

## TOWN OF NEULAND

3/4/2025

### BOARD MEETING



#### ATTENDING:

**MAYOR:** Derek Roberts

**ALDERMAN:** James Johnson, Gail Haller, Christie Hughes, Dave Calvert, Kenan Foxx

**GUEST:** Vicki Caraway, Kenny Caraway, Thomas Webb, Kay Webb, Christian Gardner, Donetta McKinney, Theresa Foxx, Andi Hammer, Nathan Gittner, Suzzannah Gittner, Butch Hughes, Drema Hayes, Crystal Wise, Aneda Johnson

**STAFF:** Town Manager/Finance Officer Sandy Lewis, Police Chief Michael Fields, Police Officer Dylan Isaacs, Public Works Director Gary Lewis, Town Clerk Jessica Buchanan, Town Attorney Gerald McKinney

Mayor Roberts called the meeting to order at 6:10 p.m. and led the assembly in the Pledge of Allegiance. Alderman Johnson made a motion to approve the February public hearing minutes. Alderman Calvert seconded the motion. All agreed by a show of hands and stating aye. Alderman Johnson made a motion to approve the February board meeting minutes. Alderman Hughes seconded the motion. All agreed by a show of hands and stating aye. Mayor Roberts asked for approval of the March agenda, and Alderman Calvert asked to add a short, closed session at the end that would take five minutes at the most but felt like it was something that needed to be discussed. Mayor Roberts would also like to add Nathan Gitter to number nine on the agenda. Alderman Johnson motioned to adopt the agenda with the changes. Alderman Calvert seconded the motion. All agreed by a show of hands and stating aye.

#### MAYOR'S REPORT

Mayor Roberts stated that FEMA is not doing anything for us. As of right now, nothing is happening, and nothing is going to happen. He said to keep praying that we have a new president and told Sandy she could smile all she wanted, but it was a fact. He said this should not take this much time and will say it to everyone on YouTube: This has been the worst six months, and it is ludicrous if anybody thinks anything else.

#### NATHAN GITTNER – OCCUPANCY TAX

Nathan Gittner stated he would have a stimulating conversation about tax revenue collection this evening but promised to keep it as light as possible. He said he has spent much time working on occupancy tax since last month's public hearing. He believes he is clear on everything but wants to ensure everyone is on the same page, particularly how we implement this. Mr. Gittner said he wanted to make sure they were clear about hearing and understanding the same thing. As they talked about last time, the occupancy tax is only for the room charges and does not include cleaning fees and other stuff like that. It is not subject to tax-exempt organizations; when he says that, he doesn't mean people who stay there who are in tax-exempt organizations. In order for the motel not to collect the tax, they will have to provide them with their paperwork, and it's the same way they do their sales and use tax. Unless they provide proof, they plan to collect the occupancy tax. He said the email chain that was going around from the State said people who stay on or after April 1st are subject to the occupancy tax. He asked if any of that needed to be changed and to please let him know. Mr. Gittner stated that due to the nature of their business, they have a lot of pre-booked reservations. They have a 50 – 55-day time window to implement this, which is obviously problematic because many reservations are already booked. He said there are a couple of things he has done to mitigate. He turned it on in their system thirty days before the public hearing, which helped; however, that only works for their



system. Their partners, like Expedia and Booking.com, wouldn't turn it on until the board actually approved it. He had to provide them with the adopted resolution, which the mayor had signed. Therefore, they did not turn it on until February. He asked what he was supposed to do with all the reservations on the books for April 1st or after, before the occupancy tax was turned on. He worked on a couple of them to figure out how long it would take if they tried to figure it out manually, and it would take about six twelve-hour days in order to do it. He manually flipped five himself. The good news is he called the company that runs the software they have, and they can do it from the back end. They said it would cost \$1,000 to \$1,500, and he hates that, but it's better than spending 72 hours banging away at doing it. He said it would be costly and tricky, but they would do it, and these are only for the ones that came from their website or called to make a reservation. The reservations made through Expedia and other online partners should be able to be recovered through their software company as well. There's another bucket of reservations that are going to be very problematic, and he isn't sure what to do. Certain customers will book online through Expedia and pre-pay for their room. They pay at that time whenever they make the reservation and receive a discounted rate. He called Expedia and explained what was happening, and they politely told him there was no way he would get that money. It isn't a big bucket, but about three percent of the reservations came through Expedia before the occupancy tax was set up. However, it is set up now. Alderman Johnson said the board isn't going to know how many rooms Mr. Gittner rents; the State is going to send us the tax.

Sandy said the way it works, from what she was told by the State, is the number of rooms times the number of nights times 6% is what you owe. That's Mr. Gittner's cost as a business. Where that comes from, when he fills out that form, he has to report it. If he doesn't, he is violating state statutes and paying taxes.

She said she knew he was trying to get relief for that, but when he fills out the form, he times the number of rooms by the number of nights, times 6%, and that's the amount he would owe on the tax. Mr. Gittner asked if that meant even if a guest was a true 501c3. Sandy said no, not counting the non-profits. He said he understands that's what he owes and that he has 55 days to implement this, and he turned it on thirty days early. He is spending between \$1,000 - \$1,500 to collect the vast majority of the occupancy tax, which he requests from the board for these small handfuls. They will all be off the books by the end of the year, and none will go into 2026. He said there will be a real challenge with charging the six percent but believes he has a solution. Some reservations they receive with Expedia come in, and they already have their card on file. They run it just like they booked on their website or walked in. However, it's the reservations where they pre-book and prepay. And with those, on the day of check-in, they are allowed to hit a virtual card that Expedia sends them. It's not for the entire room price but for the amount of the room minus all the taxes, minus their 18%. They are basically holding all that, and there's no reason to charge 18% to return it to them next month. He believes they keep all of these other taxes as well. He said he was advised in this room last month that he had to pay the occupancy tax and then needed to ask Expedia to pay. He spoke to his accountant about this, and he said, please, whatever you do, do not do that. He is waiting to hear back from legal counsel, but he believes it's illegal. He doesn't think the sales and use tax the Town and himself collect every month; we can't give it to Gerald and Gerald gets to go and pay it to the State. He thinks we're only allowed to pay it to the State or anybody in the taxing jurisdiction will have. He said he was 99% confident if he spoke to Expedia and said he needed all this, and he would remit this to the Town, he would get the pound sand conversation. Mr. Gittner said the good news for the Town is that you can go to Expedia, and Airbnb and Vrbo are going to do the same thing. Instead of having to go to all the different places, you should be able to go to one place and collect all of it. He said he would not be able to get that money because it's illegal, but he will defer that he has not heard back from his lawyer yet. He said this goes back to the accounting nightmare they discussed last week, but he can track all of this in their system and give the board a monthly report if needed.

