

Town of Dallas
Agenda
September 8, 2020
6:00 PM
BOARD OF ALDERMEN
Rick Coleman, Mayor

Allen Huggins

Darlene Morrow

Stacey Thomas

Jerry Cearley, Mayor Pro-Tem

E. Hoyle Withers

ITEM	SUBJECT	Page
1.	Invocation and Pledge of Allegiance to the Flag	
2.	Approval of Agenda with Additions Or Deletions	
3.	Approval of Minutes	
	A. August 11 th and August 25 th Work Session	2
4.	Recognition of Citizens: Time set by Mayor	
	A.	
5.	Consent Agenda (to be acted on collectively, unless removed for further discussion)	
	A. Proclamation for Fire Prevention Week 2020	6
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6.	Public Hearings	
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10.	Closed Session:	

**TOWN OF DALLAS
MINUTES FOR BOARD OF ALDERMEN VIRTUAL MEETING
AUGUST 11, 2020
6:00 PM**

The following elected officials were present: Mayor Richard Coleman, Mayor Pro-Tem Jerry Cearley, Alderman Allen Huggins, Alderman E. Hoyle Withers Jr., and Alderwoman V. Darlene Morrow. Virtual attendance: Alderwoman Stacey Malaker Thomas.

The following staff members were present: Maria Stroupe, Town Manager; Da'Sha Leach, Town Clerk and Robert Walls, Police Chief. Virtual attendance: Jonathan Newton, Finance Director; Nolan Groce, Development Services Director; Doug Huffman, Electrical Director; Bill Trudnak, Public Works Director; Earl Withers III, Fire Chief. Absent: Tom Hunn, Town Attorney and Brandon Whitener, Recreation Director.

Mayor Coleman called the meeting to order at 6:00 pm. He opened with the Invocation and the Pledge of Allegiance to the Flag followed. Mayor Coleman read the meeting rules to the audience. He asked if there were any additions or deletions to amend the agenda. There were two items to be added. Alderman Cearley a motion to approve the agenda with addition to Consent Agenda: Item 5D Proclamation for Ida Jagers and New Business: Item 8C Board Meeting Attendance for Department Heads, seconded by Alderwoman Morrow, and carried unanimously.

Alderman Withers made a motion to approve the minutes from July 14th Regular Meeting and July 28th Work Session, seconded by Alderman Cearley, and carried unanimously.

Recognition of Citizens:

No comments made nor items sent it to be submitted to the Board.

Consent Agenda:

Item 5A Façade Grant Revision (Exhibit A)

Item 5B Disciplinary Appeal Process Revision (Exhibit B)

Item 5C Written Offs

Item 5D Proclamation Honoring the 91st Birthday of Ida Jagers (Exhibit C)

Alderman Cearley made a motion to approve, seconded by Alderman Withers, and carried unanimously.

Public Hearing: NONE

Old Business: NONE

New Business:

Item 8A was on a Budget Amendment for Repairs to Road Apron-Beaty's Service Center. Mr. John Beaty, Jr. has made improvements to the road apron at the edge of his property at 302 W. Trade St. While this road is the responsibility of NC DOT to maintain, they would not participate in the improvements with him. Inquiries were made as to whether the Town could partner with Mr. Beaty on the repairs. Based upon research by the Town Attorney and Manager, the Town has no responsibility as the road is not a Town-owned thoroughfare. Mr. Beaty sent a letter to the Town concerning this repair. At the Work Session on June 23rd, the Board requested that this item be brought to the July meeting for possible action. It was generally felt that the Town should participate in the repairs, since NC DOT has cut back on repairs and projects for financial reasons and Mr. Beaty's business is located on the main thoroughfare through town.

-Continued on the Next Page

New Business Item 8A continued.....:

At the Board of Aldermen meeting on July 14th, the Board approved reimbursing Mr. Beaty \$3,000.00 with no future liability for the road apron repairs not covered by NC DOT. A budget amendment to account for the amendment in the Street Department budget was given in agenda packets. Alderman Cearley made a motion to approve, seconded by Alderwoman Morrow, and carried unanimously. (Exhibit D)

Item 8B was on Update on Sewer Interconnect. Both Dallas and Gastonia have held bid openings on the proposed Sewer Interconnect Project. A meeting was held between Staff of both municipalities on Wednesday, July 29th to discuss the bids received by both entities and moving forward. Based on the bids received, the numbers have come back higher than anticipated. Enclosed is a copy of the current agreement between Dallas and Gastonia for the emergency interconnect project, including cost sharing parameters. Based on the bids received, options for revising the agreement are being reviewed and will be brought back for discussion once the reviews are complete. This item is for informational purposes only for the Board. (Exhibit E)

Item 8C was on Board Meeting Attendance for Department Heads. Alderman Withers wanted to discuss the department heads starting to attend the meetings again. It was acknowledged that social distancing measures will need to be taken as recommended by NC Governor Cooper for COVID-19 safety measures. After a brief discussion, the Board consensus was for the Department Heads to return to the meetings.

Manager's Report and General Notices:

- Paying Utilities Bills in person-This will begin at Governor Cooper implements Phase 3 is per previous Board discussions. Floor stickers for social distancing have been ordered.
- Payment Box Discussion- Height is same as the PO Boxes but there is still a complaint on the payment slot being too small. Collectors will assist disabled people needing to make payments by going to their car to take the payments and others are allowed to call in payments.
- New Parking Lot-This has started and the fence removed is being held for a future project. Alderman Cearley suggested to put the fence on W. Wilkins Street to deter foot traffic to minimize theft activity.
- Concerts/Events- All three bands have agreed to shift all deposit monies to 2021 events when the Town books for next year since 2020 events are cancelled. Halloween cancellation may need to be considered due to the size of the crowd and the planning needed in advance for the event.
- COVID Information Sheets-These were given as a guide for procedures dealing with COVID.
- PD to have the NG Caravan to School-On 8/16/20 at 2:45pm, the PD will escort the students back to school. This day was chosen since they actually have two start days this school year. The was done with success at the beginning of last school year.

Alderwoman Morrow made a motion to adjourn, seconded by Alderman Withers, and carried unanimously. (6:28)

Rick Coleman, Mayor

Sarah Hamrick, Interim Town Clerk

MINUTES FOR BOARD OF ALDERMEN WORK SESSION
August 25, 2020
5:00 PM

The following elected officials were present: Mayor Coleman, Alderman Cearley, Alderman Huggins, Alderwoman Morrow, and Alderman Withers.

The following staff members were present: Town Manager, Maria Stroupe; Finance Manager, Jonathan Newton; Recreation Director, Brandon Whitener; Police Chief, Robert Walls; Developmental Services Director, Nolan Groce; Fire Chief, Earl Withers III; Town Attorney, Tom Hunn; Interim Town Clerk, Sarah Hamrick.

Mayor Coleman called the meeting to order at 5:05 pm.

Mayor Coleman opened with the Pledge of Allegiance to the Flag.

Mayor Coleman asked if there were any additions or changes to the agenda. Mayor Coleman stated that there were two items to be added, time permitting. The items are as follows: 1) Discussion of CDBG Grants available for our citizens for rent and utilities; 2) Discussion of a concerned citizen concerning the recent demonstration in downtown Dallas. Alderwoman Morrow made a motion to set the agenda with the additions, seconded by Alderman Huggins, and carried unanimously.

Item #3A was from Jim Bailey, owner of Sammy's Restaurant, in request for alcohol sales on Sundays prior to Noon. Senate Bill 155, "An Act to Make Various Changes to the Alcoholic Beverage Control Commission Laws", was enacted by the North Carolina Assembly on June 29, 2017. Section 4 of this Bill authorizes city and county governments to adopt an ordinance to allow alcohol sales beginning at 10:00 am on Sundays. Previously, the law prohibited alcohol sales prior to noon on Sundays. Governor Cooper signed the Bill into law on June 30, 2017 and it became effective on that date. The law gave each local government entity the authority to allow alcohol sales prior to noon or to keep the prohibition of sales until after noon in place. At the time the Senate Bill 155 was enacted, the Board of Aldermen decided to keep the prohibition of sales until after noon in place. See Exhibit's A; 1,2,3 concerning the request. A discussion was held as to the merits of the request. Formal action will be taken at the September Board of Aldermen meeting.

Item #3B was concerning the driveway permit application and proposed ordinance update. In January, the Board of Aldermen updated and adopted standard street details and traffic standards. Subsequently, Tiffany Faro, former Development Services Director, was working on implementation of a driveway permit application. Although the current ordinance references a driveway permit, a standardized permit has not been implemented. Attached is the proposed driveway permit application. It is recommended that the permit fees be set at \$25 per residential driveway permit and \$50 per commercial driveway permit. Upon review of the current ordinance, 94.056 Municipal Curb Cut, it has become apparent that the ordinance needs to be revised. As best as can be determined, the ordinance was originally approved in 1971. At that

time, Dallas was under the Mayor/Council form of government and the Town Board was tasked with managing the ordinance and permit. Under the current Manger/Council form of government, this is a function that should be managed by Staff. See Exhibit's B;1,2,3,4. Formal action will be taken at the September Board of Aldermen meeting.

Item #3C was concerning the Town of Dallas social media policy for Employees. As social media continues to expand and become more and more prevalent, it is in the best interest of the Town to have a social media policy guiding employees' use of this medium. Approximately ten years ago, the Town implemented a Computer and Internet policy. A proposed social media section has been added to this current policy. See Exhibit's C; 1,2,3,4,5. Mayor Coleman asked to delete the last sentence of the social media policy and have employees sign the form. Formal action will be taken at the September Board of Aldermen meeting.

Item #3D was concerning reopening the board meetings to the public. This discussion is to determine under what parameters to reopen Board of Aldermen meetings to allow in-person public attendance. During the COVID-19 pandemic phased restrictions in North Carolina, in-person public attendance has been discontinued while an option to attend meetings via zoom has been in place. Town Manager Stroupe made the following suggestions for in-person public attendance: Use health assessment questions, use temp screenings, set chairs 6ft apart, and limit the number of people in attendance. All agreed to each of these suggestions and will look at this each month and reevaluate as needed.

Item #3E was to decide if Trick or Treat on the Square will be cancelled due to the Covid-19 pandemic. The Board agreed to cancel this year's event. In addition, the Board agreed by consensus to cancel the Veterans Day events. It was brought up to discussion to look at the upcoming Basketball season and December events at the next work session on September 22.

Item #3F was concerning the Sewer Interconnect Project. Options for this project are still being reviewed by both Dallas and Gastonia. This will need further discussion at the September 22 work session.

Item #3G was an added item concerning CDBG Grants that are available for past due utilities and rent. The finance department will look into applying for these loans.

Item #3H was an added item for a concerned citizen concerning the recent demonstration in downtown Dallas, including the permits and the cost for the demonstration. Chief Walls said the demonstrators did apply for the permits. The event was coordinated and organized by Chief Walls.

Alderman Cearley made a motion to adjourn, seconded by Alderwoman Morrow, and carried unanimously. (6:02)

Rick Coleman, Mayor

Sarah Hamrick, Int. Town Clerk

TOWN OF DALLAS, NORTH CAROLINA

REQUEST FOR BOARD ACTION

DESCRIPTION: Fire Prevention Week Proclamation

AGENDA ITEM NO. 5A

MEETING DATE: 9/8/2020

BACKGROUND INFORMATION:

October 4-10, 2020 is designated as Fire Prevention Week in order to promote fire prevention and education for our community, and to support the Fire Department in their public safety activities and efforts.

MANAGER RECOMMENDATION: Approve the proclamation of October 4 – 10, 2020 as Fire Prevention Week, a presented.

BOARD ACTION TAKEN:

Proclamation for Fire Prevention Week 2020

WHEREAS, the Town of Dallas, NC is committed to ensuring the safety and security of all those living in and visiting Dallas; and,

WHEREAS, fire is a serious public safety concern both locally and nationally, and homes are the locations where people are at greater risk from fire; and,

WHEREAS, the majority of U.S. fire deaths occur at home each year and home fires killed 3,655 people in the United States in 2018, according to the National Fire Protection Association (NFPA), and fire departments in the United States responded to 499,000 home fires; and,

WHEREAS, Dallas' residents should identify places in their homes where fires can start and eliminate those hazards; and,

WHEREAS, working smoke alarms cut the risk of dying in reported home fires in half, so residents should install smoke alarms in every sleeping room, outside each separate sleeping area, and on every level of the home; and,

WHEREAS, residents should listen for the sound of the smoke alarm and when it sounds, respond by going outside immediately to a designated meeting place, as those who have planned and practiced a home fire escape plan are more prepared and will therefore be more likely to survive a fire; and,

WHEREAS, residents should make a home escape plan, practice the home escape plan, and teach children to escape on their own in case adults can't help them; and,

WHEREAS, residents should make sure everyone in the home knows how to dial 911 from a cell phone or a neighbor's home; and,

WHEREAS, residents should get out and stay out, never going back inside the home for people, pets, or things; and,

WHEREAS, firefighters are dedicated to reducing the occurrence of home fires and home fire injuries through prevention and education; and,

WHEREAS, the 2020 Fire Prevention Week theme, "Serve up Fire Safety in the Kitchen", effectively serves to remind us that we need to take personal steps to increase our safety from fire.

