required if the Company has received any grant disbursements from the County within the thirty-six (36) months prior to the earlier of (a) Public announcement by the Company of plans to close or eliminate the majority of the workforce, (b) Actual cessation of operations, or elimination of a majority of the workforce.
- 4) The Company shall make payment to the County within one hundred and twenty (120) days of such announcement or event. The County may use any and all legal recourse to pursue restitution from the Company and / or its successors.

ARTICLE V
RELOCATION AND ASSISTANCE GRANT ADDITIONAL TERMS AND
CONDITIONS

As further consideration for the granting of certain relocation and assistance grants to the Company by the County, the Company further agrees that it shall abide by the Federal Immigration and Control Act of 1986 and all subsequent amendments thereto (collectively the "Act"). To that end, the Company agrees as follows:

- 1) The Company shall provide to Rowan County an annual certification, as of the time the Company first claims the Grant and each year it claims an installment or carryforward of the Grant, that the Company has implemented measures necessary to be in compliance with the Act and does not knowingly employ any unauthorized alien at the Facility; and
- 2) If the Company fails to implement measures necessary to be in compliance with the Act or knowingly employs an unauthorized alien at the Facility, and if upon learning of such

event, fails to cure such matter within sixty (60) days from learning of such, then the Grant shall expire and the Company may not take any remaining installment or carryforward of the Grant.

ARTICLE VI
REPRESENTATIONS, WARRANTIES AND COVENENANTS - COMPANY

The Company represents, warrants and covenants to the County, as applicable, as of the date of this Agreement that:

- 1) Standing. The Company is a company duly organized and existing and in good standing under the laws of the State of North Carolina.
- 2) Authority. The Company has the corporate power and authority to own its properties and assets, to carry on its business as it is now being conducted and to execute and perform this Agreement.
- 3) Enforceability. This Agreement is the legal, valid and binding agreement of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar state or federal laws, in effect from time to time, which affect the enforcement of creditors' rights generally.
- 4) No Violations. This agreement does not violate the charter documents or bylaws of the Company or any provisions of any indenture, agreement or other instrument to which the Company is a party.
- 5) No Conflicts. This agreement does not conflict with, result in a breach of or constitute an event of default under (or an event which, with notice or lapse of time, or both, would constitute an event of default under) any indenture, agreement or other instrument to which the Company is a party.
- 6) Certifications. The Company shall be solely responsible for providing certifications of expenditures and jobs to the appropriate County officer at the time of filing the request for the annual Grant

ARTICLE VII
REPRESENTATIONS, WARRANTIES AND COVENENANTS - COUNTY

The County represents, warrants and covenants to the Company, as applicable, as of the date of this Agreement that:

- 1) The County (a) has full power and authority to enter into this Agreement and to enter into and carry out the transactions contemplated by this Agreement (b) by proper action has duly authorized the execution and delivery of this Agreement; and (c) is not in default under any provisions of this Agreement.
- 2) The County has duly authorized, executed, and delivered this Agreement, and this Agreement constitutes the County's legal, valid, and binding obligation, enforceable in accordance with its terms.

- 3) There is no litigation or proceeding pending or threatened against the County or affecting it which would adversely affect the validity of this Agreement.
- 4) The County is not in default under any provision of State law which would affect its existence or its powers as referred to in subsection (1).
- 5) To the best of the County's knowledge, no officer or official of the County has any interest (financial, employment, or other) in the Company or the transactions contemplated by this Agreement.
- 6) With respect to this Agreement, the County has complied fully with all requirements of N.C. General Statute 158-7.1 *et seq.*

ARTICLE VIII GENERAL PROVISIONS

- 1) Governing Law. This Agreement shall be governed and construed under the laws of the State of North Carolina, notwithstanding any rules concerning application of the laws of another state or jurisdiction.
- 2) Assignment. This Agreement shall not be assignable by either party without the prior written consent of the other party, except that Company may assign this Agreement to a parent, subsidiary or affiliate as a part of any corporate restructuring.
- 3) Entire Agreement. This Agreement, and its attachments, constitute the entire agreement of the parties, and may not be contradicted by any prior or contemporaneous communications of any kind. This Agreement may only be modified by a written instrument that is signed by an authorized representative of each party.
- 4) Breach. In the event of a breach of this Agreement, the non-breaching party shall provide written notice of the breach to the breaching party, and the party in breach shall have thirty (30) days from the date of notice of the breach to cure its performance under this Agreement.
- 5) Waiver. Nothing in this Agreement shall constitute a waiver of any rights that the Company may have to appeal or otherwise contest any listing, appraisal or assessment that the County may make relative to the Properties.
- 6) Force Majeure. Any delay in the performance of any duties or obligations of either party hereunder (the "Delayed Party") shall not be considered a breach of this Agreement and the time required for performance shall be extended for a period equal to the lesser of (a) the period of such delay or (b) 24 months, provided that such delay has been caused by or is the result of any acts of God; acts of the public enemy; insurrections; riots; embargoes; labor disputes, including strikes, lockouts, job actions, or boycotts; shortages of materials or energy; fires; explosions; floods; changes in laws governing international trades; or other unforeseeable causes beyond the control and without the fault or negligence of the Delayed Party. The Delayed Party shall give prompt notice to the other party of such cause, and shall take whatever reasonable steps are necessary to relieve of such cause as promptly as possible. No such event shall excuse the payment of any sums due and payable

hereunder on the due date thereof except any payment due upon the occurrence of any act or event for which delayed performance is excused as provided above.

- 7) Notices. All notices required or allowed by this Agreement shall be delivered in person, by overnight courier service (such as Federal Express), by certified mail, return receipt requested, postage prepaid, secure electronic transfers or by fax with written confirmation of receipt (with a copy sent by one of the other methods specified herein), addressed to the party or person to whom notice is to be given at the following addresses:

To County: Rowan County Manager
130 West Innes Street
Salisbury, NC 28144
Phone: (704) 216-8180
Facsimile: (704) 216-8195

With Copy (which does not constitute notice to):
Rowan County Attorney
130 West Innes Street
Salisbury, NC 28144
Phone: (704) 216-8198
Facsimile: (704) 216-8195

To Company: Name and Contact Information

To Company Regarding Payment of Grant, also include:
Contact for the Grants

With Copy (which does not constitute notice to):
If requested by the Company

Notice shall be deemed to have been given with respect to overnight carrier or certified mail, one (1) day after deposit with such carrier and as to facsimile, on date of transmission, provided additional service is made. The addresses may be changed by giving written notice as provided herein; provided, however, that unless and until such written notice is actually received, the last address stated herein shall be deemed to continue in effect for all purposes hereunder.

[Signature page follows]

IN WITNESS WHEREOF, the County and the Company have caused this Agreement to be executed in quadruplicate originals, in their respective names, by persons duly authorized by proper authority, and have sealed the same as of the day and year first above written.

(Company Name)

By: _____

Title: _____

[Corporate Seal]

ATTEST:

_____ (Seal)

Name _____

ROWAN COUNTY, NORTH CAROLINA

Gregory C. Edds, Chairman

Rowan County Board of Commissioners

[Corporate Seal]

ATTEST:

Carolyn Barger

Clerk to the Board of Commissioners

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

Leslie Heidrick

Rowan County Finance Director

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

John Dees II

County Attorney

ATTACHMENT I

LEGAL DESCRIPTION OF THE PROPERTY

DRAFT

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Commissioner Craig Pierce
DATE: September 26, 2018
SUBJECT: Schedule Public Hearing for October 15, 2018 to Consider Text Amendments to Chapter 5, Animal Control Ordinance

ATTACHMENTS:

Description	Upload Date	Type
Request for Public Hearing	9/26/2018	Cover Memo



Rowan County Board of Commissioners
130 West Innes Street, Salisbury, NC 28144
(704) 216-8180

To: Rowan County Board Commissioners
From: Commissioner Craig Pierce
Date: September 26, 2018
Subject: Request to Schedule Public Hearing for October 15, 2018 to Consider Text Amendments for Restraint of Non-vicious Animals

I would like for the Board to schedule a public hearing for October 15, 2018 to consider text amendments to Chapter 5 of the Animal Control Ordinance, for the restraint of non-vicious animals.

I am requesting to add the following **highlighted** sentences to Section 5-36:

- (a) Sufficient restraint shall include, but is not be limited to, restraint by a leash attached to a harness or collar, or similar effective or humane device that is physically capable of restraining an animal, or confinement indoors or within a cage suitable for the animal, fence, or similar secure enclosure or temporarily in a vehicle for travel whether the vehicle is in motion or stopped. Electronic control devices such as correction collars are not considered restraint off of the owners property. **Acceptable leash length in constricted public spaces including sidewalks and other public pathways where people and pets are in close proximity to each other shall not exceed six feet in length. In larger public spaces that are open such as fields, leash length up to a maximum of sixteen feet is acceptable.** Being loose in the back of an open truck does not constitute being restrained. Sufficient restraint shall also include immediate supervision of an animal by a competent person when both are in the limits of the real property of the animal's owner or keeper.

If you have any questions, please contact me.

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Finance Department
DATE: September 21, 2018
SUBJECT: Budget Amendments

Please see the attached budget amendments.

Please approve the attached budget amendments.

ATTACHMENTS:

Description	Upload Date	Type
Budget Amendments	9/25/2018	Backup Material

DEPARTMENTAL REQUEST FOR BUDGET ACTION

Prepared by: Kristy Cowden
Date: 9/10/2018

BUDGET INFORMATION:

[illegible]

	EDTA P	EMP	RG P	
Guilford	\$ 205,113	\$ 115,131	\$ 92,225	\$ 412,469
Halifax	\$ 76,553	\$ 16,020	\$ 85,791	\$ 178,364
Harnett	\$ 86,429	\$ 28,155	\$ 127,774	\$ 242,358
Haywood	\$ 73,797	\$ 15,161	\$ 66,459	\$ 155,417
Henderson	\$ 95,943	\$ 24,289	\$ 68,909	\$ 189,141
Hertford	\$ 57,854	\$ 7,861	\$ 59,363	\$ 125,078
Hoke	\$ 60,411	\$ 13,337	\$ 55,482	\$ 129,230
Hyde	\$ 48,334	\$ 4,317	\$ 42,762	\$ 95,413
Iredell	\$ 101,629	\$ 37,926	\$ 90,857	\$ 230,412
Jackson	\$ 62,618	\$ 11,619	\$ 70,245	\$ 144,482
Johnston	\$ 103,292	\$ 39,537	\$ 153,342	\$ 296,171
Jones	\$ 50,898	\$ 4,639	\$ 46,585	\$ 102,122
Lee	\$ 67,905	\$ 16,021	\$ 88,586	\$ 172,512
Lenoir	\$ 76,354	\$ 15,698	\$ 90,020	\$ 182,072
Lincoln	\$ 78,714	\$ 19,995	\$ 97,038	\$ 195,747
Macon	\$ 63,356	\$ 10,223	\$ 67,508	\$ 141,087
Madison	\$ 55,477	\$ 6,894	\$ 54,211	\$ 116,582
Martin	\$ 57,492	\$ 8,183	\$ 59,219	\$ 124,894
McDowell	\$ 69,948	\$ 12,048	\$ 77,257	\$ 159,253
Mecklenburg	\$ 292,720	\$ 220,146	\$ 46,272	\$ 559,138
Mitchell	\$ 53,454	\$ 5,927	\$ 51,361	\$ 110,742
Montgomery	\$ 57,675	\$ 8,183	\$ 62,117	\$ 127,975
Moore	\$ 87,361	\$ 21,390	\$ 115,329	\$ 224,080
Nash	\$ 86,432	\$ 25,470	\$ 77,774	\$ 189,676
New Hanover	\$ 120,898	\$ 49,845	\$ 41,599	\$ 212,342
Northampton	\$ 58,961	\$ 7,323	\$ 57,101	\$ 123,385
Onslow	\$ 99,987	\$ 38,141	\$ 101,338	\$ 239,466
Orange	\$ 83,466	\$ 30,946	\$ 71,253	\$ 185,665
Pamlico	\$ 52,177	\$ 5,176	\$ 49,218	\$ 106,571
Pasquotank	\$ 61,132	\$ 12,370	\$ 73,440	\$ 146,942
Pender	\$ 69,774	\$ 14,625	\$ 81,727	\$ 166,126
Perquimans	\$ 52,541	\$ 5,391	\$ 49,490	\$ 107,422
Person	\$ 63,165	\$ 11,297	\$ 72,387	\$ 146,849
Pitt	\$ 101,083	\$ 41,577	\$ 81,970	\$ 224,630
Polk	\$ 55,101	\$ 6,572	\$ 55,702	\$ 117,375
Randolph	\$ 100,365	\$ 32,987	\$ 143,693	\$ 277,045
Richmond	\$ 70,682	\$ 13,122	\$ 78,703	\$ 162,507
Robeson	\$ 104,956	\$ 34,275	\$ 155,308	\$ 294,539
Rockingham	\$ 92,119	\$ 23,216	\$ 120,079	\$ 235,414
Rowan	\$ 103,830	\$ 32,880	\$ 84,955	\$ 221,665
Rutherford	\$ 80,944	\$ 17,739	\$ 97,339	\$ 196,022
Sampson	\$ 73,071	\$ 16,772	\$ 93,484	\$ 183,327
Scotland	\$ 64,813	\$ 11,296	\$ 69,476	\$ 145,585
Stanly	\$ 71,220	\$ 15,269	\$ 90,979	\$ 177,468
Stokes	\$ 66,097	\$ 12,478	\$ 69,233	\$ 147,808
Surry	\$ 79,657	\$ 17,846	\$ 102,500	\$ 200,003
Swain	\$ 50,896	\$ 6,680	\$ 46,325	\$ 103,901

- RGP \$84,955 ÷ .90
\$94,394 (w/10%
 match

[illegible]

ROWAN COUNTY

DEPARTMENTAL REQUEST FOR BUDGET ACTION

TO: BOARD OF COUNTY COMMISSIONERS

FROM: FINANCE

EXPLANATION IN DETAIL:

To recognize reserved funds from FY 2018 for Parks & Recreation. Reserved funds represent money received by a Department for a restricted purpose. The funds that have not been spent by year-end are budgeted for expenditure in the new fiscal year.

