AGENDA
VILLAGE OF FLAT ROCK COUNCIL MEETING
VILLAGE HALL ASSEMBLY ROOM
110 VILLAGE CENTER DRIVE
AUGUST 11, 2022
9:30 AM

Call to Order

Moment of Silent Meditation

Pledge of Allegiance

Public Comments

Agenda Approval/Changes

Consent Agenda

1.
   - July 5, 2022 – Agenda Workshop Minutes
   - July 14, 2022 – Council Meeting Minutes
   - 2022 Tax Charge

Special Reports

2. Administration – Village Administrator Christie
3. Park Update – Council Member Carpenter
4. Foundation Update – Council Member Toner
5. Transportation Update – Vice Mayor Coletta
6. Tax Report – Mayor Weedman

Old Business

New Business

7. ARP Update – Mary Roderick
8. Park Commission Appointment – Council Member Carpenter
9. Park Workshop Dates – Council Member Carpenter
10. Town Hall Meeting Dates – Council Member Carpenter
11. Board of Adjustment Appointments – Council Member Gregory
12. Approval of Park Commission increase of members document – Council Member Carpenter

Other Business

13. Mayor – Council Reports

Public Comments

Adjournment

VILLAGE OF FLAT ROCK COUNCIL MEETING MINUTES
VILLAGE HALL – ASSEMBLY ROOM
110 VILLAGE CENTER DRIVE
AUGUST 11, 2022
9:30 A.M.

Mayor Weedman presided over the August 11, 2022, council meeting at 9:30 a.m. Those present in addition to Mayor Weedman were Vice Mayor Coletta and Council Members Dethero, Gregory, Jeter, Toner, and Village Clerk Parker, and Village Administrator Christie. Council Member Carpenter was not present.

MOMENT OF SILENT MEDITATION/PLEDGE OF ALLEGIANCE

Mayor Weedman led the group in a moment of silent meditation. He then led the group in the Pledge of Allegiance.

Public Comments – Ms. Maralee McMillan of South Lake asked for Village Council's help regarding her neighbor, Mr. Gaddy, who has on his property an RV with five generators running constantly. Mayor Weedman asked Village Administrator Christie to contact Village Attorney Sharon Alexander asking what action can be taken.

Agenda Approval/Changes

Council Member Jeter made a motion to approve the agenda as presented, seconded by Vice Mayor Coletta. The motion carried by unanimous vote.

Consent Agenda

1. The Consent Agenda consisted of the following:

   - July 5, 2022 - Agenda Workshop Minutes
   - July 14, 2022 – Council Meeting Minutes
   - 2022 Tax Charge

Mayor Weedman stated we have received the tax scroll from the Henderson County Assessor's Office, and the Tax Charge allows the Tax Collector to bill and collect taxes.

Special Reports

2. Administration – Village Administrator Christie

Village Administrator Christie reviewed the July 2022 zoning report dated August 5, 2022, and the Village Administrator report dated August 5, 2022 (see attached reports).

3. Park Update – Council Member Carpenter

Council Member Toner reported the following in Council Member Carpenter's absence:

- At the July 28, 2022, Park Commission meeting, Will Garvey notified the Commission that he was resigning from the Board due to other responsibilities and fly fishing. Mr. Garvey will continue to care for the bees in the park. This leaves an immediate opening on the Commission and the Park Commission would like to nominate Barry Warthen to fill this position. Mr. Warthen is a resident of Highland Golf Villas, has attended several Park Commission as well as Village Council meetings, and completed a volunteer form several months back. He has degrees in Physics from Wofford College and Duke University.

He has wide-ranging interest in the park and would serve as an excellent liaison and communicator with the park neighbors at Highland Golf Villas. Council Member Carpenter, Duncan Fraser, Park Director Dages, and Council Member Toner strongly support this nomination. Mr. Warthen spoke about himself and about his interest in the park. Action will be taken under New Business, Item #8.