NOW, THEREFORE, BE IT PROCLAIMED, that the Town of Dallas formally designates October 4-10, 2020 as Fire Prevention Week and urges all residents of Dallas to be aware of their surroundings, look for available ways out in the event of a fire or other emergency, respond when the smoke alarm sounds by exiting the building immediately, and to support the many public safety activities and efforts of Dallas' fire and emergency services.

Adopted this the 8th day of September, 2020.

Rick Coleman, Mayor

Attested by:

Town Clerk

TOWN OF DALLAS, NORTH CAROLINA

REQUEST FOR BOARD ACTION

DESCRIPTION: Agreement for Sub-Grant of CARES Act Grant Funds

AGENDA ITEM NO. 5B

MEETING DATE: 9/8/2020

BACKGROUND INFORMATION:

On July 2nd we were notified by Gaston County that the NC bill to release additional CARES Act funds for counties and municipalities received final approval. Based on the notification the funding available to municipalities in Gaston County will be about \$2.065 million (total for all municipalities in the county, as defined by the state).

We were asked by the County to submit information concerning expenses incurred or projected between March 1, 2020 and December 30, 2020 related to COVID-19 that were not budgeted by then end of July. Jonathan Newton, Finance Director, submitted the required information on behalf of Dallas.

Based upon the available funding and the County's method of distribution of these funds, Dallas' portion of these funds would be \$71,413 to be paid on a reimbursement basis.

Attached is an agreement with Gaston County that outlines the funding eligibility and reimbursement requirements. This agreement must be approved and executed for Dallas to receive these funds.

MANAGER RECOMMENDATION: Approve the attached agreement with Gaston County, as presented.

BOARD ACTION TAKEN:

NORTH CAROLINA)
)
GASTON COUNTY)

AGREEMENT FOR THE SUB-GRANT
OF CARES ACT GRANT FUNDS

THIS AGREEMENT, made and entered into on the last date written below, by and between GASTON COUNTY (hereinafter referred to as the COUNTY) and TOWN OF DALLAS (referred to as the SUB-GRANTEE), pursuant to and subject to the restrictions and conditions set out below;

WITNESSETH:

WHEREAS, North Carolina counties are receiving funding for local governments as part of the Coronavirus Relief Fund (CRF) established under the federal CARES Act. This funding may only be used to cover costs that are necessary expenditures incurred due to the COVID-19 public health emergency, were not accounted for in the budget most recently approved as of March 27, 2020, and were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020;

WHEREAS, eligible CARES Act expenses include those required to respond directly to the emergency, as well as those incurred to respond to second-order effects of the emergency;

WHEREAS, the COUNTY and the SUB-GRANTEE mutually desire to establish the means and method for the allocation of the SUB-GRANTEE'S allocation of these funds through a reimbursement agreement contract.

NOW, THEREFORE, in consideration of the promises and further consideration of the mutual agreements contained herein, as well as the financial consideration, the parties hereto agree as follows:

- (1) The COUNTY share provide SUB-GRANTEE a sub-grant in the maximum amount of \$71,413 based on the proposed budget submitted by SUB-GRANTEE for the use of CARES Act funding.
- (2) Any sub-grant to be disbursed to SUB-GRANTEE will only be made as a reimbursement for eligible expenses. Prior to any such disbursement, the SUB-GRANTEE shall make a report on forms provided by the COUNTY to certify that the funds being reimbursed:
 - a. Were necessary expenditures incurred due to the public health emergency with respect to Coronavirus Virus 2019 (COVID-19) and were not accounted for in the budget most recently approved by SUB-GRANTEE as of March 27, 2020;
 - b. Were incurred during the period that began on March 1, 2020 and ends on December 30, 2020 in accordance with the budget proposal submitted to COUNTY by SUB-GRANTEE;

- c. Were spent in a manner consistent with terms for the CRF set forth by the North Carolina Pandemic Recovery Office and in accordance with all applicable State and federal laws; and;
 - d. COUNTY reserves the right to reasonably request additional documentation to demonstrate compliance with the CARES Act and North Carolina Session Law 2020-4, the "2020 COVID-19 Recovery Act".
- (3) The SUB-GRANTEE covenants and agrees to expend the funds, which are the subject of this Agreement and to perform services in consideration of the receipt of funds in accordance with the purposes outlined in Attachment A, which is attached to this Agreement and incorporated herein by reference.

Funds made available to the SUB-GRANTEE pursuant to this Agreement shall be expended only in accordance with applicable federal, state and local laws, and only for the purposes set forth in the grant application and Attachment A. Only those expenses incurred on or before December 30, 2020 will be considered for reimbursement.

Reimbursement Process. The SUB-GRANTEE shall provide to the COUNTY in a format prescribed by the COUNTY a reimbursement request and certification for the prior month's eligible expenses that includes a list of expenses, documentation, and a descriptive summary of how the funds were used, including specific deliverables achieved and progress against objectives and outcomes expected to be achieved, by the following dates:

August 13, 2020	September 14, 2020	October 13, 2020
November 13, 2020	December 14, 2020	January 13, 2021

Following receipt of the reimbursement report and certification from the SUB-GRANTEE, the COUNTY shall review said documents for compliance purposes. COUNTY will notify SUB-GRANTEE of its approval or denial within seven business days of receipt of the proper forms. A denial will include a reasonable description of the reason for denial and offer an opportunity to cure any deficiencies. Approved reimbursements will be processed and disbursed by COUNTY to SUB-GRANTEE according to the COUNTY'S normal schedule.

- (4) Records and Accounting. The SUB-GRANTEE shall maintain records documenting each expenditure that is subject to reimbursement under CRF and supply such records, information, and verification relating to expenditures of the funds or the operations of the SUB-GRANTEE as may reasonably be requested by the COUNTY. The GRANTEE agrees that the COUNTY shall have access to the records and premises of the SUB-GRANTEE at all reasonable times, and the SUB-GRANTEE agrees to submit such reports as the COUNTY shall request pertaining to the funds granted herein or the operations of the SUB-GRANTEE. The SUB-GRANTEE shall maintain a written accounting and documentation of all of its receipts and disbursements relating to the CRF grant funds which are the

subject of this Agreement. SUB-GRANTEE financial records shall be sufficient for an internal or external audit. The COUNTY reserves the right to require a certified audit pertaining to the use of the grant funds, or may perform the audit through the use of its staff.

The SUB-GRANTEE shall provide for separate cost accounting of CRF funds, either by a separate checking account or cost center that tracks only CRF funds.

- (5) Repayment of Appropriated Funds. Any CRF funds appropriated by the COUNTY and distributed to the SUB-GRANTEE that are found to have been utilized by SUB-GRANTEE for uses in violation of CRF shall be repaid by SUB-GRANTEE to the COUNTY upon demand.
- (6) Termination of this Agreement by the COUNTY may occur for reasons described herein or in attachments hereto.
- (7) The COUNTY may suspend or terminate payment of sub-grant funds in whole or in part for any violation of this Agreement, including, but not limited to, the following reasons as determined by the COUNTY:
 - (a) Ineffective or improper use of grant funds;
 - (b) Failure to comply with the terms and conditions of this Agreement;
 - (c) Submission to the COUNTY of reports that are incorrect or incomplete in any material respect;
 - (d) Frustration or impossibility of performance, rendering the carrying out of this Agreement improper or infeasible.

In addition, the COUNTY may suspend or terminate payment of grant funds if the SUB-GRANTEE fails to make satisfactory progress toward meeting the project services that are the subject of this Agreement; and the determination of whether satisfactory progress has been made shall be in the discretion of the COUNTY.

If for any reason the payment of grant funds is suspended or terminated, the SUB-GRANTEE agrees to promptly remit to the COUNTY any payments previously received by the SUB-GRANTEE which the COUNTY deems to have been paid and received in violation of this Agreement.

- (8) Any and all changes to the restrictions and conditions found in this Agreement shall be subject to review and written approval by the COUNTY.
- (9) This Agreement and the sub-grant funds which are the subject of this Agreement are expressly non-assignable without the prior written consent and approval of the COUNTY.
- (10) Non-expendable property purchased under this Agreement shall remain the property of the SUB-GRANTEE, unless any attached conditions provide that such property shall become the property of the COUNTY.

THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

Non-Appropriation: In the event funds are not appropriated during the term of this Agreement for the subject matter herein described, and there are no other available funds by or with which payment can be made to the Vendor, this agreement is terminated. This Agreement will be deemed terminated on the last day of the fiscal period for which appropriations were received without penalty or expense, except to the portion of payment for which funds have been appropriated and budgeted.

IRAN DIVESTMENT ACT CERTIFICATION REQUIRED BY N.C.G.S. §147-86.59(a)

As of the date listed below, the vendor or bidder listed below is not listed on the Final Divestment List created by the State Treasurer pursuant to N.C.G.S. §147-86.58. The undersigned hereby certifies that he or she is authorized by the vendor or bidder listed below to make the foregoing statement.

NOTE: N.C.G.S §147-86.59(a) requires this certification for bids or contracts with the various governmental entities of North Carolina, including Counties. The certification is required when a bid is submitted, when a contract is entered into, and when a contract is renewed or assigned. No vendor may utilize any subcontractor found on the State Treasurer's Final Divestment List. The List is updated every 180 days, and can be found at www.nctreasurer.com/iran

SUB-GRANTEE

By: _____

Date: _____

GASTON COUNTY

By: _____
County Manager/Asst. County Manager

Date: _____

ATTEST:

Clerk to the Board/Deputy Clerk to the Board

APPROVED AS TO FORM:

County Attorney/Assistant County Attorney

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

Finance Director/Asst. Financial Operations Manager

NORTH CAROLINA E-VERIFY CERTIFICATION

APPLICABILITY: Pursuant to North Carolina Session Law 2015-294, the certification is applicable for all contracts entered into by Gaston County, except for contracts solely for the purchase of goods, apparatus, supplies, materials, equipment, or contracts with specific other entities as described in NCGS § 143-133.3, piggy-back contracts, and travel purchases.

CERTIFICATION: By signing and entering into this contract with Gaston County, I hereby certify that I comply with E-Verify, the aforementioned Federal program used to verify the work authorization of newly hired employees working in North Carolina. I certify compliance with the E-Verification program pursuant to Article 2 of Chapter 64 of the North Carolina General Statutes. If applicable, I am also certifying that any subcontractor hired or used by me will comply with E-Verify, as described herein.

ADA AND CIVIL RIGHTS CERTIFICATION OF COMPLIANCE

I hereby certify that I comply with all applicable federal civil rights laws, including the applicable provisions of the Americans with Disabilities Act.

ADDITIONAL CONTRACT TERMS/CONDITIONS AND SIGNATURE PAGE

NON-APPROPRIATION: In the event funds are not appropriated during the term of this Agreement for the subject matter herein described, and there are no other available funds by or with which payment can be made to the Vendor, this agreement is terminated. This Agreement will be deemed terminated on the last day of the fiscal period for which appropriations were received without penalty or expense, except to the portion of payment for which funds have been appropriated and budgeted.

IRAN DIVESTMENT ACT CERTIFICATION REQUIRED BY N.C.G.S. Chapter 147, Article 6E

As of the date listed below, the vendor or bidder listed below is not listed on the Final Divestment List created by the State Treasurer pursuant to N.C.G.S. the applicable provisions within Chapter 147, Article 6E of the N.C.G.S. The undersigned hereby certifies that he or she is authorized by the vendor or bidder listed below to make the foregoing statement.

NOTE: N.C.G.S. Chapter 147, Article 6E requires this certification for bids or contracts with the various governmental entities of North Carolina, including Counties. The certification is required when a bid is submitted, when a contract is entered into, and when a contract is renewed or assigned. No vendor may utilize any subcontractor found on the State Treasurer's Final Divestment List. The List is updated every 180 days, and can be found at www.nctreasurer.com/iran

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ADA AND CIVIL RIGHTS CERTIFICATION OF COMPLIANCE

I hereby certify that I comply with all applicable federal civil rights laws, including the applicable provisions of the Americans with Disabilities Act.

RIGHT FOR COUNTY TO AUDIT

During the term of this contract and for one (1) year after termination, the County shall have the right to audit, internally or through an independent auditor, all books and records of the vendor as needed to evaluate the vendor's compliance with the terms and conditions of the contract or a party's payment obligations. The County shall pay its own expenses for such audit, but shall not pay any expenses or additional costs of the vendor associated with such audit. However, such expenses shall be paid to the County if the audit reveals non-compliance that would have cost the County excess of \$10,000 but for the audit. The County has the right to seek remittance for overpayment arising from the vendors' non-compliance or irregularities with the performance of the contract. Specific audit provisions established in the contract will supersede this paragraph.