Prepared by: Lisa Bevis

Date: 09/25/18

BUDGET INFORMATION:

Reviewed: _____

ACCOUNT TITLE		ACCOUNT #	INCREASE	DECREASE
Fund Balance-Restricted	R	1146231-495010	7,848	
Fund Balance-Unrestricted	R	1143390-495000		5,000
Donations	E	1156231-583041	2,848	
Senior Games Donations	R	1146231-464020		10,000
Fund Balance-Restricted	R	1146231-495010	23,690	
Senior Games Activities	E	1156231-583054	13,690	
Connect NC Bond Grant	R	1146237-434019	13,773	
Fund Balance-Restricted	R	1146237-495010	3,444	
Connect NC Bond Grant	E	1156237-585018	17,217	
DEPARTMENT HEAD		COUNTY MANAGER	ACCOUNTING USE ONLY	
Approved: _____		Approved: _____	Budget Revision # _____	
Disapproved: _____		Disapproved: _____	Date Posted: _____	
Amended: _____		Amended: _____	Group Number: _____	
Date: <u>9/21/18</u>		Date: _____	Posted by: _____	
Signature: <u>E. Hendrick</u>		Signature: _____	Approved by: _____	

ROWAN COUNTY

DEPARTMENTAL REQUEST FOR BUDGET ACTION

TO: COUNTY MANAGER / BOARD OF COMMISSIONERS

FROM: FINANCE

EXPLANATION IN DETAIL: TO BUDGET FOR PRE AUDIT OF P-CARD TRANSACTIONS

Prepared by: JHOWDEN
Date: 8/17/2018

BUDGET INFORMATION:

ACCOUNT TITLE	R/E	ACCOUNT #	INCREASE	DECREASE
Fund Balance Unrestricted	R	1143390 - 495000	171,000	
P-Card Clearing - Governing Body	E	1154110 - 561000	-	
P-Card Clearing - County Manager	E	1154120 - 561000	1,900	
P-Card Clearing - West End Plaza	E	1154124 - 561000	1,700	
P-Card Clearing - Finance	E	1154125 - 561000	5,000	
P-Card Clearing - HR	E	1154131 - 561000	600	
P-Card Clearing - Facilities Management	E	1154134 - 561000	24,900	
P-Card Clearing - Tax Administration	E	1154140 - 561000	1,800	
P-Card Clearing - Tax Collection	E	1154150 - 561000	1,200	
P-Card Clearing - IT	E	1154160 - 561000	9,700	
P-Card Clearing - Board of Elections	E	1154170 - 561000	1,200	
P-Card Clearing - Register of Deeds	E	1154180 - 561000	900	
P-Card Clearing - Telecommunications	E	1154210 - 561000	2,200	
P-Card Clearing - Inspections	E	1154250 - 561000	1,300	
P-Card Clearing - Emergency Management	E	1154330 - 561000	34,000	
P-Card Clearing - Sheriff	E	1154410 - 561000	23,600	
P-Card Clearing - Detention Center	E	1154420 - 561000	4,000	
P-Card Clearing - RTS	E	1154520 - 561000	1,100	
P-Card Clearing - Planning	E	1154830 - 561000	1,000	
P-Card Clearing - Cooperative Extension	E	1154950 - 561000	2,300	
P-Card Clearing - Health	E	1155110 - 561000	8,200	
P-Card Clearing - Environmental Health	E	1155185 - 561000	500	
P-Card Clearing - DSS	E	1155310 - 561000	10,900	
P-Card Clearing - Senior Services	E	1155580 - 561000	100	
P-Card Clearing - Library	E	1156110 - 561000	8,600	
P-Card Clearing - Parks	E	1156230 - 561000	9,400	
P-Card Clearing - Therapeutic Recreation	E	1156231 - 561000	800	
P-Card Clearing - Animal Services	E	1156410 - 561000	14,100	
Fund Balance Unrestricted	R	6144710 - 495000	5,000	
P-Card Clearing - EM Operating	E	6154720 - 561000	1,000	
P-Card Clearing - EM Environmental	E	6154705 - 561000	4,000	
Fund Balance Unrestricted	R	6344560 - 495000	1,900	
P-Card Clearing - Airport	E	6354560 - 561000	1,900	
DEPARTMENT HEAD		COUNTY MANAGER	ACCOUNTING USE ONLY	
Approved: <u>✓</u>		Approved: _____	Period - Journal # _____	
Disapproved: _____		Disapproved: _____	Keyed By: <u>JMH</u>	
Amended: _____		Amended: _____	Date Keyed: _____	
Date: <u>9/21/18</u>		Date: _____	Posted By: _____	
Signature: <u>R. Weirich</u>		Signature: _____	Date Posted: _____	

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Carolyn Barger, Clerk to the Board
DATE: 09/24/2018
SUBJECT: Monthly Board Appointments

ATTACHMENTS:

Description

October Board Appointments

Upload Date

9/28/2018

Type

Cover Memo

MONTHLY BOARD APPOINTMENTS
October 1, 2018
COMMISSION MEETING

CARDINAL INNOVATIONS HEALTHCARE SOLUTIONS

William Beilfuss has applied for reappointment as a Community Stakeholder on the Cardinal Innovations Healthcare Solutions Board. If reappointed, Mr. Beilfuss will serve a 3-year term beginning October 1, 2018 and ending September 30, 2021

Wilson Cherry has applied to fill the County Commissioner Designee vacancy on the Cardinal Innovations Healthcare Solutions Board. If appointed, Mr. Cherry will serve a 3-year term beginning October 1, 2018 and ending September 30, 2021.

CLEVELAND COMMUNITY VOLUNTEER FIRE DEPARTMENT

Patrick Phifer has applied for reappointment as a Fire Commissioners for the Cleveland Community Volunteer Fire Department. If reappointed, Mr. Phifer will serve a 2-year term beginning October 1, 2018 and ending September 30, 2020.

PLANNING BOARD

Gregory Hannold has applied to fill an At-Large Vacancy on the Planning Board. If appointed, Mr. Hannold will serve a 3-year term beginning October 1, 2018 and ending September 30, 2021.

CURRENT AND/OR UPCOMING VACANCIES:

- Adult Care Home Advisory Committee- 10 vacancies (At Large Appointment)
- Board of Public Health-2 vacancies (1 Veterinarian, and 1 Pharmacist Appointment)
- Cardinal Innovations Healthcare Solutions- 1 vacancy (Consumer or Family Member)
- City of Salisbury Zoning ETJ-3 vacancies (1 At Large, and 2 Alternate Appointments)
- Historic Landmarks Commission- 1 vacancy (1 At Large Appointment)
- Home and Community Care Block Grant Advisory Committee- 1 vacancy (Member of the Region F Advisory Committee Appointment)
- Housing Authority – 1 vacancy for a resident of the Town of East Spencer and 1 vacancy for a resident of the City of Kannapolis
- Industrial Facilities and Pollution Control Finance Authority- 3 vacancies (At Large Appointments)
- Juvenile Crime Prevention Council- 3 vacancies (1 Chief of Police/Designee, 1 Substance Abuse Professional, and 1 Non-Profit Agency Appointment)
- Nursing Home Advisory Committee-5 vacancies (At Large Appointments)
- Town of Faith Planning ETJ-2 vacancies (1 At Large, and 1 Alternate Appointment)
- Town of Faith Zoning ETJ- 1 vacancy (At Large Appointment)
- Town of Spencer Planning and Zoning Board of Adjustment ETJ-1 vacancy (Alternate Appointment)



Rowan County Board of Commissioners
130 West Innes Street
Salisbury, NC 28144
704-216-8180
FAX: 704-216-8195

APPLICATION FOR NOMINATION TO COUNTY BOARDS AND COMMITTEES

****This application is a Public Record and must be fully completed to be considered****

<u>Name:</u> William Horst Beilfuss	<u>Date:</u> 09/10/2018
<u>Address:</u> 1102 Birch Street	<u>Home Phone:</u> 7042794643
<u>City, State, Zip:</u> Salisbury, North Carolina 28146	<u>County of Residence:</u> Rowan
<u>Email:</u> wlblfss@twc.com	<u>Work Phone:</u> NA
<u>Education:</u> B.A. Valparaiso University. M.S. Purdue University. Certificate - Indiana University	
<u>Current Employer:</u> Retired	<u>Occupation:</u> health Care Administrator
<u>I am interested in the following Board / Commission:</u> I have been serving on the PBH Board through it's transition from being the parent organization to its current status as a representative, area board and am strongly interested in supporting the development of services to citizens qualified for services. The model established by Cardinal Innovations is unique, efficient, and a substantial substitute for profit-driven models.	
<u>Recent Community Activities:</u> AARP volunteer to assist seniors with taxes. Team leader for group assisting with 'Food for Thought' program. Substitute driver for Meals on Wheels.	
<u>Why do you feel you are qualified for this appointment:</u> Background in health care administration (former Chief Operating Officer of Lutheran Services Carolinas). Familiarity with existing health care systems and institutions.	
<u>Have you ever been convicted of a felony:</u> No	

If the answer is yes above, please explain:

I have reviewed the information contained in this application, and by initialing below certify that the information is true and correct.

Initial: WHB



Rowan County Board of Commissioners
 130 West Innes Street
 Salisbury, NC 28144
 704-216-8180
 FAX: 704-216-8195

APPLICATION FOR NOMINATION TO COUNTY BOARDS AND COMMITTEES

****This application is a Public Record and must be fully completed to be considered****

<u>Name:</u> Wilson Reed Cherry	<u>Date:</u> 09/17/2018
<u>Address:</u> 2010 Applegate Dr.	<u>Home Phone:</u> 704-467-5909
<u>City, State, Zip:</u> Concord, NC 28027	<u>County of Residence:</u> Cabarrus
<u>Email:</u> wilson@rowanvocopp.org	<u>Work Phone:</u> 704-633-6223
<u>Education:</u> BA Political Science, Catawba College	
<u>Current Employer:</u> Rowan Vocational Opportunities, Inc.	<u>Occupation:</u> Director of Community Affairs / QP
<u>I am interested in the following Board / Commission:</u> Cardinal Innovations Board of Directors (referred by Commissioner Judy Klusman)	
<u>Recent Community Activities:</u> The ARC of Rowan Board of Directors, Crisis Intervention Training Steering Committee, Salisbury-Rowan Sports Hall of Fame Board of Directors, First-In-Families Board of Directors, Trinity Presbyterian Church Men's Council, Service Above Self Steering Committee, Rowan County United Way Speaker Bureau	
<u>Why do you feel you are qualified for this appointment:</u> I have worked with individuals with developmental disabilities for over 30 years. I have received local and state awards for community service, volunteerism and humanitarian service.	
<u>Have you ever been convicted of a felony:</u> No	
<u>If the answer is yes above, please explain:</u>	

I have reviewed the information contained in this application, and by initialing below certify that the information is true and correct.

Initial: wrc



Rowan County Board of Commissioners
 130 West Innes Street
 Salisbury, NC 28144
 704-216-8180
 FAX: 704-216-8195

APPLICATION FOR NOMINATION TO COUNTY BOARDS AND COMMITTEES

****This application is a Public Record and must be fully completed to be considered****

<u>Name:</u> Patrick Trent Phifer	<u>Date:</u> 09/21/2018
<u>Address:</u> PO Box 388	<u>Home Phone:</u> 7042675686
<u>City, State, Zip:</u> Cleveland, NC - North Carolina 27013	<u>County of Residence:</u> Rowan
<u>Email:</u> patphifer@gmail.com	<u>Work Phone:</u> Same
<u>Education:</u> BSBA Business Western Carolina University	
<u>Current Employer:</u> Michelin USA	<u>Occupation:</u> Raw Materials Manager
<u>I am interested in the following Board / Commission:</u> Cleveland Community Volunteer Fire Department Fire Commissioner	
<u>Recent Community Activities:</u> Former Chair of Relay for Life, Present President of FACT. Mayor Pro Tem Town of Cleveland, Presently CCVFD fire commissioner.	
<u>Why do you feel you are qualified for this appointment:</u> I have served multiple terms as fire commissioner and have been on the town board for twenty eight years. I am very familiar with the operations of the fire department.	
<u>Have you ever been convicted of a felony:</u> No	
<u>If the answer is yes above, please explain:</u>	
<u>I have reviewed the information contained in this application, and by initialing below certify that the</u>	

information is true and correct.

Initial: PTP



Rowan County Board of Commissioners
 130 West Innes Street
 Salisbury, NC 28144
 704-216-8180
 FAX: 704-216-8195

APPLICATION FOR NOMINATION TO COUNTY BOARDS AND COMMITTEES

****This application is a Public Record and must be fully completed to be considered****

<u>Name:</u> Gregory Mark Hannold	<u>Date:</u> 09/22/2018
<u>Address:</u> 480 Epperson rd.	<u>Home Phone:</u>
<u>City, State, Zip:</u> Salisbury, North Carolina 28147	<u>County of Residence:</u> Rowan
<u>Email:</u> Gentfarmer63@gmail.com	<u>Work Phone:</u> 704-216-8760
<u>Education:</u> Assoc. degree- crim. Justice -RCCC Bach. Degree- Admin. Of justice - Catawba coll. Master of Justice Administration -Methodist university	
<u>Current Employer:</u> Rowan County Sheriff's Office	<u>Occupation:</u> Jail administrator/ Captain
<u>I am interested in the following Board / Commission:</u> Planning	
<u>Recent Community Activities:</u> Independent charities Freemasonry	
<u>Why do you feel you are qualified for this appointment:</u> My family and I have invested in this county I have significant interest in the direction of the county as well as the methods used to move in those directions.	

Have you ever been convicted of a felony:

No

If the answer is yes above, please explain:

I have reviewed the information contained in this application, and by initialing below certy that the information is true and correct.

Initial: GMH

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Carolyn Barger, Clerk to the Board
DATE: September 24, 2018
SUBJECT: Consider Approval of the August 20, 2018 Closed Session Minutes

The Board is asked to enter into Closed Session in accordance with North Carolina General Statute 143-318.11(a)(1) to consider approval of the August 20, 2018 Closed Session minutes.

ATTACHMENTS:

Description

Upload Date

Type

No Attachments Available

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Chairman Greg Edds
DATE: September 24, 2018
SUBJECT: To Consider A Real Property Purchase

The Board is asked to enter into Closed Session in accordance with North Carolina General Statute 143-318.11(a)(5) to consider a real property purchase.

ATTACHMENTS:

Description	Upload Date	Type
No Attachments Available		

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: County Attorney Jay Dees
DATE: September 26, 2018
SUBJECT: For Attorney-Client Privileged Communication Regarding the ACLU Case

The Board is asked to enter into Closed Session pursuant to North Carolina General Statute 143-318.11(a) (3) for attorney-client privileged communication regarding the ACLU case.

ATTACHMENTS:

Description	Upload Date	Type
No Attachments Available		

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Scott Shelton, Vice-President of Operations
DATE: September 21, 2018
SUBJECT: Public Hearing & Executive Summary Presentation - Project Arizona

The Rowan EDC will present an Economic Impact Analysis for the potential expansion of Project Arizona in Rowan County.

The proposed project would represent approximately \$188 million of new investment in Rowan County through the construction of an additional facility, placement of new equipment and other improvements. The proposed project would also create 77 new jobs by the end of 2022. The average salary for these new jobs would be in excess of \$59,000 per year.

ATTACHMENTS:

Description	Upload Date	Type
Project Arizona - Executive Summary & Incentive Agt	9/21/2018	Cover Memo

September 21, 2018



PARTNERSHIP for ECONOMIC DEVELOPMENT
SALISBURY, NC

Be an original.

ECONOMIC
IMPACT
SUMMARY

SUMMARY OF PROPOSED EXPANSION OF PROJECT
ARIZONA IN ROWAN COUNTY



Submitted by:
The Rowan EDC

September 21, 2018

The Honorable Gregory C. Edds
Rowan County Board of Commissioners
130 West Innes Street
Salisbury, NC 28144

Re: Summary of Proposed Expansion of Project Arizona in Rowan County, NC

Dear Chairman Edds and County Commissioners:

On behalf of your Economic Development Commission, please allow me to present to you this summary of the proposed expansion of Project Arizona in Rowan County.