- Park Master Plan continues to progress. Members are working on putting together individual proposals for a number of potential improvements, which will include project description, location, cost estimates and other particulars. Proposals being developed include the Program State, Adult Exercise Equipment, Playground Shade Structures, a Labyrinth, A Miyawaki Mini-Forest (to block noise and sight of the playground), a Forest Bathing/Nature Therapy Trail and a Gator Garage. The projects will probably be presented over a series of Council meetings or at the next Park Workshop meeting.
- Park Commission is looking at expanding membership by two members and this will require a change to an existing ordinance, which Village Administrator Christie is working on. This item will likely be submitted for approval at the next Village Council meeting in September.
- Several other updates on last year's budget, split-rail fencing, and entry gate, which Park Director Dages will report on. Park Director Dages gave an update on the following:
    - Entry gate is still broken, waiting on replacement parts.
    - The erosion control project at the Bryan playground is complete.
    - A tree will need to be removed from storm damage.
    - Moving forward with hiring of a part-time park ranger. Interviews were held with four candidates; two candidates were selected with possible hiring. He will discuss with Village Administrator Christie which candidate to hire.
    - Summer programs in the park are very well attended.
    - Dye Creek work is continuing, Army Core of Engineers permitting is complete, still waiting on the State's permit. Will need to prepare a bid package to be sent to contractors. Mr. Andrew Bick will attend the August 29, 2022, agenda meeting to give Village Council an update on the Dye Creek project.

4. Foundation Update – Council Member Toner

Park Foundation did not meet in August. The Community Foundation of Henderson County has approved a $20,000 grant in full for next summer's intern program. UNC Pardee in partnership with Hendersonville Barre will sponsor FREE "pop-up" Pilates classes in the park beginning Saturday, August 13, 2022, 9:00 a.m. – 10:00 a.m. and running for the next four weeks. Classes will meet under the Pavilion. The hope is that these classes will be well received, and the program continue through October.

5. Transportation Update – Vice Mayor Coletta

- Vice Mayor Coletta reported that Greenville Highway will be closed the evening of August 11th at 8:00 p.m. until the morning of August 12th at 6:00 a.m. for water pipe repair work.
- Vice Mayor Coletta also updated the Council on funding for NCDOT. In the recent North Carolina state budget legislation, NCDOT funding has been increased with the department receiving a portion of the general sales tax. Previously, NCDOT funding from the State came only from the gas tax. With this additional revenue, some road construction projects may come back on-line. At August's FBRMPO meeting, the MPO Board will be going over what that means for projects within the MPO area.
- Vice Mayor Coletta reported that there is no word yet on when construction might begin on the N. Highland Lake Road project.
- Several months ago, the Council approved the purchase and installation of a traffic mirror on W. Blue Ridge Road across from the Village Bakery parking lot. While the Village has an easement for that area, written approval from Sid Blythe, the current property owner of Flat Rock Square, is required before installation. Vice Mayor Coletta is working with Sharon Alexander, Village Attorney to draft an agreement document. Mr. Blythe has given verbal approval.
- Vice Mayor Coletta is in the process of working with NCDOT on speed sign locations for Greenville Highway.

6. Tax Report – Mayor Weedman

The 2022 property tax bills will be mailed shortly.

Old Business

New Business

7. ARP Update – Mary Roderick

Mary Roderick, Consultant, Land of Sky Regional Council prepared a document "State Law Summary for Local Government Authority to Provide Funding to Business" (see attached). Mary Roderick reviewed and discussed the document with Village Council.

8. Park Commission Appointment – Council Member Carpenter

Council Member Toner stated as mentioned earlier, the Park Commission would like to nominate Barry Warthen to the board. Council Member Toner made a motion to appoint Barry Warthen to the Park Commission term ending January 2025, seconded by Council Member Gregory. The motion carried by unanimous vote.

9. Park Workshop Date - Council Member Carpenter

Park Workshop is scheduled for October 13, 2022, following the Village Council regular meeting.