NOTE ON UNIFORM GUIDANCE ("UG") REQUIRED CONTRACT PROVISIONS Uniform Guidance ("UG") is a set of uniform standards for contracts involving the award/expenditure of certain federal monies. If the UG requirements are not applicable, the UG provisions do not apply, unless stated so in the contract.

NOTE: BY SIGNING THE GASTON COUNTY SIGNATURE PAGE, YOU AGREE TO FOLLOW THE ATTACHED TERMS AND CONDITIONS, TO THE EXTENT THAT SUCH PROVISIONS ARE APPLICABLE.

VENDOR

Vendor Name: _____

Printed name of signor for Vendor: _____

By: _____ Title: _____

Date: _____

GASTON COUNTY

By: _____

County Manager/Assistant County Manager

Date: _____

ATTEST:

Clerk to the Board/Deputy Clerk to the Board

APPROVED AS TO FORM:

County Attorney/Assistant County Attorney

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

Finance Director/Assistant Finance Director/Financial and Business Services Administrator

Uniform Guidance (“UG”) Required Contract Provisions

APPLICABILITY: UG is a set of uniform standards for award and expenditure of federal financial assistance, and applies to the purchase of apparatus, supplies, equipment, materials, services, construction and repair, and engineering/architectural services. See 2 CFR Part 200. Provided that these standards are applicable to you, by signing this signature page, you are certifying that your organization meets these requirements and that this certification, with the statutory references incorporated into each certification, on its face constitutes the “provision for compliance” for any paragraphs requiring such provision or other similar required statement, terms, or requirements. Gaston County is also required to be bound by such provisions. As the UG requires that any more stringent state law or local ordinance/policy supersedes these certifications, such state or local contractual references supersedes the requirements below, to the extent that the state or local provisions are more stringent than the federal requirements. **If the service provided under the contract is not covered by the UG, signing the contract signature page will not bind the parties to these requirements, unless if specified in the contract.** See generally https://www.ecfr.gov/cgi-bin/text-idx?SID=04e61f4e0a8317140a9ec150bb2ac195&mc=true&node=pt2.1.200&rgn=div5#ap2.1.200_1521.ii

(A) For contracts in excess of simplified acquisition threshold, currently set at \$250,000, unless otherwise expressly stated to the contrary in the contract, and subject to various applicable CFR and other regulations, such as 2 C.F.R. Part 200, Gaston County will fully seek reimbursement from the contractor for noncompliance with the performance of this contract.

(B) For contracts in excess of \$10,000, unless otherwise expressly stated to the contrary in the contract, and subject to various applicable CFR and other regulations, such as 2 C.F.R. Part 200, Gaston County has the authority to terminate this contract for cause or convenience, upon 30 days notice to the contractor. During this period, the contractor has the opportunity to cure defects cited by Gaston County. If Gaston County terminates for convenience, it will pay the contractor on a pro rate basis of the goods or services received.

(C) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Ex. Order 11375, “Amending Ex. Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

(E) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(F) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

(G) Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

(H) Debarment and Suspension (Ex. Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Ex. Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Ex. Order 12549.

(I) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

(J) See §200.322 Procurement of recovered materials.

§200.322 Procurement of recovered materials. A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75888, Dec. 19, 2014]

ADDITIONAL FEMA REQUIREMENTS

The Uniform Rules (2 C.F.R. § 200.326 and 2 C.F.R. Part 200, Appendix II) authorize FEMA to require additional provisions for non-Federal entity contracts. FEMA, pursuant to this authority, requires the provisions herein. By signing the Gaston County Contract Signature Page, the parties to the contract also agree to the following terms and conditions:

1. Changes

To be eligible for FEMA assistance under the non-Federal entity's FEMA grant or cooperative agreement, the cost of the change, modification, change order, or constructive change must be allowable, allocable, within the scope of its grant or cooperative agreement, and reasonable for the completion of project scope. The parties to this Agreement acknowledge that such modifications to the contract (such as changes to the method, price, or schedule of work) may be done, provided it is in writing and conforms with the conditions described herein and in the Contract.

2. Access to records

The Vendor/Contractor its successors, transferees, assignees, and subcontractors acknowledge and agree to comply with applicable provisions governing Department and FEMA access to records, accounts, documents, information, facilities, and staff. See generally Standard Terms and Conditions, v 3.0, ¶ XXVI (2013).

The Vendor/Contractor agrees to provide Gaston County, any other recipient of the grant monies, the FEMA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts, and transcriptions. The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed. The contractor agrees to provide the FEMA Administrator or his authorized representatives access to construction or other work sites pertaining to the work being completed under the contract. The provisions herein is not intended to limit access to records under other relevant State and Federal regulations, such as North Carolina Public Records Law.

3. DHS Seal, Logo, and Flags

The Vendor/Contractor shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval. See generally DHS Standard Terms and Conditions, v 3.0, ¶ XXV (2013).

4. Compliance with Federal Law, Regulations, and Executive Orders

All the parties to this Agreement acknowledge that that FEMA financial assistance will be used to fund the contract, and not for any other purpose. Additionally, the Vendor/Contractor will comply with all applicable federal law, regulations, executive orders, and FEMA policies, procedures, and directives.

5. No Obligation by Federal Government

All the parties to this Agreement acknowledge that The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the non-Federal entity, contractor, or any other party pertaining to any matter resulting from the contract.

6. Program Fraud and False or Fraudulent Statements or Related Acts

The contractor acknowledges that 31 U.S.C. Chapter 38 (Administrative Remedies for False Claims and Statements) applies to the contractor's actions pertaining to this contract.

TOWN OF DALLAS, NORTH CAROLINA

REQUEST FOR BOARD ACTION

DESCRIPTION: Text Amendment - §94.056(D) Driveway Permit

AGENDA ITEM NO. 6A

MEETING DATE: 09/8/2020

BACKGROUND INFORMATION:

In January, the Board of Aldermen updated and adopted standard street details and traffic standards. Subsequently, Tiffany Faro, former Development Services Director, was working on implementation of a driveway permit application. Although the current ordinance references a driveway permit, a standardized permit has not been implemented. Attached is the proposed driveway permit application. It is recommended that the permit fees be set at \$25 per residential driveway permit and \$50 per commercial driveway permit.

Upon review of the current ordinance, §94.056 Municipal Curb Cut, it has become apparent that the ordinance needs to be revised. As best as can be determined, the ordinance was originally approved in 1971. At that time, Dallas was under the Mayor/Council form of government and the Town Board was tasked with managing the ordinance and permit. Under the current Manager/Council form of government, this is a function that should be managed by Staff. Attached is the current ordinance with noted proposed changes to update the ordinance and make it more functional.

This item was discussed at the August 25th Work Session. The public hearing has been properly noticed.

MANAGER RECOMMENDATION: Approve the proposed text amendment to §94.056, along with the accompanying driveway permit and fee.

BOARD ACTION TAKEN:

§ 94.056 MUNICIPAL CURB CUT.

(A) *Purpose.* It is recognized that driveway connections onto a road serve to increase traffic flow and volume on that road. Increased traffic flow, if left unchecked, can lead to traffic congestion, increased travel times, and to an increase in the number of accidents involving motorists, cyclists and/or pedestrians. The purpose of this chapter, per G.S. § 160A-307, is therefore to promote the orderly flow of traffic on streets through the town and to provide for increased safety for pedestrians, cyclists and motorists alike, by providing street curb cuts and other associated road improvements through the issuance of driveway permits.

(B) *Administration.* This chapter shall be administered by the ~~Town Clerk~~ **Development Services Director** or designee appointed by the ~~Town Board~~ (hereafter referred to as the "Administrator").

(C) *Applicability.*

(1) This chapter shall be applicable within the corporate limits of the town.

(2) This chapter shall be applicable when a building or parcel of land is proposed to be used or occupied without any associated building construction or alteration; or whenever a zoning permit, as stipulated in the town zoning regulations ([Chapter 153](#)), is required. Adherence to this chapter, however, shall not be required for any of the following, **unless driveway access is added or expanded**:

~~(a)~~ The initial development of a single-family or two-family dwelling structure, along with related accessory structures, on a recorded lot;

~~(b)~~ (a) Initial construction or expansion of residential accessory structures;

~~(c)~~ (b) Initial construction of nonresidential accessory structures which are less than 500 square feet in area; or an expansion of a nonresidential accessory structure by less than 500 square feet;

~~(d)~~ (c) An enlargement of an existing principal nonresidential structure by less than 20% of its existing gross floor area, provided the enlargement does not necessitate the creation of additional off-street parking or loading spaces as may be required by the town's zoning regulations ([Chapter 153](#)); or

~~(e)~~ (d) A change in principal use which would not necessitate the creation of additional off-street parking and/or loading spaces.

(D) *Driveway permits.*

(1) A driveway permit shall be required in all instances where this chapter is applicable.

(2) Fair and reasonable conditions may be placed on the driveway permit by the town in a manner as prescribed by this chapter. The conditions may require the applicant to construct (or reimburse the town for associated construction costs) the improvements.

(E) *Driveway permit application process.*

(1) An application for a driveway permit may be made (and approved by the Administrator) simultaneously with a zoning permit application.

(2) Having received and reviewed a complete application, the Administrator shall have the authority to:

(a) Approve the driveway permit without conditions;

(b) Where applicable, approve the permit in conformity with any other conditions previously placed on the property in question by the town;

(c) ~~Recommend to the Town Board that the permit be approved.~~ Approve the permit subject to certain fair and reasonable conditions be attached; or

(d) Deny the application. ~~Any such determination shall be made and the application transferred to the Town Board for action within 45 days of receipt of the application. The application will be deemed approved as submitted if the application is not transferred to the Town Board within the 45-day period.~~

(3) (a) ~~The Administrator or the Town Board~~ may only approve the driveway permit application having first determined that the proposed development, land improvement or use of property meets each of the following findings:

1. The proposed use or development will not serve to impede the flow of traffic through the town; and

2. The proposed use or development will not be a safety deterrent for pedestrians, cyclists and motorists.

(b) ~~The Administrator or Town Board~~ may deny an application if each of the above findings are not found in the affirmative. Any conditions placed on the driveway permit ~~by the Town Board~~ shall be in support of and in harmony with each of the above referenced findings of fact.

(4) Any decision of the Administrator regarding the driveway permit may be appealed to the ~~Town Board~~ Planning Board provided the appeal is made in writing no greater than 30 days of the date of the decision.

(Prior Code, § D-IV-2)



TOWN OF DALLAS
DRIVEWAY PERMIT APPLICATION

DEVELOPMENT NAME: _____ Date: _____

Please complete and submit this application for all proposed driveways or new streets along roadways within the Town of Dallas limits. This application is not for use when access is being requested along a state-owned highway- instead, NCDOT's TEB Form 65-04 should be used for proper approvals.

LOCATION OF PROPERTY	
Along Route/Road:	
Exact Distance: _____	<input type="checkbox"/> Miles N S E W <input type="checkbox"/> Feet <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
From the Intersection of(Roads/Routes) _____ & _____ Toward _____	
Property will be used for:	
<input type="checkbox"/> Single Family Residential <input type="checkbox"/> Multi-Family Residential <input type="checkbox"/> Subdivision <input type="checkbox"/> Commercial <input type="checkbox"/> Educational <input type="checkbox"/> Emergency Services <input type="checkbox"/> Other:	
AGREEMENT	
<ul style="list-style-type: none"> • I, the undersigned property owner, request access and permission to construct driveway(s) or street(s) on public right-of-way at the above location. • I agree to construct and maintain driveway(s) or street entrance(s) in absolute conformance with the current "Policy on Street and Driveway Access to North Carolina Highways" as adopted by the North Carolina Department of Transportation. • I agree that no signs or objects will be placed on or over the public right-of-way other than those approved by NCDOT and/or the Town of Dallas. • I agree that the driveway(s) or street(s) will be constructed as shown on the attached plans. • I agree that that driveway(s) or street(s) as used in this agreement include any approach tapers, storage lanes or speed change lanes as deemed necessary. • I agree that if any future improvements to the roadway become necessary, the portion of driveway(s) or street(s) located on public right-of-way will be considered the property of the North Carolina Department of Transportation and/or the Town of Dallas, and I will not be entitled to reimbursement or have any claim for present expenditures for driveway or street construction. • I agree that this permit becomes void if construction of driveway(s) or street(s) is not completed within 6 months of this application unless an extension is requested and granted. • I agree to pay the required inspection fee (☐ \$25 Residential / ☐ \$50 Commercial) to the Town of Dallas as listed in the fee schedule. • I agree to construct and maintain the driveway(s) or street(s) in a safe manner so as not to interfere with or endanger the public travel. • I agree to provide during construction proper signs, signal lights, flaggers and other warning devices for the protection of traffic in conformance with the current "Manual on Uniform Traffic Control Devices for Streets and Highways" and Amendments or Supplements thereto. Information as to the above rules and regulations may be obtained from the District Engineer. • I agree to indemnify and save harmless the Town of Dallas, and its employees/contractors, from all damages and claims for damage that may arise by reason of this construction. • I agree that the Town of Dallas will assume no responsibility for any damages that may be caused to such facilities, within the highway right-of-way limits, in carrying out its construction. • I AGREE TO NOTIFY THE TOWN ENGINEER WHEN THE PROPOSED WORK BEGINS AND WHEN IT IS COMPLETED. 	