We are optimistic that, with your support, this project will reach a successful conclusion, creating new employment and expanding the nonresidential tax base in Rowan County. This document addresses the primary drivers and impacts of the project, and is designed to provide you the information necessary to consider their request for assistance.

We sincerely hope that you find this document a useful resource as you consider this matter. We have expended substantial efforts to gather as much information as possible regarding the potential impacts this project could have on our County and its citizens. In order to accomplish this, we have relied on a variety of public and private sector partners. At this time, in addition to company representatives from Project Arizona, we would like to thank:

- David Hartigan, President, Hartigan Management, Inc.
- Melanie O'Connell Underwood, Regional Industry Manager, Economic Development Partnership of NC
- Chris Corriher, District Engineer, NC Department of Transportation

In the preparation of this document, we have strived to utilize factual data and realistic projections extrapolated from the best information available. It is our intent that this document serve as a resource for you as you deliberate potential actions.

Please do not hesitate to contact our offices with any questions you may have regarding this matter. We look forward to your feedback.

Sincerely,



Scott Shelton
Vice President of Operations

Contents

1. Project Description
2. Regulatory Approval Process
3. Requested Assistance
4. Other Potential Incentive Request
5. Model of County Revenue – 10-Year Horizon
6. Closing
7. Draft Incentive Agreement

1. Project Description

About The Company

The company behind Project Arizona is an advanced manufacturer that has been a valued employer in Rowan County for years. The company currently employs dozens of people in our community.

Proposed Project

Project Arizona is considering a major corporate restructuring which will result in new opportunities and investment for certain divisions within the company.

Project Arizona's facility in Rowan County is under consideration for this new investment, along with multiple facilities in Europe.

If our community were chosen, the company would add 77 new jobs by the end of 2022. These new jobs would pay an average annual salary in excess of \$59,000, with benefits.

The company would also invest approximately \$188 million dollars in improvements to its chosen location through the construction of an additional facility, placement of new equipment and other improvements as part of the proposed project. This new investment would be spread out over the next five years, with full completion by the end of 2023.

2. Regulatory Approval Process

Zoned appropriately for their current use, there does not appear to be any regulatory barriers to this project moving forward. The company will work with the City of Salisbury and the Rowan County Building Inspections Department to navigate the appropriate review and permitting process. There are no components of the proposed project that appear outside the normal scope of operations for these types of facilities.

3. Requested Assistance

Rowan County's adopted Investment Grant Program provides a five-year grant to companies investing in our community. The grant is established by a contract between the company and Rowan County. The company must pay their taxes in full each year based on the actual tax value of the property or investment to be eligible to receive the grant. If the company meets all of the criteria in the contract, a portion of the property tax will be returned as a grant. The amount of the grant is based on a designated percentage level for five consecutive years. Below is a chart that summarizes the categories of grants, including the minimum investment required and the percentage of new taxes paid that would be returned as a grant:

<i>Grant Category</i>	<i>Minimum Taxable Investment Required</i>	<i>Percentage of Paid Taxes Returned as a Grant</i>
Level 1 Grant	\$5 million dollars	75%
Level 2 Grant	\$50 million dollars	80%
Level 3 Grant	\$100 million dollars	85%

The company is requesting assistance under this program for the amount and duration adopted in the policy. In order to illustrate the revenue impact of this potential project on Rowan County, we have projected revenue returns over a 10-year period. These projections are provided below in Section 5.

Approval of this incentive request would be consistent with the County's longstanding goal of providing assistance to existing industry. We respectfully request that the Board of Commissioners consider approving their request based on the potential impact on our community from the project. A "Draft" copy of the proposed Incentive Agreement is attached.

4. Other Potential Incentive Request

The companies behind Project Arizona and Project Care are located within close proximity of each other. Both have expressed interest in a new, shared access road that would provide better truck flow and driver safety. Options for this new road are currently being discussed by upper management from both companies as well as the NC Department of Transportation. If both companies decide to move forward with the new road, the Rowan EDC will explore a variety of grant options to help fund it. There is also the possibility that the companies may request funding assistance for the road from Rowan County and the City of Salisbury at a later date.

5. Model of County Revenue – 10-Year Horizon

Project Arizona expects that the majority of construction, equipment installation, and infrastructure improvements will be complete by December 31, 2023. The overall investment timeline is based on information provided to the Rowan EDC by the company.

The evolving nature of County tax rates, assessed value of the installed equipment, and construction timelines require certain assumptions in order to develop a functioning model. To establish a baseline, the following constants were applied:

- The County tax rate is fixed at the current rate of .6625
- \$188 million of new equipment and construction occurs prior to December 31, 2023
- The project is complete by December 31, 2023

In application, it is unlikely that all assumptions will hold constant. The model provides general trends of expected revenues and expenditures.

Incorporating the above framework, the following outcomes are projected:

- During the five incentivized years, Rowan County would collect \$4,194,288 in revenue and provide incentive grants totaling \$3,565,144. The County would retain \$629,144 of revenue during the incentive term.
- Modeled with a 10-year horizon, Rowan County would stand to collect an estimated \$10,421,788, disburse a \$3,565,144 grant and retain an estimated \$6,856,644 of new revenue.

Project Arizona:

<i>(Construction Completed by December 31, 2023)</i>		Time Period	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
		Calendar Year	2019	2020	2021	2022	2023
Total Capital Investment	Total planned amount of Expansion project		\$56,300,000	\$113,800,000	\$125,000,000	\$150,000,000	\$188,000,000
County Tax Rate	0.6625%		0.6625%	0.6625%	0.6625%	0.6625%	0.6625%
County Tax Revenue	Local Taxable Capital Investment times County Tax Rate		\$372,988	\$753,925	\$828,125	\$993,750	\$1,245,500
Expansion Grant %	85% for 5 years. Paid in FY 2021 - 2025		85%	85%	85%	85%	85%
Expansion Grant %	County Tax Revenue times Expansion Grant		\$317,039	\$640,836	\$703,906	\$844,688	\$1,058,675
County Net Revenue	County Tax Revenue minus Expansion Grant		\$55,948	\$113,089	\$124,219	\$149,063	\$186,825

FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	10 Year Sum.
2024	2025	2026	2027	2028	
\$188,000,000	\$188,000,000	\$188,000,000	\$188,000,000	\$188,000,000	\$188,000,000
0.6625%	0.6625%	0.6625%	0.6625%	0.6625%	0.6625%
\$1,245,500	\$1,245,500	\$1,245,500	\$1,245,500	\$1,245,500	\$10,421,788
\$0	\$0	\$0	\$0	\$0	\$3,565,144
\$1,245,500	\$1,245,500	\$1,245,500	\$1,245,500	\$1,245,500	\$6,856,643

6. Closing

This project appears to have a lengthy list of positive attributes and no apparent liabilities. If Rowan County were chosen, Project Arizona would create a total of 77 new full time jobs as well as add \$188 million dollars to the County's tax base. The project would also generate approximately \$1.2 million dollars of annual tax revenue for the County after the incentive period concludes.

On behalf of the staff of your Economic Development Commission, we look forward to providing you any additional information requested, or meeting with you personally to discuss these findings in detail. We hope that you have found this information useful as you consider this matter.

7. Draft Incentive Agreement

NORTH CAROLINA
ROWAN COUNTY

RELOCATION AND EXPANSION ASSISTANCE AGREEMENT

THIS RELOCATION AND EXPANSION ASSISTANCE AGREEMENT (the "Agreement") is made and entered into as of the ____ day of _____, 20____, by and between Rowan County, North Carolina, a body politic (hereinafter referred to as the "County") and "Project Arizona" and its wholly owned subsidiary, _____, (hereinafter jointly referred to as the "Company").

WITNESSETH

WHEREAS, the Company has explored the possibility of establishing a new or expanding an existing facility in Rowan County (the "Project"), which would increase taxable property in the County and result in the creation of a number of jobs in the County, but would not have a significant detrimental impact to the environment of the County; and

WHEREAS, the Company has determined that the property located at _____, Salisbury, North Carolina (the "Property"), is a suitable location for its expansion and improvement; and

WHEREAS, in order to induce the Company to relocate, expand, or improve on the Property, the County is willing to provide, or cause to be provided, to the Company certain inducements, upon terms and conditions binding upon the County as set forth herein; and

WHEREAS, prior to beginning any relocation, expansion or improvement on the Property, the Company and County met and agreed to enter into this Agreement; and

WHEREAS, in consideration of the undertakings and agreements set forth herein, approximately \$188 million dollars will be invested by or on behalf of the Company in new equipment and other real property improvements on the Property, and to create a certain number of jobs as provided herein and further comply with the covenants and conditions binding upon it as set forth herein, all of which are intended to create a positive economic impact in the County.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Company and the County hereby agree as follows:

ARTICLE I
COUNTY INDUCEMENTS

The County shall provide financial assistance to the Company through its "Relocation and Expansion Assistance Program", as hereinafter described, with respect to the Company's development of the Property and other related expenses as follows:

- 1) The "Relocation and Expansion Assistance Program" will be provided as a "Relocation and Expansion Incentive Grant" ("Grant") to assist the Company with construction, equipment, and other capital improvements in Rowan County. The Grant will specifically apply to the Property and all real property improvements and personal property newly installed and used at the Property ("Facility").
- 2) The amount of the Grant will be computed using the following steps:

a) Real Property Valuation.

- i) For each tax year that the Grant is applicable to a Property (subject to the limitations below), determine the actual assessed tax value of the real property, located at such Property.
- ii) Subtract from the above amount in a) i) the baseline real property value of the Property assessed as of January 1, 2019, and prior to the investments made by the Company in real property at such property. The annual result of this computation shall be defined as the “New Real Property Value” for the applicable Property.

b) Personal Property Valuation.

- i) For each tax year that the Grant is applicable (subject to the limitations below), determine the actual assessed tax value of all personal property, excluding supplies and rolling stock, located at and used in such Property.
- ii) Subtract from the above amount in b) i) the assessed tax value of personal property, excluding supplies and rolling stock, located at and used on such Property as of January 1, 2019. The annual result of this computation shall be defined as the “New Personal Property Value” for the applicable Property.

c) County Property Tax Determination. The sum of the New Real Property Value and the New Personal Property Value of a Property for each applicable year shall be the “New Property Value” of such Property for such year. Multiply the New Property Value for each applicable Property by the County tax rate (excluding municipal and fire district tax rates) applicable for the tax year at issue to determine the amount of property taxes applicable to the new property at such Property.

d) Grant Amount Determination. Multiply the property taxes applicable to the New Property Value for each applicable Property by 85% (0.85).

- 3) The Grant will be structured as a reimbursement of a portion of the real and personal property taxes assessed against each applicable Property and the Company. Such payment of the Grant will be made to the Company. Payment may be requested by the Company no sooner than January 1st and no later than June 30th of the fiscal year in which the taxes are due. The Grant will be paid within sixty (60) days of the Company providing certifications as set forth in Article III(3), and receipt of the Company’s full payment of all real and personal property taxes due to the County. Payment of the Grant shall be equal to Eighty-Five Percent (85%) of the County property taxes (excluding municipal and fire district taxes) paid on the New Property Value of the Property by the Company according to Paragraph (2) above at the prevailing Rowan County tax rate for the tax year of the requested Grant.
- 4) Tax amounts due on property discovered by the County through its customary audit procedures and not listed by the Company shall be excluded from this Agreement, and the County shall not be responsible for reimbursement on these amounts for any tax year.

ARTICLE II
SCHEDULE OF CORPORATE IMPROVEMENTS

- 1) The Company has determined that the Property is a suitable site for location of its Facility and shall acquire all local permits, zoning approvals, and required state and federal permits, if applicable. The Company expects to have the Facility substantially completed by December 31, 2019.
- 2) The Company shall receive the Grant for five separate tax years ("Grant Term"), which shall begin with property assessed as of January 1, 2020, with the first such reimbursement to be provided to the Company by the County during fiscal year ended June 30, 2021. If the Facility is not complete by January 1, 2020, the Grant shall be based on the percentage complete and assessed for that year.
- 3) Unless an event triggering the Force Majeure provision set forth in Article VII herein shall occur, the initial year shall commence on property assessed as of January 1, 2020.
- 4) Any subsequent qualifying expansion of the Facility by the Company shall be eligible (provided the Relocation and Expansion Assistance Program is still in effect) for consideration as a separate Grant under the Relocation and Expansion Assistance Program, each for a separate Grant Term.

ARTICLE III
EMPLOYMENT

- 1) The Company projects that it will create 77 Full Time Equivalents ("FTEs") with this Project. As of December 31, 2022, the Company shall employ 199 FTEs at this Project. A FTE position requires at least 1,600 hours of work per year and is provided standard company benefits.
- 2) In each Fiscal Year (FY) that the company requests the disbursement of grant funds, the Company shall certify that the following employment goals have been met, prior to receiving payment:

<u>County Fiscal Year (FY)</u>	<u>Number of New FTEs (in aggregate)</u>
FY 20-21	22
FY 21-22	56
FY 22-23	62
FY 23-24	77
FY 24-25	77

- 3) The Company shall certify annual progress towards the employment of the required number of FTEs to the County on or before June 30, 2019, and on June 30th following each of the remaining years of the Grant Term. Such certification shall include a copy of the Company's "*Employers Quarterly Tax and Wage Report*" (Form NCU1 101 filed with the NC Employment Security Commission) for the quarter a) ending on or immediately preceding the date of the annual request and b) the number of FTEs as of that same date. If the NCUI 101 is discontinued or modified, a successor form performing a comparable function must be submitted. The Company shall also provide copies of its One NC Grant reporting to the County when they have been submitted to the State.

- 4) Should the Company fail to certify its annual employment numbers by June 30th, the County may allow the Company an extended cure period to file and certify this particular report annually.
- 5) If the Company does not meet the employment goals, the County will reduce the annual Grant payment on a pro-rata basis until such time as the Company once again meets employment goals. Pro-rata reduction shall be computed based on the percentage of the goal not met for the given year.

ARTICLE IV
TERMINATION OF GRANT AGREEMENT AND REQUIRED REPAYMENT OF
GRANT FUNDS UPON ANNOUNCED TERMINATION OF OPERATIONS OR
MAJORITY REDUCTION IN WORKFORCE

- 1) The assistance provided by Rowan County, through the Relocation and Expansion Assistance Program, represents a substantial commitment of public resources. Companies that participate in this program are expected to maintain and continue operations beyond the end of the Grant Term.
- 2) Should the Company cease operations or eliminate the majority of their workforce (51% reduction or more within a twelve (12) month span), the Agreement will be terminated and the Company will be required to repay all grant proceeds provided during the thirty-six (36) months prior to the cessation or reduction.
- 3) Repayment of grant funds shall be required if the Company has received any grant disbursements from the County within the thirty-six (36) months prior to the earlier of (a) Public announcement by the Company of plans to close or eliminate the majority of the workforce, (b) Actual cessation of operations, or elimination of a majority of the workforce.
- 4) The Company shall make payment to the County within one hundred and twenty (120) days of such announcement or event. The County may use any and all legal recourse to pursue restitution from the Company and / or its successors.