10. Town Hall Meeting Date – Council Member Carpenter

The Town Hall meeting is scheduled for September 8, 2022, 6:30 p.m. – 8:00 p.m. Location to be determined. There were discussions of holding the meeting in the Assembly Room, but the calendar will need to be checked for availability. American Rescue Plan funding will be the main topic for discussion.

11. Board of Adjustment Appointments - Council Member Gregory

Council Member Gregory thanked the members who will no longer be serving on the Board of Adjustment, Cam Boyd, Jim Kisner, and Denise Cumbee Long. Council Member Gregory recommended three candidates to fill these positions, Tom Zimmerman, who is currently an alternate on the board, will become a member, Victor Behoriam, and Victoria Flanagan. Council Member Gregory made a motion to appoint Victor Behoriam as a member of the Board of Adjustment with a term ending August 2025, seconded by Vice Mayor Coletta. The motion carried by unanimous vote.

Council Member Gregory made a motion to appoint Victoria Flanagan as a member of the Board of Adjustment with a term ending August 2025, seconded by Council Member Jeter. The motion carried by unanimous vote.

12. Approval of Park Commission increase of members document – Council Member Carpenter

Council Member Toner mentioned the document requires an ordinance update, which is not complete, Village Administrator Christie is working on the document. No action was taken.

Other Business

13. Mayor – Council Reports

Council Member Dethero reported a plumber has started connecting the eighteen worst septic connections in Halfway Tree Mobile Home Park. Kudzu spraying with Top Gun Applications has been completed totaling $5,000.00.

Council Member Toner reported on the following;

- Kim Carland with Carl Shaw's CPA firm was in last week reviewing the Village's financials in preparation for the 2021/2022 audit. The review is not complete but no issues to report to date. The July Budget report is complete, with no issues.
- Flat Rock Playhouse – request for Flat Rock Village ARP funds of $102,500 for HVAC and Covid protocol items. Total unbudgeted Covid-related expenses of $475,000. Upcoming schedule: Mozart to Popchart on August 6-13; Guess Who's Coming to Dinner August 19 – September 4.
- Public Health – The State of NC and Henderson County have seen a steady rise in the

number of Covid cases over the last 2 months. Severity seems to be generally low with the Omicron BA 4 and BA5 variants, which account for over 90 percent of current cases. Henderson County is considered a medium risk county meaning that in addition to recommended vaccination and boosters, at-risk individuals should consider wearing a mask indoors.

Vice Mayor Coletta reported on the following;

- Council Member Gregory and Vice Mayor Coletta are meeting next Wednesday (August 17) with Formation PR to begin the design process for updating the village brand.
- Vice Mayor Coletta has started revamping the village website and requested that Council Members send her any suggestions/recommendations.
- Vice Mayor Coletta reported that Historic Flat Rock, Inc. is still working on new entry signs to be up by spring at the latest, but HFR is no longer considering sign toppers for specific street signs.

Public Comments - None

Adjournment

At 11:30 a.m., Council Member Jeter made a motion to adjourn the meeting, seconded by Vice Mayor Coletta. The motion carried by unanimous vote.

Michelle Parker, CMC
Village Clerk

Nick Weedman
Mayor

State of North Carolina
Village of Flat Rock

To the Tax Collector of the Village of Flat Rock:

You are hereby authorized, empowered, and commanded to collect the taxes set forth in the tax records filed in the office of the Village of Flat Rock and in the tax receipts herewith delivered to you, in the amounts and from the taxpayers likewise therein set forth. Such taxes are hereby declared to be a first lien upon all real property of the respective taxpayers in the Village of Flat Rock, and this order shall be a full and sufficient authority to direct, require, and enable you to levy on and sell any real or personal property of such taxpayers, for and on account thereof, in accordance with the law.

Witness my hand and official seal, on this 11th day of August 2022.