SIGNATURES OF THE APPLICANT	
<p style="text-align: center; margin: 0;">PROPERTY OWNER (APPLICANT)</p> <p>Name: _____</p> <p>Company: _____</p> <p>Signature: _____</p> <p>Address: _____</p> <p>Phone Number: _____</p>	<p style="text-align: center; margin: 0;">WITNESS</p> <p>Name: _____</p> <p>Signature: _____</p> <p>Address: _____</p> <p>Phone Number: _____</p>
APPROVALS	
APPLICATION RECEIVED	
_____	_____
Signature	Date
APPLICATION APPROVED BY PUBLIC WORKS	
_____	_____
Signature	Date
APPLICATION APPROVED BY TOWN ENGINEER	
_____	_____
Signature	Date
APPLICATION APPROVED BY DEVELOPMENT SERVICES DIRECTOR	
_____	_____
Signature	Date

TOWN OF DALLAS, NORTH CAROLINA

REQUEST FOR BOARD ACTION

DESCRIPTION: Text Amendment - §130.05(F) Sunday Morning Alcohol Service

AGENDA ITEM NO. 6B

MEETING DATE: 09/8/2020

BACKGROUND INFORMATION:

Mr. Jim Bailey requested at the August 25th Work Session that the Board consider approving alcohol sales prior to noon on Sundays. His request was for sales to be allowed to begin at 11:00 am. Consideration could be made to allow sales to begin at 10:00 am to provide for consistency with other jurisdictions for chain stores such as Food Lion, WalMart, Family Dollar, etc. Sunday morning alcohol service will allow the hospitality community and retail merchants in our community to meet the needs of their customers. Earlier hours will also benefit our small business community, bring people into the business district earlier in the day, and generate increased tax revenues.

Senate Bill 155, "An Act to Make Various Changes to the Alcoholic Beverage Control Commission Laws", was enacted by the North Carolina General Assembly on June 29, 2017. Section 4 of this Bill authorizes city and county governments to adopt an ordinance to allow alcohol sales beginning at 10:00 am on Sundays. Previously, the law prohibited alcohol sales prior to noon on Sundays. Governor Cooper signed the Bill into law on June 30, 2017 and it became effective on that date. The law gave each local government entity the authority to allow alcohol sales prior to noon or to keep the prohibition of sales until after noon in place.

At the time the Senate Bill 155 was enacted, the Board of Aldermen decided to keep the prohibition of sales until after noon in place.

Attached is a resolution adding a new section to the Dallas Code of Ordinances. This new section will be listed as §130.05 (F) *Sunday Morning Alcohol Service*.

This item was discussed at the August 25th Work Session. The public hearing has been properly noticed.

MANAGER RECOMMENDATION: Approve the proposed text amendment to §130.005(F) authorizing alcohol sales at either 10:00 am or 11:00 am on Sundays.

BOARD ACTION TAKEN:

An Ordinance Adding a New Section 130.05(F) to the Town of Dallas Code of Ordinances to Authorize the Sale of Alcoholic Beverages Before Noon on Sundays at Licensed Premises

WHEREAS, on June 29, 2017, the North Carolina General Assembly enacted Senate Bill 155, entitles “An Act to Make Various Changes to the Alcoholic Beverage Control Commission Laws”; and,

WHEREAS, Section 4 of Ratified Senate Bill 155 authorizes city and county governments to adopt an ordinance to allow alcohol sales beginning at 10 am on Sundays; and,

WHEREAS, Ratified Senate Bill 155 was signed into law by Governor Roy Cooper on the 30th day of June, 2017 and became effective on that date (Session Law 2017, Chapter 87); and,

WHEREAS, by enacting Senate Bill 155, North Carolina joins 47 other States in allowing alcohol service before noon on Sunday; and,

WHEREAS, Sunday morning alcohol service will allow the hospitality community and retail merchants in our community to meet the needs of their customers; and,

WHEREAS, Sunday morning alcohol service will benefit our small business community, bring people into business districts earlier in the day, and generate increased tax revenues;

NOW, THEREFORE, BE IT ORDAINED, by the Board of Aldermen of Dallas, North Carolina that:

- 1) Pursuant to the authority granted by Senate Law 2017-87 and G.S. §160A-205.3, any establishment located in the corporate limits of Dallas and holding an ABC permit issued pursuant to G.S. 18B-1001 is permitted to sell beverages allowed by its permit beginning at 11 am on Sundays.
- 2) All laws and clauses of law in conflict herewith are repealed to the extent of any such conflict.
- 3) This ordinance shall be effective on this 8th day of September 2020.

Adopted this the 8th day of September, 2020.

Rick Coleman, Mayor

Attested by:

Town Clerk

TOWN OF DALLAS, NORTH CAROLINA

REQUEST FOR BOARD ACTION

DESCRIPTION: Wilson Family Rentals Annexation Request

AGENDA ITEM NO. 8A

MEETING DATE: 09/8/2020

BACKGROUND INFORMATION:

This item was brought before the Board of Aldermen at the July 14th meeting, but was tabled until the September 8th meeting.

Wilson Family Rentals, LLC, owner of PID #169183 (no address assigned), is petitioning for annexation into the Town of Dallas. The requested zoning is R-8 "Multi Family Residential" for the development of an apartment community. This parcel is considered non-contiguous.

Pursuant to the motion passed by the Board of Alderman on November 12, 2019, and G.S. §160A-58.2, a sufficiency investigation was performed and the petition was deemed sufficient. The 2003 Future Land Use Plan highlights this specific parcel for new residential development.

The Planning Board unanimously approved a motion to recommend the property be annexed in as R-8 during their October 2019 meeting.

To move forward, the Board must fix a date for a public hearing on the annexation. At the hearing, any person residing in or owning property in the proposed area for annexation and any resident of the annexing town may appear and be heard on the question of sufficiency of the petition and the desirability of the annexation.

MANAGER RECOMMENDATION: Set a public hearing for October 13, 2020.

BOARD ACTION TAKEN:

ANNEXATION RECOMMENDATION CONSISTENCY STATEMENT

The proposed annexation of Parcel ID# 169183 into Town limits as R-8 Multi Family Residential is consistent with the 2003 Future Land Use Plan's map designation as new residential, therefore this petition is deemed reasonable and in the public's best interest as this lot abuts land designated for new residential development, supports an increased demand for housing in light of Dallas' current and anticipated growth, and aligns with the 2003 Land Use Plan's recommendation for new residential to be clustered so as to preserve open space and heighten pedestrian accessibility.

Curtis Wilson

7/10/20

Curtis Wilson, Planning Board Chairman

Date

TOWN OF DALLAS, NORTH CAROLINA

PETITION FOR ANNEXATION

PETITION NUMBER: _____

Contiguous

Non-Contiguous

DATE: _____

FEE: \$100.00 *

* Petitioner understands there will be additional costs associated with this petition such as advertising, postage, etc. and agrees to pay these fees upon receipt of invoice(s).

Current Property Use: vacant land Planned Property Use: Multi Family
Requested Zoning: Multi Family

To the Board of Aldermen of the Town of Dallas:

We, the undersigned owners of real property, respectfully request that the area described as None assign, DALLAS, NC 28034, further identified as

parcel ID # 169183, be annexed to the Town of Dallas.

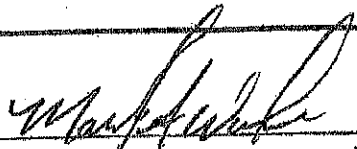
Name of petitioner/property owner: WF Rentals LLC

Mailing Address of property owner: PO Box 1422

Email Address: wilsonfamilybuilders@gmail.com Phone Number: 704-747-5031

Attachments included with Petition:

1. Legal description (as noted in property deed)
2. Letter outlining reasons for annexation request
3. \$100 Fee

Applicant Signature:  Date: 10/23/19

Received By: _____ Date: _____

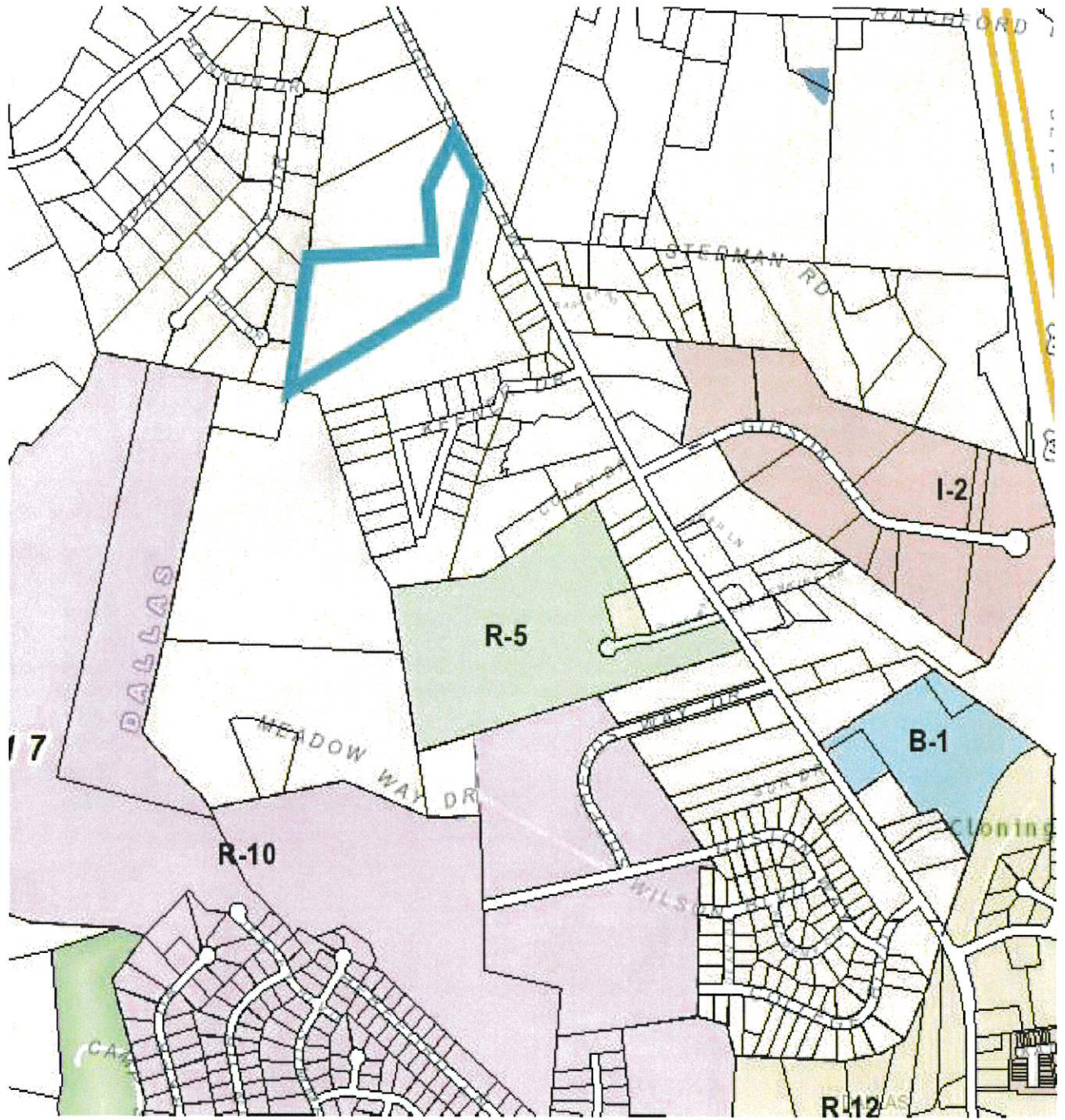


EXHIBIT "A"

BEGINNING at a point in the paved portion of old U.S. Highway No. 321, said point being located at the northernmost corner of that certain tract of land which was conveyed to Henry F. Rhyne and wife, Gertrude F. Rhyne, by E. Fritz Blankenship and wife, Evelyn Blankenship, by deed dated November, 1942 and recorded in the Office of the Register of Deeds for Gaston County in Deed Book 434 at Page 560 and runs thence South 28 degrees 17 minutes 28 seconds East 291.13 feet to a railroad spike located in the paved portion of old U.S. Highway No. 321; thence with a new line, South 13 degrees 01 minutes 33 seconds West 666.72 feet to an iron pin set; thence with another new line, South 60 degrees 37 minutes 23 seconds West 1,101.88 feet to an iron pin set; thence with the easterly boundary line of Lots Nos. 26, 13, 10, and 9 in Block "A" of Thornbird Meadows as shown on Map No. 2 thereof recorded in the above-mentioned registry in Plat Book 40 at Page 41, North 07 degrees 47 minutes 15 seconds East 727.38 feet to an existing iron pin located in the easterly boundary line of Lot No. 9 in Block "A" of said Thornbird Acres; thence with the southerly boundary line of the property of James E. Lindsay, Jr. and wife, Wadeliza C. Lindsay, as described in deed recorded in the above-mentioned registry in Deed Book 1022 at Page 443, North 86 degrees 00 minutes 22 seconds East 736.42 feet to an existing iron pin at a stone; thence with Lindsay's easterly boundary line, North 05 degrees 33 minutes 02 seconds West 338.02 feet to an existing iron pin; thence continuing with Lindsay's easterly boundary line, North 27 degrees 26 minutes 00 seconds East 371 feet to the point of beginning and containing 13.1183 acres.