ARTICLE V
RELOCATION AND ASSISTANCE GRANT ADDITIONAL TERMS AND
CONDITIONS

As further consideration for the granting of certain relocation and assistance grants to the Company by the County, the Company further agrees that it shall abide by the Federal Immigration and Control Act of 1986 and all subsequent amendments thereto (collectively the "Act"). To that end, the Company agrees as follows:

- 1) The Company shall provide to Rowan County an annual certification, as of the time the Company first claims the Grant and each year it claims an installment or carryforward of the Grant, that the Company has implemented measures necessary to be in compliance with the Act and does not knowingly employ any unauthorized alien at the Facility; and
- 2) If the Company fails to implement measures necessary to be in compliance with the Act or knowingly employs an unauthorized alien at the Facility, and if upon learning of such

event, fails to cure such matter within sixty (60) days from learning of such, then the Grant shall expire and the Company may not take any remaining installment or carryforward of the Grant.

ARTICLE VI
REPRESENTATIONS, WARRANTIES AND COVENENANTS - COMPANY

The Company represents, warrants and covenants to the County, as applicable, as of the date of this Agreement that:

- 1) Standing. The Company is a company duly organized and existing and in good standing under the laws of the State of North Carolina.
- 2) Authority. The Company has the corporate power and authority to own its properties and assets, to carry on its business as it is now being conducted and to execute and perform this Agreement.
- 3) Enforceability. This Agreement is the legal, valid and binding agreement of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar state or federal laws, in effect from time to time, which affect the enforcement of creditors' rights generally.
- 4) No Violations. This agreement does not violate the charter documents or bylaws of the Company or any provisions of any indenture, agreement or other instrument to which the Company is a party.
- 5) No Conflicts. This agreement does not conflict with, result in a breach of or constitute an event of default under (or an event which, with notice or lapse of time, or both, would constitute an event of default under) any indenture, agreement or other instrument to which the Company is a party.
- 6) Certifications. The Company shall be solely responsible for providing certifications of expenditures and jobs to the appropriate County officer at the time of filing the request for the annual Grant

ARTICLE VII
REPRESENTATIONS, WARRANTIES AND COVENENANTS - COUNTY

The County represents, warrants and covenants to the Company, as applicable, as of the date of this Agreement that:

- 1) The County (a) has full power and authority to enter into this Agreement and to enter into and carry out the transactions contemplated by this Agreement (b) by proper action has duly authorized the execution and delivery of this Agreement; and (c) is not in default under any provisions of this Agreement.
- 2) The County has duly authorized, executed, and delivered this Agreement, and this Agreement constitutes the County's legal, valid, and binding obligation, enforceable in accordance with its terms.

- 3) There is no litigation or proceeding pending or threatened against the County or affecting it which would adversely affect the validity of this Agreement.
- 4) The County is not in default under any provision of State law which would affect its existence or its powers as referred to in subsection (1).
- 5) To the best of the County's knowledge, no officer or official of the County has any interest (financial, employment, or other) in the Company or the transactions contemplated by this Agreement.
- 6) With respect to this Agreement, the County has complied fully with all requirements of N.C. General Statute 158-7.1 *et seq.*

ARTICLE VIII GENERAL PROVISIONS

- 1) Governing Law. This Agreement shall be governed and construed under the laws of the State of North Carolina, notwithstanding any rules concerning application of the laws of another state or jurisdiction.
- 2) Assignment. This Agreement shall not be assignable by either party without the prior written consent of the other party, except that Company may assign this Agreement to a parent, subsidiary or affiliate as a part of any corporate restructuring.
- 3) Entire Agreement. This Agreement, and its attachments, constitute the entire agreement of the parties, and may not be contradicted by any prior or contemporaneous communications of any kind. This Agreement may only be modified by a written instrument that is signed by an authorized representative of each party.
- 4) Breach. In the event of a breach of this Agreement, the non-breaching party shall provide written notice of the breach to the breaching party, and the party in breach shall have thirty (30) days from the date of notice of the breach to cure its performance under this Agreement.
- 5) Waiver. Nothing in this Agreement shall constitute a waiver of any rights that the Company may have to appeal or otherwise contest any listing, appraisal or assessment that the County may make relative to the Properties.
- 6) Force Majeure. Any delay in the performance of any duties or obligations of either party hereunder (the "Delayed Party") shall not be considered a breach of this Agreement and the time required for performance shall be extended for a period equal to the lesser of (a) the period of such delay or (b) 24 months, provided that such delay has been caused by or is the result of any acts of God; acts of the public enemy; insurrections; riots; embargoes; labor disputes, including strikes, lockouts, job actions, or boycotts; shortages of materials or energy; fires; explosions; floods; changes in laws governing international trades; or other unforeseeable causes beyond the control and without the fault or negligence of the Delayed Party. The Delayed Party shall give prompt notice to the other party of such cause, and shall take whatever reasonable steps are necessary to relieve of such cause as promptly as possible. No such event shall excuse the payment of any sums due and payable

hereunder on the due date thereof except any payment due upon the occurrence of any act or event for which delayed performance is excused as provided above.

- 7) Notices. All notices required or allowed by this Agreement shall be delivered in person, by overnight courier service (such as Federal Express), by certified mail, return receipt requested, postage prepaid, secure electronic transfers or by fax with written confirmation of receipt (with a copy sent by one of the other methods specified herein), addressed to the party or person to whom notice is to be given at the following addresses:

To County: Rowan County Manager
130 West Innes Street
Salisbury, NC 28144
Phone: (704) 216-8180
Facsimile: (704) 216-8195

With Copy (which does not constitute notice to):
Rowan County Attorney
130 West Innes Street
Salisbury, NC 28144
Phone: (704) 216-8198
Facsimile: (704) 216-8195

To Company: Name and Contact Information

To Company Regarding Payment of Grant, also include:
Contact for the Grants

With Copy (which does not constitute notice to):
If requested by the Company

Notice shall be deemed to have been given with respect to overnight carrier or certified mail, one (1) day after deposit with such carrier and as to facsimile, on date of transmission, provided additional service is made. The addresses may be changed by giving written notice as provided herein; provided, however, that unless and until such written notice is actually received, the last address stated herein shall be deemed to continue in effect for all purposes hereunder.

[Signature page follows]

IN WITNESS WHEREOF, the County and the Company have caused this Agreement to be executed in quadruplicate originals, in their respective names, by persons duly authorized by proper authority, and have sealed the same as of the day and year first above written.

(Company Name)

By: _____

Title: _____

[Corporate Seal]

ATTEST:

_____ (Seal)

Name _____

ROWAN COUNTY, NORTH CAROLINA

Gregory C. Edds, Chairman
Rowan County Board of Commissioners

[Corporate Seal]

ATTEST:

Carolyn Barger
Clerk to the Board of Commissioners

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

Leslie Heidrick
Rowan County Finance Director

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

John Dees II
County Attorney

ATTACHMENT I

LEGAL DESCRIPTION OF THE PROPERTY

DRAFT

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Scott Shelton, Vice-President of Operations
DATE: September 21, 2018
SUBJECT: Public Hearing & Executive Summary Presentation - Project Care

The Rowan EDC will present an Economic Impact Analysis for the potential expansion of Project Care in Rowan County.

The proposed project would represent approximately \$68 million of new investment in Rowan County through improvements to the company's existing facility and major equipment upgrades. The proposed project would also create 59 new jobs by the end of 2020. The average salary for these new jobs would be \$46,000 per year.

ATTACHMENTS:

Description	Upload Date	Type
Project Care - Executive Summary & Incentive Agt	9/21/2018	Cover Memo

September 21, 2018



PARTNERSHIP for ECONOMIC DEVELOPMENT
SALISBURY, NC

Be an original.

ECONOMIC
IMPACT
SUMMARY

SUMMARY OF PROPOSED EXPANSION OF PROJECT
CARE IN ROWAN COUNTY



Submitted by:
The Rowan EDC

September 21, 2018

The Honorable Gregory C. Edds
Rowan County Board of Commissioners
130 West Innes Street
Salisbury, NC 28144

Re: Summary of Proposed Expansion of Project Care in Rowan County, NC

Dear Chairman Edds and County Commissioners:

On behalf of your Economic Development Commission, please allow me to present to you this summary of the proposed expansion of Project Care in Rowan County.

We are optimistic that, with your support, this project will reach a successful conclusion, creating new employment and expanding the nonresidential tax base in Rowan County. This document addresses the primary drivers and impacts of the project, and is designed to provide you the information necessary to consider their request for assistance.

We sincerely hope that you find this document a useful resource as you consider this matter. We have expended substantial efforts to gather as much information as possible regarding the potential impacts this project could have on our County and its citizens. In order to accomplish this, we have relied on a variety of public and private sector partners. At this time, in addition to company representatives from Project Care, we would like to thank:

- David Hartigan, President, Hartigan Management, Inc.
- Melanie O'Connell Underwood, Regional Industry Manager, Economic Development Partnership of NC
- Chris Corriher, District Engineer, NC Department of Transportation

In the preparation of this document, we have strived to utilize factual data and realistic projections extrapolated from the best information available. It is our intent that this document serve as a resource for you as you deliberate potential actions.

Please do not hesitate to contact our offices with any questions you may have regarding this matter. We look forward to your feedback.

Sincerely,



Scott Shelton
Vice President of Operations

Contents

1. Project Description
2. Regulatory Approval Process
3. Requested Assistance
4. Other Potential Incentive Request
5. Model of County Revenue – 10-Year Horizon
6. Closing
7. Draft Incentive Agreement

1. Project Description

About The Company

The company behind Project Care is an advanced manufacturer that has been a valued employer in Rowan County for years. The company currently employs dozens of people in our community.

Proposed Project

Project Care is considering its Rowan County facility for a major expansion. Our primary competition for this expansion is one of the company's other facilities in the western United States as well as facilities in 3 foreign countries.

If our community were chosen, the company would add 59 new jobs by the end of 2020. These new jobs would pay an average annual salary in excess of \$46,000, with benefits.

The company would also invest approximately \$68 million dollars into the chosen location through improvements to the existing facility and major equipment upgrades. These improvements would be completed by the end of 2019.

2. Regulatory Approval Process

Zoned appropriately for their current use, there does not appear to be any regulatory barriers to this project moving forward. The company will work with the City of Salisbury and the Rowan County Building Inspections Department to navigate the appropriate review and permitting process. There are no components of the proposed project that appear outside the normal scope of operations for these types of facilities.

3. Requested Assistance

Rowan County's adopted Investment Grant Program provides a five-year grant to companies investing in our community. The grant is established by a contract between the company and Rowan County. The company must pay their taxes in full each year based on the actual tax value of the property or investment to be eligible to receive the grant. If the company meets all of the criteria in the contract, a portion of the property tax will be returned as a grant. The amount of the grant is based on a designated percentage level for five consecutive years. Below is a chart that summarizes the categories of grants, including the minimum investment required and the percentage of new taxes paid that would be returned as a grant:

<i>Grant Category</i>	<i>Minimum Taxable Investment Required</i>	<i>Percentage of Paid Taxes Returned as a Grant</i>
Level 1 Grant	\$5 million dollars	75%
Level 2 Grant	\$50 million dollars	80%
Level 3 Grant	\$100 million dollars	85%

The company is requesting assistance under this program for the amount and duration adopted in the policy. In order to illustrate the revenue impact of this potential project on Rowan County, we have projected revenue returns over a 10-year period. These projections are provided below in Section 5.

Approval of this incentive request would be consistent with the County's longstanding goal of providing assistance to existing industry. We respectfully request that the Board of Commissioners consider approving their request based on the potential impact on our community from the project. A "Draft" copy of the proposed Incentive Agreement is attached.

4. Other Potential Incentive Request

The companies behind Project Arizona and Project Care are located within close proximity of each other. Both have expressed interest in a new, shared access road that would provide better truck flow and driver safety. Options for this new road are currently being discussed by upper management from both companies as well as the NC Department of Transportation. If both companies decide to move forward with the new road, the Rowan EDC will explore a variety of grant options to help fund it. There is also the possibility that the companies may request funding assistance for the road from Rowan County and the City of Salisbury at a later date.

5. Model of County Revenue – 10-Year Horizon

Project Care expects that the majority of construction, equipment installation, and infrastructure improvements will be complete by December 31, 2019. The overall investment timeline is based on information provided to the Rowan EDC by the company.

The evolving nature of County tax rates, assessed value of the installed equipment, and construction timelines require certain assumptions in order to develop a functioning model. To establish a baseline, the following constants were applied:

- The County tax rate is fixed at the current rate of .6625
- \$68 million of new equipment and construction occurs prior to December 31, 2019
- The project is complete by December 31, 2019

In application, it is unlikely that all assumptions will hold constant. The model provides general trends of expected revenues and expenditures.

Incorporating the above framework, the following outcomes are projected:

- During the five incentivized years, Rowan County would collect \$1,980,875 in revenue and provide incentive grants totaling \$1,584,700. The County would retain \$396,175 of revenue during the incentive term.
- Modeled with a 10-year horizon, Rowan County would stand to collect an estimated \$4,233,375, disburse a \$1,584,700 grant and retain an estimated \$2,648,675 of new revenue.

Project Care:

<i>(Construction Completed by December 31, 2019)</i>		Time Period	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
		Calendar Year	2018	2019	2020	2021	2022
Total Capital Investment	Total planned amount of Expansion project		\$27,000,000	\$68,000,000	\$68,000,000	\$68,000,000	\$68,000,000
County Tax Rate	0.6625%		0.6625%	0.6625%	0.6625%	0.6625%	0.6625%
County Tax Revenue	Local Taxable Capital Investment times County Tax Rate		\$178,875	\$450,500	\$450,500	\$450,500	\$450,500
Expansion Grant %	80% for 5 years. Paid in FY 2020 - 2024		80%	80%	80%	80%	80%
Expansion Grant %	County Tax Revenue times Expansion Grant		\$143,100	\$360,400	\$360,400	\$360,400	\$360,400
County Net Revenue	County Tax Revenue minus Expansion Grant		\$35,775	\$90,100	\$90,100	\$90,100	\$90,100

FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	10 Year Sum.
2023	2024	2025	2026	2027	
\$68,000,000	\$68,000,000	\$68,000,000	\$68,000,000	\$68,000,000	\$68,000,000
0.6625%	0.6625%	0.6625%	0.6625%	0.6625%	0.6625%
\$450,500	\$450,500	\$450,500	\$450,500	\$450,500	\$4,233,375
\$0	\$0	\$0	\$0	\$0	\$1,584,700
\$450,500	\$450,500	\$450,500	\$450,500	\$450,500	\$2,648,675

6. Closing

This project appears to have a lengthy list of positive attributes and no apparent liabilities. If Rowan County were chosen, Project Care would create a total of 59 new full time jobs as well as add \$68 million dollars to the County's tax base. The project would also generate approximately \$450,000 of annual tax revenue for the County after the incentive period concludes.

On behalf of the staff of your Economic Development Commission, we look forward to providing you any additional information requested, or meeting with you personally to discuss these findings in detail. We hope that you have found this information useful as you consider this matter.

7. Draft Incentive Agreement

NORTH CAROLINA
ROWAN COUNTY

RELOCATION AND EXPANSION ASSISTANCE AGREEMENT

THIS RELOCATION AND EXPANSION ASSISTANCE AGREEMENT (the "Agreement") is made and entered into as of the ____ day of _____, 20____, by and between Rowan County, North Carolina, a body politic (hereinafter referred to as the "County") and "Project Care" and its wholly owned subsidiary, _____, (hereinafter jointly referred to as the "Company").

WITNESSETH

WHEREAS, the Company has explored the possibility of establishing a new or expanding an existing facility in Rowan County (the "Project"), which would increase taxable property in the County and result in the creation of a number of jobs in the County, but would not have a significant detrimental impact to the environment of the County; and

WHEREAS, the Company has determined that the property located at _____, Salisbury, North Carolina (the "Property"), is a suitable location for its expansion and improvement; and

WHEREAS, in order to induce the Company to relocate, expand, or improve on the Property, the County is willing to provide, or cause to be provided, to the Company certain inducements, upon terms and conditions binding upon the County as set forth herein; and

WHEREAS, prior to beginning any relocation, expansion or improvement on the Property, the Company and County met and agreed to enter into this Agreement; and

WHEREAS, in consideration of the undertakings and agreements set forth herein, approximately \$68 million dollars will be invested by or on behalf of the Company in new equipment and other real property improvements on the Property, and to create a certain number of jobs as provided herein and further comply with the covenants and conditions binding upon it as set forth herein, all of which are intended to create a positive economic impact in the County.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Company and the County hereby agree as follows:

ARTICLE I
COUNTY INDUCEMENTS

The County shall provide financial assistance to the Company through its "Relocation and Expansion Assistance Program", as hereinafter described, with respect to the Company's development of the Property and other related expenses as follows:

- 1) The "Relocation and Expansion Assistance Program" will be provided as a "Relocation and Expansion Incentive Grant" ("Grant") to assist the Company with construction, equipment, and other capital improvements in Rowan County. The Grant will specifically apply to the Property and all real property improvements and personal property newly installed and used at the Property ("Facility").
- 2) The amount of the Grant will be computed using the following steps:

a) Real Property Valuation.

- i) For each tax year that the Grant is applicable to a Property (subject to the limitations below), determine the actual assessed tax value of the real property, located at such Property.
- ii) Subtract from the above amount in a) i) the baseline real property value of the Property assessed as of January 1, 2018, and prior to the investments made by the Company in real property at such property. The annual result of this computation shall be defined as the “New Real Property Value” for the applicable Property.

b) Personal Property Valuation.

- i) For each tax year that the Grant is applicable (subject to the limitations below), determine the actual assessed tax value of all personal property, excluding supplies and rolling stock, located at and used in such Property.
- ii) Subtract from the above amount in b) i) the assessed tax value of personal property, excluding supplies and rolling stock, located at and used on such Property as of January 1, 2018. The annual result of this computation shall be defined as the “New Personal Property Value” for the applicable Property.

c) County Property Tax Determination. The sum of the New Real Property Value and the New Personal Property Value of a Property for each applicable year shall be the “New Property Value” of such Property for such year. Multiply the New Property Value for each applicable Property by the County tax rate (excluding municipal and fire district tax rates) applicable for the tax year at issue to determine the amount of property taxes applicable to the new property at such Property.

d) Grant Amount Determination. Multiply the property taxes applicable to the New Property Value for each applicable Property by 80% (0.80).

- 3) The Grant will be structured as a reimbursement of a portion of the real and personal property taxes assessed against each applicable Property and the Company. Such payment of the Grant will be made to the Company. Payment may be requested by the Company no sooner than January 1st and no later than June 30th of the fiscal year in which the taxes are due. The Grant will be paid within sixty (60) days of the Company providing certifications as set forth in Article III(3), and receipt of the Company’s full payment of all real and personal property taxes due to the County. Payment of the Grant shall be equal to Eighty Percent (80%) of the County property taxes (excluding municipal and fire district taxes) paid on the New Property Value of the Property by the Company according to Paragraph (2) above at the prevailing Rowan County tax rate for the tax year of the requested Grant.
- 4) Tax amounts due on property discovered by the County through its customary audit procedures and not listed by the Company shall be excluded from this Agreement, and the County shall not be responsible for reimbursement on these amounts for any tax year.

ARTICLE II
SCHEDULE OF CORPORATE IMPROVEMENTS

- 1) The Company has determined that the Property is a suitable site for location of its Facility and shall acquire all local permits, zoning approvals, and required state and federal permits, if applicable. The Company expects to have the Facility substantially completed by December 31, 2018.
- 2) The Company shall receive the Grant for five separate tax years ("Grant Term"), which shall begin with property assessed as of January 1, 2019, with the first such reimbursement to be provided to the Company by the County during fiscal year ended June 30, 2020. If the Facility is not complete by January 1, 2019, the Grant shall be based on the percentage complete and assessed for that year.
- 3) Unless an event triggering the Force Majeure provision set forth in Article VII herein shall occur, the initial year shall commence on property assessed as of January 1, 2019.
- 4) Any subsequent qualifying expansion of the Facility by the Company shall be eligible (provided the Relocation and Expansion Assistance Program is still in effect) for consideration as a separate Grant under the Relocation and Expansion Assistance Program, each for a separate Grant Term.

ARTICLE III
EMPLOYMENT

- 1) The Company projects that it will create 59 Full Time Equivalents ("FTEs") with this Project. As of December 31, 2020, the Company shall employ 257 FTEs at this Project. A FTE position requires at least 1,600 hours of work per year and is provided standard company benefits.
- 2) In each Fiscal Year (FY) that the company requests the disbursement of grant funds, the Company shall certify that the following employment goals have been met, prior to receiving payment:

<u>County Fiscal Year (FY)</u>	<u>Number of New FTEs (in aggregate)</u>
FY 19-20	0
FY 20-21	24
FY 21-22	59
FY 22-23	59
FY 23-24	59

- 3) The Company shall certify annual progress towards the employment of the required number of FTEs to the County on or before June 30, 2019, and on June 30th following each of the remaining years of the Grant Term. Such certification shall include a copy of the Company's "*Employers Quarterly Tax and Wage Report*" (Form NCU1 101 filed with the NC Employment Security Commission) for the quarter a) ending on or immediately preceding the date of the annual request and b) the number of FTEs as of that same date. If the NCUI 101 is discontinued or modified, a successor form performing a comparable function must be submitted. The Company shall also provide copies of its One NC Grant reporting to the County when they have been submitted to the State.

- 4) Should the Company fail to certify its annual employment numbers by June 30th, the County may allow the Company an extended cure period to file and certify this particular report annually.
- 5) If the Company does not meet the employment goals, the County will reduce the annual Grant payment on a pro-rata basis until such time as the Company once again meets employment goals. Pro-rata reduction shall be computed based on the percentage of the goal not met for the given year.

ARTICLE IV
TERMINATION OF GRANT AGREEMENT AND REQUIRED REPAYMENT OF
GRANT FUNDS UPON ANNOUNCED TERMINATION OF OPERATIONS OR
MAJORITY REDUCTION IN WORKFORCE

- 1) The assistance provided by Rowan County, through the Relocation and Expansion Assistance Program, represents a substantial commitment of public resources. Companies that participate in this program are expected to maintain and continue operations beyond the end of the Grant Term.
- 2) Should the Company cease operations or eliminate the majority of their workforce (51% reduction or more within a twelve (12) month span), the Agreement will be terminated and the Company will be required to repay all grant proceeds provided during the thirty-six (36) months prior to the cessation or reduction.
- 3) Repayment of grant funds shall be required if the Company has received any grant disbursements from the County within the thirty-six (36) months prior to the earlier of (a) Public announcement by the Company of plans to close or eliminate the majority of the workforce, (b) Actual cessation of operations, or elimination of a majority of the workforce.
- 4) The Company shall make payment to the County within one hundred and twenty (120) days of such announcement or event. The County may use any and all legal recourse to pursue restitution from the Company and / or its successors.

ARTICLE V
RELOCATION AND ASSISTANCE GRANT ADDITIONAL TERMS AND
CONDITIONS

As further consideration for the granting of certain relocation and assistance grants to the Company by the County, the Company further agrees that it shall abide by the Federal Immigration and Control Act of 1986 and all subsequent amendments thereto (collectively the "Act"). To that end, the Company agrees as follows:

- 1) The Company shall provide to Rowan County an annual certification, as of the time the Company first claims the Grant and each year it claims an installment or carryforward of the Grant, that the Company has implemented measures necessary to be in compliance with the Act and does not knowingly employ any unauthorized alien at the Facility; and
- 2) If the Company fails to implement measures necessary to be in compliance with the Act or knowingly employs an unauthorized alien at the Facility, and if upon learning of such

event, fails to cure such matter within sixty (60) days from learning of such, then the Grant shall expire and the Company may not take any remaining installment or carryforward of the Grant.

ARTICLE VI
REPRESENTATIONS, WARRANTIES AND COVENENANTS - COMPANY

The Company represents, warrants and covenants to the County, as applicable, as of the date of this Agreement that:

- 1) Standing. The Company is a company duly organized and existing and in good standing under the laws of the State of North Carolina.
- 2) Authority. The Company has the corporate power and authority to own its properties and assets, to carry on its business as it is now being conducted and to execute and perform this Agreement.
- 3) Enforceability. This Agreement is the legal, valid and binding agreement of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar state or federal laws, in effect from time to time, which affect the enforcement of creditors' rights generally.
- 4) No Violations. This agreement does not violate the charter documents or bylaws of the Company or any provisions of any indenture, agreement or other instrument to which the Company is a party.
- 5) No Conflicts. This agreement does not conflict with, result in a breach of or constitute an event of default under (or an event which, with notice or lapse of time, or both, would constitute an event of default under) any indenture, agreement or other instrument to which the Company is a party.
- 6) Certifications. The Company shall be solely responsible for providing certifications of expenditures and jobs to the appropriate County officer at the time of filing the request for the annual Grant

ARTICLE VII
REPRESENTATIONS, WARRANTIES AND COVENENANTS - COUNTY

The County represents, warrants and covenants to the Company, as applicable, as of the date of this Agreement that:

- 1) The County (a) has full power and authority to enter into this Agreement and to enter into and carry out the transactions contemplated by this Agreement (b) by proper action has duly authorized the execution and delivery of this Agreement; and (c) is not in default under any provisions of this Agreement.
- 2) The County has duly authorized, executed, and delivered this Agreement, and this Agreement constitutes the County's legal, valid, and binding obligation, enforceable in accordance with its terms.

- 3) There is no litigation or proceeding pending or threatened against the County or affecting it which would adversely affect the validity of this Agreement.
- 4) The County is not in default under any provision of State law which would affect its existence or its powers as referred to in subsection (1).
- 5) To the best of the County's knowledge, no officer or official of the County has any interest (financial, employment, or other) in the Company or the transactions contemplated by this Agreement.
- 6) With respect to this Agreement, the County has complied fully with all requirements of N.C. General Statute 158-7.1 *et seq.*

ARTICLE VIII GENERAL PROVISIONS

- 1) Governing Law. This Agreement shall be governed and construed under the laws of the State of North Carolina, notwithstanding any rules concerning application of the laws of another state or jurisdiction.
- 2) Assignment. This Agreement shall not be assignable by either party without the prior written consent of the other party, except that Company may assign this Agreement to a parent, subsidiary or affiliate as a part of any corporate restructuring.
- 3) Entire Agreement. This Agreement, and its attachments, constitute the entire agreement of the parties, and may not be contradicted by any prior or contemporaneous communications of any kind. This Agreement may only be modified by a written instrument that is signed by an authorized representative of each party.
- 4) Breach. In the event of a breach of this Agreement, the non-breaching party shall provide written notice of the breach to the breaching party, and the party in breach shall have thirty (30) days from the date of notice of the breach to cure its performance under this Agreement.
- 5) Waiver. Nothing in this Agreement shall constitute a waiver of any rights that the Company may have to appeal or otherwise contest any listing, appraisal or assessment that the County may make relative to the Properties.
- 6) Force Majeure. Any delay in the performance of any duties or obligations of either party hereunder (the "Delayed Party") shall not be considered a breach of this Agreement and the time required for performance shall be extended for a period equal to the lesser of (a) the period of such delay or (b) 24 months, provided that such delay has been caused by or is the result of any acts of God; acts of the public enemy; insurrections; riots; embargoes; labor disputes, including strikes, lockouts, job actions, or boycotts; shortages of materials or energy; fires; explosions; floods; changes in laws governing international trades; or other unforeseeable causes beyond the control and without the fault or negligence of the Delayed Party. The Delayed Party shall give prompt notice to the other party of such cause, and shall take whatever reasonable steps are necessary to relieve of such cause as promptly as possible. No such event shall excuse the payment of any sums due and payable

hereunder on the due date thereof except any payment due upon the occurrence of any act or event for which delayed performance is excused as provided above.

- 7) Notices. All notices required or allowed by this Agreement shall be delivered in person, by overnight courier service (such as Federal Express), by certified mail, return receipt requested, postage prepaid, secure electronic transfers or by fax with written confirmation of receipt (with a copy sent by one of the other methods specified herein), addressed to the party or person to whom notice is to be given at the following addresses:

To County: Rowan County Manager
130 West Innes Street
Salisbury, NC 28144
Phone: (704) 216-8180
Facsimile: (704) 216-8195

With Copy (which does not constitute notice to):
Rowan County Attorney
130 West Innes Street
Salisbury, NC 28144
Phone: (704) 216-8198
Facsimile: (704) 216-8195

To Company: Name and Contact Information

To Company Regarding Payment of Grant, also include:
Contact for the Grants

With Copy (which does not constitute notice to):
If requested by the Company

Notice shall be deemed to have been given with respect to overnight carrier or certified mail, one (1) day after deposit with such carrier and as to facsimile, on date of transmission, provided additional service is made. The addresses may be changed by giving written notice as provided herein; provided, however, that unless and until such written notice is actually received, the last address stated herein shall be deemed to continue in effect for all purposes hereunder.

[Signature page follows]

IN WITNESS WHEREOF, the County and the Company have caused this Agreement to be executed in quadruplicate originals, in their respective names, by persons duly authorized by proper authority, and have sealed the same as of the day and year first above written.

(Company Name)

By: _____

Title: _____

[Corporate Seal]

ATTEST:

_____ (Seal)

Name _____

ROWAN COUNTY, NORTH CAROLINA

Gregory C. Edds, Chairman
Rowan County Board of Commissioners

[Corporate Seal]

ATTEST:

Carolyn Barger
Clerk to the Board of Commissioners

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

Leslie Heidrick
Rowan County Finance Director

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

John Dees II
County Attorney

ATTACHMENT I

LEGAL DESCRIPTION OF THE PROPERTY

DRAFT

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Scott Shelton, Vice-President of Operations
DATE: September 21, 2018
SUBJECT: Public Hearing & Executive Summary Presentation - Project Kodiak

The Rowan EDC will present an Economic Impact Analysis for the potential location of Project Kodiak in Rowan County. This would be the first facility for the company in Rowan County.

The proposed project would represent approximately \$55 million of new investment in Rowan County through the construction of a new 700,000 square foot distribution center. If Rowan County were chosen for this project, the new facility would be constructed on the Trevey Site at Long Ferry Road and Interstate 85. The proposed project would also create 600 new jobs by the end of 2022.

ATTACHMENTS:

Description	Upload Date	Type
Project Kodiak - Executive Summary & Incentive Agt	9/21/2018	Cover Memo

September 21, 2018



PARTNERSHIP for ECONOMIC DEVELOPMENT
SALISBURY, NC

Be an original.

ECONOMIC
IMPACT
SUMMARY

SUMMARY OF PROPOSED LOCATION OF PROJECT
KODIAK IN ROWAN COUNTY



Submitted by:
The Rowan EDC

September 21, 2018

The Honorable Gregory C. Edds
Rowan County Board of Commissioners
130 West Innes Street
Salisbury, NC 28144

Re: Summary of Proposed Location of Project Kodiak in Rowan County, NC

Dear Chairman Edds and County Commissioners:

On behalf of your Economic Development Commission, please allow me to present to you this summary of the proposed location of Project Kodiak in Rowan County.

We are optimistic that, with your support, this project will reach a successful conclusion, creating new employment and expanding the nonresidential tax base in Rowan County. This document addresses the primary drivers and impacts of the project, and is designed to provide you the information necessary to consider their request for assistance.

We sincerely hope that you find this document a useful resource as you consider this matter. We have expended substantial efforts to gather as much information as possible regarding the potential impacts this project could have on our County and its citizens. In order to accomplish this, we have relied on a variety of public and private sector partners. At this time, in addition to company representatives from Project Kodiak, we would like to thank:

- David Hartigan, President, Hartigan Management, Inc.
- Ellen Tai, Senior Business Recruitment Manager, Economic Development Partnership of NC
- Carol Henderson, Senior Director - Business Incentives Practice, Cushman & Wakefield
- Ian McDonald, General Counsel, NorthPoint Development

In the preparation of this document, we have strived to utilize factual data and realistic projections extrapolated from the best information available. It is our intent that this document serve as a resource for you as you deliberate potential actions.

Please do not hesitate to contact our offices with any questions you may have regarding this matter. We look forward to your feedback.

Sincerely,



Scott Shelton
Vice President of Operations

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1. Project Description

About The Company

The company behind Project Kodiak is an online retailer that offers thousands of products to its customers and serves them from warehouses and fulfillment centers located throughout the United States.

Proposed Project

Project Kodiak is evaluating locations to establish a new eCommerce Fulfillment Center facility within the South Atlantic region of the United States.

Rowan County is under consideration for this new 700,000 square foot facility, along with sites in South Carolina and Georgia.

If our community were chosen, Project Kodiak would construct this new facility on the Trevey Site. The project would create 600 new jobs by the end of 2022. The company would also invest approximately \$55 million dollars through the construction of the new facility, placement of new equipment and other improvements as part of the proposed project. This new investment would be spread out over the next five years, with full completion by the end of 2022.

About the Site

The Trevey Site, located at the intersection of Interstate 85 and Long Ferry Road, has long been regarded as one of Rowan County's premier sites due to its visibility and excellent highway access. Privately-owned, the Trevey Site is approximately 78 acres and is zoned 85-ED-2. A Conditional Use Permit was recently approved by the County Commissioners to allow warehousing and distribution-related uses on the site.



2. Regulatory Approval Process

Zoned appropriately for this proposed use, there does not appear to be any regulatory barriers to this project moving forward. The company will work with the Rowan County Planning and Development Department as well as the Building Inspections Department to navigate the appropriate review and permitting process. There are no components of the proposed project that appear outside the normal scope of operations for these types of facilities.

3. Requested Assistance

Investment Grant Program

Rowan County's adopted Investment Grant Program provides a five-year grant to companies investing in our community. The grant is established by a contract between the company and Rowan County. The company must pay their taxes in full each year based on the actual tax value of the property or investment to be eligible to receive the grant. If the company meets all of the criteria in the contract, a

portion of the property tax will be returned as a grant. The amount of the grant is based on a designated percentage level for five consecutive years. Below is a chart that summarizes the categories of grants, including the minimum investment required and the percentage of new taxes paid that would be returned as a grant:

<i>Grant Category</i>	<i>Minimum Taxable Investment Required</i>	<i>Percentage of Paid Taxes Returned as a Grant</i>
Level 1 Grant	\$5 million dollars	75%
Level 2 Grant	\$50 million dollars	80%
Level 3 Grant	\$100 million dollars	85%

The company is requesting a Level 2 Grant under this program for the amount and duration adopted in the policy. In order to illustrate the revenue impact of this potential project on Rowan County, we have projected revenue returns over a 10-year period. These projections are provided below in Section 5.

Site Development Funds

In order to increase Rowan County's competitiveness toward securing this project, the Rowan EDC proposes that the County utilize its Economic Development Funds to provide an additional \$100,000 grant to the Company. The funds could only be used toward grading and other site development-related expenses.

4. Other Potential Incentive Request

The Trevey Site is not currently served by public sewer, which is required for this potential facility. Salisbury-Rowan Utilities (SRU) has studied the site and recommends running an approximately 16" gravity sewer line under Interstate 85 to serve the property. SRU estimates that extending sewer to the Trevey Site will cost \$1.5 million dollars. This extension would also bring public sewer closer to the Carlton Site, which is approximately 1,500 feet east of the Trevey Site.

While the State of North Carolina has recommended up to \$1.5 million dollars in Community Development Block Grant (CDBG) funds to help pay for a sewer extension to the site, Rowan County would still need to apply for the grant funds and receive formal approval. There is no need to submit the CDBG application until after a location decision is made by Project Kodiak and other incentives are approved and announced by the State of North Carolina.

If Project Kodiak chooses our community and a CDBG application is necessary, we recommend that Rowan County apply for the entire \$1.5 million dollars in CDBG grant funds that the County is eligible to receive. If the project's final costs met SRU's estimate of \$1.5 million dollars, then Rowan County's required local match would be \$375,000 with \$1,125,000 coming from CDBG funds. This would leave additional grant funds available if the project were to exceed SRU's estimate.

5. Model of County Revenue – 10-Year Horizon

Project Kodiak expects that the majority of construction, equipment installation, and infrastructure improvements will be complete by December 31, 2022. The overall investment timeline is based on information provided to the Rowan EDC by the company.

The evolving nature of County tax rates, assessed value of the installed equipment, and construction timelines require certain assumptions in order to develop a functioning model. To establish a baseline, the following constants were applied:

- The County tax rate is fixed at the current rate of .6625
- \$55 million of new equipment and construction occurs prior to December 31, 2022
- The project is complete by December 31, 2022

In application, it is unlikely that all assumptions will hold constant. The model provides general trends of expected revenues and expenditures.

Incorporating the above framework, the following outcomes are projected:

- During the five incentivized years, Rowan County would collect \$1,735,750 in revenue and provide incentive grants totaling \$1,388,600. The County would retain \$350,150 of revenue during the incentive term.
- Modeled with a 10-year horizon, Rowan County would stand to collect an estimated \$3,557,625, disburse a \$1,388,600 grant and retain an estimated \$2,169,025 of new revenue.

Project Kodiak:

<i>(Construction Completed by December 31, 2022)</i>		Time Period	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
		Calendar Year	2019	2020	2021	2022	2023
Total Capital Investment	Total planned amount of Expansion project		\$48,000,000	\$51,000,000	\$53,000,000	\$55,000,000	\$55,000,000
County Tax Rate	0.6625%		0.6625%	0.6625%	0.6625%	0.6625%	0.6625%
County Tax Revenue	Local Taxable Capital Investment times County Tax Rate		\$318,000	\$337,875	\$351,125	\$364,375	\$364,375
Expansion Grant %	80% for 5 years. Paid in FY 2021 - 2025		80%	80%	80%	80%	80%
Expansion Grant %	County Tax Revenue times Expansion Grant		\$254,400	\$270,300	\$280,900	\$291,500	\$291,500
County Net Revenue	County Tax Revenue minus Expansion Grant		\$63,600	\$67,575	\$70,225	\$72,875	\$72,875

FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	10 Year Sum.
2024	2025	2026	2027	2028	
\$55,000,000	\$55,000,000	\$55,000,000	\$55,000,000	\$55,000,000	\$55,000,000
0.6625%	0.6625%	0.6625%	0.6625%	0.6625%	0.6625%
\$364,375	\$364,375	\$364,375	\$364,375	\$364,375	\$3,557,625
\$0	\$0	\$0	\$0	\$0	\$1,388,600
\$364,375	\$364,375	\$364,375	\$364,375	\$364,375	\$2,169,025

6. Closing

This project appears to have a lengthy list of positive attributes and no apparent liabilities. If Rowan County were chosen, Project Kodiak would create a total of 600 new full time jobs as well as add \$55 million dollars to the County's tax base. The project would also generate approximately \$364,000 of annual tax revenue for the County after the incentive period concludes.

On behalf of the staff of your Economic Development Commission, we look forward to providing you any additional information requested, or meeting with you personally to discuss these findings in detail. We hope that you have found this information useful as you consider this matter.

7. Draft Incentive Agreement

NORTH CAROLINA
ROWAN COUNTY

RELOCATION AND EXPANSION ASSISTANCE AGREEMENT

THIS RELOCATION AND EXPANSION ASSISTANCE AGREEMENT (the "Agreement") is made and entered into as of the ____ day of _____, 20____, by and between Rowan County, North Carolina, a body politic (hereinafter referred to as the "County") and "Project Kodiak" and its wholly owned subsidiary, _____, (hereinafter jointly referred to as the "Company").

WITNESSETH

WHEREAS, the Company has explored the possibility of establishing a new or expanding an existing facility in Rowan County (the "Project"), which would increase taxable property in the County and result in the creation of a number of jobs in the County, but would not have a significant detrimental impact to the environment of the County; and

WHEREAS, the Company has determined that the property identified as Rowan County Tax Parcel 052 096, located at the intersection of Long Ferry Road and Interstate 85 (the "Property"), is a suitable location for its expansion and improvement; and

WHEREAS, in order to induce the Company to relocate, expand, or improve on the Property, the County is willing to provide, or cause to be provided, to the Company certain inducements, upon terms and conditions binding upon the County as set forth herein; and

WHEREAS, prior to beginning any relocation, expansion or improvement on the Property, the Company and County met and agreed to enter into this Agreement; and

WHEREAS, in consideration of the undertakings and agreements set forth herein, approximately \$55 million dollars will be invested by or on behalf of the Company in new equipment and other real property improvements on the Property, and to create a certain number of jobs as provided herein and further comply with the covenants and conditions binding upon it as set forth herein, all of which are intended to create a positive economic impact in the County.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Company and the County hereby agree as follows:

ARTICLE I
COUNTY INDUCEMENTS

The County shall provide financial assistance to the Company through its "Relocation and Expansion Assistance Program", as hereinafter described, with respect to the Company's development of the Property and other related expenses as follows:

- 1) The "Relocation and Expansion Assistance Program" will be provided as a "Relocation and Expansion Incentive Grant" ("Grant") to assist the Company with construction, equipment, and other capital improvements in Rowan County. The Grant will specifically apply to the Property and all real property improvements and personal property newly installed and used at the Property ("Facility").
- 2) The amount of the Grant will be computed using the following steps:

a) Real Property Valuation.

- i) For each tax year that the Grant is applicable to a Property (subject to the limitations below), determine the actual assessed tax value of the real property, located at such Property.
- ii) Subtract from the above amount in a) i) the baseline real property value of the Property assessed as of January 1, 2018, and prior to the investments made by the Company in real property at such property. The annual result of this computation shall be defined as the “New Real Property Value” for the applicable Property.

b) Personal Property Valuation.

- i) For each tax year that the Grant is applicable (subject to the limitations below), determine the actual assessed tax value of all personal property, excluding supplies and rolling stock, located at and used in such Property.
- ii) Subtract from the above amount in b) i) the assessed tax value of personal property, excluding supplies and rolling stock, located at and used on such Property as of January 1, 2018. The annual result of this computation shall be defined as the “New Personal Property Value” for the applicable Property.

c) County Property Tax Determination. The sum of the New Real Property Value and the New Personal Property Value of a Property for each applicable year shall be the “New Property Value” of such Property for such year. Multiply the New Property Value for each applicable Property by the County tax rate (excluding municipal and fire district tax rates) applicable for the tax year at issue to determine the amount of property taxes applicable to the new property at such Property.

d) Grant Amount Determination. Multiply the property taxes applicable to the New Property Value for each applicable Property by 80% (0.80).

- 3) The Grant will be structured as a reimbursement of a portion of the real and personal property taxes assessed against each applicable Property and the Company. Such payment of the Grant will be made to the Company. Payment may be requested by the Company no sooner than January 1st and no later than June 30th of the fiscal year in which the taxes are due. The Grant will be paid within sixty (60) days of the Company providing certifications as set forth in Article III(3), and receipt of the Company’s full payment of all real and personal property taxes due to the County. Payment of the Grant shall be equal to Eighty Percent (80%) of the County property taxes (excluding municipal and fire district taxes) paid on the New Property Value of the Property by the Company according to Paragraph (2) above at the prevailing Rowan County tax rate for the tax year of the requested Grant.
- 4) Tax amounts due on property discovered by the County through its customary audit procedures and not listed by the Company shall be excluded from this Agreement, and the County shall not be responsible for reimbursement on these amounts for any tax year.

ARTICLE II
SCHEDULE OF CORPORATE IMPROVEMENTS

- 1) The Company has determined that the Property is a suitable site for location of its Facility and shall acquire all local permits, zoning approvals, and required state and federal permits, if applicable. The Company expects to have the Facility substantially completed by December 31, 2019.
- 2) The Company shall receive the Grant for five separate tax years ("Grant Term"), which shall begin with property assessed as of January 1, 2020, with the first such reimbursement to be provided to the Company by the County during fiscal year ended June 30, 2021. If the Facility is not complete by January 1, 2020, the Grant shall be based on the percentage complete and assessed for that year.
- 3) Unless an event triggering the Force Majeure provision set forth in Article VII herein shall occur, the initial year shall commence on property assessed as of January 1, 2020.
- 4) Any subsequent qualifying expansion of the Facility by the Company shall be eligible (provided the Relocation and Expansion Assistance Program is still in effect) for consideration as a separate Grant under the Relocation and Expansion Assistance Program, each for a separate Grant Term.