Sandy asked Mr. Gittner if he was saying that Expedia collects the occupancy tax and then they would remit it to the Town. He said yes, in the same way they remit the sales and use tax to the State. Sandy clarified that they submit sales and use tax to the State, but they submit occupancy tax to the Town of Newland. Mr. Gittner said they are fully aware and should know the charges. This isn't anything new to Expedia because they are collecting in other places like Charlotte, Blowing Rock, and Banner Elk. Sandy said on the form that we could have Shady Lawn reservations and Expedia reservations. She asked if he would show Expedia reservations on a different line, which would be the amount from Expedia. He said he would have a line for Expedia pretax and a separate line that comes directly from Expedia. Mr. Gittner said the good news for the board is he may have found more money for the Town. While reading the North Carolina code, he saw that the occupancy tax is out there for short-term rentals and assumed that's how it is supposed to be. Regarding sales and use tax, the State of North Carolina defines a short-term rental as 89 days or less, so anything less than 90 days. Therefore, it's any rental for less than 90 days; cottages, houses, and a list is highlighted on page fifty. He said we can expand this, and not only are they subject to the occupancy tax, but to



sales and use tax as well. He realizes that not all that money comes to the Town, but some does. Unfortunately, it would be the Town's responsibility to track this information, but it would be additional revenue. Legally, any short-term rental should pay sales and use tax according to the North Carolina code. He said this was everything he had been thinking about for the past month and asked if he was missing anything. Next time we meet, he will be collecting the occupancy tax and wants to ensure he is doing everything right from day one. Mayor Roberts said he believes he speaks for the entirety of the board, and they have no idea. Sandy said she had already spoken to Sugar Mountain, Beech Mountain, Watauga, Boone, and Avery. She will be going to their TDA meetings so she can gather more information from them and let Mr. Gittner know, especially about the part of apartments that are rented for 90 days or less or if there is a broken lease agreement. An audience member said she was a North Carolina real estate broker, and anything 90 days or less is subject to taxes. But if you lease a property for 91 days or more and you break your lease early, you do not owe tax because you signed the document for the extent of that lease. Typically, they have a 30-60-day notice to break that lease. It is a state law that if you rent out a unit for 90 days or less, you are supposed to be charging tax, but good luck enforcing that on the public who has Airbnb or Vrbo. Mr. Gittner said that would change how they do things across the street because his impression was that if somebody says they are going to stay for six months, they don't have many. However, if they do, they are charging them the occupancy tax. If they stay there for 91 days, they will refund it, but if they stay for sixty days, they will get them to sign and not collect any of it. The real estate broker said if you are on a month-to-month lease with them. Sandy asked Mr. Gittner if he had lease agreements for those who stayed there for more than 91 days. He said we will, and Sandy said but he didn't now. He said they are being drafted because some individuals affected by the hurricane were staying there, and there was noise about FEMA requiring leases that have not come to fruition. After this week, they will be down to two or three, and they won't be there for 90 days because they have events and their rooms are sold out. Sandy asked Mr. Gittner how many rooms he had for planning purposes, and he said twenty. She asked if they average \$144 to \$154 a night, and he said they are between \$144 to \$249 a night.

Mayor Roberts told Mr. Gittner that he feared he missed what he was asking. He said he chastised Mr. Gittner and told him earlier to dumb this down so he could understand what was going on, and he was over there wishing he was back in the chicken conversation. He asked what he needed from the board. Mr. Gittner said he wanted to know if his interpretation here and everything he was doing was correct. He asked if he was missing anything because he had to get this going before we met next time. Mayor Roberts referred to Sandy, and she said no, she didn't believe he was missing anything. Secondly, he asked for those reservations on Expedia, which were prepaid and went into effect before they turned the occupancy tax on; he would like a reprieve. He said he would try and may be able to get a couple of them, but is the board okay with him asking for a reprieve? Mayor Roberts asked if the board had a problem with that. Alderman Calvert said he had no problem with it but asked Sandy if the State law says differently. Sandy said he should pay taxes for everything after April 1st. She asked Mr. Gittner to give his best guess for the total dollar amount. He said the total dollar amount subject to the tax would be low to mid-hundreds. One-third going to the Town and two-thirds going to the TDA, so \$150 to the Town and \$300 to the TDA would be his best guess. Sandy clarified it all goes to the Town of Newland, and there is a special pot of money for the TDA. Sandy told him to tell the board how much he wanted reprieved. Mayor Roberts asked if the board had a problem telling him to try his best to get the money back and allowing Mr. Gittner to have a reprieve, and Sandy would stay on top of it. The board agreed, and he said if the number turned out to be much bigger, he would return and report it. Sandy said we had put out advertisements for the TDA and needed five members. We probably have three or four interested, but no one has signed up yet. Does anyone know anybody who will be collecting occupancy tax within the Town of Newland and would like to be on the TDA? Vicki Caraway and Alderman Hughes said Crystal Wise would be a good candidate. Sandy said two members need to be citizens who collect occupancy tax within the Town of Newland and the other three are people who would promote tourism.

#### **ANEDA JOHNSON – WALL MURAL UPDATE**

Aneda Johnson wanted to come back and share an update since the last time she was here to ask about having a mural painted on the Town Hall wall. She is with the Avery County Historical Society, and they did receive funding from the North Carolina Department of Natural Cultural Resources for the mural of the Over the Mountain Men to go on the wall. Mayor Roberts and Alderman Foxx complimented how great it looked. Alderman Johnson asked why we couldn't put it on the other side where we could see it more, and Sandy said because of the windows. Ms. Johnson said the high school art teacher is a muralist, and he is the one who generated this plan. She needs to send it to the NC Department of Natural Cultural Resources so they can hopefully start on it this summer. Alderman Johnson asked if she needed approval or anything from the board. She said the board had already given approval and

asked for the parking spots to be freed up on that side. Sandy said it is employee parking, and they could park in the Bojangles parking lot. Ms. Johnson said this was a very exciting thing for Newland.

### **SUMMER FESTIVALS**

Mayor Roberts said they were trying to get dates to decide when to hold this event, but the 4th of July event will be on Friday, July 4th. Sandy said they had agreed to join Mr. Nelson and do whatever was being done. Mayor Roberts asked if he was going to have the campground then because he thought he was in the process of selling it. Vicki Caraway said that was still up in the air. Alderman Foxx asked if Sandy could contact Mr. Nelson to see if that worked for him, and she said yes. Mayor Roberts said we need to make that decision so we can start planning. Gary Lewis said if we can't move it to the campground, the bandstand will need a lot of work. He said all of the stuff in there has been moved to the door, and it will take some effort to get those doors open. Sandy asked if she could check with Luke Fowler at Northwest Regional Housing Authority to make sure we can still use their property to do this. Mayor Roberts said yes, and Sandy said they were already tearing out the building. She sent him an email about all the piles of debris, and on the front, it says there is asbestos everywhere. She wondered what the effect was on our Newland residents with all the stuff that was laying out there. Mr. Fowler assured her that everything was being disposed of properly.

### **AMENDED RATES**

Sandy said she would like to amend our schedule of fees and add a meeting room fee. She surveyed eleven large and small towns around North Carolina, and it comes to an average of \$50 to rent a room. She would like to amend our schedule to start charging \$50 to rent this room when outside organizations use it. She said it was just a proposal and up to the board. Mayor Roberts disagreed with that unless it's the Democratic Committee. Gary said they were the only ones who used it. She said she was bringing it forward because we have electricity usage, water usage, clean-up after they've been in here, and we have police officers that let them in and out of the building. Alderman Foxx asked how often somebody requests to use it, and Sandy said so far, once a month, sometimes twice. Mayor Roberts asked if it was the Democratic Committee that used it, and she said yes. He said he disagrees and does not think we should be charging. He said if it's a private organization, he could see us charging, but if it's a governmental organization, then we shouldn't. Alderman Calvert said during business hours is one thing, but after hours is another. Sandy said they always meet after hours and on weekends. He knows the Chamber of Commerce and many other organizations meet during business hours, so there's no particular cost involved.

Mayor Roberts said he would like to come back around to something because Mike Nelson texted him and said he would have the fireworks on July 4th, and the Town will join in with him. Mayor Roberts asked the board what they decided about charging a board room fee. He said he disagreed unless it is a private company, but if it's a governmental group of young Republicans or young Democrats, he didn't think they need to be charged. Sandy asked if that was a no, and he said that was a no. Sandy said she would like to increase our impound fees from \$10 a day to \$20 a day. Mayor Roberts asked what the legal limit the State allowed, and Sandy said she wasn't sure, but they could go higher. He said he thought the State legal limit was \$90, and Alderman Johnson said it was \$100. Sandy said they would charge whatever the board decides. Alderman Johnson motioned to increase the vehicle impound fees to the highest amount the State allows. Alderman Calvert seconded the motion. All agreed by a show of hands and stating aye. Sandy said Chief Fields would do some research tomorrow and she would email them to let them know. Mayor Roberts said while they were discussing fees and amending things, he had emailed Sandy and Jessica asking about the water adjustment policy and asked for the ordinance, which they were incorrect about. He said he would have rather had this discussion through email, but nobody wanted to answer him so they would discuss it tonight. He asked if we had an adjustment policy for utility bills, like when you have a busted water line where you can have an adjustment once a year, and Sandy said yes. He said they were adjusting incorrectly, and she said the customer ended up being charged less the way they had been doing it. He said that was incorrect because of how Jessica made his adjustment, he was being charged about \$200 more than he should have been. The way she did his was the way she was going to do McDonald's and Buddy's, and the point is, it's been done incorrectly. Sandy said it has been, and we were taught incorrectly. We will use the current leak bill and the two prior months. Mayor Roberts said to read the ordinance, we do not use the current leak bill you used the three prior months, and he wouldn't argue about it. Alderman Hughes asked him why he was yelling. He said he had been going back and forth with Sandy and Jessica for three weeks about this, and they've elected not to respond. Sandy said that was not true, that they had been very responsive to him, and that it was the clerk's job to get back to him. She said she could have gotten back to him, but they have been very busy and asked to give them a little grace. He said he would give her

grace, but she has Gary going out and threatening to shut off people's water when they thought they would have an adjustment, and we don't understand what our ordinance is. He said McDonald's was trying to do the same thing and didn't want to hear how it's their mismanagement. It's legal, and in the books, you need to tell them their new total so they can pay their bill. He understands Sandy is very busy and doesn't doubt that. He thanked Sandy and Jessica and asked if those three accounts could be adjusted tomorrow.

#### **DEAD TAG VEHICLES & NUISANCE LETTERS**

Sandy said Mr. Webb would like to speak to the board. Mr. Webb said it had been a while since he did public speaking and used to do it every day. He said he doesn't hear well these days but can see everything. It may have to be relayed if anyone has anything to say to him. Mr. Webb said he and his wife Kay came to Newland in 1968 and live in the same house now. It became a wonderful place to live, raise their two daughters, and call home. They served the community and county by working in the Avery County, North Carolina public schools, and he said he probably taught some people in the room. He said they retired after their children married, moved away, and continued living in Newland. They have done a lot of work at their church, volunteered at RAM, and traveled to see grandchildren and great-grandchildren. They have paid many thousands of dollars to the Town of Newland and Avery County in taxes and have never been late or complained much about it. There was a significant rise in last year's taxes, which he guesses was necessary, and they paid it. Mr. Webb said he tries to keep their home looking good by keeping the area mowed and the gutters cleaned. He said he believes it has helped the Town and County by mowing 150 yards by the highway. He said he was a collector of many things, including rocks, minerals, and old cars. He spoke about the seven vehicles he has at his home and the sentimental value they each hold to him, and that's why he was there tonight *(for specific details on Mr. Webb's vehicles, please see the YouTube video from the March 2025 board meeting)*.

Mr. Webb told the board the vehicles were not tagged and were sitting there. However, he did not abandon them. Although they may not be in good shape, he still loves the cars, and where they each sit now is where they were when they were running. He considers them as part of his collection. He said they had a considerable amount of damage to their home during the storm, and they have been worried about how they would accomplish the cleanup. Last Wednesday, Kay answered the door, and a young policeman who happened to be at the meeting gave her a paper stating they and their antique cars had been declared a public nuisance by the Town Mayor and directed the Town Manager to serve them with this declaration. He said that after being good citizens of this Town for 57 years, they were very saddened and offended by this action. He said he feels like they have been declared criminals, so to speak. His vehicles may not be very clean, but they are not contaminated with mice, rats, or snakes. They might not be very attractive or kept up like they should be, but they are just sitting in our side yard, not causing any problems except those who don't like seeing them. They are far enough away from any other residents, so it should not be an issue for them. Before he finishes, he said he lives within 300 yards of Jamey, and they have never had any problem with his chickens or anything else. He asked if this is how the Town is going to treat some of their oldest, long-term, productive, tax-paying citizens going forward. Alderman Johnson told Mr. Webb nobody thought he was personally a nuisance. Mr. Webb said that's how he took it, and Alderman Johnson said he understood. Mayor Roberts asked if the letter states explicitly that Mr. Webb was a public nuisance. Sandy said the letter states a notice of violation and declaration of public nuisance. Then, it describes the public nuisance, the abandoned vehicle, or the accumulation of rubbish and trash. The violations are defined as the public nuisance.

#### **EQUIPMENT**

Mayor Roberts wanted to discuss the equipment we don't use in town and possibly relieve the town of some financial burdens. Alderman Johnson said he would like to see a list of what it is, and Sandy said they could get that from the work order/inventory system Gary uses. Alderman Johnson said we could table this conversation until next month when they have a list. Sandy said if she wasn't mistaken, only one vehicle payment was being made, and that's for the Kubota, which Gary used today. Mayor Roberts asked Gary when he last used it, other than today. He said he used it Saturday night when we had a water leak, used it at the wastewater treatment plant, and used it to fill up salt. Mayor Roberts asked Gary if it would be better to have an L35, as they talked about, or if they needed to keep the track hoe. Gary said he thinks they could downsize but doesn't want to get rid of it. Mayor Roberts said he wasn't proposing to get rid of it, but there's no reason to have a big track hoe that is single service. An L35 has a digging feature on the back and the front-end loader. Gary asked if we would be able to get it for a break-even price or better, and the mayor said he should get a better price for it. Gary said he looked at Kubota for smaller ones with a closed cab, and they were still \$72,000, so we would have to see some numbers before we really think about it. Alderman Johnson asked if this was the one Gary was trained to use, and he said yes. Alderman Johnson said he

didn't think we should do anything with it until the audit came back. Mayor Roberts asked if that was the one that would come back this year, and Sandy said yes. He said we should go ahead and start working on getting some numbers together. Sandy said she would get a list of everything else, including the items we bought from Carl. Gary said there was a plow, a spreader, and two Ferris lawnmowers, and one of those needs to be kept because he uses it to mow Sokassa. Sandy said we know we have to have another public works employee this year, and that is her concern about selling the equipment right now. Mayor Roberts said that conversation was going to be had tonight. Sandy said she believes that, as a town, we don't want to sell anything that's paid for until we have an in-depth discussion about it. Then we can go out for closed bids, so it's all legit. Mayor Roberts asked to work towards getting everything listed and brought to the next meeting. She said Gary could pull the report and send them an email.

#### **LOAN AGREEMENT BETWEEN STATE OF NORTH CAROLINA (STATE TREASURER) AND THE TOWN OF NEWLAND ASSOCIATED DOCUMENTS**

Sandy stated that the town has an opportunity to get a loan from the State Treasurer, and this loan is called a cash flow loan, which will help us fix bridges and streets until FEMA reimburses us. We received the DEQ loan before, but we haven't drawn any money yet because we were able to get some money from the grant. The DEQ loan can only be used for water and wastewater projects. The State Treasurer cash flow loan can be used for anything else. Some important things that need to be fixed are three or four streets, the two bridges, and the dog park back up before the summer. We will be able to repay this loan after FEMA reimburses us. On the first anniversary, we owe them a dollar; in 2027, we owe 10% of that \$166,000 value. And then 20%, and then 30%, but by then, we should have our reimbursement from FEMA. Sandy said that in addition to this, she would like the board to consider and approve an RFP that she has started. She will send an RFP to get a company to come in and help us with this FEMA process. She is doing this to maximize our FEMA public assistance claim. Other Town and County managers have told her that if you hire these companies that come in and help put your claim into FEMA, you can get hundreds of thousands more dollars than you do when trying to do it on your own. Therefore, she is asking permission to send out this RFP to the companies, which is in addition to the loan, to see if we can get a company in here to help us with that. She said Elk Park and Beech Mountain have one. Mayor Roberts said a good example is in Mitchell County. FEMA offered \$600,000 to fix a park, and this outfit came in to help, and they ended up getting \$2.5 million. This company has been doing this for years and understands what they are doing because they have been through 50-60 disasters. Alderman Johnson motioned to accept and give the Town Manager permission to get the loan to fix the roads as soon as possible. Mayor Pro Tem Haller seconded the motion. All agreed by a show of hands and stating aye. Alderman Johnson motioned to let the Town Manager go out with the RFP to help with the FEMA process and come back to report to the board. MPT Haller seconded the motion. All agreed by a show of hands and stating aye. Alderman Johnson motioned to approve the budget ordinance in the amount of \$166,205.87 for the loan. Alderman Calvert seconded the motion. All agreed by a show of hands and stating aye.

#### **LIGHT POLES & HARDWARE**

Mayor Roberts asked Gary where the hardware was for the light poles you can hang hanging baskets on. Gary said there weren't any hanging baskets, but there were flag hangers. Mayor Roberts said he understood we were down to one man and would dedicate two of his men to help, but he would like to get some of those put up because we paid good money for them. Gary said we can't put them up until we get the flags. You have to put one piece on the pole, then the flag, and then the other piece to hold it together. Sandy said they were banners and asked if the DAV still wanted to buy some. Mayor Roberts said we could ask them, but he would like to start working on putting them up. Gary said you don't want to put them up and then have to move them because that will scratch the pole. You need to have the banners first; they all need to be the same size. Mayor Roberts asked Gary if they could meet tomorrow to look and see how hard they are to put up, and he said okay.

#### **CHURCH'S MOBILE HOME PARK**

Mayor Roberts said he understood the water and sewage was fixed at Church's mobile home park. Sandy said yes, the water was on. She spoke to Randall Forbes, and he told her he had gotten the middle part fixed where Mr. Stamey lives. She asked him about the bill, and he said a nonprofit organization had paid for the bill. Sandy said she has not been out there to see what Randal did, but she can. Gary said there wasn't anything to look at, and it was still a muddy mess. Mayor Roberts said several of the homes are condemned, and Spencer openly admitted hers was, but she doesn't want to get rid of it because it was her mom's and is sentimental. Sandy said they needed to attend one of those meetings advertised on Facebook, the Town website, and bulletin boards. It's called the PPDR meeting, and it is between 2 o'clock and 8 o'clock. They can go to Banner Elk Town Hall; you must take the paperwork listed on



those flyers. Tell them you want FEMA to have your property destroyed and turn it in for destruction. Mayor Roberts told Sandy she jumped ahead of him; they don't want to get rid of their home, but they need to be removed. He said he's not an expert, but a condemned home sitting there is not safe and up to code. She asked if we needed to go to the health department and ask them what to do, and he said he was asking her to try and do some follow-up because he doesn't know who's responsible for it. He knows Chief Fields tracked down the one lady we were having so many problems with. Sandy said that was correct and that we were the owners of a 1989 Oakwood mobile home. Mayor Roberts asked if we could sign it over to the County to have it demolished, and she said she would have to take it to Allison and ask what the next steps are. He asked Sandy if she would please force her to take care of the house on Summer Haven Street because he had a complaint today about the rats up there. Drema Hayes said she didn't call in the complaint but agrees and could vouch for it. Mayor Roberts said that when he first became mayor, he rode around and looked at this, and Philip Barrier told them that for three years, they had the money to demo it. He doesn't understand why they will not do it. Ms. Hayes said they would not do it because it is his sister who lives there, and they had all the paperwork fixed, but then it expired. They were supposed to do it again, but it never happened. Sandy said that Cindy Turbyfill told her they were waiting on somebody's lawyer, possibly the County's. Ms. Hayes said she has killed twenty rats in her house since last spring and is sick of it.

Mayor Roberts asked Attorney McKinney and Sandy where they were with the church land exchange since they were talking about the County. Sandy said they were waiting on Attorney McKinney, and he said that was correct. Mayor Roberts asked if he could work on it this week, and he said he has a trial starting next week but will try to work on it. Ms. Hayes said they also couldn't tear or burn the house down on Summer Haven because of the asbestos, and the owner would have to pay an outrageous amount of money to have it done. Mayor Roberts reiterated that Phillip had told him for three years that the County had the money to do it.

#### **PUBLIC WORKS REPORT**

Gary stated that the original problem that got covered up at Church's mobile home park was never checked or approved. Mayor Roberts asked what that was. Gary said that the original line behind the home started this whole ordeal, and when Sandy was out there, it was not completely connected and was leaking. They went ahead and covered it up without having it checked. Sandy said that is when she went to Environmental Health, and they said they would check it. Thirty minutes later she was told they couldn't because their regional boss said they didn't do that since it was not a septic tank.

Gary said that Randall came and fixed the stuff in the middle. However, the original problem has not been corrected because they covered it up. Mayor Roberts said he would meet Gary tomorrow; they would find Spencer and start this process again.

Gary said everyone knew about the Tweetsie failure, and it was a combination of things that caused it, including rags in the pump, the sump pump not working, and a mechanical seal leaking. The mechanical seal pump is currently sealed off, so it cannot run. All the rags are out of it, so Tweetsie is working fine. There was a water leak near Three Nails on Saturday night, and Gary thanked Sam profusely for coming over that night because it was a bad leak, and we lost almost 80,000 gallons of water. Gerald Brown changed the pump on Well One, so it should start pumping normally, and Gary also fixed a leak today on Sokassa.

#### **POLICE REPORT**

Chief Fields said his department had 508 calls for February. There are five investigations, eight follow-ups to ongoing investigations, ten reports of suspicious persons, four unwanted persons, and two domestic calls. The mobile home on Bird Street has been boarded up for a few weeks, and they have been patrolling the area heavily. He said they haven't had any issues over the past few weeks.

Chief said they had to let one of the guys get some of his stuff out of that mobile home on Friday. He met with the registered owner of the mobile home, and she signed the papers allowing us to get rid of it. He thought they would be able to tear it down, but there's a little more to it, and they have to go through the County, so they don't have to pay to get rid of it. Mayor Roberts asked if the County might back out since we don't own the land, we only own the property. Sandy said hopefully not, but there are four documents you have to have: the deed, the driver's license of the person who owns it, and a utility bill from around the time of the storm. However, there isn't going to be a utility bill for that specific mobile home because they were living there without water or fuel. She's unsure what we will face when she sees Allison and Cindy. Alderman Johnson said you used to be able to donate old houses like that to the Fire Department, and they would burn them for training. Chief Fields said they wouldn't do that with this one since it is so close to the other ones. Alderman Johnson said he thinks the whole board would agree that if he catches

anyone over there, they aren't only trespassing but also go straight to jail, and Chief agreed. He said signs were posted all around the building, and Mayor Roberts pulled the front porches off and boarded it up. Chief said that whenever he has to deal with someone else in that area, he tells them to spread the word that they are going straight to jail if they get caught over there. Sandy said if the County or FEMA won't take down the mobile home, Gary and some officers will.

#### **FINANCE OFFICER REPORT**

Sandy said sales and use tax will be \$41,100, which is \$2,300 more than last time. The tax collection rate is at 90%, and this is around the time that citizens have stopped paying their tax bills. We have not collected any tax money in the last two weeks, so it will be tough to get the rest of that tax money. We still have about \$51,000 to collect for this fiscal year's taxes, and we need that money badly.

She said we have already overstated in revenue, and if we do not get this money, we will take more draconian measures and stop spending. The North Carolina League of Municipalities Auditor was here on February 13th and 14th to gather the data they needed to start the bank reconciliations and the audit pre-work.

#### **TOWN MANAGER REPORT**

Sandy asked if Northwest Regional Housing Authority would give us approval to use the property at the bandstand, does the Town want to have food truck night? She said she wasn't sure who would run it but was guessing Tammy Ramsey. She was asked to bring it up at tonight's board meeting and see if it was okay to do it again this year. Alderman Johnson said he wouldn't have a problem with it because everybody enjoyed it. Alderman Calvert said he would have to say several restaurants in Town would balk at that. He said he knew the Italian restaurant, Kay's, and the pizza place would all say that. He knows that at the end of the day, he has to split between being a business owner and a board member. Philip Barrier got hyped up about how good the event was for Newland, but what does it do for Newland business owners? Mayor Roberts said nothing. Sandy said it would be one night a month for five months. Alderman Calvert said it went from one night to two, and Sandy said that was correct. Vicki Caraway asked if they paid a fee, and Sandy said they did not. Ms. Caraway asked why, and Sandy said she mentioned charging a fee last year, and everyone was completely against it. Alderman Calvert said he wasn't saying these folks shouldn't have things to do, but he had to play devil's advocate. Alderman Johnson asked if they sold pizza and barbeque. Alderman Calvert said he didn't think they sold the same products, but he believes they are taking away business from other businesses in the Town.

Mayor Roberts also wanted to discuss the Farmer's Market because that was a big hit. Sandy said that wasn't her decision but the Town Council's decision. She said it all depends on what Northwest Regional Housing Authority says, yes or no, and we can use that property. Alderman Calvert asked if that area would be usable for food truck night in May. Gary said if NRHA lets us use it, he doesn't believe there is an issue with the lot. Sandy said she would call Luke Fowler tomorrow. Mayor Roberts asked if we could get NRHA to clean up the area where everything has been cut down across from the building, and Sandy said that was Ruth Shirley. Sandy asked Theresa Foxx if those shrubs would come back, and she said a lot of them wouldn't come back. Sandy said she and Jessica will attend training courses in March and April. On March 20th, she will be going to Lewisville, North Carolina, to meet with the North Carolina League of Municipalities Risk Services to see if she can get our Town insurance policies at a better rate because it doubled this year. She would like to have a budget workshop on Thursday, April 3rd, at 6 p.m., which will be the first one. She said if that was too close to a board meeting, they could have it on the 10th or 16th. The board decided to schedule the workshop for Thursday, April 3rd at 5 p.m.

#### **CITIZEN COMMENTS**

There were no citizen comments.

#### **COUNCIL COMMENTS**

Alderman Calvert asked if anyone had thought about the possibility of changing the Alderman availability to allow one business owner or manager within town limits and what the process would be. Sandy said she looked into it and that the state constitution would have to be changed. The constitution states the council has to be from and within the Town limits of Newland. He said the only reason he was looking into it was to potentially have somebody like Lynn, Edward, or Tim who does not live within Town limits but definitely have value in the Town as business owners. Sandy said she sent him the email explaining how they would have to change the constitution. Alderman Johnson motioned to go into a closed session for a personnel matter. MPT Haller seconded the motion. All agreed by a show of hands and stating aye.

**CLOSED SESSION – PERSONNEL**

Let the records show no action was taken during the closed session.

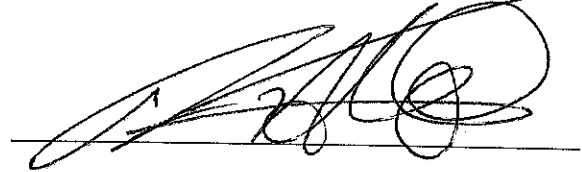
**ADJOURNMENT**

Coming back into the open session, Attorney McKinney stated to let the records show no action was taken during the closed session. Alderman Foxx motioned for Mayor Pro Tem Haller to be the direct contact if any issues arise in the Public Works Department. Alderman Calvert seconded the motion. All agreed by a show of hands and stating aye.

Alderman Johnson motioned to adjourn. Alderman Hughes seconded the motion.  
Meeting adjourned at 7:42 PM.



**Town Clerk, Jessica Buchanan**



**Mayor, Derek Roberts**



ATTACHMENT A

**RESOLUTION TO APPROVE NORTH CAROLINA CASHFLOW LOAN AGREEMENT AND  
PROMISSORY NOTE**

**WITNESSETH:**

**WHEREAS**, in connection with the State of North Carolina cashflow loan program (Loan Program) authorized by the Disaster Recovery Act of 2024, Session Law 2024-53 (as amended by Session Law 2024-57), the North Carolina Department of State Treasurer has been working with the North Carolina Department of Public Safety-Division of Emergency Management (NCEM), the North Carolina Association of County Commissioners (NCACC), and the North Carolina League of Municipalities (NCLM) to formulate a working plan for the disbursement of cashflow loans aimed at assisting local governments affected by Hurricane Helene; and


**WHEREAS**, local governments wishing to participate in the Loan Program are required to execute a Cashflow Loan Agreement and Promissory Note with the State of North Carolina, by and through the North Carolina Department of the State Treasurer; and

**NOW, THEREFORE BE IT RESOLVED BY THE TOWN OF NEWLAND, NORTH CAROLINA:**

1. That the Cashflow Loan Agreement and Promissory Note provided by the North Carolina Department of the State Treasurer are hereby approved.
2. That the Manager, Clerk, or Authorized Representative of a Tribal Government is authorized to execute the attached agreements (or those substantially equivalent thereto) and such other agreements and actions as necessary to receive disaster recovery loan funding from the State of North Carolina.

Adopted, this the 4th day of March 2025

~~TOWN OF NEWLAND, NORTH CAROLINA~~

By:   
Mayor/Commissioner/Authorized Representative

Name: Derek A. Roberts

Title: Mayor

**ATTEST:**

  
Town Clerk/Authorized Representative

Name: Jessica Buchanan

Title: Town Clerk



This contract has been pre-audited as required by the Local Government Budget and Fiscal Control Act



Finance Officer

**STATE CASHFLOW LOANS FOR DISASTER RESPONSE ACTIVITIES TO LOCAL GOVERNMENTS**

**LOAN AGREEMENT  
BETWEEN**

**THE STATE OF NORTH CAROLINA (BY AND THROUGH THE DEPARTMENT OF STATE  
TREASURER)**

**AND**

**THE TOWN OF NEWLAND, NORTH CAROLINA**

<b>Loan Round:</b>	<b>Round 1</b>
<b>Loan Number:</b>	<b>Helene50276R1000000000</b>
<b>Loan Date:</b>	
<b>Loan Round Amount:</b>	<u>\$166,205.87</u>

**REPAYMENT TERMS:**

- \$1 by the first anniversary of the Loan Date
- 10% of the Loan Round Amount on June 30, 2027
- 20% of the Loan Round Amount on June 30, 2028
- 30% of the Loan Round Amount June 30, 2029
- 40% (less \$1) of the Loan Round Amount on the earlier of the fifth anniversary of the Loan Date or June 30, 2030.

**Recipient Tax ID/EIN:** 56-6020987

**PURPOSE:**

For good and valuable consideration, the adequacy of which is hereby acknowledged, this loan agreement ("Agreement") is hereby entered into by and between the State of North Carolina, by and through the North Carolina Department of State Treasurer ("NCDST"), and the **Town of Newland, North Carolina** ("RECIPIENT") (referred to individually as Party and collectively as "Parties") to provide NCDST cashflow loans for disaster response activities to local governments, in accordance with Section 4E.5. of North Carolina Session Law 2024-53, as modified by Section 1F.1 of North Carolina Session Law 2024-57 (together, as amended, the "Authorizing Act").

**1. EFFECTIVE TERM:**

This Agreement shall be effective as of the latest date of signature below ("Effective Date") and, subject to Section 15, shall terminate upon full repayment of the loan proceeds to NCDST, unless earlier terminated pursuant to Section 9.

**2. NCDST'S DUTIES & PAYMENT PROVISIONS:**

NCDST shall loan RECIPIENT a total of **\$166,205.87** to pay for RECIPIENT'S disaster response activities as set forth in FEMA Public Assistance Worksheets. This principal-only loan does not carry interest charges or administrative fees. Upon signature of this Agreement by the Parties, the funds will promptly be transferred to

RECIPIENT via wire/ACH transfer to the RECIPIENT'S account, pursuant to the written bank wiring instructions that RECIPIENT must submit to the NCDST as provided in Section 3.a. below.

### 3. RECIPIENT'S DUTIES AND REPRESENTATIONS:

- a. As soon as reasonably practicable following its receipt of this Agreement, RECIPIENT shall provide each of the following to NCDST: (a) a certified copy of a resolution authoring execution of the Agreement and Promissory Note in the form set forth in Attachment A; (b) an executed copy of this Agreement; (c) an executed Promissory Note in the form set forth in Attachment B; and (d) the completed NCDST Hurricane Helene Cashflow Loan Program Wire Form enclosed as Attachment C, signed and certified by the appropriate official of RECIPIENT.
- b. Before and during the term of this Agreement, RECIPIENT will use or has used loan proceeds to cover expenditures for disaster response activities, which may be expenditures that are eligible for reimbursement by the Federal Emergency Management Agency (FEMA) Public Assistance Program, National Flood Insurance Program, or other federal reimbursement program.
- c. Both NCDST and RECIPIENT agree that this Agreement shall be interpreted as to not diminish or impair RECIPIENT's eligibility to secure FEMA or related recovery funding support.
- d. RECIPIENT shall make every reasonable effort to seek reimbursement from the federal government for expenditures that will be temporarily covered by loan proceeds under this Agreement.
- e. Notwithstanding the Repayment Terms as stated on Page 1 of this Agreement, if RECIPIENT receives funding support from the federal government for expenditures covered under the FEMA Public Assistance Worksheets used as the basis for this Agreement, RECIPIENT shall repay NCDST the equivalent amount of loan proceeds within five (5) business days of receipt of the federal funding support.
- f. RECIPIENT agrees that loan proceeds received through this Agreement shall be accounted for in a separate fund and accounting structure within RECIPIENT's central accounting system. RECIPIENT agrees to manage all accounts payable disbursements, check register disbursements, and related transactions in a detailed manner that supports fully transparent accounting of all financial transactions associated with loan funding allocations described in Section 2 of this Agreement. RECIPIENT understands and acknowledges the total direct loan funding level available under this Agreement is **\$166,205.87**.
- g. As provided in the Authorizing Act:
  - (i) RECIPIENT agrees to deliver repayment installments of the loan proceeds in the amounts and by the dates set forth in the Repayment Terms recited on Page 1 above, which are hereby incorporated by reference. Further, RECIPIENT understands and agrees that all loan proceeds provided to RECIPIENT under this Agreement must be repaid no later than the earlier of the following two dates: (a) the five-year anniversary of the Loan Date; or (b) June 30, 3030.
  - (ii) RECIPIENT shall use best efforts and take all reasonable steps to obtain alternative funds that cover the losses or needs for which the loan proceeds are being provided, including funds from insurance policies in effect, available federal aid, and private donations. RECIPIENT understands and agrees that the loan proceeds paid to RECIPIENT pursuant to this Agreement are in excess of any funds received by RECIPIENT from any of the following: (a) settlement of a claim for loss or damage covered under RECIPIENT's applicable insurance policy in effect; (b) federal aid; or (c) private donations.
  - (iii) If RECIPIENT obtains alternative funds pursuant to subdivision (ii) of this subsection g., RECIPIENT shall promptly remit such funds to NCDST. Notwithstanding the preceding sentence,



RECIPIENT shall not be required to repay to NCDST any amount in excess over the amount of loan proceeds provided under this Agreement.

**4. AGREEMENT ADMINISTRATORS:**

All notices permitted or required to be given by one Party to the other and all questions about the Agreement from one Party to the other shall be addressed and delivered to the other Party's Agreement Administrator. The name, post office address, street address, telephone number, fax number, and email address of the Parties' respective initial Agreement 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 Agreement Administrator by giving timely written notice to the other Party.

For NCDST	
IF DELIVERED BY US POSTAL SERVICE	IF DELIVERED BY ANY OTHER MEANS
Jeffrey A. Poley Director of Disaster Services and Rural Economic Development Office of the State Treasurer 3200 Atlantic Avenue Raleigh, North Carolina 27604 Phone: (919) 500-0855 Email: helenecashflowloans@nctreasurer.com	Jeffrey A. Poley Director of Disaster Services and Rural Economic Development Office of the State Treasurer 3200 Atlantic Avenue Raleigh, North Carolina 27604 Phone: (919) 500-0855 Email: helenecashflowloans@nctreasurer.com

For RECIPIENT	
IF DELIVERED BY US POSTAL SERVICE	IF DELIVERED BY ANY OTHER MEANS
<b>Name</b> Sandra W. Lewis <b>Title</b> Town Manager & Finance Officer <b>Address</b> 301 Cranberry Street Newland, NC 28657 <b>Email</b> finance@townofnewland.org <b>Phone</b> 828.733.2023	<b>Name</b> Sandra W. Lewis <b>Title</b> Town Manager & Finance Officer <b>Address</b> 301 Cranberry Street Newland, NC 28657 <b>Email</b> finance@townofnewland.org <b>Phone</b> 828.733.2023

**5. MONITORING AND AUDITING:**

RECIPIENT acknowledges and agrees that, commencing on the Effective Date of this Agreement and for a period of three (3) years following this Agreement's termination, RECIPIENT's books, records, documents and facilities with respect to the loan funds shall be open to NCDST for auditing, inspection and monitoring at all times during such period. Further, upon a request for access by NCDST (whether in writing or otherwise), RECIPIENT shall make all such books, records, documents, and facilities open to NCDST for inspection. To that end, RECIPIENT agrees to provide NCDST staff, any authorized agent or other designee of NCDST, and

staff of the Office of State Auditor, as applicable, with access to financial and accounting records to support internal audit, financial reporting and related requirements.

RECIPIENT acknowledges and agrees that, with regard to the Loan funds, it will be subject to the audit and reporting requirements prescribed by N.C.G.S. § 159-34 (Annual independent audit; rules and regulations) within the Local Government Budget and Fiscal Control Act. Such audit and reporting requirements may vary depending upon the amount and source of Loan funding received by RECIPIENT and are subject to change.

RECIPIENT acknowledges and agrees that, with regard to the loan funds, it will be subject to the reporting requirements of both NCDST and the North Carolina Office of Budget and Management, as mandated by those agencies from time to time, as applicable.

#### **6. SITUS AND EXCLUSIVE VENUE:**

This Agreement shall be governed by the laws of North Carolina and any claim for breach or enforcement of this Agreement shall be filed in State court in Wake County, North Carolina.

#### **7. COMPLIANCE WITH LAW:**

RECIPIENT shall be wholly responsible for the loan terms and RECIPIENT's responsibilities described in this Agreement. RECIPIENT shall be responsible for supervision of any of its employees and contractors funded under this Agreement, and compliance with all laws, ordinances, codes, rules, regulations, licensing requirements and other regulatory matters that are applicable to the conduct of their loan performance under this Agreement, including those of Federal, State, and local agencies having appropriate jurisdiction. RECIPIENT is reminded that all funds are subject to the requirements of the Local Government Budget and Fiscal Control Act, including but not limited to all budgeting and pre-audit requirements.

#### **8. CLAW-BACK; OFFSET:**

- a. NCDST may also demand repayment of previously expended funds, and RECIPIENT must comply with such a demand, in the event NCDST determines that RECIPIENT has not spent loan funds on eligible uses set forth in the FEMA project worksheets used to determine the Loan Round Amount, or if NCDST determines that RECIPIENT has not materially complied with any other requirements set forth in this Agreement concerning the loan funds (generally, "Non-Compliance"). Before making a formal demand for repayment as provided in this subsection, NCDST will provide RECIPIENT thirty (30) days' written notice to cure such Non-Compliance, and the Parties will make every reasonable effort to resolve the problem informally.
- b. In the event the Parties are unable to resolve RECIPIENT's Non-Compliance as provided in subsection a. above, RECIPIENT understands and agrees that, pursuant to N.C. Gen. Stat. § 147-71, the State Treasurer is authorized to demand, sue for, collect and receive all money and property of the State not held by some person under authority of law. In addition, RECIPIENT understands and agrees that NCDST shall have the right to recoup any funds for which repayment has been demanded through the Setoff Debt Collection Act (Chapter 105A of the North Carolina General Statutes) and any other provision of State law providing for setoff debt collection, as applicable.

#### **9. TERMINATION OF AGREEMENT:**

Subject to Section 15, this Agreement may be terminated:

- a. By mutual written consent of the Parties;
- b. By NCDST for cause, if: (i) RECIPIENT violates the terms of this Agreement and RECIPIENT fails to correct the violation(s) within thirty (30) days of written notice of violation from NCDST; (ii) NCDST determines RECIPIENT has made a misrepresentation in connection with this loan; or (iii) RECIPIENT

- abandons or otherwise ceases to make reasonable progress towards completion of the disaster response activities funded by this Agreement; or
- c. In the event that RECIPIENT repays the loan amount in full prior to the fifth anniversary of the Loan Date.

In the event of termination, NCDST may require the return of unspent funds. NCDST may, in its sole discretion, allow RECIPIENT to retain or be reimbursed for costs reasonably incurred prior to termination that were not made in anticipation of termination and cannot be canceled, provided that said costs meet the provisions of this Agreement.

#### **10. AMENDMENTS:**

Subject to all applicable laws, this Agreement may be amended in writing, executed by both NCDST and RECIPIENT. If RECIPIENT requests revisions of Agreement terms, it shall provide to NCDST for review and approval a detailed written request that includes documented financial management reason(s) for amending the terms of this Agreement.

#### **11. E-VERIFY:**

If this Agreement is subject to N.C. Gen. Stat. § 143-133.3, RECIPIENT shall impose the obligations of Article 2 of Chapter 64 of the General Statutes on any contractor and its subcontractors funded by this Agreement.

#### **12. LIMITATION OF LIABILITY; CONTRACTUAL RIGHTS:**

RECIPIENT will hold NCDST harmless from any loss(es) or damage(s) arising in connection with the performance of this Agreement to the extent permitted by law, including the North Carolina Tort Claims Act (Article 31 of Chapter 143 of the North Carolina General Statutes). This Agreement is intended for the sole and exclusive benefit of the Parties. This Agreement does not create, and shall not be construed as creating, any rights enforceable by any person not a party to this Agreement. Nothing herein shall be construed as a waiver of the sovereign immunity of the State of North Carolina.

#### **13. SEVERABILITY:**

- a. Generally. Nothing in this Agreement is intended to conflict with any law, or regulation, or rule of the United States, or the State of North Carolina, or NCDST. The Parties agree that if a term of this Agreement cannot be interpreted in a way to be consistent with such authority, then that term shall be deemed invalid, but the remaining terms and conditions of this Agreement shall remain in full force and effect.
- b. Federal Reimbursement. The Parties expressly agree that they intend for this Agreement to constitute and be construed as a loan agreement, toward the end that all loan proceeds provided to RECIPIENT hereunder would remain eligible for reimbursement under the FEMA Public Assistance Program, National Flood Insurance Program, or other federal reimbursement program (generally, for purposes of this subsection, the "Federal Funding Programs"). The Parties further agree that: (i) no provision of this Agreement shall be construed as creating or contemplating a current or future condition or circumstance that would in any way alleviate RECIPIENT of the repayment obligations set forth in this Agreement, or in the related Promissory Note; and (ii) to the extent that any word, phrase, clause, sentence, or term of this Agreement is deemed incongruous with any relevant provision(s) of federal law pertaining to RECIPIENT's eligibility for reimbursement under the Federal Funding Program(s), then such word, phrase, clause, sentence or term shall be modified, deleted, or interpreted in such a manner as to make the loan funds provided to RECIPIENT hereunder fully reimbursable under the Federal Funding Program(s), or else reimbursable to the maximum extent allowable under such program(s).

**14. ENTIRE AGREEMENT:**

This Agreement and any annexes, exhibits, and amendments appended hereto, and any documents incorporated specifically by reference, represent the entire Agreement between the Parties and supersede all prior oral and written statements or Agreements.

**15. SURVIVAL:**

The following sections shall survive termination of this Agreement: 3.c., 5, 6, 7, 8, 12 and 13.

**16. EXECUTION AND EFFECTIVE DATE:**

This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. One or more counterparts of this Agreement may be delivered by facsimile or in Adobe Portable Document Format (PDF) sent by electronic mail, with such delivery having the same effect as delivery of an original counterpart. Signatures provided by facsimile transmission, in PDF sent by electronic mail, or by electronic signature such as DocuSign, shall be deemed to be original signatures.

This Agreement shall become effective upon the Effective Date and NCDST's loan obligations shall commence upon NCDST's receipt of the items set forth in 3.a. above.

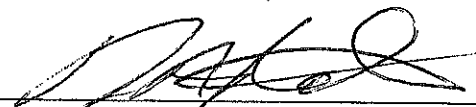
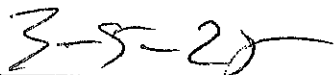
[signature page follows]

**19. AUTHORIZED SIGNATURE WARRANTY:**

The undersigned represent and warrant that they are authorized to bind their principals to the terms of this Agreement.

In Witness Whereof, RECIPIENT and the State of North Carolina, acting by and through the NCDST have executed this Agreement in duplicate originals, with one original being retained by each party.

**TOWN OF NEWLAND, NORTH CAROLINA**

   
\_\_\_\_\_  
AUTHORIZING OFFICIAL Date

Derek A. Roberts Mayor  
\_\_\_\_\_  
Printed Name Title

**STATE OF NORTH CAROLINA, by:**

**NORTH CAROLINA DEPARTMENT OF STATE TREASURER**

\_\_\_\_\_  
AUTHORIZING OFFICIAL Date

Jeffrey A. Poley Director of Disaster Services and Rural Economic Development

ATTACHMENT A

**RESOLUTION TO APPROVE NORTH CAROLINA CASHFLOW LOAN AGREEMENT AND  
PROMISSORY NOTE**

**WITNESSETH:**

**WHEREAS**, in connection with the State of North Carolina cashflow loan program (Loan Program) authorized by the Disaster Recovery Act of 2024, Session Law 2024-53 (as amended by Session Law 2024-57), the North Carolina Department of State Treasurer has been working with the North Carolina Department of Public Safety-Division of Emergency Management (NCEM), the North Carolina Association of County Commissioners (NCACC), and the North Carolina League of Municipalities (NCLM) to formulate a working plan for the disbursement of cashflow loans aimed at assisting local governments affected by Hurricane Helene; and

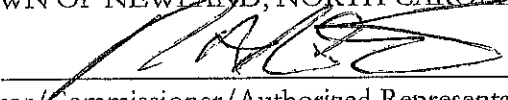
**WHEREAS**, local governments wishing to participate in the Loan Program are required to execute a Cashflow Loan Agreement and Promissory Note with the State of North Carolina, by and through the North Carolina Department of the State Treasurer; and

**NOW, THEREFORE BE IT RESOLVED BY THE TOWN OF NEWLAND, NORTH CAROLINA:**

1. That the Cashflow Loan Agreement and Promissory Note provided by the North Carolina Department of the State Treasurer are hereby approved.
2. That the Manager, Clerk, or Authorized Representative of a Tribal Government is authorized to execute the attached agreements (or those substantially equivalent thereto) and such other agreements and actions as necessary to receive disaster recovery loan funding from the State of North Carolina.

Adopted, this the 4th day of March 2025

TOWN OF NEWLAND, NORTH CAROLINA

By:   
Mayor/Commissioner/Authorized Representative

Name: Derek A. Roberts

Title: Mayor

ATTEST:

  
Town Clerk/Authorized Representative

Name: Jessica Buchanan

Title: Town Clerk

**ATTACHMENT B**

This Promissory Note has been pre-audited as required by the  
Local Government Budget and Fiscal Control Act

*SW Revisio*

Finance Officer

**PROMISSORY NOTE**

Date: 3/4/2025

Loan Number: **Helene50276R1000000000**  
Loan Amount: **\$166,205.87**

The Town of Newland, North Carolina ("BORROWER") DOES HEREBY unconditionally promise to pay to the STATE OF NORTH CAROLINA (by and through the North Carolina Department of State Treasurer) ("State") the following Loan Amount: **\$166,205.87** The promissory note is made in accordance with the related Loan Agreement, dated as the date hereof (the "Agreement"), between the State and the BORROWER. As set forth in the Agreement, the BORROWER hereby promises to pay the Loan Amount in accordance to the following schedule:

- **\$1 the first anniversary of the Loan Date**
- **10% of the Loan Round Amount on June 30, 2027**
- **20% of the Loan Round Amount on June 30, 2028**
- **30% of the Loan Round Amount on June 30, 2029**
- **40% (less \$1) of the Loan Round Amount on the earlier of the fifth anniversary of the Loan Date recited in the Agreement or June 30, 2030.**

Payment instructions will follow from the State or its agent.

This Promissory Note and the Agreement were duly authorized by action of the BORROWER's governing body at a meeting duly held on February 24, 2025.

TOWN OF NEWLAND, NORTH CAROLINA

*[Signature]*  
Signature

Derek A. Roberts, Mayor

[Name and Title]



[SEAL]

Attest:

*Jessica Buchanan*  
Signature

Jessica Buchanan, Town Clerk

[Name and Title—should be clerk]





## **Simple Grant Project Ordinance for the Town of Newland Helene Disaster Response and Recovery**

**WHEREAS:** Through its Public Assistance Program (PA), FEMA provides Federal grant assistance for debris removal, emergency protective measures, and the restoration of disaster-damaged, publicly owned facilities. Expenses may be eligible for FEMA reimbursement in the following categories:

### **Emergency Work**

Category A: Debris Removal -- Expenses related to clearing debris from public property, including roads, parks, and other infrastructure.

Category B: Emergency Protective Measures -- Costs for actions taken to protect public health and safety, such as: search and rescue operations; sheltering and evacuation; and medical care and emergency response.

### **Permanent Work**

Category C: Roads and Bridges -- Repairs and restoration of transportation infrastructure, including highways, streets, and bridges.

Category D: Water Control Facilities -- Restoration and repair of drainage systems, levees, and other flood control measures.

Category E: Public Utilities -- Restoration of water, wastewater, electrical systems, and other essential public utilities.

Category F: Parks, Recreational Facilities, and Other -- Repair or replacement of parks, recreational areas, and public spaces.

Category G: Buildings and Equipment -- Repairs or replacements of public buildings, such as schools, community centers, and related equipment.

### **Administrative Work**

Category Z: Management Costs -- Administrative costs related to the overall management of disaster response and recovery efforts, which are capped at a certain percentage of eligible project costs, AND

**WHEREAS:** The Department of State Treasurer (DST) has provided a cash flow loan (FEMA grant anticipation loan) to the Town Of Newland in the amount of \$166,205.87, pursuant Session Law 2024-53, Section 4E.5.(a) as amended by Session Law 2024-57, Section 1F.1. The loan is at zero interest and is intended to be repaid with FEMA grant reimbursements. If FEMA grant reimbursements are not sufficient to cover loan repayments, the Town of Newland must use other revenues to cover the difference. The repayment obligations and schedule are set according to the terms of the loan agreement and promissory note executed by the TOWN OF NEWLAND.

The loan repayment terms are as follows:

- \$1 due by the first anniversary of the Loan Date
- 10% of the Loan Round Amount due on June 30, 2027
- 20% of the Loan Round Amount due on June 30, 2028
- 30% of the Loan Round Amount due on June 30, 2029

- 40% (less \$1) of the Loan Round Amount due on the earlier of the fifth anniversary of the Loan Date or June 30, 2030.

**BE IT ORDAINED** by the Board of Aldermen for the Town of Newland, North Carolina that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted:

**Section 1:** This ordinance is to establish a budget for projects related to the Helene Disaster Response (FEMA Disaster 4827) that will be reimbursed by the Federal Emergency Management Agency (FEMA) Public Assistance Program and for grant anticipation loan proceeds and repayments from the North Carolina Department of State Treasurer’s cash flow loan program.

**Section 2:** The following amounts are appropriated for eligible purposes and authorized for expenditure:

Account Code	Project Description	FEMA Category	Appropriation from FEMA Reimbursement Grant
<b>GENERAL GOVERNMENT</b>			
	Road & Bridges	C	\$156,205.87
	Park & Recreation Facilities	F	\$10,000.00
	Cash flow Loan Repayment		
	<b>TOTAL</b>		<b>\$166,205.87</b>

**Section 3:** The following revenues are anticipated to be available to fund the authorized purposes:

**GENERAL GOVERNMENT**

NC Department of State Treasurer Cash Flow Funds: \$166,205.87  
 FEMA Grant Reimbursement Funds:

**TOTAL: \$166,205.87**

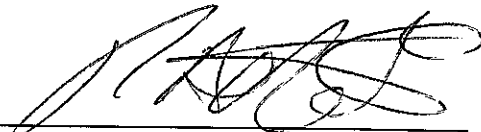
**Section 4:** The Finance Officer is hereby directed to maintain sufficient specific detailed accounting records to satisfy the requirements of the grantor agency and the grant terms and conditions.

**Section 5:** The Finance Officer is hereby directed to report the financial status of the projects to the governing board on a quarterly basis.

**Section 6:** Copies of this grant project ordinance shall be furnished to the Budget Officer, the Finance Officer and to the Town Clerk.

**Duly adopted this 4<sup>th</sup> day of March 2025.**

  
Jessica Buchanan, Town Clerk

  
Derek A. Roberts, Mayor

Handwritten text, possibly a signature or name, located in the upper right quadrant of the page.