The above description by courses and distances is taken from a plat entitled "Survey Made at the Request of Gertrude F. Rhyne Est." made by John W. Lineberger, Registered Surveyor, dated July 30, 1986, on which subject property is identified as Tract No. 1. A copy of said plat may be found of record in Book 1831 at Page 534, Gaston County Registry.

This conveyance is made subject to the rights-of-way of old U.S. Highway No. 321 and an overheard telephone line as shown on the abovementioned plat.

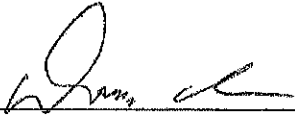
BEING the identical property conveyed to Bobby H. Rhyne and wife, Frances S. Rhyne by that Deed dated January 20, 1987 and duly recorded in Book 1831 at Page 534 of the Gaston County Registry.

CERTIFICATE OF SUFFICIENCY

for Wilson Family Rentals, LLC satellite annexation, PID#169183, Dallas, NC

Pursuant to the motion passed by the Board of Aldermen on November 12, 2019, and GS 160A-58.2, I have investigated the petition for noncontiguous ("satellite") annexation from Wilson Family Rentals LLC, and I have determined that the petition is sufficient and technically meets the requirements of GS 160A-58.1.

In accordance GS160A-58.2, upon my certification, the Board of Aldermen shall fix a date for public on the question of the requested annexation.



Da'Sha Leach, Town Clerk

5/04/2020

Date





LIMITED LIABILITY COMPANY ANNUAL REPORT

NAME OF LIMITED LIABILITY COMPANY: WILSON FAMILY RENTALS, LLC

SECRETARY OF STATE ID NUMBER: 1461898 STATE OF FORMATION: NC

REPORT FOR THE CALENDAR YEAR: 2018

Filing Office Use Only	
E - Filed Annual Report	
1461898	
CA201810504774	
4/15/2018 08:04	
<input type="checkbox"/>	Changes

SECTION A: REGISTERED AGENT'S INFORMATION

1. NAME OF REGISTERED AGENT: Wilson, Mark A

2. SIGNATURE OF THE NEW REGISTERED AGENT: _____

SIGNATURE CONSTITUTES CONSENT TO THE APPOINTMENT

3. REGISTERED OFFICE STREET ADDRESS & COUNTY

4. REGISTERED OFFICE MAILING ADDRESS

151 Snyder Place

151 Snyder Place

Gastonia, NC 28052 Gaston County

Gastonia, NC 28052

SECTION B: PRINCIPAL OFFICE INFORMATION

1. DESCRIPTION OF NATURE OF BUSINESS: Home/Apartment/Storage Units

2. PRINCIPAL OFFICE PHONE NUMBER: (704) 747-5031

3. PRINCIPAL OFFICE EMAIL: Privacy Redaction

4. PRINCIPAL OFFICE STREET ADDRESS & COUNTY

5. PRINCIPAL OFFICE MAILING ADDRESS

151 Snyder Place

P O Box 1422

Gastonia, NC 28052 Gaston County

Gastonia, NC 28053

6. Select one of the following if applicable. (Optional see instructions)

The company is a veteran-owned small business

The company is a service-disabled veteran-owned small business

SECTION C: COMPANY OFFICIALS (Enter additional company officials in Section E.)

NAME: Mark A Wilson

NAME: _____

NAME: _____

TITLE: President

TITLE: _____

TITLE: _____

ADDRESS: _____

ADDRESS: _____

ADDRESS: _____

P O Box 1422

Gastonia, NC 28053

SECTION D: CERTIFICATION OF ANNUAL REPORT. Section D must be completed in its entirety by a person/business entity.

Mark A Wilson

4/15/2018

SIGNATURE

DATE

Form must be signed by a Company Official listed under Section C of This form.

Mark A Wilson

President

Print or Type Name of Company Official

Print or Type Title of Company Official

This Annual Report has been filed electronically.

MAIL TO: Secretary of State, Business Registration Division, Post Office Box 29525, Raleigh, NC 27626-0525

State of North Carolina
Department of the Secretary of State

C2015 215 00560

Limited Liability Company
ARTICLES OF ORGANIZATION

Pursuant to §57D-2-20 of the General Statutes of North Carolina, the undersigned does hereby submit these Articles of Organization for the purpose of forming a limited liability company.

1. The name of the limited liability company is: WILSON FAMILY RENTALS, LLC
(See Item 1 of the Instructions for appropriate entity designation)
2. The name and address of each person executing these articles of organization is as follows: (State whether each person is executing these articles of organization in the capacity of a member, organizer or both. **Note: This document must be signed by all persons listed.**)
Richard D. Laws ORGANIZER
401 E. Franklin Blvd.
Gastonia, NC 28054
3. The name of the initial registered agent is: Mark A. Wilson
4. The street address and county of the initial registered agent office of the limited liability company is:
Number and Street 151 Snyder Place
City Gastonia State: NC Zip Code: 28052 County: Gaston
5. The mailing address, if different from the street address, of the initial registered agent office is:
Number and Street P. O. Box 1422
City Gastonia State: NC Zip Code: 28053 County: Gaston
6. Principal office information: (Select either a or b.)
 - a. The limited liability company has a principal office.
The principal office telephone number: _____
The street address and county of the principal office of the limited liability company is:
Number and Street _____
City _____ State: _____ Zip Code: _____ County: _____

The mailing address, if different from the street address, of the principal office of the company is:

Number and Street _____

City _____ State: _____ Zip Code: _____ County: _____

b. The limited liability company does not have a principal office.

7. Any other provisions which the limited liability company elects to include (e.g., the purpose of the entity) are attached.

8. (Optional): Please provide a business e-mail address: RLaws@shpw.com
The Secretary of State's Office will e-mail the business automatically at the address provided above at no cost when a document is filed. The e-mail provided will not be viewable on the website. For more information on why this service is offered, please see the instructions for this document.



9. These articles will be effective upon filing, unless a future date is specified:

This is the 28th day of July, 2015.

Signature

Richard D. Laws, Organizer

Type or Print Name and Title

The below space to be used if more than one organizer or member is listed in Item #2 above.

Signature

Type and Print Name and Title

Signature

Type and Print Name and Title

Signature

Type and Print Name and Title

Signature

Type and Print Name and Title

NOTES:

1. Filing fee is \$125. This document must be filed with the Secretary of State.

OPERATING AGREEMENT
OF
WILSON FAMILY RENTALS, LLC
LIMITED LIABILITY COMPANY

This Operating Agreement (“Agreement”) of WILSON FAMILY RENTALS, LLC (the “Company”) effective as of this _____ day of August, 2015, by, between and among the undersigned confirms our understanding as to the matters contained herein.

The parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.1. As used herein, the following terms and phrases shall have the meanings indicated:

- A. “Act” shall mean the Limited Liability Company Act of the State of organization, as amended.
- B. “Capital Account” shall mean, with respect to each Member, the account established for each Member pursuant to Section 6.5, which will initially equal the Capital Contributions of such Member and will be (a) increased by the amount of Net Profits allocated to such Member and (b) reduced by the amount of Net Losses allocated to such Member and the amount of Cash Flow distributed to such Member. Members’ Capital Accounts shall be determined and maintained in accordance with the rules of paragraph (b)(2)(iv) of Regulation Section 1.704-1 of the Code.
- C. “Capital Contributions” shall mean the fair market value of the amounts contributed by the Members pursuant to Section 6.1.
- D. “Cash Flow” shall have the meaning provided in Section 7.1.
- E. “Code” shall mean the Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequent revenue laws.
- F. “Operating Managers” shall mean the Member or Members selected by the Members in accordance with this Agreement to serve as Operating Manager or Operating Managers of the Company.
- G. “Members” shall mean the persons designated as such in Schedule A of this Agreement, any successor(s) to their interests as such in the Company; and any other person who

pursuant to this Agreement shall become a Member, and any reference to a "Member" shall be to any one of the then Members.

H. "Net Profits" and "Net Losses" shall mean the net profit or net loss, respectively, of the Company determined in accordance with Section 8.1.

I. The words "Membership Interest" shall mean a Member's interest in the Company which shall be in the proportion that the Member's share of the profits and losses of the Company bears to the aggregate shares of all the Members. A Membership Interest may be evidenced by a certificate issued by the Company. A Membership Interest may be expressed on a certificate as "Units" where a Member's Units bears the same relationship to the aggregate Units of all Members that the Member's Membership Interest bears to the aggregate Membership Interests of all Members. A Member's Interest may be a certificated security or an uncertificated security within the meaning of section 8-102 of the Uniform Commercial Code if the requirements of section 8-103(c) are met, and if the requirements are not met such interest shall, for purposes of the Uniform Commercial Code, be deemed to be a general intangible asset.

J. "Company" shall mean this Limited Liability Company.

K. "Person" shall mean any natural person, corporation, partnership, joint venture, association, limited liability company or other business or legal entity.

ARTICLE II

Organization of the Company

SECTION 2.1. The purpose of the Company is to conduct any lawful business for which limited liability companies may be organized and to do all things necessary or useful in connection with the foregoing.

SECTION 2.2. The Company name shall be "WILSON FAMILY RENTALS, LLC".

SECTION 2.3. The Members shall be Members in the Company and shall continue to do business under the name of the Company until the Operating Managers shall change the name or the Company shall terminate.

SECTION 2.4. The principal address of the Company shall be such place or places as the Operating Managers may determine. The Operating Managers will give notice to the Members promptly after any change in the location of the principal office of the Company.

SECTION 2.5. The Company shall terminate on the date provided in the Certificate of Formation/Articles of Organization, except that the Company may terminate prior to such date as provided in this Agreement.

ARTICLE III

Status of Members

SECTION 3.1. No Member will be bound by, or be personally liable for the expenses, liabilities or obligations of the Company.

SECTION 3.2. No Member will be entitled to withdraw any part of his Capital Account or to receive any distributions from the Company except as expressly provided in this Agreement.

SECTION 3.3. No Member will have the right to require partition of the Company property or to compel any sale or appraisal of the Company's assets or any sale of a deceased Member's interest in the Company's assets, notwithstanding any provision of law to the contrary.

ARTICLE IV

Meeting of Members

SECTION 4.1. An annual meeting of Members shall be held within five (5) months after the close of the fiscal year of the Company on such date and at the time and place (either within or without the state of its organization) as shall be fixed by the Members. At the annual meeting, the Members shall elect the Operating Managers and transact such other business as may properly be brought before the meeting.

SECTION 4.2. A special meeting of Members may be called at any time by the Operating Managers and shall be called by the Operating Managers at the request in writing of that Membership interest specified in Schedule C of the Members entitled to vote at such meeting. Any such request shall state the purpose or purposes of the proposed meeting. Business transacted at any special meeting of Members shall be confined to the purposes set forth in the notice thereof.

SECTION 4.3. Written notice of the time, place and purpose of every meeting of Members (and, if other than an annual meeting, the person or persons at whose direction the meeting is being called), shall be given by the Operating Managers to each Member of record entitled to vote at such meeting, not less than ten nor more than sixty days prior to the date set for the meeting. Notice shall be given either personally or by mailing said notice by first class mail to each Member at his address appearing on the record book of the Company or at such other address supplied by him in writing to the Operating Managers of the Company for the purpose of receiving notice.

A written waiver of notice setting forth the purposes of the meeting for which notice is waived, signed by the person or persons entitled to such notice, whether before or after the time of the meeting stated therein, shall be deemed equivalent to the giving of such notice. The attendance by a Member at a meeting either in person or by proxy without protesting the lack of notice thereof shall constitute a waiver of notice of such Member.