(Seal)

Nick Weedman

Nick Weedman, Mayor, Village of Flat Rock

Attest:

Michelle Parker

Michelle Parker, Clerk of the Village of Flat Rock

The Village of Flat Rock
North Carolina

Incorporated in 1995

To: Mayor and Council
Planning Board Members

From: Zoning Administrator

Date: August 5, 2022

Ordinances Activity Report for July 2022

Ordinance Activities	This Month	2022 YTD	2021 YTD
Compliance Certificates Approved for SFD's	5	13	22
Temporary Compliance Certificates Approved	0	0	0
All Other Compliance Certificates Approved	2	12	26
Certificates of Occupancy/Compliance Approved	0	14	35
Variance Applications	0	0	2
Special Exception Application	0	0	0
Special Use Permit Applications	0	0	0
Appeal Applications	0	0	0
Special Use Permit Amendment Applications	0	0	1
Rezoning/Text Amendment Applications	0	1	0
Subdivision Application	0	0	0
Floodplain Development Application	0	0	1
Sign Permits	0	1	0
Historic Landmark Status Application	0	0	0
Ordinance Fees Received	$900.00	$3075.00	$6,350.00

July 2022 Ordinances Activity Report

Certificates of Zoning Compliance applications approved:

5 – SFD -(The Farm at Highland Lake X 3, Dunroy X 2)
1 – Additions -Deck (Flat Rock Lakes)
2 – Solar - (Highland Lake)

Highland Lake PMUD: Letters of credit for Unit 1 and 4 have expired. A final plat for The Farm has been signed and recorded.

King Creek Preserve: The developer still needs to certify the final paving of the road. Received renewal bond certificate in February. In May, we received an asphalt evaluation report from Bunnell Lammons Engineering. It is still under review as we asked an engineer to review the letter "unofficially" and he suggests getting a second opinion.

Misc. zoning and other ordinance issues:

- Minor subdivision at Trenholm and Little River Rd approved (Captain Smyth's Preserve). Infrastructure has been installed. Conducted a field inspection of the subdivision infrastructure to confirm installation, road widths, take photos for the file, etc. Working with the engineer and surveyor to correct final plat. Working with land planner and developer to revise covenant language. Both (plat and covenants) are now acceptable. Plat was signed on August 5th. Need covenants recorded at the register of deeds and the homeowner's association still needs to be established through the secretary of state.
- Met with Kerry Lindsey again about property outside of PMUD. Trying to determine how four lots became one lot without a recombination and questioning the zoning assigned by the Village. Henderson County Assessor's office has now assigned all four lots individual PIN numbers due to the recombination error. They will be seeking variance(s) to build on those lots with the existing zoning. No application has been received.
- Also met with Kerry Lindsey about the possibility of subdividing Southlake. He will look for documentation of previous approvals/work to satisfy subdivision application requirements.
- Met with new owner of property in commercial district reference future plans. Working with his landscape architect to answer C-1 related questions. Have had multiple meetings to discuss how to move forward with a "parking lot only" option. Have consulted with village attorney throughout the process and notified the landscape architect of possible options.
- Received another text amendment request for M-L And M-L CD. This was brought before the planning board at their August meeting, and now needs to come before Council as a legislative hearing in September.
- Field inspections/reinspection's of complaints for properties in Claremont, and Highland Lake Dr. Still need to draft NOV letters for these properties.
- Worked with Council Members Coletta, Gregory, and Dethero researching information about Half Way Tree MHP to ascertain what communications and documentation the VOFR has thus far, who to contact now, etc. Contacted Seth Swift about Henderson County Environmental Health Department's role in the process of changing over from septic to sewer.
- Provided requested information to Bill Moss reference new housing construction and new subdivisions.
- Working with Flat Rock Playhouse Board of Trustee's president, Joe Ippolito in reference to a lot with a SFD on it that they want to expand.

SCO, TPO, FDPO, HLO:

- Received inquiry from an engineer out of Forest City about lots 16/17 on Mockingbird Dr. in Statonwoods. He was asking about bringing fill onto those lots which are located in the floodplain. He has been working with our Floodplain Consultant reference permitting requirements. Signed off on Community Acknowledgement Form for a Conditional Letter of Map Revision (CLOMR) request. This will allow FEMA to do a technical review. Have not been apprised of any update or approvals from FEMA.
- A Flood Development Permit was issued for a culvert replacement project in Bonclarken. Our engineering consultant inspected the site for compliance with permit requirements. Next step is to update the model with a Letter of Map Revision (LOMR). We received a

copy of the LOMR report and per our consultant, it was OK to sign off so that it can be sent to the state and FEMA. Was copied on an email from NCEM acknowledging official receipt of the request. In March, was copied again on an email requesting additional data to complete the review. Received request to send letters to adjacent property owners' reference LOMR. After consulting with our engineer, we will do that after Bonclarken's engineering firm addresses additional information request by NCEM. Letters sent out on May 31st, 2022. Have received two phone calls out of the 30 letters mailed. On August 3rd, I was copied on an email requesting confirmation (again) that the letters were sent out on May 31st. I provided the needed confirmation.

- Participated in an electronic meeting last October with Andrew Bick and the engineer representing Kerry Lindsey who is performing his due diligence for an upcoming dredging operation of Highland Lake. Have been made aware that Mr. Lindsey has indicated that the permitting process will begin soon. No further updates.
- Have met multiple times with gentleman looking to purchase property on Rhett Dr and renovate an old "boathouse", install a floating dock, and build a house. Have included village engineering consultant in these discussions in ref to the boathouse and floating dock. Received a recombination plat for this property that was unusual enough that I consulted with village attorney to determine that the recombination plat was acceptable. Mylar was signed for recording at the register of deeds. A flood plain application for the renovation and dock were received this week.
- The Historic Landmark Commission held a meeting in April. Victoria Flanagan has been working on producing a procedural document for granting landmark status and reviewed her proposed changes to the application and "sequence of events" handout. They also discussed an increase to the application fee from $75.00 to $500.00 which was approved at the June Council meeting. No future meetings are scheduled at this time.
- Permission was granted for the placement of banners on Village property in April and May. Both parties were notified. A policy discussion is still pending.

Planning Board and Board of Adjustment Meetings:

- The Board of Adjustment did not meet in July. Have some members going off board in August due to term limits.
- Planning Board did not meet in July. The next scheduled meeting was August 2nd, 2022, where a text amendment request was considered. The next scheduled meeting is September 6th, 2022.

Village Administrator Report
August 5, 2022

Flat Rock Crime Reports:

Information obtained from the Citizen Connect incident map link on Henderson County Sheriff's Dept. website.
Reporting period of July 1, 2022 – July 31, 2022:

Other

7/10/22: 40 Avonlea Ln, Suicide
7/14/22: 4009 Little River Rd, Fail to Appear
7/14/22: The Park at Flat Rock, 55 Highland Golf Dr, Fail to Appear
7/17/22: 320 Highland Lake Dr, OSJ Warrant Serv

Website/Facebook Report/EV Charging Station Stats:

Reporting period of July 1, 2022 – July 31, 2022:

- There were 9996 - page views of the home page of the website, an increase of 1863 from the previous month.
- Following the default home page views, the following 12 sections were viewed most, in descending order: Services, Contact Us, Community Calendar, The Park at Flat Rock, Park Facility Reservations, General Information, Shopping and Dining, About Us, Historic Landmarks Information, Community Resources, Mayor and Council, Site Map.
- Items added or updated: Park facilities reservation calendar information, community calendar, updates of scheduled meetings of council, boards and committees, approved council meeting minutes, council meeting agenda, links to community events, road construction updates.

- Facebook stats for July2022. Facebook has changed what information is available:
  Followers: 1777
  Post Engagement: 247
  Post Reach: 1051
  New Followers: 7

- Electric Vehicle Charging Station Uses:
  July 2022: 44- Message on Chargepointe site mid-July indicated that the left port works and then stops. Have been checking the status via the website and it shows both ports green(available). The new faceplate has been delivered and installation has been scheduled for the end of the week.

Village Hall Office, Grounds, Park, Misc. and Communications:

- For the upcoming month, notices emailed regarding the Village monthly meetings and events. Updated online meeting calendar as needed. Updated website as needed.
- Park related issues and staff support: Worked with Council Member Carpenter, Michael Dages, and Tracey Daniels. The Park Commission met July 28th, 2022. The next scheduled meeting to be held will be on August 25th, 2022, in the Rudnick Room at the Park.
- Park updates include updating the Park's master plan, Mini Forest Revolution, Forest Bathing Trail, budget, public programs, playground noise mitigation and fencing, the Dye Creek Project, Park Commission composition.
- Village attorney has advised how to properly amend the ordinance language to facilitate the changes in the park the commission bylaws.
- Dye Creek-We have the army corps permit and the 401 state permit is coming soon. Andrew Bick advises that they are wrapping up the plans and developing a bid package.
- The Bryan Playground hill restoration project was completed in half a day, which was better than expected.
- Kudzu treatments have taken place. The treatments were conducted by Top Gun and overseen by Council Member Dethero.
- Participate in zoom calls with Western North Carolina Managers Association (WNCMA) and Land of Sky Regional Council quarterly managers meetings.
- Carol Richard has completed two weeks of Clerk's training, website training, and notary training. She has completed Edmunds training this month.
- Carol has received the tax rolls from the county and is preparing them to be uploaded into Edmunds.
- Set up an account with a background check service called Mind Your Business. They are based out of Hendersonville. They may also be useful for summer interns, part time employees and volunteers.
- Land of Sky ARP contract- The premium pay policy (which may need to be updated) has been approved by Council and implemented. ARP village policies have been approved and the April Project and Expenditure report to Treasury has been submitted. Project selection is next. Staff continues to work with Mary Roderick providing information as requested such as the individual time and effort certification forms. Mary attended the June ARP workshop where the application for businesses and non-profits was discussed. Had a zoom meeting to discuss grants vs loans, etc. She will attend the August council meeting.
- Participate in weekly ARP "office hours" meetings when possible.
- Contacted Fire Chief Will Sheehan about the quotes obtained to repave our portion of the entrance road and parking lot in conjunction with their paving project. Email from Chief Sheehan indicates that they received three quotes, but due to the cost, they are going to delay moving forward. Per Chief Sheehan one of the companies measured the Village Hall parking area. Received an estimate from them and have reached out to John Jeter for some expertise related to the current condition of the village hall parking lot. Met with Mr. Jeter and he indicated that he would look at the Village Hall property site plan to confirm quote information prior to getting any other quotes.

- FRTAC meeting for July was cancelled.
- Submitted annual demographic information and survey information to the state.
- Completed portal training for Division of Environmental Assistance and Customer Service (DEACS) solid waste and materials management annual report which is due by September 1st.
- All HVAC units located at Village Hall and the Park now outfitted with air purification systems.
- Contacted Gary (handyman) for a few projects. He is phasing out of the handyman business but will complete a couple of small projects at Village Hall property. He completed the replacement of the top and bottom rails of the Village Hall sign on Greenville Hwy. Both were rotten. He also repainted the walls where the drywall was repaired. He recommends hiring painters for the ceiling in the Highlander Room and a mason for the wall caps. Have pulled old invoice for painters to call and reached out to Steve Jamerson for contact info about who did the stonework on the walls at the park.
- Created a checklist for cleaning contractor to sign off every week for Village Hall cleaning. Michael created one for daily park cleanings.
- Carpets, area rugs, chairs and carpet in Rudnick room professionally cleaned.
- Worked with Council Member Coletta and Village Attorney on Gov office contract.
- Worked with Southern Alarm and Daniels Communications to clean up contact lists for Village Hall and Park including confirming the method of contact (phone calls vs. text) for afterhours notifications.

Community Meetings, Networking, Agency Contacts:

Hendersonville Lightning
HC Permits and Inspections
Hendersonville Tree Board
Hendersonville Development Assistance Dept.
Blue Ridge Fire Dept
Town of Mills River Manager, Zoning Administrator, and Park Director
City of Hendersonville Public Works Director.
Town of Fletcher Manager, Park Director, and Planning Director
Henderson County Park Director, Planning Director, and Planning Staff
Henderson County Emergency Operations
Attended LGCCA on July 19th, 2022.

Report prepared by:
Patricia Christie, CZO
Village Administrator

Brief: State Law Summary for Local Government Authority to Provide Funding to Businesses

1. Must be done in the form of a loan, not a grant (no unconstitutional gifts). **See Exceptions below.**
2. Must charge interest (no competition with banks). Can be low interest as long as tailored to the "emergency situation" (i.e. COVID impacts). Can offer a no payment period and can possibly be unsecured (but then needs a higher interest rate due to higher risk).
3. Will need to determine how to structure loan (payment structure, amortization period, maturity date, risk adjusted interest rate), and need a legal agreement (promissory note).
4. Will need a loan servicer (payment collection, tracking, default notices, debt collections). Could potentially partner with a CDFI like Mountain BizWorks?

Exceptions

- There are very specific exceptions where grants would be allowed for public-private partnerships for downtown redevelopment and economic incentive/job creation & retention programs. See City of Fayetteville's Small Business Relief Grant Program for an example of an ARPA funded grant program that likely meets state-law requirements in this context.
- The state itself is not limited in the same way as LGs, which is why they can offer the Business Recovery Grant program just based on revenue loss.
- Non-profits are treated the same as businesses with respect to operating and capital costs, the LG can fund the non-profit through grants to provide services/programs, but not just operational and capital costs (this would require a loan like a business). Exception: Capital costs are allowed specifically for arts/culture.
- Grants to individuals are allowed if they meet income/poverty criteria, this would also cover a "subsistence microenterprise" where the person is a sole-proprietor and would overwise be unemployed.

Legal Limitations on Use of Public Funds
The North Carolina Constitution and General Statutes provide the legal framework under which local governments operate.

3.1 The three key legal limitations to the expenditures of public funds are (1) the expenditure be for a public purpose, (2) the activity supported be one in which the local government has the statutory authority to engage, and (3) the expenditure not be inconsistent with the laws or the constitution of the state or federal government.

3.2 The courts have used two guiding principles in determining whether a particular activity is for a publicpurpose: (1) whether it involves "a reasonable connection with the convenience and necessity of the [local government]", and (2) whether it "benefits the public generally, as opposed to special interests or persons."

3.3 A local government may contract with faith-based organizations as long as the contract (1) has a secular purpose, (2) has a primary effect of neither advancing nor inhibiting religion, and (3) does not create an excessive entanglement between the government and religion.

Prepared by: Mary Roderick, LOSRC for consideration by VOFR Council

References

American Rescue Plan Act of 2021 (ARP): State Law Authority To Expend ARP Funds

https://canons.sog.unc.edu/2021/06/american-rescue-plan-act-of-2021-arp-state-law-authority-to-expend-arp-funds/

American Rescue Plan Act: Aid for Small Businesses and Nonprofits with ARP/CLFRF

https://canons.sog.unc.edu/2021/10/american-rescue-plan-act-aid-for-small-businesses-and-nonprofits-with-arp-clfrf/

Using Federal Coronavirus Relief Funds for Small Business Support

https://ced.sog.unc.edu/2020/05/using-federal-coronavirus-relief-funds-for-small-business-support/

Local government support for small business recovery and reopening

https://ced.sog.unc.edu/2020/08/local-government-support-for-small-business-recovery-and-reopening/

See also City of Hendersonville's Special Appropriations Manual – provides very detailed information about what can/cannot be funded.