

FORSYTH COUNTY
BOARD OF COMMISSIONERS

**BRIEFING
DRAFT**

MEETING DATE: DECEMBER 19, 2016

AGENDA ITEM NUMBER:

8

SUBJECT: RESOLUTION AUTHORIZING EXECUTION OF A GRANT AGREEMENT WITH OLD SALEM, INCORPORATED FOR PRESERVATION AND RESTORATION OF THE HISTORIC BOYS' SCHOOL ON SALEM SQUARE UTILIZING THE REVENUES APPROPRIATED BY THE FORSYTH COUNTY BOARD OF COMMISSIONERS PURSUANT TO THE PROVISIONS OF N.C.G.S. 153A-437

COUNTY MANAGER'S RECOMMENDATION OR COMMENTS:

SUMMARY OF INFORMATION:

ATTACHMENTS: YES NO

SIGNATURE: _____ DATE: _____
COUNTY MANAGER

RESOLUTION AUTHORIZING EXECUTION OF A GRANT AGREEMENT WITH OLD SALEM, INCORPORATED FOR PRESERVATION AND RESTORATION OF THE HISTORIC BOYS' SCHOOL ON SALEM SQUARE UTILIZING THE REVENUES APPROPRIATED BY THE FORSYTH COUNTY BOARD OF COMMISSIONERS PURSUANT TO THE PROVISIONS OF N.C.G.S. 153A-437

WHEREAS, Old Salem, Incorporated, a local historic museum, has adopted and presented to Forsyth County a Resolution requesting an appropriation of \$1,500,000 to be used for the preservation and restoration of the Historic Boys' School on Salem Square at Old Salem pursuant to the provisions of N.C.G.S. 153A-437; and

WHEREAS, Old Salem, Incorporated will comply with the applicable bidding laws in the construction of the Boys' School facility; and

WHEREAS, the Forsyth County Board of Commissioners has appropriated the requested funds and now proposes to consider authorizing execution of the associated grant agreement;

NOW, THEREFORE, BE IT RESOLVED that the Forsyth County Board of Commissioners hereby authorizes the Chairman or County Manager and Clerk to the Board to execute, on behalf of Forsyth County, the attached Grant Agreement between Forsyth County and Old Salem, Incorporated in the amount of \$1,500,000, for the preservation and restoration of the Historic Boys' School on Salem Square at Old Salem, subject to compliance by Old Salem, Incorporated with the applicable bidding laws in the construction of the Boys' School facility, a pre-audit certificate thereon by the County Chief Financial Officer, where applicable, and approval as to form and legality by the County Attorney.

Adopted this 19th day of December 2016.

shall maintain a written accounting and documentation of all of its receipts and disbursements relating to the grant funds which are the subject of this Agreement. 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 GRANTEE agrees to subject itself to the provisions of Article 33C of Chapter 143 of the North Carolina General Statutes, entitled "Meetings of Public Bodies," to the same extent as the COUNTY.

(4) The GRANTEE shall furnish to the COUNTY a copy of its annual audit report performed by a certified public accountant as soon as such becomes available to the GRANTEE but no later than 6 months following the GRANTEE's fiscal year end.

(5) Funds will be disbursed to the GRANTEE by reimbursement to the GRANTEE for expenses incurred in accordance with the attached budget, unless otherwise specified in the attachments. Monthly disbursements by the COUNTY shall not exceed 1/12 of the proposed annual grant amount of COUNTY funds. Quarterly disbursements by the COUNTY shall not exceed ¼ of the proposed annual grant amount of COUNTY funds.

(6) The County may suspend or terminate the payment of grant funds in whole or in part for any violation of this Agreement. Suspension or termination may be effected for the following reasons as determined by the COUNTY, but not limited to these reasons:

- (a) Ineffective or improper use of grant funds;
- (b) Failure to comply with the terms and conditions of the Agreement;
- (c) Submission to the COUNTY of reports which are incorrect or incomplete in any material respect;
- (d) Frustration or impossibility of performance, rendering the carrying out of this Agreement improper or infeasible.
- (e) Any violation of this Agreement.
- (f) In the opinion of the COUNTY, the COUNTY's financial situation makes it impractical to provide the grant funds.

In addition, the COUNTY may suspend or terminate payment of grant funds if the GRANTEE fails to make satisfactory progress toward meeting the project services which 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 GRANTEE agrees to promptly remit to the COUNTY any payments previously received by the GRANTEE which the COUNTY deems to have been paid and received in violation of this Agreement.

(7) Any and all alterations in the restrictions and conditions upon the grant of the funds herein or alterations in the amount of this Budget attached hereto shall be subject to prior review and written approval by the COUNTY.

(8) This Agreement and the grant funds which are the subject of this Agreement are expressly nonassignable without the prior written consent and approval of the COUNTY.

(9) Non-expendable property purchased under this Agreement shall remain the property of the GRANTEE, unless the attached conditions or Budget provide that such property shall become the property of the COUNTY.

(10) The attached Exhibits are:

- (a) The Budget;
- (b) Purposes and/or Restrictions and Conditions; and
- (c) Reporting Requirements, which are incorporated herein by reference.

IN WITNESS WHEREOF, the COUNTY has caused this Agreement to be duly executed in its behalf, and the GRANTEE has caused the same to be duly executed in its behalf as of the date first above written.

(SIGNATURES ON NEXT PAGE)

FORSYTH COUNTY, NORTH CAROLINA

ATTEST:

By _____

County Manager

Clerk To The Board

(SEAL)

OLD SALEM, INCORPORATED

(Grantee)

ATTEST:

By _____

Executive Director/CEO or Board Chair

Secretary

(SEAL)

EXHIBIT A

OLD SALEM

EXPENDITURES AND REVENUES

FY 2016

BUDGET

EXPENDITURES

Education and Interpretation	\$1,212,800
Collections & Research	953,300
Development	716,100
Marketing	450,400
Maintenance & Restoration	936,600
Administration & Overhead	1,267,500
Retail Operations	2,247,100
Restricted Contributions Applied to Operations	357,400
Boys' School Restoration Project	2,445,477
Interest Expense – LOC	<u>60,000</u>
TOTAL EXPENDITURES	\$10,646,677

REVENUES

FORSYTH COUNTY	\$50,000
FORSYTH COUNTY (TDA)	10,000
CITY OF WINSTON-SALEM	175,000
Admissions	1,233,800
Classes & Special Events	530,800
Contributions and Donations	626,000
Retail Revenues	2,652,600
Rental Property Income	261,800
Endowment Draw (5%)	1,706,200
Restricted Contributions Used for Operations	357,400
Boys' School Restoration Project – Forsyth County	1,500,000
Boys' School Restoration Project – IMLS	150,000
Boys' School Restoration Project – Other funds raised	795,477
Other Income	<u>150,800</u>
TOTAL REVENUES	\$10,199,877
NET INCOME/(DEFICIT) with 5% Endowment Draw	(\$446,800)
ADDITIONAL ENDOWMENT DRAW (>5%)	<u>\$484,500</u>
NET INCOME/(DEFICIT)	<u>\$37,700</u>

EXHIBIT B

OLD SALEM, INCORPORATED

RESTRICTIONS AND CONDITIONS

FY 2016-2017

PURPOSE: The purpose of the Grantee is to provide support for the restoration of the **Boys' School at Old Salem, Incorporated**

1. Payment to the Grantee will be made upon receipt of a report of Grantee expenses and receipts for the preceding period completed.
2. If the Grantee lacks sufficient funds to operate prior to payment by the County, arrangements may be made for an advance of County funds based on a report of the Grantee's current financial condition and an estimate of expenditures for the period of the advance requested.
3. The Board of Commissioners is concerned that the County's very strong financial condition at present may create unrealistic expectations among some Grantee organizations that County financial support will continue indefinitely, or regularly increase in the future. There may also be a perception in the community that the County is always a likely source of financial assistance for various capital fund drives or special projects. The County's first priorities must always be those services and functions which counties are required by law to provide. Because the County's revenues are very responsive to changes in the local economy, even a slight economic downturn might require a reduction or withdrawal of County support for such organizations, projects and fund drives.
4. Grantee organizations shall immediately notify the County of any substantive changes in their other sources of financial support which might cause them to seek additional County funding in the current year, or in future years, which County funding may not be forthcoming or available.
5. The Grantee agrees to hold the County harmless from liability for any expenses which may be claimed against the County due to the administration of the Grantee's program.
6. Grantee and its subcontractors shall comply with Article 2 of Chapter 64 of the North Carolina General Statutes relating to the required use of the federal E-Verify program to verify the work authorization of newly hired employees. Failure of the Grantee to comply with the provision or failure of its subcontractors to comply could render this contract void under North Carolina law.
7. In accordance with N.C.G.S. §147-86.59 and other applicable sections of N.C.G.S. §147-86.55 et seq., the Iran Divestment Act of 2015, each Party hereby certifies that it is not identified on the State Treasurer's list of persons which the Treasurer has determined engage in investment activities in Iran, including any subcontractors hereunder of either Party.

EXHIBIT C
OLD SALEM, INCORPORATED
REPORTING REQUIREMENTS
FY 2016-2017

1. Grantee shall submit to Forsyth County a quarterly report which shall include but not be limited to the following:

- A. Financial statement showing revenue and the source, and line item expenditures compared with the approved budget.
- B. Report of activities and programs indicating the amount of progress toward meeting the **objectives for the restoration of the Boys' School.**
- C. Report showing the number visitors to Old Salem, and the organization's impact on the local community.

2. Prior to the final payment, Grantee shall provide an evaluation of the overall Old Salem's programs and its impact on the total community.