All notices given with respect to an original meeting shall extend to any and all adjournments thereof and such business as might have been transacted at the original meeting may be transacted at any adjournment thereof; no notice of any adjourned meeting need be given if an announcement of the time and place of the adjourned meeting is made at the original meeting.

SECTION 4.4. The holders of a majority in interest of the Members present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of members except as otherwise provided by statute or the Certificate of Formation/Articles of Organization. If, however, a quorum shall not be present or represented at any meeting of Members, the Members entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. When a quorum is once present to organize a meeting, such quorum is not deemed broken by the subsequent withdrawal of any Members.

SECTION 4.5. Every Member entitled to vote at any meeting shall be entitled to vote in accordance with his membership interest in the Company held by him of record on the date fixed as the record date for said meeting and may so vote in person or by proxy. Any Company action shall be authorized by a majority in interest of the votes cast by the Members entitled to vote thereon except as may otherwise be provided by statute, the Certificate of Formation/Articles of Organization or this Operating Agreement.

SECTION 4.6. Every proxy must be signed by the Member entitled to vote or by his duly authorized attorney-in-fact and shall be valid only if filed with the Operating Managers of the Company prior to the commencement of voting on the matter in regard to which said proxy is to be voted. No proxy shall be valid after the expiration of eleven months from the date of its execution unless otherwise expressly provided in the proxy. Every proxy shall be revocable at the pleasure of the person executing it except as otherwise provided by statute. Unless the proxy by its terms provides for a specific revocation date and except as otherwise provided by statute, revocation of a proxy shall not be effective unless and until such revocation is executed in writing by the Member who executed such proxy and the revocation is filed with the Operating Managers of the Company prior to the voting of the proxy.

SECTION 4.7. All meetings of Members shall be presided over by the Operating Managers, or if not present, by a Member thereby chosen by the Members at the meeting. The Operating Managers or the person presiding at the meeting shall appoint any person present to act as secretary of the meeting.

SECTION 4.8. For the purpose of determining the Members entitled to notice of, or to vote at any meeting of Members or any adjournment thereof or to express consent or dissent from any proposal without a meeting, or for the purpose of determining the Members entitled to receive payment of any distribution of Cash Flow or the allotment of any rights, or for the purpose of any other action, the Members may fix, in advance, a date as the record date for any

such determination of Members. Such date shall not be more than fifty nor less than ten days before the date of any meeting nor more than fifty days prior to any action taken without a meeting, the payment of any distribution of Cash Flow or the allotment of any rights, or any other action. When a determination of Members of record entitled to notice of, or to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof, unless the Members fix a new record date under this Section for the adjourned date.

SECTION 4.9. The Company shall be entitled to treat the holder of record of any Membership Interest as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such Membership Interest on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by the Act.

ARTICLE V

Management

SECTION 5.1. Management of the Company shall be vested in all of the Members who shall also serve as Operating Managers of the Company. The Operating Managers shall vote in proportion to their Membership Interests in the Company. Except as otherwise provided in this Agreement, all decisions of the Operating Managers shall be by a majority in interest of the Members. All Operating Managers must be Members of the Company. No Member will take part in or interfere in any manner with the conduct or control of the business of the Company or have any right or authority to act for or bind the Company except as provided in this Agreement.

SECTION 5.2. The Operating Managers shall hold office for the term for which elected and until a successor has been elected and qualified. A vacancy in the office of Operating Manager arising from any cause may be filled for the unexpired portion of the term by the Members.

SECTION 5.3. Any Operating Manager may resign at any time by giving written notice to the Members. Any such resignation shall take effect at the time specified therein or, if the time is not specified therein, upon the receipt thereof, irrespective of whether any such resignations shall have been accepted.

SECTION 5.4. The Company shall be managed by the Operating Managers and the conduct of the Company's business shall be controlled and conducted solely and exclusively by the Operating Managers in accordance with this Agreement. In addition to and not in limitation of any rights and powers conferred by law or other provisions of this Agreement, the Operating Managers shall have and may exercise on behalf of the Company all powers and rights necessary, proper, convenient or advisable to effectuate and carry out the purposes, business and objectives of the Company, and to maximize Company profits.

SECTION 5.5. Notwithstanding the foregoing, the Operating Managers may not make any of the management decisions stated in Schedule B without obtaining the consent of that Membership Interest stated in Schedule B.

SECTION 5.6. The Operating Manager shall serve as Tax Matters Member as such term is defined in Code Section 6231 (a)(7).

SECTION 5.7. Any person made or threatened to be made a party to an action or proceeding, whether civil or criminal, by reason of the fact that he, his testator or intestate, then, is, or was a manager, Member, employee or agent of the Company, or then serves or has served on behalf of the Company in any capacity at the request of the Company, shall be indemnified by the Company against reasonable expenses, judgments, fines and amounts actually and necessarily incurred in connection with the defense of such action or proceeding or in connection with an appeal therein, to the fullest extent permissible by the Act. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled.

ARTICLE VI

Capital

SECTION 6.1. The Members have contributed to the Company in exchange for their membership interests, the cash and other property as set forth on Schedule A, annexed hereto.

SECTION 6.2. The fair market value and the adjusted basis of the contributing Member of any property other than cash contributed to the Company by a Member shall be set forth on Schedule A, annexed hereto.

SECTION 6.3. Except as expressly provided in this Agreement, no Member shall be required to make any additional contributions to the capital of the Company.

SECTION 6.4. No interest shall be paid on the Capital Account of any Member.

SECTION 6.5. A Capital Account shall be established for each Member on the books and records of the Company. If any assets of the Company are distributed to the Members in kind, the Capital Accounts of the Members shall be adjusted to reflect the difference between the fair market value of such assets on the date of distribution and the basis of the Company in such assets.

ARTICLE VII

Distributions of Cash

SECTION 7.1. The Company shall distribute to the Members from time to time all cash (regardless of the source thereof) of the Company which is not required for the operation or the reasonable working capital requirements of the Company (such cash is sometimes referred to herein as "Cash Flow"). For purposes of this Agreement all Cash Flow allocated to the Members shall be allocated among them in proportion to their respective Membership Interests.

SECTION 7.2. Distributions of Cash Flow shall be made from time to time in such manner as determined by the Operating Managers.

ARTICLE VIII

Profits and Losses

SECTION 8.1. The Net Profits and Net Losses of the Company shall be the net profits and net losses of the Company as determined for Federal income tax purposes.

SECTION 8.2. The Net Profits and Net Losses of the Company and each item of income, gain, loss, deduction or credit entering into the computation thereof, shall be allocated to the Members in the same proportions that they share in distributions of Cash Flow pursuant to Section 7.1, or if there is no Cash Flow, that they would have shared if there had been Cash Flow.

SECTION 8.3. References herein to "Reg. Sec.", are to the regulations promulgated by the United States Treasury to the Code. The terms "minimum gain", "minimum gain chargeback", "qualified income offset", "nonrecourse deduction" and "nonrecourse liability" are to be interpreted consistent with the definitions and use of such terms in Reg. Sec. 1.704-2 and Reg. Sec. 1.704-1. The following special allocations shall be made in the following order:

A. Except as otherwise set forth in Reg. Sec. 1.704-2(f), if there is a net decrease in minimum gain, during the fiscal year of the Company, each Member, shall be specially allocated items of gross income and gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to that Member's share of the net decrease of minimum gain determined in accordance with Reg. Sec. 1.704-2(g). Allocations in accordance with this Section shall be made first from the disposition of Company assets subject to nonrecourse liabilities, to the extent of the minimum gain attributable to those assets, and thereafter, from a pro-rata portion of the Company's other items of income and gain for the taxable year. This Section is intended to comply with the minimum gain chargeback requirement of Reg. Sec. 1.704-2(f).

B. Except as otherwise set forth in Reg. Sec. 1.704-2(i)(4), if there is a net decrease in a Member's nonrecourse liability minimum gain attributable to Members' nonrecourse liabilities during any fiscal year, each Member who has a share of the Member nonrecourse liability minimum gain attributable to Member nonrecourse liability shall be specially allocated items of gross income and gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to that Member's share of the net decrease in Members' nonrecourse debt minimum gain attributable to such Member nonrecourse debt. Allocations pursuant to this Section shall be made first from gain recognized from the disposition of Company assets subject to Member nonrecourse liabilities to the extent of Member minimum gain attributable to those assets, and thereafter, from a pro-rata portion of the Company's other items of income and gain for the fiscal year. This section is intended to comply with the minimum gain chargeback requirements of Reg. Sec. 1.704-2(i).

C. A Member who unexpectedly receives an adjustment, allocation or distribution described in (4), (5) or (6) of Reg. Sec. 1.704-1(b)(2)(ii)(d) will be allocated items of income and gain in an amount and manner sufficient to eliminate such deficit balance as quickly as possible. An allocation shall be made pursuant to this Section and if and to the extent a Member would have a deficit in his adjusted Capital Account after all other allocations provided for in this Section 8.3 were made as if this paragraph were not in the Agreement.

D. Nonrecourse deductions shall be allocated among the Members in the same proportion in which they share the Cash Flow of the Company.

E. Any nonrecourse deduction shall be allocated to any Member who bears the economic risk of loss with respect to the Member nonrecourse liability to which such deduction is attributable.

SECTION 8.4. Any Company gain or loss realized with respect to property, other than money, contributed to the Company by a Member shall be shared among the Members pursuant to Code section 704(c) and regulations to be promulgated thereunder so as to take account of the difference between the Company basis and the fair market value of the property at the time of the contribution ("built-in gain or loss"). Such built-in gain or loss shall be allocated to the contributing Member upon the disposition of the property.

ARTICLE IX

Admission and Withdrawal of a Member

SECTION 9.1. A Member may transfer his interest in the Company to another person or entity only with the prior unanimous consent of the other Members either in writing or at a meeting called for such purpose. If all of the other Members do not approve of the transfer, the transferee shall have no right to participate in the management of the business and affairs of the Company or to become a Member. The transferee shall be entitled to receive the share of profits, losses and Cash Flow or other compensation by way of income and the return of contributions to which the transferor otherwise would be entitled.

SECTION 9.2. The Members agree to sign such additional documents as may be required in order to admit additional Members to the Company, pursuant to section 9.1 as well as, among other things, to provide for the division of profits, losses and Cash Flow among the Members.

SECTION 9.3. All costs and expenses incurred by the Company in connection with the assignment of a Member's interest, including any filing fees and publishing costs and the fees and disbursements of counsel, shall be paid by the assigning Member.

SECTION 9.4. Each person who becomes a Member in the Company, by becoming a Member, shall and does hereby ratify and agree to be bound by the terms and conditions of this Agreement.

ARTICLE X

Termination or Dissolution of Company

SECTION 10.1. The Company shall be terminated prior to the date of expiration of the term as provided in Section 2.5 if (a) a majority in interest of the Members consent that the Company should be terminated and dissolved, or (b) the Company is dissolved pursuant to this Agreement.

SECTION 10.2. The Company shall be terminated in the event any Member (i) withdraws, resigns or is expelled from the Company; (ii) makes an assignment for the benefit of creditors, is the subject of an order for relief under Title 11 of the United States Code, files a petition or answer seeking for himself any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law or regulation, files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against him in any proceeding of this nature, seeks, consents to, or acquiesces in the appointment of a trustee, receiver or liquidator for of all or any substantial part of his properties; (iii) dies; or (iv) a judgment is entered by a court of competent jurisdiction adjudicating him incompetent to manage his person or his property.

SECTION 10.3. If the Company is dissolved, the owners of a majority in interest of the remaining Members may elect to reconstitute and continue the Company as a successor Company upon the same conditions as are set forth in this Agreement. Any such election to continue the Company will not result in the creation of a new Company among the remaining Members, nor will such election require the amendment of this Agreement or the execution of an amended Agreement.

SECTION 10.4. Upon the termination and dissolution of the Company, the then Operating Manager, or Operating Managers, if any, or, if there is no Operating Manager, any person elected to perform such liquidation by the written consent of the owners of a majority in interest of the Members, shall proceed to the liquidation of the Company. The proceeds of such liquidation shall be applied and distributed as follows:

A. If any assets of the Company are to be distributed in kind, such assets shall be distributed on the basis of the fair market value thereof, and any Member entitled to any interest in such assets shall receive such interest therein as a tenant-in-common with all other Members so entitled. The fair market value of such assets shall be determined by an independent appraiser to be selected by the Company's independent public accountants. The amount by which the fair market value of any Property to be distributed in kind to the Members exceeds or is less than the basis of such Property, shall, to the extent not otherwise recognized by the Company, be taken into account in computing Net Profits or Net Losses (and shall be allocated among the Members in accordance with Section 8.2) for purposes of crediting or charging the Capital Accounts of, and liquidating distributions to, the Members under Section 10.4.B.