ARTICLE III
EMPLOYMENT

- 1) The Company projects that it will create 600 Full Time Equivalents ("FTEs") with this Project. As of December 31, 2022, the Company shall employ 600 FTEs at this Project. A FTE position requires at least 1,600 hours of work per year and is provided standard company benefits.
- 2) In each Fiscal Year (FY) that the company requests the disbursement of grant funds, the Company shall certify that the following employment goals have been met, prior to receiving payment:

<u>County Fiscal Year (FY)</u>	<u>Number of New FTEs (in aggregate)</u>
FY 20-21	147
FY 21-22	385
FY 22-23	484
FY 23-24	600
FY 24-25	600

- 3) The Company shall certify annual progress towards the employment of the required number of FTEs to the County on or before June 30, 2020, and on June 30th following each of the remaining years of the Grant Term. Such certification shall include a copy of the Company's "*Employers Quarterly Tax and Wage Report*" (Form NCU1 101 filed with the NC Employment Security Commission) for the quarter a) ending on or immediately preceding the date of the annual request and b) the number of FTEs as of that same date. If the NCUI 101 is discontinued or modified, a successor form performing a comparable function must be submitted. The Company shall also provide copies of its One NC Grant reporting to the County when they have been submitted to the State.

- 4) Should the Company fail to certify its annual employment numbers by June 30th, the County may allow the Company an extended cure period to file and certify this particular report annually.
- 5) If the Company does not meet the employment goals, the County will reduce the annual Grant payment on a pro-rata basis until such time as the Company once again meets employment goals. Pro-rata reduction shall be computed based on the percentage of the goal not met for the given year.

ARTICLE IV
TERMINATION OF GRANT AGREEMENT AND REQUIRED REPAYMENT OF
GRANT FUNDS UPON ANNOUNCED TERMINATION OF OPERATIONS OR
MAJORITY REDUCTION IN WORKFORCE

- 1) The assistance provided by Rowan County, through the Relocation and Expansion Assistance Program, represents a substantial commitment of public resources. Companies that participate in this program are expected to maintain and continue operations beyond the end of the Grant Term.
- 2) Should the Company cease operations or eliminate the majority of their workforce (51% reduction or more within a twelve (12) month span), the Agreement will be terminated and the Company will be required to repay all grant proceeds provided during the thirty-six (36) months prior to the cessation or reduction.
- 3) Repayment of grant funds shall be required if the Company has received any grant disbursements from the County within the thirty-six (36) months prior to the earlier of (a) Public announcement by the Company of plans to close or eliminate the majority of the workforce, (b) Actual cessation of operations, or elimination of a majority of the workforce.
- 4) The Company shall make payment to the County within one hundred and twenty (120) days of such announcement or event. The County may use any and all legal recourse to pursue restitution from the Company and / or its successors.

ARTICLE V
RELOCATION AND ASSISTANCE GRANT ADDITIONAL TERMS AND
CONDITIONS

As further consideration for the granting of certain relocation and assistance grants to the Company by the County, the Company further agrees that it shall abide by the Federal Immigration and Control Act of 1986 and all subsequent amendments thereto (collectively the "Act"). To that end, the Company agrees as follows:

- 1) The Company shall provide to Rowan County an annual certification, as of the time the Company first claims the Grant and each year it claims an installment or carryforward of the Grant, that the Company has implemented measures necessary to be in compliance with the Act and does not knowingly employ any unauthorized alien at the Facility; and
- 2) If the Company fails to implement measures necessary to be in compliance with the Act or knowingly employs an unauthorized alien at the Facility, and if upon learning of such

event, fails to cure such matter within sixty (60) days from learning of such, then the Grant shall expire and the Company may not take any remaining installment or carryforward of the Grant.

ARTICLE VI
REPRESENTATIONS, WARRANTIES AND COVENENANTS - COMPANY

The Company represents, warrants and covenants to the County, as applicable, as of the date of this Agreement that:

- 1) Standing. The Company is a company duly organized and existing and in good standing under the laws of the State of North Carolina.
- 2) Authority. The Company has the corporate power and authority to own its properties and assets, to carry on its business as it is now being conducted and to execute and perform this Agreement.
- 3) Enforceability. This Agreement is the legal, valid and binding agreement of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar state or federal laws, in effect from time to time, which affect the enforcement of creditors' rights generally.
- 4) No Violations. This agreement does not violate the charter documents or bylaws of the Company or any provisions of any indenture, agreement or other instrument to which the Company is a party.
- 5) No Conflicts. This agreement does not conflict with, result in a breach of or constitute an event of default under (or an event which, with notice or lapse of time, or both, would constitute an event of default under) any indenture, agreement or other instrument to which the Company is a party.
- 6) Certifications. The Company shall be solely responsible for providing certifications of expenditures and jobs to the appropriate County officer at the time of filing the request for the annual Grant

ARTICLE VII
REPRESENTATIONS, WARRANTIES AND COVENENANTS - COUNTY

The County represents, warrants and covenants to the Company, as applicable, as of the date of this Agreement that:

- 1) The County (a) has full power and authority to enter into this Agreement and to enter into and carry out the transactions contemplated by this Agreement (b) by proper action has duly authorized the execution and delivery of this Agreement; and (c) is not in default under any provisions of this Agreement.
- 2) The County has duly authorized, executed, and delivered this Agreement, and this Agreement constitutes the County's legal, valid, and binding obligation, enforceable in accordance with its terms.

- 3) There is no litigation or proceeding pending or threatened against the County or affecting it which would adversely affect the validity of this Agreement.
- 4) The County is not in default under any provision of State law which would affect its existence or its powers as referred to in subsection (1).
- 5) To the best of the County's knowledge, no officer or official of the County has any interest (financial, employment, or other) in the Company or the transactions contemplated by this Agreement.
- 6) With respect to this Agreement, the County has complied fully with all requirements of N.C. General Statute 158-7.1 *et seq.*

ARTICLE VIII GENERAL PROVISIONS

- 1) Governing Law. This Agreement shall be governed and construed under the laws of the State of North Carolina, notwithstanding any rules concerning application of the laws of another state or jurisdiction.
- 2) Assignment. This Agreement shall not be assignable by either party without the prior written consent of the other party, except that Company may assign this Agreement to a parent, subsidiary or affiliate as a part of any corporate restructuring.
- 3) Entire Agreement. This Agreement, and its attachments, constitute the entire agreement of the parties, and may not be contradicted by any prior or contemporaneous communications of any kind. This Agreement may only be modified by a written instrument that is signed by an authorized representative of each party.
- 4) Breach. In the event of a breach of this Agreement, the non-breaching party shall provide written notice of the breach to the breaching party, and the party in breach shall have thirty (30) days from the date of notice of the breach to cure its performance under this Agreement.
- 5) Waiver. Nothing in this Agreement shall constitute a waiver of any rights that the Company may have to appeal or otherwise contest any listing, appraisal or assessment that the County may make relative to the Properties.
- 6) Force Majeure. Any delay in the performance of any duties or obligations of either party hereunder (the "Delayed Party") shall not be considered a breach of this Agreement and the time required for performance shall be extended for a period equal to the lesser of (a) the period of such delay or (b) 24 months, provided that such delay has been caused by or is the result of any acts of God; acts of the public enemy; insurrections; riots; embargoes; labor disputes, including strikes, lockouts, job actions, or boycotts; shortages of materials or energy; fires; explosions; floods; changes in laws governing international trades; or other unforeseeable causes beyond the control and without the fault or negligence of the Delayed Party. The Delayed Party shall give prompt notice to the other party of such cause, and shall take whatever reasonable steps are necessary to relieve of such cause as promptly as possible. No such event shall excuse the payment of any sums due and payable

hereunder on the due date thereof except any payment due upon the occurrence of any act or event for which delayed performance is excused as provided above.

- 7) Notices. All notices required or allowed by this Agreement shall be delivered in person, by overnight courier service (such as Federal Express), by certified mail, return receipt requested, postage prepaid, secure electronic transfers or by fax with written confirmation of receipt (with a copy sent by one of the other methods specified herein), addressed to the party or person to whom notice is to be given at the following addresses:

To County: Rowan County Manager
130 West Innes Street
Salisbury, NC 28144
Phone: (704) 216-8180
Facsimile: (704) 216-8195

With Copy (which does not constitute notice to):
Rowan County Attorney
130 West Innes Street
Salisbury, NC 28144
Phone: (704) 216-8198
Facsimile: (704) 216-8195

To Company: Name and Contact Information

To Company Regarding Payment of Grant, also include:
Contact for the Grants

With Copy (which does not constitute notice to):
If requested by the Company

Notice shall be deemed to have been given with respect to overnight carrier or certified mail, one (1) day after deposit with such carrier and as to facsimile, on date of transmission, provided additional service is made. The addresses may be changed by giving written notice as provided herein; provided, however, that unless and until such written notice is actually received, the last address stated herein shall be deemed to continue in effect for all purposes hereunder.

[Signature page follows]

IN WITNESS WHEREOF, the County and the Company have caused this Agreement to be executed in quadruplicate originals, in their respective names, by persons duly authorized by proper authority, and have sealed the same as of the day and year first above written.

(Company Name)

By: _____

Title: _____

[Corporate Seal]

ATTEST:

_____ (Seal)

Name _____

ROWAN COUNTY, NORTH CAROLINA

Gregory C. Edds, Chairman

Rowan County Board of Commissioners

[Corporate Seal]

ATTEST:

Carolyn Barger

Clerk to the Board of Commissioners

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

Leslie Heidrick

Rowan County Finance Director

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

John Dees II

County Attorney

ATTACHMENT I

LEGAL DESCRIPTION OF THE PROPERTY

DRAFT

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Commissioner Craig Pierce
DATE: September 26, 2018
SUBJECT: Schedule Public Hearing for October 15, 2018 to Consider Text Amendments to Chapter 5, Animal Control Ordinance

ATTACHMENTS:

Description	Upload Date	Type
Request for Public Hearing	9/26/2018	Cover Memo



Rowan County Board of Commissioners
130 West Innes Street, Salisbury, NC 28144
(704) 216-8180

To: Rowan County Board Commissioners
From: Commissioner Craig Pierce
Date: September 26, 2018
Subject: Request to Schedule Public Hearing for October 15, 2018 to Consider Text Amendments for Restraint of Non-vicious Animals

I would like for the Board to schedule a public hearing for October 15, 2018 to consider text amendments to Chapter 5 of the Animal Control Ordinance, for the restraint of non-vicious animals.

I am requesting to add the following **highlighted** sentences to Section 5-36:

- (a) Sufficient restraint shall include, but is not be limited to, restraint by a leash attached to a harness or collar, or similar effective or humane device that is physically capable of restraining an animal, or confinement indoors or within a cage suitable for the animal, fence, or similar secure enclosure or temporarily in a vehicle for travel whether the vehicle is in motion or stopped. Electronic control devices such as correction collars are not considered restraint off of the owners property. **Acceptable leash length in constricted public spaces including sidewalks and other public pathways where people and pets are in close proximity to each other shall not exceed six feet in length. In larger public spaces that are open such as fields, leash length up to a maximum of sixteen feet is acceptable.** Being loose in the back of an open truck does not constitute being restrained. Sufficient restraint shall also include immediate supervision of an animal by a competent person when both are in the limits of the real property of the animal's owner or keeper.

If you have any questions, please contact me.

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Finance Department
DATE: September 21, 2018
SUBJECT: Budget Amendments

Please see the attached budget amendments.

Please approve the attached budget amendments.

ATTACHMENTS:

Description	Upload Date	Type
Budget Amendments	9/25/2018	Backup Material

DEPARTMENTAL REQUEST FOR BUDGET ACTION

Prepared by: Kristy Cowden
Date: 9/10/2018

BUDGET INFORMATION:

[illegible]

	EDTA P	EMP	RG P	
Guilford	\$ 205,113	\$ 115,131	\$ 92,225	\$ 412,469
Halifax	\$ 76,553	\$ 16,020	\$ 85,791	\$ 178,364
Harnett	\$ 86,429	\$ 28,155	\$ 127,774	\$ 242,358
Haywood	\$ 73,797	\$ 15,161	\$ 66,459	\$ 155,417
Henderson	\$ 95,943	\$ 24,289	\$ 68,909	\$ 189,141
Hertford	\$ 57,854	\$ 7,861	\$ 59,363	\$ 125,078
Hoke	\$ 60,411	\$ 13,337	\$ 55,482	\$ 129,230
Hyde	\$ 48,334	\$ 4,317	\$ 42,762	\$ 95,413
Iredell	\$ 101,629	\$ 37,926	\$ 90,857	\$ 230,412
Jackson	\$ 62,618	\$ 11,619	\$ 70,245	\$ 144,482
Johnston	\$ 103,292	\$ 39,537	\$ 153,342	\$ 296,171
Jones	\$ 50,898	\$ 4,639	\$ 46,585	\$ 102,122
Lee	\$ 67,905	\$ 16,021	\$ 88,586	\$ 172,512
Lenoir	\$ 76,354	\$ 15,698	\$ 90,020	\$ 182,072
Lincoln	\$ 78,714	\$ 19,995	\$ 97,038	\$ 195,747
Macon	\$ 63,356	\$ 10,223	\$ 67,508	\$ 141,087
Madison	\$ 55,477	\$ 6,894	\$ 54,211	\$ 116,582
Martin	\$ 57,492	\$ 8,183	\$ 59,219	\$ 124,894
McDowell	\$ 69,948	\$ 12,048	\$ 77,257	\$ 159,253
Mecklenburg	\$ 292,720	\$ 220,146	\$ 46,272	\$ 559,138
Mitchell	\$ 53,454	\$ 5,927	\$ 51,361	\$ 110,742
Montgomery	\$ 57,675	\$ 8,183	\$ 62,117	\$ 127,975
Moore	\$ 87,361	\$ 21,390	\$ 115,329	\$ 224,080
Nash	\$ 86,432	\$ 25,470	\$ 77,774	\$ 189,676
New Hanover	\$ 120,898	\$ 49,845	\$ 41,599	\$ 212,342
Northampton	\$ 58,961	\$ 7,323	\$ 57,101	\$ 123,385
Onslow	\$ 99,987	\$ 38,141	\$ 101,338	\$ 239,466
Orange	\$ 83,466	\$ 30,946	\$ 71,253	\$ 185,665
Pamlico	\$ 52,177	\$ 5,176	\$ 49,218	\$ 106,571
Pasquotank	\$ 61,132	\$ 12,370	\$ 73,440	\$ 146,942
Pender	\$ 69,774	\$ 14,625	\$ 81,727	\$ 166,126
Perquimans	\$ 52,541	\$ 5,391	\$ 49,490	\$ 107,422
Person	\$ 63,165	\$ 11,297	\$ 72,387	\$ 146,849
Pitt	\$ 101,083	\$ 41,577	\$ 81,970	\$ 224,630
Polk	\$ 55,101	\$ 6,572	\$ 55,702	\$ 117,375
Randolph	\$ 100,365	\$ 32,987	\$ 143,693	\$ 277,045
Richmond	\$ 70,682	\$ 13,122	\$ 78,703	\$ 162,507
Robeson	\$ 104,956	\$ 34,275	\$ 155,308	\$ 294,539
Rockingham	\$ 92,119	\$ 23,216	\$ 120,079	\$ 235,414
Rowan	\$ 103,830	\$ 32,880	\$ 84,955	\$ 221,665
Rutherford	\$ 80,944	\$ 17,739	\$ 97,339	\$ 196,022
Sampson	\$ 73,071	\$ 16,772	\$ 93,484	\$ 183,327
Scotland	\$ 64,813	\$ 11,296	\$ 69,476	\$ 145,585
Stanly	\$ 71,220	\$ 15,269	\$ 90,979	\$ 177,468
Stokes	\$ 66,097	\$ 12,478	\$ 69,233	\$ 147,808
Surry	\$ 79,657	\$ 17,846	\$ 102,500	\$ 200,003
Swain	\$ 50,896	\$ 6,680	\$ 46,325	\$ 103,901

- RGP \$84,955 ÷ .90
\$94,394 (w/10%
 match

[illegible]

ROWAN COUNTY

DEPARTMENTAL REQUEST FOR BUDGET ACTION

TO: BOARD OF COUNTY COMMISSIONERS

FROM: FINANCE

EXPLANATION IN DETAIL:

To recognize reserved funds from FY 2018 for Parks & Recreation. Reserved funds represent money received by a Department for a restricted purpose. The funds that have not been spent by year-end are budgeted for expenditure in the new fiscal year.

Prepared by: Lisa Bevis

Date: 09/25/18

BUDGET INFORMATION:

Reviewed: _____

ACCOUNT TITLE		ACCOUNT #	INCREASE	DECREASE
Fund Balance-Restricted	R	1146231-495010	7,848	
Fund Balance-Unrestricted	R	1143390-495000		5,000
Donations	E	1156231-583041	2,848	
Senior Games Donations	R	1146231-464020		10,000
Fund Balance-Restricted	R	1146231-495010	23,690	
Senior Games Activities	E	1156231-583054	13,690	
Connect NC Bond Grant	R	1146237-434019	13,773	
Fund Balance-Restricted	R	1146237-495010	3,444	
Connect NC Bond Grant	E	1156237-585018	17,217	
DEPARTMENT HEAD		COUNTY MANAGER	ACCOUNTING USE ONLY	
Approved: _____		Approved: _____	Budget Revision # _____	
Disapproved: _____		Disapproved: _____	Date Posted: _____	
Amended: _____		Amended: _____	Group Number: _____	
Date: <u>9/21/18</u>		Date: _____	Posted by: _____	
Signature: <u>E. Hendrick</u>		Signature: _____	Approved by: _____	

ROWAN COUNTY

DEPARTMENTAL REQUEST FOR BUDGET ACTION

TO: COUNTY MANAGER / BOARD OF COMMISSIONERS

FROM: FINANCE

EXPLANATION IN DETAIL: TO BUDGET FOR PRE AUDIT OF P-CARD TRANSACTIONS

Prepared by: JHOWDEN
Date: 8/17/2018

BUDGET INFORMATION:

ACCOUNT TITLE	R/E	ACCOUNT #	INCREASE	DECREASE
Fund Balance Unrestricted	R	1143390 - 495000	171,000	
P-Card Clearing - Governing Body	E	1154110 - 561000	-	
P-Card Clearing - County Manager	E	1154120 - 561000	1,900	
P-Card Clearing - West End Plaza	E	1154124 - 561000	1,700	
P-Card Clearing - Finance	E	1154125 - 561000	5,000	
P-Card Clearing - HR	E	1154131 - 561000	600	
P-Card Clearing - Facilities Management	E	1154134 - 561000	24,900	
P-Card Clearing - Tax Administration	E	1154140 - 561000	1,800	
P-Card Clearing - Tax Collection	E	1154150 - 561000	1,200	
P-Card Clearing - IT	E	1154160 - 561000	9,700	
P-Card Clearing - Board of Elections	E	1154170 - 561000	1,200	
P-Card Clearing - Register of Deeds	E	1154180 - 561000	900	
P-Card Clearing - Telecommunications	E	1154210 - 561000	2,200	
P-Card Clearing - Inspections	E	1154250 - 561000	1,300	
P-Card Clearing - Emergency Management	E	1154330 - 561000	34,000	
P-Card Clearing - Sheriff	E	1154410 - 561000	23,600	
P-Card Clearing - Detention Center	E	1154420 - 561000	4,000	
P-Card Clearing - RTS	E	1154520 - 561000	1,100	
P-Card Clearing - Planning	E	1154830 - 561000	1,000	
P-Card Clearing - Cooperative Extension	E	1154950 - 561000	2,300	
P-Card Clearing - Health	E	1155110 - 561000	8,200	
P-Card Clearing - Environmental Health	E	1155185 - 561000	500	
P-Card Clearing - DSS	E	1155310 - 561000	10,900	
P-Card Clearing - Senior Services	E	1155580 - 561000	100	
P-Card Clearing - Library	E	1156110 - 561000	8,600	
P-Card Clearing - Parks	E	1156230 - 561000	9,400	
P-Card Clearing - Therapeutic Recreation	E	1156231 - 561000	800	
P-Card Clearing - Animal Services	E	1156410 - 561000	14,100	
Fund Balance Unrestricted	R	6144710 - 495000	5,000	
P-Card Clearing - EM Operating	E	6154720 - 561000	1,000	
P-Card Clearing - EM Environmental	E	6154705 - 561000	4,000	
Fund Balance Unrestricted	R	6344560 - 495000	1,900	
P-Card Clearing - Airport	E	6354560 - 561000	1,900	
DEPARTMENT HEAD		COUNTY MANAGER	ACCOUNTING USE ONLY	
Approved: <u>✓</u>		Approved: _____	Period - Journal # _____	
Disapproved: _____		Disapproved: _____	Keyed By: <u>JMH</u>	
Amended: _____		Amended: _____	Date Keyed: _____	
Date: <u>9/21/18</u>		Date: _____	Posted By: _____	
Signature: <u>R. Weirich</u>		Signature: _____	Date Posted: _____	

ROWAN COUNTY
A COUNTY COMMITTED TO EXCELLENCE



130 West Innes Street - Salisbury, NC 28144
TELEPHONE: 704-216-8180 * FAX: 704-216-8195

MEMO TO COMMISSIONERS:

FROM: Carolyn Barger, Clerk to the Board
DATE: 09/24/2018
SUBJECT: Monthly Board Appointments

ATTACHMENTS:

Description

October Board Appointments

Upload Date

9/28/2018

Type

Cover Memo

MONTHLY BOARD APPOINTMENTS
October 1, 2018
COMMISSION MEETING

CARDINAL INNOVATIONS HEALTHCARE SOLUTIONS

William Beilfuss has applied for reappointment as a Community Stakeholder on the Cardinal Innovations Healthcare Solutions Board. If reappointed, Mr. Beilfuss will serve a 3-year term beginning October 1, 2018 and ending September 30, 2021

Wilson Cherry has applied to fill the County Commissioner Designee vacancy on the Cardinal Innovations Healthcare Solutions Board. If appointed, Mr. Cherry will serve a 3-year term beginning October 1, 2018 and ending September 30, 2021.

CLEVELAND COMMUNITY VOLUNTEER FIRE DEPARTMENT

Patrick Phifer has applied for reappointment as a Fire Commissioners for the Cleveland Community Volunteer Fire Department. If reappointed, Mr. Phifer will serve a 2-year term beginning October 1, 2018 and ending September 30, 2020.

PLANNING BOARD

Gregory Hannold has applied to fill an At-Large Vacancy on the Planning Board. If appointed, Mr. Hannold will serve a 3-year term beginning October 1, 2018 and ending September 30, 2021.

CURRENT AND/OR UPCOMING VACANCIES:

- Adult Care Home Advisory Committee- 10 vacancies (At Large Appointment)
- Board of Public Health-2 vacancies (1 Veterinarian, and 1 Pharmacist Appointment)
- Cardinal Innovations Healthcare Solutions- 1 vacancy (Consumer or Family Member)
- City of Salisbury Zoning ETJ-3 vacancies (1 At Large, and 2 Alternate Appointments)
- Historic Landmarks Commission- 1 vacancy (1 At Large Appointment)
- Home and Community Care Block Grant Advisory Committee- 1 vacancy (Member of the Region F Advisory Committee Appointment)
- Housing Authority – 1 vacancy for a resident of the Town of East Spencer and 1 vacancy for a resident of the City of Kannapolis
- Industrial Facilities and Pollution Control Finance Authority- 3 vacancies (At Large Appointments)
- Juvenile Crime Prevention Council- 3 vacancies (1 Chief of Police/Designee, 1 Substance Abuse Professional, and 1 Non-Profit Agency Appointment)
- Nursing Home Advisory Committee-5 vacancies (At Large Appointments)
- Town of Faith Planning ETJ-2 vacancies (1 At Large, and 1 Alternate Appointment)
- Town of Faith Zoning ETJ- 1 vacancy (At Large Appointment)
- Town of Spencer Planning and Zoning Board of Adjustment ETJ-1 vacancy (Alternate Appointment)



Rowan County Board of Commissioners
130 West Innes Street
Salisbury, NC 28144
704-216-8180
FAX: 704-216-8195

APPLICATION FOR NOMINATION TO COUNTY BOARDS AND COMMITTEES

****This application is a Public Record and must be fully completed to be considered****

<u>Name:</u> William Horst Beilfuss	<u>Date:</u> 09/10/2018
<u>Address:</u> 1102 Birch Street	<u>Home Phone:</u> 7042794643
<u>City, State, Zip:</u> Salisbury, North Carolina 28146	<u>County of Residence:</u> Rowan
<u>Email:</u> wlblfss@twc.com	<u>Work Phone:</u> NA
<u>Education:</u> B.A. Valparaiso University. M.S. Purdue University. Certificate - Indiana University	
<u>Current Employer:</u> Retired	<u>Occupation:</u> health Care Administrator
<u>I am interested in the following Board / Commission:</u> I have been serving on the PBH Board through it's transition from being the parent organization to its current status as a representative, area board and am strongly interested in supporting the development of services to citizens qualified for services. The model established by Cardinal Innovations is unique, efficient, and a substantial substitute for profit-driven models.	
<u>Recent Community Activities:</u> AARP volunteer to assist seniors with taxes. Team leader for group assisting with 'Food for Thought' program. Substitute driver for Meals on Wheels.	
<u>Why do you feel you are qualified for this appointment:</u> Background in health care administration (former Chief Operating Officer of Lutheran Services Carolinas). Familiarity with existing health care systems and institutions.	
<u>Have you ever been convicted of a felony:</u> No	

If the answer is yes above, please explain:

I have reviewed the information contained in this application, and by initialing below certy that the information is true and correct.

Initial: WHB



Rowan County Board of Commissioners
130 West Innes Street
Salisbury, NC 28144
704-216-8180
FAX: 704-216-8195

APPLICATION FOR NOMINATION TO COUNTY BOARDS AND COMMITTEES

****This application is a Public Record and must be fully completed to be considered****

<u>Name:</u> Wilson Reed Cherry	<u>Date:</u> 09/17/2018
<u>Address:</u> 2010 Applegate Dr.	<u>Home Phone:</u> 704-467-5909
<u>City, State, Zip:</u> Concord, NC 28027	<u>County of Residence:</u> Cabarrus
<u>Email:</u> wilson@rowanvocopp.org	<u>Work Phone:</u> 704-633-6223
<u>Education:</u> BA Political Science, Catawba College	
<u>Current Employer:</u> Rowan Vocational Opportunities, Inc.	<u>Occupation:</u> Director of Community Affairs / QP
<u>I am interested in the following Board / Commission:</u> Cardinal Innovations Board of Directors (referred by Commissioner Judy Klusman)	
<u>Recent Community Activities:</u> The ARC of Rowan Board of Directors, Crisis Intervention Training Steering Committee, Salisbury-Rowan Sports Hall of Fame Board of Directors, First-In-Families Board of Directors, Trinity Presbyterian Church Men's Council, Service Above Self Steering Committee, Rowan County United Way Speaker Bureau	
<u>Why do you feel you are qualified for this appointment:</u> I have worked with individuals with developmental disabilities for over 30 years. I have received local and state awards for community service, volunteerism and humanitarian service.	
<u>Have you ever been convicted of a felony:</u> No	
<u>If the answer is yes above, please explain:</u>	

I have reviewed the information contained in this application, and by initialing below certify that the information is true and correct.

Initial: wrc



Rowan County Board of Commissioners
130 West Innes Street
Salisbury, NC 28144
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APPLICATION FOR NOMINATION TO COUNTY BOARDS AND COMMITTEES

****This application is a Public Record and must be fully completed to be considered****

<u>Name:</u> Patrick Trent Phifer	<u>Date:</u> 09/21/2018
<u>Address:</u> PO Box 388	<u>Home Phone:</u> 7042675686
<u>City, State, Zip:</u> Cleveland, NC - North Carolina 27013	<u>County of Residence:</u> Rowan
<u>Email:</u> patphifer@gmail.com	<u>Work Phone:</u> Same
<u>Education:</u> BSBA Business Western Carolina University	
<u>Current Employer:</u> Michelin USA	<u>Occupation:</u> Raw Materials Manager
<u>I am interested in the following Board / Commission:</u> Cleveland Community Volunteer Fire Department Fire Commissioner	
<u>Recent Community Activities:</u> Former Chair of Relay for Life, Present President of FACT. Mayor Pro Tem Town of Cleveland, Presently CCVFD fire commissioner.	
<u>Why do you feel you are qualified for this appointment:</u> I have served multiple terms as fire commissioner and have been on the town board for twenty eight years. I am very familiar with the operations of the fire department.	
<u>Have you ever been convicted of a felony:</u> No	
<u>If the answer is yes above, please explain:</u>	
<u>I have reviewed the information contained in this application, and by initialing below certify that the</u>	

information is true and correct.

Initial: PTP



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Salisbury, NC 28144
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FAX: 704-216-8195

APPLICATION FOR NOMINATION TO COUNTY BOARDS AND COMMITTEES

****This application is a Public Record and must be fully completed to be considered****

<u>Name:</u> Gregory Mark Hannold	<u>Date:</u> 09/22/2018
<u>Address:</u> 480 Epperson rd.	<u>Home Phone:</u>
<u>City, State, Zip:</u> Salisbury, North Carolina 28147	<u>County of Residence:</u> Rowan
<u>Email:</u> Gentfarmer63@gmail.com	<u>Work Phone:</u> 704-216-8760
<u>Education:</u> Assoc. degree- crim. Justice -RCCC Bach. Degree- Admin. Of justice - Catawba coll. Master of Justice Administration -Methodist university	
<u>Current Employer:</u> Rowan County Sheriff's Office	<u>Occupation:</u> Jail administrator/ Captain
<u>I am interested in the following Board / Commission:</u> Planning	
<u>Recent Community Activities:</u> Independent charities Freemasonry	
<u>Why do you feel you are qualified for this appointment:</u> My family and I have invested in this county I have significant interest in the direction of the county as well as the methods used to move in those directions.	

Have you ever been convicted of a felony:

No

If the answer is yes above, please explain:

I have reviewed the information contained in this application, and by initialing below certy that the information is true and correct.

Initial: GMH