B. All distributions upon liquidation of the Company shall be distributed as follows: to each of the Members, in proportion to the amounts of their respective positive Capital Accounts, as such accounts have been adjusted (i) in accordance with Section 6.5 to reflect the

Net Profit or Net Loss realized or incurred upon the sale of the Company's property or assets and any deemed sale pursuant to Section 10.4.A; (ii) in accordance with Section 8.2 to reflect all Net Profits or Net Losses with respect to the year of liquidation. No Member shall be liable to repay the negative amount of his Capital Account.

SECTION 10.5. Each of the Members shall be furnished with a statement, reviewed by the Company's independent public accountants, which shall set forth the assets and liabilities of the Company as of the date of the Company's liquidation. Upon completion of the liquidation, the Operating Managers shall execute and cause to be filed a Certificate of Dissolution of the Company and any and all other documents necessary with respect to termination of the Company.

ARTICLE XI

Books and Reports

SECTION 11.1. The Operating Managers shall cause the Company to maintain the following records:

A. Complete and accurate books of account, in which shall be entered, fully and accurately, each and every transaction of the Company, shall be kept by the Operating Managers at the principal office of the Company. The fiscal year of the Company shall be the calendar year. The books of account of the Company shall be kept in accordance with sound accounting practices and principles applied in a consistent manner by the Company; provided, however, that all methods of accounting and treating particular transactions shall be in accordance with the methods of accounting employed for Federal income tax purposes. All determinations by the Operating Managers with respect to the treatment of any item or its allocation for Federal, state or local tax purposes shall be binding upon all the Members unless the determination is inconsistent with any express provision of this Agreement.

B. A current list of the full name and last known mailing address of each Member set forth in alphabetical order together with the contribution and share in profits and losses of each Member; a copy of the Certificate of Formation or Articles of Organization of the Company and any amendments thereto; a copy of the Company Operating Agreement and any amendments thereto; a copy of the Company's federal, state and local income tax returns for the three most recent fiscal years.

C. Any Member shall have the right from time to time at his expense to have his accountants and representatives examine and/or audit the books and records of the Company and the information referred to in this Section, and the Operating Managers will make such books and records and information available for such examinations and/or audits.

SECTION 11.2. No value shall be placed for any purpose upon the Company name or the right to its use, or upon the goodwill of the Company or its business. Upon termination or dissolution of the Company (without reconstitution thereof) as provided in this Agreement, neither the Company name or the right to its use, nor the goodwill of the Company, shall be considered as an asset of the Company.

SECTION 11.3. The Operating Managers will cause to be sent to the Members within a reasonable period after the close of each year the following: (a) annual statements of the Company's gross receipts and operating expenses, and the capital accounts of each Member, prepared by the Company's independent public accountants, to be transmitted to each Member; and (b) a report to be transmitted to each Member indicating the Member's share of the Company's profit or loss for that year and the Member's allocable share of all items of income, gain, loss, deduction, and credit, for Federal income tax purposes.

ARTICLE XII

Tax Elections

SECTION 12.1. In the event of a transfer of a Member's interest, or upon the death of a Member, or in the event of the distribution of Company property to any party hereto, the Company may (but need not necessarily) file an election, in accordance with Section 754 of the Code to cause the basis of the Company Property to be adjusted for Federal income tax purposes, as provided by Sections 734 and 743 of the Code.

ARTICLE XIII

Miscellaneous

SECTION 13.1. Any notice or other communication under this Agreement shall be in writing and shall be considered given when mailed by registered or certified mail, return receipt requested, to the parties at the following addresses (or at such other address as a party shall have previously specified by notice to the others as the address to which notice shall be given to him):

- A. If to the Company, to it in care of the Operating Managers at the address of the Company.
- B. If to the Operating Managers, to them at the address of the Company.
- C. If to any Member, to him at his address set forth on the books and records of the Company.

SECTION 13.2. This Agreement contains a complete statement of all of the arrangements among the parties with respect to the Company and cannot be changed or terminated orally or in any manner other than by a written agreement executed by all of the Members. There are no representations, agreements, arrangements or understandings, oral or written, between or among the parties relating to the subject matter of this Agreement which are not fully expressed in this Agreement.

SECTION 13.3. This Agreement shall be construed without regard to any presumption or other rule requiring construction against the party causing this Agreement to be drafted.

SECTION 13.4. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations of the jurisdiction in which the Company does business. If any provision of this Agreement, or the application thereof to any person or circumstance, shall for any reason and to any extent, be invalid or unenforceable, the remainder of this Agreement and the application of that provision to other persons or circumstances shall not be affected, but rather shall be enforced to the extent permitted by law.

SECTION 13.5. Anything hereinbefore in this Agreement to the contrary notwithstanding, all references to the Property of the Company are deemed to include the profits, losses and Cash Flow of the Property.

SECTION 13.6. Irrespective of the place of execution or performance, this Agreement shall be governed by and construed in accordance with the laws of the State of organization of the Company applicable to agreements made and to be performed in the State of organization of the Company.

SECTION 13.7. The captions, headings and table of contents in this Agreement are solely for convenience of reference and shall not affect its interpretation.

SECTION 13.8. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall be deemed to constitute a single document.

SECTION 13.9. Whenever the context so requires, the male gender when used herein shall be deemed to include the female gender, the female gender shall be deemed to include the male gender, the singular shall be deemed to include the plural and the plural shall be deemed to include the singular.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the day and year first above written.



Name: Mark A. Wilson
Member

Name:
Member

Name:
Member

SCHEDULE B

The following management decisions shall require the following consent of the Membership interests:

Decision

Membership interest required

SCHEDULE C

The Membership interest required to call a meeting of Members shall be:

51 Percent

TOWN OF DALLAS, NORTH CAROLINA

REQUEST FOR BOARD ACTION

DESCRIPTION: Social Media Policy

AGENDA ITEM NO. 8B

MEETING DATE: 09/8/2020

BACKGROUND INFORMATION:

As social media continues to expand and become more and more prevalent, it is in the best interest of the Town to have a social media policy guiding employees' use of this medium. Approximately ten years ago, the Town implemented a Computer and Internet policy. A proposed social media section has been added to this current policy.

This item was discussed at the August 25th work session and one change was made based on comments from the Board.

Attached is the revised proposed *Computer Network, Internet Access, and Social Media Policy* for review.

MANAGER RECOMMENDATION: Approve the policy as presented.

BOARD ACTION TAKEN:

Town of Dallas

Computer Network, Internet Access, and Social Media Policy

Disclaimer

This policy applies to computers, phones, tablets, and any other devices provided by the Town used to access the Internet. The Internet is a worldwide network of computers that contains millions of pages of information. Users are cautioned that many of these pages include offensive, sexually explicit, and inappropriate material. In general, it is difficult to avoid at least some contact with this material while using the Internet. Even innocuous search requires may lead to sites with highly offensive content. Additionally, having an email address on the Internet may lead to receipt of unsolicited email containing offensive content. Users accessing the Internet do so at their own risk and the Town of Dallas is not responsible for material viewed or downloaded by users from the Internet. To minimize these risks, your use of the Internet at the Town of Dallas is governed by the following policy.

Permitted Use of Internet and Town Computer Network

The computer network (“Network”) is the property of the Town of Dallas (“Town”) and is to be used for legitimate business purposes. Employees (“Users”) are provided access to the network to assist them in the performance of their job. All Users have a responsibility to use Town computer resources and the Internet in a professional, lawful, and ethical manner. Abuse of the network or the Internet may result in disciplinary action, up to and including termination, and civil and/or criminal liability.

Computer Network Use Limitations

Prohibited Activities – The Town’s network may not be used to disseminate, view or store commercial or personal advertisements, solicitations, promotions, destructive code (e.g., viruses, Trojan horse programs, etc.), view pornographic material, or any other unauthorized materials. Users may not download any software without written approval of the Town’s IT Consultant and the Town Manager. Occasional limited appropriate personal use of the computer is permitted if such use does not a) interfere with the User’s, or any other employees, job performance; b) have an undue effect on the computer or Town network’s performance; c) or violate any other policies, provisions, guidelines or standards of the agreement or any other policies of the Town. Further, at all times Users are responsible for the professional, ethical, and lawful use of the computer system. Personal use of the computer is a privilege that may be revoked at any time.

Illegal Copying – Users may not illegally copy material protected under copyright law or make that material available to other for copying. Users are responsible for complying with copyright law and applicable licenses that may apply to software, files, graphics, documents, messages, and other material they wish to download or copy. Users may not agree to a license or download any material for which a registration fee is charged without first obtaining the express written permission of the Town Manager.

Communication of Sensitive Information – Unless expressly authorized to do so, User is prohibited from sending, transmitting, or otherwise distributing proprietary information, data, utility account information or other confidential information belonging to the Town. Unauthorized dissemination of such material may result in severe disciplinary action, as well as substantial civil and criminal penalties under applicable state and federal laws.

Duty Not to Waste or Damage Computer Resources

Accessing the Internet – To ensure security and avoid the spread of viruses, Users accessing the Internet through a computer attached to the Town’s network must do so through an approved Internet firewall or other security device. Bypassing the Town’s network security by accessing the Internet directly by modem or other means is strictly prohibited unless the computer you are using is not connected to the Town’s network (i.e. use of laptops while traveling).

Frivolous Use – Computer resources are not unlimited. Network bandwidth and storage capacity have finite limits, and all Users connected to the network have a responsibility to conserve these resources. As such, the User must not deliberately perform acts that waste computer resources or unfairly monopolize resources to the exclusion of others. These acts include, but are not limited to; sending mass mailings or chain letters, spending excessive amounts of time on the Internet, playing games, engaging in online chat groups, uploading or downloading large files, accessing streaming audio and/or video files, or otherwise creating unnecessary loads on network traffic associated with non-business related uses of the Internet.

Virus Detection – Files obtained from sources outside the Town, including portable storage devices (i.e., disks, flash drives, etc.) brought from home; files downloaded from the Internet, newsgroups, bulletin boards, or other online services; files attached to email; and files provided by customers or vendors may contain dangerous computer viruses that may damage the Town’s computer network. Users should never download files from the Internet, accept email attachments from outsiders, or use portable storage devices without first scanning the material with Town-approved virus checking software. If you suspect that a virus has been introduced into the Town’s network notify the Town Manager immediately.

No Expectation of Privacy

Employees are given computers, phones, and/or tablets and Internet access to assist them in the performance of their jobs. Employees should have no expectation of privacy in anything they create, store, send, or receive using the Town’s equipment. The network is the property of the Town and may be used only for Town purposes.

Waiver of Privacy Rights – User expressly waives any right of privacy in anything they create, store, send, or receive using the Town’s equipment or Internet access. User consents to allow Town personnel access to and review of all materials created, stored, sent, or received by User through any Town device, Town network, or Internet connection.

Monitoring of Computer and Internet Usage – The Town has the right to monitor and log any and all aspects of its equipment/system including, but not limited to, monitoring Internet sites visited by Users, monitoring chat and newsgroups, monitoring file downloads, and all communications sent and received by Users.

Blocking Sites with Inappropriate Content – The Town has the right to utilize software that makes it possible to identify and block access to Internet sites containing sexually explicit or other material deemed inappropriate in the workplace.

Social Media

Use of social media presents certain risks and carries responsibilities. To assist employees in making responsible decisions about their use of social media, the following guidelines have been established for appropriate use of social media. This policy applies to all employees.

Social media can mean many things, and includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else's web log or blog, journal or diary, personal web site, social networking or affinity website, web bulletin board or chat room; whether or not associated or affiliated with the Town, as well as any other form of electronic communication; including, but not limited to Facebook, Twitter, YouTube, Tumblr, Flickr, Instagram, LinkedIn, Google+, etc.

Employees are entirely responsible for what they post online. Before creating online content consider some of the risks and rewards that are involved. Keep in mind that any conduct that adversely affects an employee's job performance, the performance of fellow employees, or otherwise adversely affects citizens, vendors, suppliers, or people who work on behalf of the Town's legitimate business interests, may result in disciplinary action up to and including termination.

Know and Follow the Rules – Carefully read the Town's other policies and ensure postings are consistent with these policies and procedures. Inappropriate postings that may include discriminatory remarks, harassment, and threats of violence or similar inappropriate or unlawful conduct will not be tolerated and will subject you to disciplinary action up to and including termination.

Appropriate and Respectful – Employees should always be courteous to fellow employees, citizens, vendors, and suppliers. Work problems are more likely to be resolved by speaking directly with co-workers or supervisor(s) than by posting complaints on social media. Posts that are malicious; obscene; threatening or intimidating; that disparage employees, clients, customers, citizens, vendors, suppliers, or that might constitute harassment or bullying will not be tolerated. Examples of such conduct include offensive posts meant to intentionally harm someone's reputation, or posts that could contribute to a hostile work environment based on race, gender, disability, religion, or any other status protected by law or Town policy and/or procedure.

Accuracy and Honesty – Care should be taken to always be honest and accurate when posting information or news, and if a mistake is made, correct it quickly. Employees should never post any information or rumors that they know to be false about the Town, fellow employees, consultants, customers, citizens, vendors, or suppliers.

Confidentiality of Town Information – Maintain the confidentiality of sensitive, confidential information. Do not post internal reports, policies, procedures, or other internal business-related confidential communications. Employees shall not create a link from their personal blog, website, or other social networking site to the Town website, or social media accounts.

Social Media at Work - Do not use social media while at work or on Town equipment, unless it is work-related and authorized. Do not use a Town email to register on blogs, social networks, or other forms of social media.

Personal Opinions Only – Employees have the right to personal social media accounts. These accounts should remain personal in nature and be used to share personal opinions or non-work related information. Employees are not to represent themselves as a spokesperson for the Town. Failure to do so may result in disciplinary action up to and including termination.

Town Emblems, Seals, Property, or Images – Depictions of Town buildings, vehicles, uniforms, emblems, the Town seal/logo, or any image solely identified with the Town shall not be used in personal employee internet postings, public or private, without prior written permission of the Town Manager.

Public Conduct – Employees are responsible for their public conduct even when they are not performing their job duties as Town employees. Employees will be held to the same professional standards in their personal use of social media as they are for any other public conduct. Employees should not publish any personal information about themselves, another employee, the organization, a citizen, or a customer in any public medium that:

- Has the potential effect of involving the employee, their co-workers, or the Town in any kind of dispute or conflict with other employees or their parties.
- Negatively impacts their ability to perform their jobs, or violates policy, administrative procedures, local, state, or federal law.
- Interferes with the work of any employee.
- Creates a harassing, demeaning, or hostile working environment for any employee, or anyone associated with or doing business with the Town.
- Disrupts the smooth and orderly flow of work or the delivery of services to the Town’s citizens.
- Harms the goodwill and reputation of the Town among its citizens or in the community at large.
- Erodes the public’s confidence in the Town organization.
- Tends to place in doubt the reliability, trustworthiness, or sound judgment of the person who is the originator or subject of the information.

Social Media Use During Business Hours – Employees shall refrain from personal social media use during business hours. ~~Such use should be reserved for breaks, lunch, or other designated times when the employee is not operating within paid work hours; and shall be conducted on personal devices, not Town-owned equipment.~~

Acknowledgement of Understanding

I have read and agree to comply with the terms of this policy governing the use of the Town of Dallas' network and equipment, the Internet, and Social Media. I understand that violations of this policy can result in disciplinary action up to and including termination, and civil and/or criminal liability.

Signature

Printed Name

Date

TOWN OF DALLAS, NORTH CAROLINA

REQUEST FOR BOARD ACTION

DESCRIPTION: 109 W. Wilkins Parking Lot Budget Amendment

AGENDA ITEM NO. 8C

MEETING DATE: 09/8/2020

BACKGROUND INFORMATION:

Attached is a budget amendment to account for cost increases in the amounts budgeted for the parking lot plans and construction at Town Hall in relation to the Downtown Development Agreement with Sammy's of Dallas.

Originally, Professional Service was budgeted at \$10,000, while the actual cost of the plans with revisions is now \$19,668. This requires a budget amendment of \$9,668 to the Professional Service line item.

Construction of the parking lot was budgeted at an estimated \$139,844. Actual bid costs received are \$150,240, requiring a budget amendment to the Capital Outlay: Construction line item of \$10,396.

A total budget amendment appropriating \$20,064 of available fund balance to meet these increased costs is proposed.

MANAGER RECOMMENDATION: Approve the budget amendment as presented.

BOARD ACTION TAKEN:

Town of Dallas
Budget Amendment

Date: September 8, 2020

Action: Economic Development

Purpose: To Account for 109 W. Wilkins St. Parking Lot Improvement Increased Costs/Change Order

Number: ED-001

Fund	Dept	Line Item	Item Description	Original Amount	Amended Amount	Difference
33	8500	0000	Fund Balance Appropriated	\$239,475	\$259,539	\$20,064
33	8500	0400	Professional Service	\$10,000	\$19,668	\$9,668
33	8500	7500	Capital Outlay: Construction	\$429,236	\$439,632	\$10,396

Approval Signature
(Town Manager)

TOWN OF DALLAS, NORTH CAROLINA

REQUEST FOR BOARD ACTION

DESCRIPTION: Social Security Tax Deferral

AGENDA ITEM NO. 8D

MEETING DATE: 09/8/2020

BACKGROUND INFORMATION:

On August 8th, President Trump issued an Executive Order directing the Secretary of the Treasury to authorize deferral of the employee portion of the social security tax (6.2%) for wages paid between September 1st and December 31st, 2020. Below are some clarifications about this deferral:

- The deferral is voluntary and at the discretion of the employer. There is no penalty if employers choose not to implement the deferral.
- This is a deferral, NOT A WAIVER. If an employer chooses to defer the employee's social security taxes over the remaining four-month period of 2020, then those taxes will have to be collected on top of the regular employee social security taxes beginning January 1, 2021 and paid to the IRS no later than April 30, 2021. This means an employee would, in essence, have double social security taxes deducted from their paycheck for the first four months of 2021.

Based on these clarifications, there is no real advantage to employees for Dallas to defer these payroll taxes and then deduct them beginning January 2021 on top of the payroll taxes due at that time.

Attached is a more in-depth discussion issued by the School of Government. Also attached is a notice that would be distributed to all Dallas employees if the decision is made not to participate in the tax deferral program.

MANAGER RECOMMENDATION: To approve Dallas NOT participating in the payroll tax deferral program and send out the proposed notification to all employees.

BOARD ACTION TAKEN:

Coates' Canons Blog: IRS Issues Guidance on the Employee Social Security Tax Deferral

By Diane Juffras

Article: <https://canons.sog.unc.edu/irs-issues-guidance-on-the-employee-social-security-tax-deferral/>

This entry was posted on August 31, 2020 and is filed under Accounting, Reporting, Auditing, Compensation & Benefits, Employment, Featured Posts Related To COVID-19, Finance & Tax, General Local Government (Miscellaneous)

On August 8, 2020, President Trump issued an Executive Order as part of an effort to put more spending money in consumers' pockets and stimulate the economy. The Order authorized employers to defer the withholding and deposit of the employee portion of the social security tax. To be technical about it, the President directed the Secretary of the Treasury to authorize the deferral, as only the Secretary has the authority to do so under the Internal Revenue Code. For most of August, employers were left wondering about some basic questions. Would the deferral be voluntary or required? When, if ever, would the money have to be recouped and deposited with the IRS? Secretary Mnuchin made a few comments in television interviews, but most employers wanted something a little more substantial in the way of guidance. On Friday, August 28, 2020, the IRS issued Notice 2020-65, which answered basic questions about how the deferral will work.

Background

The Internal Revenue Code requires both employers and employees to pay social security and Medicare taxes (FICA taxes) on the wages of employees. The social security portion of these payroll taxes is referred to by the acronym OASDI (26 U.S.C. § 3111(a) refers to this as Old Age, Survivors and Disability Insurance). The Medicare portion is called "hospital insurance" in the relevant portions of the Internal Revenue Code (see, for example, here).

The Internal Revenue Code requires employers to withhold the employee portion of social security and Medicare taxes from the employee's paycheck. For the social security tax, the amount to be withheld is 6.2% of wages and for the Medicare tax it is 1.45%. Employers pay FICA taxes in an amount identical to what they withhold from the employee's paycheck.

The President's August 8th Executive Order and the IRS Guidance on Its Implementation

The Order directed the Secretary of the Treasury to authorize employers **to defer** the withholding and deposit of **the employee portion of the social security tax**. The Order does **not** affect the employer social security tax contribution and it does not affect either the employer or the employee contribution to Medicare.

Notice 2020-65 is brief – only three pages long – and likely does not answer all of the questions employers may have about the payroll tax deferral. Here is what it says:

- **The program is voluntary.** Employers may voluntarily elect to defer the employee portion of the social security tax (6.2% of wages) for wages paid between September 1, 2020 and December 31, 2020. **There is no requirement that employers do so and there is no penalty if employers choose not to do so. There is no requirement that employers give employees a choice about whether to defer the social security tax. The employer chooses.**
- **The deferral applies only to employees making less than \$4,000 on a bi-weekly pay period.** That is the equivalent of \$104,000 on an annualized basis, \$2,000 on a weekly basis, and \$8,666.67 on a monthly basis. The determination of whether an employee's wages are less the \$4,000 bi-weekly threshold must be made each pay period. An employee whose wages are on the cusp of the \$4,000 threshold and who earns overtime or other extra compensation in some weeks may qualify for the deferral in some pay periods but not in others.

These amounts are gross income, of course, before any taxes are deducted. Exempt from the calculation are any amounts excluded from the definition of wages by the Internal Revenue Code at 26 U.S.C. 3121(a). I understand the amounts excluded to include employee contributions to health insurance premiums, deductions made pursuant to a Section 125 cafeteria plan, and retirement contributions (in other words, deductions made pre-tax), but I am



not a tax lawyer. *Local government employers should consult with their attorneys, auditors or payroll tax advisors before implementing the deferral.*

- **This is a deferral, not a waiver.** If an employer chooses to defer the employee portion of the social security tax, the entire amount deferred will have to be collected from the employee and paid to the IRS no later than April 30, 2021. Interest and penalties will begin to accrue on May 1, 2020. In essence, the payroll tax deferral is like a loan to employees.

Participating employers may start recouping the deferred social security contributions from employees in January 2021 by deducting the amount of deferred contributions from employees' pay. The practical effect will be that for the four-month period beginning in January 2021 and ending April 30, 2021, employees will have approximately double the amount of social security tax deducted from their paychecks (in other words, for each paycheck, both the current social security tax contribution and an amount reflecting the deferred contribution will be deducted from each employee's paycheck).

- **Employers are ultimately on the hook for repaying the employee's deferred contributions.** Although it is the employee who will owe the deferred social security tax, it will be the employer's responsibility to collect it. ***If the employer cannot collect it, the employer will be responsible for the paying the amount owed by the employee.***

Conclusion

IRS Notice 2020-65 may not answer all of the questions that employers have about the payroll tax deferral program, but it is the only guidance available to date. ***I have no further information or insights about the payroll deferral program. Please do not ask me questions about it, because I do not have any answers.*** If the IRS issues any additional guidance, this blog post will be updated and an update date will be displayed under the blog post title. **No local government employer should implement the employee social security tax deferral without first consulting with its attorney and auditor.**

Links

- www.law.cornell.edu/uscode/text/26/3111
- www.law.cornell.edu/uscode/text/26/3101
- www.law.cornell.edu/uscode/text/26/3121

Town of Dallas

Date: 09/09/2020

To: Town Employees

From: Maria Stroupe, Town Manager

Dear Town Employees;

On August 8th, President Trump signed an Executive Order allowing for the deferral of employees' contributions to Social Security taxes. Employees contribute 6.2% of taxable wages earned to this tax. The President's executive order defers the employee's portion of these taxes between September 1st and December 31st. If you are an employee making \$30,000 a year, this deferral would be equal to an estimated additional \$572 in your paychecks between now and the end of the year.

Because this is a deferral and not a permanent tax break, you will be required to repay the full amount of deferred taxes between January 1st and April 30th. That means you would be paying twice as much in social security taxes for the first four months of the year. Your tax burden per pay period would increase from \$71 to \$142, if you make \$30,000 annually. If you don't repay these taxes by April 30, 2021, they become subject to interest, penalties, and late fees.

Neither the President nor the Secretary of the Treasury has the authority to permanently eliminate these taxes, even temporarily. Only Congress has the authority to make these changes permanent. It is extremely unlikely they will act to make the changes permanent before the November election.

This notice is to advise you that the Town of Dallas has elected **NOT** to participate in this payroll tax deferral program.

However, if Congress does move to make the tax break permanent through the end of the year, the Town will make the necessary adjustments at that time.

If you have any questions, please don't hesitate to call or stop by Town Hall.

TOWN OF DALLAS, NORTH CAROLINA

REQUEST FOR BOARD ACTION

DESCRIPTION: Update on Sewer Interconnect Project

AGENDA ITEM NO. 8E

MEETING DATE: 09/8/2020

BACKGROUND INFORMATION:

Both Dallas and Gastonia have held bid openings on the proposed Sewer Interconnect Project. A meeting was held between Staff of both municipalities on Wednesday, July 29th to discuss the bids received by both entities and moving forward. Based on the bids received, the numbers have come back higher than anticipated. Enclosed is a copy of the current agreement between Dallas and Gastonia for the emergency interconnect project, including cost sharing parameters.

Based on the bids received, options for revising the agreement are being reviewed and will be brought back for discussion once the reviews are complete.

In order to discuss possible options, a work session is proposed for Tuesday, September 15th at 1:00 pm in the Civic Building.

MANAGER RECOMMENDATION: Approve the work session as presented.

BOARD ACTION TAKEN: