



**Board of Aldermen  
Regular Meeting**

**Agenda Packet  
April 14, 2026**



**AGENDA**  
**Spencer Board of Aldermen**  
**Regular Meeting**  
**6:00 p.m.**

**DATE**  
April 14, 2026

*The Board of Aldermen meets on the second Tuesday of each month at 6:00 p.m., with a pre-agenda meeting on the Thursday prior at 5:30 p.m. The primary purpose of the pre-agenda meeting is to review the agenda for the upcoming regular meeting, set the consent agenda, hold public hearings, and receive other presentations. Regular meetings focus on action items, departmental reports, and other business. Both meetings are open to the public and are held in the Hilda B. Palmer Board Room in Town Hall, located at 460 South Salisbury Avenue. A printed copy of the entire agenda packet is available in the H. B. Palmer Board Room for public use. Please find meeting agendas, minutes, and a link to view the meetings live or on demand at [spencernc.gov/town-government-and-services/aldermen-meeting-and-agenda](http://spencernc.gov/town-government-and-services/aldermen-meeting-and-agenda).*

- 1. CALL TO ORDER – Mayor Jonathan Williams**
- 2. INVOCATION – Alderwoman Patricia Sledge**
- 3. PLEDGE OF ALLEGIANCE – Mayor Jonathan Williams**
- 4. ADDITIONS/DELETIONS AND ADOPTION OF AGENDA**
- 5. RECOGNITIONS**
  - a. Alderwoman Patti Secreast:** Dr. Elaine Stiller
- 6. PUBLIC HEARING – Closeout for CDBG-NR Grant No. 19-C-3140**
- 7. PUBLIC COMMENT** This agenda item is included to allow input to the Board of Aldermen from any citizen who wishes to address the Board without requesting to be on the agenda. Those who wish to address the Board of Aldermen must provide their name, address, and topic to be addressed. The Board will listen and may or may not respond at their discretion, or may decide to place a topic on a future agenda. A speaker will be allowed three (3) minutes to speak.
- 8. CONSENT AGENDA** The Consent Agenda is the first order of business. The items listed are believed to be non-controversial and administrative in nature. There will be no separate discussion of the items unless an Alderman or citizen requests and is granted permission to speak. The item(s) will then be removed from the Consent Agenda and considered individually. Otherwise, all items will be enacted by one motion.
  - a. APPROVAL OF MINUTES:** March 5, 2026, Pre-Agenda Meeting Minutes  
March 5-6, 2026, Strategic Planning Session Minutes  
March 10, 2026, Regular Meeting Minutes
  - b. CONSIDER RATIFYING –** Clerical Corrections for Budget Ordinance Amendment 25-11.012  
Library HVAC
  - c. CONSIDER ADOPTING –** Budget Ordinance Amendment 25-11.013 Donations for the Police  
Department
  - d. CONSIDER ADOPTING –** Resolution 26-02 Requesting Reinstatement of Passenger Rail  
Stops in Salisbury

- 9. RECEIVE PRESENTATION – Black Mountain Software Conversion; Anna Etheridge and Diane Seaford from the NC League of Municipalities**
- 10. CONSIDER AUTHORIZING – Town Manager to Negotiate and Execute Contract for Cell Tower to be Located at Sowers Ferry Road Site**
- 11. CONSIDER APPROVING – FY26 audit contract with Strickland Hardee PLLC**
- 12. CONSIDER ADOPTING – Ordinance 26-02 Amending the Town’s Official Zoning Map Dated September 10, 2024, Rezoning Rowan County GIS System Parcel Number 048 094 Located at 2035 US HWY 29 from IND to CIV Zoning Classification**
- 13. CONSIDER ADOPTING – Budget Ordinance Amendment 25-11.014 Accepting and Authorizing the Town Manager to Execute Rowan County Fire Grant for the Fire Department**
- 14. DEPARTMENTAL REPORTS**
  - a. Planning
  - b. Code Enforcement (provided in writing)
  - c. Police (provided in writing)
  - d. Fire
  - e. Public Works
  - f. Finance
  - g. Active Living
- 15. TOWN MANAGER REPORT**
- 16. REQUESTS & COMMENTS by the Mayor and Board Members**
- 17. EXECUTIVE SESSION per NC General Statute 143-318.11 (if needed)**
- 18. ADJOURNMENT**



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## Agenda Item Coversheet

**Meeting Date:** 04/14/2026

**Agenda Item #:**

**Agenda Item Title:** Board to conduct the required closeout public hearing for CDBG-NR Grant No. 19-C-3140.

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**Category:** Public Hearing

**Presenter(s):** Kyle Harris, Planner, CDBG Program Administrator

**Explanation:**

The purpose of this agenda item is for the Board of Aldermen to conduct the required public hearing associated with closeout of the Town's CDBG-NR Grant No. 19-C-3140.

The Town has completed all construction activities funded under the grant and is preparing the final closeout submission to the North Carolina Department of Commerce. Under the grant, the Town completed owner-occupied substantial rehabilitation projects serving low- and moderate-income households.

As part of the closeout process, the Town must hold a public hearing to provide citizens an opportunity to comment on the use of CDBG funds, program accomplishments, and closeout of the grant. Citizens may provide oral or written comments at the public hearing.

The attached materials include the published public hearing notice, a staff memorandum summarizing program outcomes and expenditures, and an addendum summarizing the principal rehabilitation scopes and project benefits.

**Financial Impact:**

N/A

**Recommended Motion:**

No formal board action is required other than opening the public hearing, receiving any public comment, and closing the public hearing.

**Attachment(s):**  Yes  No

A. Public Hearing Notice



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B. Staff Memorandum

- Addendum B-1: Rehabilitation Scope & Benefit Analysis

## TOWN OF SPENCER, NC – NOTICE OF PUBLIC HEARING – CDBG CLOSEOUT

The Town of Spencer will hold a public hearing on Tuesday, April 14, 2026, at 6:00 p.m. at Spencer Town Hall, 460 S. Salisbury Avenue, Spencer, NC 28159, to review the budget and activities completed under CDBG-NR Grant No. 19-C-3140. The Town has completed owner-occupied housing rehabilitation activities in Spencer totaling \$587,217.43 and benefiting low- and moderate-income persons, and is preparing to close out the grant.

Citizens may provide oral or written comments on the Town's use of CDBG funds. All interested citizens are encouraged to attend. For information or to submit written comments, contact Kyle Harris, CDBG Program Administrator, Town of Spencer, 460 S. Salisbury Avenue, Spencer, NC 28159, 704-633-2231 ext. 20.

Persons needing disability or language assistance should contact Anna Kanode Ward, Town Clerk, at 704-633-2231 ext. 12 or NC Relay 711 by April 12, 2026. Esta información está disponible en español o en otros idiomas bajo petición.

## Staff Memorandum

### CDBG-NR Grant No. 19-C-3140 Closeout Public Hearing

To: Mayor & Board of Aldermen  
From: Kyle Harris, CDBG Program Administrator  
Date: April 14, 2026

#### I. Background

The Town of Spencer is conducting the required public hearing associated with closeout of CDBG-NR Grant No. 19-C-3140. The purpose of this hearing is to provide citizens an opportunity to comment on the Town's use of Community Development Block Grant (CDBG) funds and on the outcomes of the completed program prior to final closeout submission to the North Carolina Department of Commerce.

All construction activities funded under the grant have been completed, and all project-related construction costs have been documented and reimbursed. The Town is now completing the remaining administrative steps necessary for formal grant closeout.

#### II. Program Outcomes

Under CDBG-NR Grant No. 19-C-3140, the Town completed three (3) owner-occupied substantial rehabilitation projects serving three (3) low- and moderate-income households.

The households assisted under the program reflected significant vulnerability and need. All three (3) assisted households were elderly households. Two (2) of the three (3) assisted households included permanently disabled persons with significant physical mobility limitations, requiring extensive accessibility-related improvements as part of the rehabilitation work. One (1) assisted household was a Limited English Proficiency (LEP) household.

The completed projects involved substantial rehabilitation of severely deteriorated owner-occupied housing and required significant corrective work to address major deficiencies affecting safe occupancy. The resulting rehabilitation was not limited to general repair, but included substantial improvements related to accessibility, structural stability, building systems, health and safety, and long-term housing preservation. As a result, the program materially improved safety, accessibility, livability, and long-term habitability for high-need owner-occupants.

### III. Expenditure Summary

- The Town did not fully expend the grant award; total reimbursed expenditures were \$587,217.43 out of the \$750,000.00 grant award.

Of the reimbursed amount:

- \$532,658.68 (90.7%) was spent on rehabilitation and other project delivery costs; and
- \$54,558.75 (9.3%) was spent on administration.

In other words, more than nine-tenths of reimbursed grant funds were directed to rehabilitation and project delivery, while less than one-tenth was spent on administration. The substantial majority of reimbursed funds were directed toward physical investment in owner-occupied housing and related project delivery costs necessary to complete the rehabilitation activities.

### IV. Program Context

The limited number of completed projects reflects both the nature of the projects selected and the cost environment in which the work was performed.

The Town's project selection process intentionally prioritized owner-occupied homes with the most serious physical deterioration and households with the greatest vulnerability, including elderly, disabled, and mobility-impaired occupants. As a result, the funded projects required deeper rehabilitation scopes and higher levels of investment than would be expected in a lighter-touch repair program, including major accessibility modifications, structural repair, systems replacement, and other substantial corrective work necessary to support safe continued occupancy.

Program costs were also affected by broader market conditions during the grant period, including rising construction costs. In addition, certain costs associated with inspections, testing, professional services, temporary relocation, and other compliance-related project delivery requirements were necessary to carry out the rehabilitation work properly and in accordance with applicable requirements.

### V. Summary

The Town completed three high-need owner-occupied substantial rehabilitation projects under CDBG-NR Grant No. 19-C-3140. While the number of households assisted was limited relative to the total grant amount, the completed work addressed severe physical deterioration, accessibility barriers, health and safety concerns, and other conditions materially affecting safe occupancy.

The expenditure pattern reflects the depth of rehabilitation need in the selected homes, the vulnerability of the assisted households, and the cost of delivering substantial rehabilitation in the prevailing construction market.

## **Addendum B-1 – Work Scope & Benefit Analysis**

This addendum is provided as a supplement to the Staff Memorandum for the CDBG-NR Grant No. 19-C-3140 closeout public hearing. Its purpose is to provide additional context regarding the actual scope of rehabilitation completed under the grant and the types of improvements that drove project complexity, cost, and public benefit.

The Work Write-Ups for the three completed projects show that the Town's CDBG-NR expenditures were directed primarily toward substantial rehabilitation activities rather than cosmetic or discretionary upgrades. The scopes of work addressed major physical deficiencies, accessibility barriers, health and safety concerns, and building systems necessary for safe continued occupancy.

### **1. Major Scope Categories Across the Three Projects**

A review of the Work Write-Ups indicates that the most significant project scopes involved:

- accessibility construction and mobility improvements, including ramps, a vertical lift, widened doors and openings, grab bars, and accessible bathing facilities;
- structural and subfloor repair, including replacement of deteriorated joists, girders, rim/band/sill members, wall framing, porch framing, and foundation elements;
- roof, drainage, and exterior envelope repair, including full roof replacement, guttering, downspouts, underground drainage, siding replacement, flashing, and weather protection work;
- plumbing, electrical, and HVAC upgrades, including new PEX/PVC piping, fixture replacement, dedicated circuits, exhaust ventilation, lighting, and mini-split systems; and
- health and safety-related corrective work, including lead-hazard reduction, termite treatment, vapor barrier installation, code-required detectors, and related compliance work.

These work categories are consistent with substantial rehabilitation and long-term housing preservation rather than light repair.

### **2. Project-Specific Scope Summary**

#### **A. Project # CDBG-NR-01**

This project included a major accessibility and entry-improvement scope centered on safe ingress and egress for a permanently disabled individual in a motorized wheelchair. The project installed a Lifeway Mobility Savaria Multi-lift outdoor vertical lift. To support the new lift, the project included a substantial concrete driveway and walkway addition, including a new parking space and an approximately 400-square-foot pad/walkway area extending to the lift location.

The front porch was materially reconstructed to support accessibility. The porch floor was raised to within one-half inch of the door threshold using a new pressure-treated floor system anchored over the existing concrete, with new decking, skirt board, modified columns, new vinyl railing, newel posts, handrails, and rebuilt brick steps. Additional rear deck stair safety improvements were also included.

The bathroom and plumbing scope included replacement of the existing tub/shower with a new fully ADA-accessible unit, installation of five stainless steel handicapped grab bars, modifications to the wall and floor area to accept the new shower, replacement and reconfiguration of plumbing supply and waste lines, resetting the toilet, and replacement of the water heater with a new energy-efficient 40-gallon electric unit. The project also included a new dedicated electrical circuit for the lift, a new shower light, upgraded bath and kitchen exhaust venting, attic insulation to R-38, and replacement of floor finishes in the bathroom, bedroom, and closet areas.

Taken together, this project provided high-value accessibility and mobility improvements, safer bathing conditions, improved site access, and important systems upgrades needed for continued occupancy. This project was the lowest-cost among the three (3) completed projects.

#### B. Project # CDBG-NR-02

This project involved a particularly intensive combination of roof, drainage, structural, plumbing, insulation, and lead-hazard reduction work.

The roof and exterior envelope scope included complete removal and replacement of the roof down to sheathing, replacement of defective sheathing as needed, installation of synthetic underlayment, architectural shingles, ridge venting, flashing at chimneys and roof-wall intersections, all new pipe boots and roof flanges, new drip edge, and new seamless guttering and downspouts. The scope also required installation of underground PVC drainage piping to carry runoff to daylight.

Exterior wall and structural work included removal of aluminum siding in designated areas, replacement of deteriorated wall sheathing, studs, and sill members, installation of new sheathing and insulation, replacement of a deteriorated porch rafter beam and associated trim, and reinstallation of window units after wall repairs. The project also required foundation wall repair under Bedroom #1, rear and side porch railing improvements, and replacement of defective floor members, including joists, band, and sill components.

The plumbing and building-systems scope included full replacement of existing galvanized water supply piping with new PEX piping, new cut-off valves and braided supply lines, replacement of plumbing fixtures, new hose bibbs, bathroom exhaust improvements, code-related electrical work, GFCI protection, lighting upgrades, and installation of a new Mitsubishi mini-split system in the upstairs living area.

This project also included significant energy and environmental health work, including attic insulation, wall insulation, crawlspace insulation, air sealing, a full crawlspace vapor barrier, termite

treatment, and extensive lead-abatement measures. The lead-related scope included licensed abatement activity, dust cleaning, removal and replacement of lead-affected trim and cabinet components, replacement windows in the kitchen nook area, encapsulation coatings in specified locations, and replacement of two exterior door units with new Energy Star rated doors.

Taken together, this project represented a substantial housing preservation effort addressing major roof and drainage deficiencies, structural deterioration, obsolete plumbing, energy loss, crawlspace conditions, and lead-related health and safety hazards.

### C. Project # CDBG-NR-03

This project included the single most extensive accessibility-oriented rehabilitation scope in the grant. The original Work Write-Up required construction of both a new front accessibility ramp and a new rear accessibility ramp, each with landings, handrails, concrete footings, and code-compliant slope. It also required widening all interior doors and cased openings to 36 inches for handicap accessibility, including the front entry door, bedroom door, bathroom door, and interior openings between the living room, dining room, and kitchen.

A major portion of the original scope involved reconstruction of the bathroom and adjacent laundry area. This included demolition of flooring down to the joists, replacement of deteriorated joists, replacement of defective girders and outer rim, band, and sill members with pressure-treated materials, installation of new subfloor and underlayment, and installation of a new shower base and surround, grab bars, exhaust ventilation, and GFCI protection. The original scope also required relocation of the washer and dryer out of the bathroom into a newly created laundry facility, together with associated plumbing relocation, new receptacles, and a new 220-volt dryer connection.

The original Work Write-Up also included broader interior and exterior rehabilitation, including floor replacement and finish work in multiple rooms, new energy-efficient lighting, removal of baseboard heaters where applicable, kitchen replacement work with new ADA-accessible base and wall cabinets, approximately 11 linear feet of countertop, a new ADA-accessible sink and faucet, plumbing modifications, siding repair and replacement, house wrap, foundation wall repair, a new crawlspace/foundation access door, window casing wrap, downspout extensions, exterior motion-detection lighting, replacement of the HVAC system, and lead-related work associated with widened openings and selected door replacement.

As construction progressed, additional concealed and severely deteriorated conditions were identified, necessitating an expansion of the scope of work. Early change orders included additional framing and subfloor repair, deteriorated chimney removal, interior wall removal to facilitate ADA-required alterations, additional electrical wiring from the panel box inside the house, and additional rough plumbing. Later change orders modified the ADA roll-in shower design with outside drain to better meet the homeowner's mobility needs, replacement of two additional mini-splits and the outside unit, replacement of the existing leaking water heater, design modification of new ADA base and wall cabinets, additional accessibility modifications to support the permanently disabled

occupant, a thermostatic temperature control system, a replacement ADA-accessible toilet, and two exterior storm doors. The final scope materially expanded beyond the original base contract as concealed conditions and accessibility needs became clearer during construction.

Taken together, this project was a high-complexity substantial rehabilitation involving accessibility retrofitting, major floor-structure repair, bathroom reconstruction, reconfigured laundry and kitchen functions, significant systems replacement, and expanded change-order work directly tied to structural conditions, accessibility needs, and continued safe occupancy.

### 3. High-Benefit Rehabilitation Types

The Work Write-Ups show that many of the highest-cost project elements were also among the highest-benefit project elements. In each of the three completed projects, the major scopes of work were closely tied to safe occupancy, accessibility, code compliance, and long-term housing preservation.

High-benefit rehabilitation types included:

- Accessibility and mobility improvements that directly improved the ability of elderly and disabled occupants to enter, exit, bathe, and move within the home safely. These improvements included new front and rear accessibility ramps, widened doorways and cased openings, an outdoor vertical wheelchair lift, reconstructed porches and landings, accessible shower improvements, accessible kitchen cabinet improvements, grab bars, and related accessibility modifications to interior circulation and fixtures.
- Structural and floor-system repairs that addressed serious deterioration and stabilized the buildings for continued occupancy. These improvements included replacement of deteriorated joists, girders, rim, band, and sill members, new subfloor and underlayment systems, porch framing and decking reconstruction, wall and framing repairs, and foundation repair where needed.
- Roof, drainage, siding, and exterior-envelope improvements that protected the homes from ongoing water intrusion and physical deterioration. These improvements included full roof replacement, synthetic underlayment, ridge venting, drip edge, flashing, new guttering and downspouts, underground or extended drainage improvements, house wrap, vinyl siding repair or replacement, window casing wrap, and related exterior weather-protection work.
- Bathroom, plumbing, and sanitation improvements that materially improved safe daily living conditions. These improvements included shower replacement and reconfiguration, plumbing supply and waste-line replacement, relocation of laundry functions out of bathroom space, installation of new water heater equipment, fixture replacement, and bathroom ventilation improvements.
- Electrical, lighting, ventilation, and HVAC upgrades that improved basic functionality, safety, and code compliance. These improvements included new dedicated circuits, relocated wiring, GFCI

protection, smoke and carbon monoxide detectors, new lighting, motion-detection exterior lighting, exhaust ventilation, and replacement or expansion of mini-split HVAC systems.

- Health, safety, and environmental corrective work that improved long-term durability and occupant protection. These improvements included lead-hazard reduction work, termite treatment, crawlspace vapor barrier installation, air sealing, attic and wall insulation, crawlspace insulation, and other corrective measures necessary to reduce hazards and preserve the assisted homes.

These are not low-impact or discretionary scopes. They are high-impact rehabilitation measures closely tied to housing preservation, safe occupancy, and continued independent living for vulnerable owner-occupants.

#### 4. Temporary Relocation and URA-Related Project Costs

In two (2) of the three (3) completed projects, the scope of rehabilitation work required the temporary displacement of the homeowner for an extended period during construction. As a result, the Town incurred meaningful relocation-related project costs in order to carry out the rehabilitation work safely and in compliance with applicable Uniform Relocation Act (URA) requirements.

These costs included temporary alternative accommodations, professional moving services, storage unit costs, and reimbursement of eligible out-of-pocket homeowner expenses associated with temporary relocation. Based on the reconciled expenditure record, these relocation-related costs were material and meaningfully increased the all-in cost of the affected projects.

These costs were project-related costs directly associated with completing substantial rehabilitation work in occupied owner-occupied homes where the scale of demolition, reconstruction, accessibility work, and building-system replacement made temporary displacement necessary.

In practical terms, the temporary relocation costs reflect the intensity of the rehabilitation scopes undertaken. They also reflect the Town's obligation to carry out those projects in a manner that was safe for the occupants and compliant with applicable federal requirements.

#### 5. Summary

In summary, the Work Write-Ups demonstrate that the Town's CDBG-NR expenditures were driven principally by substantial rehabilitation needs in severely deteriorated owner-occupied homes. The completed work was not discretionary or cosmetic. Instead, it addressed major accessibility barriers, structural deterioration, roof and drainage failures, deficient plumbing and mechanical systems, lead-related hazards, and other conditions that materially affected safe occupancy and long-term housing stability.

The resulting public benefit was substantial and concrete. The program funded targeted, high-impact improvements that materially improved safety, accessibility, livability, and long-term habitability for elderly, disabled, and otherwise vulnerable low- and moderate-income owner-occupants. The completed scopes therefore represent direct physical investment in housing preservation, code-related correction, and the continued ability of high-need households to remain in their homes safely and with greater independence.



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## Agenda Item Coversheet

**Meeting Date:** 04/09/2026

**Agenda Item #:**

**Agenda Item Title:** Approval of March 2026 Minutes

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**Category:** Consent Agenda

**Presenter(s):** Anna K. Ward, Town Clerk

**Explanation:**

Town Clerk Ward has drafted minutes for the Board of Aldermen Pre-Agenda Meeting held on Pre-Agenda Meeting held on March 5, 2026, Annual Planning Session held on March 6, 2026, and the Regular Meeting held on March 10, 2026. Alderwoman Patricia Sledge has proofread the drafted minutes, and Town Clerk Ward has made the suggested grammatical and spelling corrections.

**Financial Impact:**

None

**Recommended Motion:**

Approve the minutes from the Pre-Agenda Meeting held on March 5, 2026, Annual Planning Session held on March 6, 2026, and the Regular Meeting held on March 10, 2026, on the Consent Agenda.

**Attachment(s):**  Yes  No

1. March 5, 2026, Pre-Agenda Meeting Minutes (draft)
2. March 6, 2026, Annual Planning Session (draft)
3. March 10, 2026, Regular Meeting Minutes (draft)

**MINUTES**  
**Spencer Board of Aldermen**  
**Pre-Agenda Meeting**  
**March 5, 2026**

The Town of Spencer Board of Aldermen met in regular session to conduct a pre-agenda meeting in the Hilda B. Palmer Board Room at the Spencer Town Hall on Thursday, March 5, 2026, at 5:34 p.m.

Present were: Mayor Jonathan Williams  
Mayor Pro Tempore Rashid Muhammad  
Alderman Steve Miller  
Alderdwoman Erin Moody  
Alderdwoman Patti Secreast  
Alderdwoman Patricia Sledge  
Alderdwoman Pamela Stanley

Also present were: Town Manager Peter Franzese, Town Clerk Anna Kanode Ward, Finance Officer Heather Kann, Public Works Director Joel Taylor, Fire Chief Michael Lanning, Police Chief Michael File, Special Projects Planner Joe Morris, Planning & Zoning Administrator Steve Blount, and Planner Kyle Harris.

Mayor Williams called the meeting to order, gave the invocation, and led the Pledge of Allegiance.

**REVIEW OF MARCH 10, 2026, AGENDA**

**INVOCATION**

Alderdwoman Secreast volunteered to give the invocation at the March 10, 2026, regular meeting.

**RECOGNITIONS**

Town Manager Franzese requested Fire Chief Lanning be recognized for receiving the Employer Support of the Guard and Reserve (ESGR) Patriot Award.

**CONSENT AGENDA**

It was the consensus of the board to move the following items to the consent agenda:

- a. **APPROVAL OF MINUTES:** February 5, 2026, Pre-Agenda Meeting Minutes  
February 10, 2026, Regular Meeting Minutes
- b. **CONSIDER GRANTING** – In-Kind Sponsorship to Waive Certain Town Park Reservation and Permit Fees for the Spencer Jaycees’ Easter Egg Hunt Scheduled for March 28, 2026
- c. **CONSIDER ACCEPTING** – Deed of Utility Easement for 207 W. 17th Street
- d. **CONSIDERATION OF PROPERTY LIENS** – 204 S. Iredell Ave., Spencer, NC

It was the consensus of the board to leave the remaining items on the regular agenda.

**DEPARTMENTAL REPORTS**

**Code Enforcement**

Police Chief File gave the monthly code enforcement report and answered any questions from the mayor and board during the pre-agenda meeting as he would be unable to attend the regular meeting.

## **Police**

Police Chief File gave the monthly police department report and answered any questions from the mayor and board during the pre-agenda meeting as he would be unable to attend the regular meeting.

## **TOWN MANAGER REPORT**

Town Manager Franzese gave his monthly report and answered any questions from the mayor and board during the pre-agenda meeting as he would be unable to attend the regular meeting.

## **EXECUTIVE SESSION**

It was the consensus of the board that there was no reason to go into executive session.

Mayor Williams recessed the meeting until 6:20 p.m., which was the time the annual planning session was set to start. The meeting stood at recess at 6:01 p.m.

## **ANNUAL PLANNING SESSION – Part 1**

Mayor Williams reconvened the meeting at 6:21 p.m. and the board began their annual planning session and received input from town staff and the citizens of Spencer.

### **WELCOME AND PROCESS REVIEW**

Town Manager Franzese reviewed the strategic planning session process and the following 2025-26 key priorities:

- Infrastructure, facilities, and properties: *Maintaining public assets and expanding our ability to provide community services*
  - Focus on tangible improvements in maintenance of infrastructure
  - Activate Parks and Recreation with staffing, while exploring partnerships
  - Continue implementation Parks and Recreation Master Plan and CORE Strategic Plan, leveraging a mix of state and federal grants with local foundations, and partnerships with property owners
  - Evaluate traffic flow, on-street parking, and use of alleyways
- Community Planning and Development: *Envisioning and cultivating a high quality and prosperous community for all*
  - Continue supporting zoning changes to encourage well-managed growth and investment in line with recent planning efforts
  - Focus on affordable housing (CDBG program) to meet the demand for today and tomorrow
- Public Safety: *Integrating proactive public safety approaches*
  - Continue planning for growth and maintaining the ability to deliver proactive services
  - Continue enhancements to staffing, technology, facilities, and equipment
- Community Outreach & Involvement: *Building a quality of place, seeking partnerships, and developing a broad platform of communication tools*
  - Enhance community engagement and multi-media communication
  - Grow existing and new community events and partnerships
  - Improve community signage and public art to shine a light on our past, present, and future

- *Staff Excellence: Attracting and supporting a talented staff; improving the administration of Town Government*
  - Attract, retain, and develop staff who are committed to service and know they are valued
  - Implementation of 2025 Classification and Compensation study
  - Continue providing a high level of customer service and user-friendly processes
  - Engage with staff to identify workplace improvement opportunities

#### **REVIEW OF 2025-26 PRIORITIES**

Public Works Director Taylor Special Projects Planner Morris provided updates regarding infrastructure, facilities, and properties.

Planning & Zoning Administrator Blount and Planner Harris provided updates regarding community planning and development.

Police Chief File and Fire Chief Lanning provided updates regarding public safety.

Town Manager Franzese provided updates regarding community outreach and involvement as well as staff excellence.

#### **COMMUNITY ENGAGEMENT OPPORTUNITY**

Community members in attendance provided feedback regarding the 2025-26 priorities throughout this first portion of the planning session.

#### **MAYOR AND BOARD COMMENTS**

The mayor and several board members discussed the following topics: the need for more commercial growth to lead to revenue for; reasons why certain businesses are not coming to Spencer; recent businesses that have opened or will open soon; types of businesses needed; the need to spread the word about Spencer in order to attract businesses and visitors; and increased resident participation.

#### **WRAP-UP AND PREVIEW OF FRIDAY**

Town Manager Franzese provided a brief overview of the schedule for the rest of the planning session, which would take place the following day.

Mayor Williams requested everyone focus on how to turn roadblocks into opportunities going into the next part of the planning session.

#### **RECESS**

Mayor Williams recessed the meeting until Friday, March 6, 2026, at 9:00 a.m. in the same location. The meeting stood recessed at 8:08 p.m.

Approved by:

Attest:

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Jonathan Williams, Mayor

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Anna Kanode Ward, Town Clerk

**MINUTES**  
**Spencer Board of Aldermen**  
**Annual Planning Session**  
**March 6, 2026**

The Town of Spencer Board of Aldermen met in the Hilda B. Palmer Board Room at the Spencer Town Hall on Friday, March 6, 2026, at 9:05 a.m. to reconvene the regular session meeting of Thursday, March 5, 2026, which was recessed at 8:08 p.m.

Present were: Mayor Jonathan Williams  
Mayor Pro Tempore Rashid Muhammad  
Alderman Steve Miller  
Alderwoman Erin Moody  
Alderwoman Patti Secreast  
Alderwoman Patricia Sledge  
Alderwoman Pamela Stanley

Also present were: Town Manager Peter Franzese, Town Clerk Anna Kanode Ward, Finance Officer Heather Kann, Public Works Director Joel Taylor, Fire Chief Michael Lanning, Police Chief Michael File, Special Projects Planner Joe Morris, Planning & Zoning Administrator Steve Blount, and Planner Kyle Harris. Centralina Director of Strategic Engagement & Technical Services Kasia Thompson served as facilitator for the Planning Session.

Mayor Williams reconvened the meeting and opened the floor for guest and staff presentations and discussion by the board. The following topics were discussed:

- NC House Representative, Harry Warren: Legislative developments surrounding taxes, funding, and zoning authority for local governments.
- NCLM Legislative and Regulatory Counsel, Patrick Buffkin: Legislative update from the North Carolina League of Municipalities (NCLM) regarding ways NCLM represents local government issues at the North Carolina General Assembly.
- Finance, Heather Kann: Financial update and early revenue projections, which predict a slight increase in tax revenue with a large increase in salary and health insurance costs.

Mayor Williams recessed the meeting for a 10-minute break.

Mayor Williams reconvened the meeting and continued with staff presentations and discussion by the board.

- Planning, Kyle Harris: The future of affordable housing and the Community Development Block Grant Neighborhood Revitalization (CDBG-NR) in Spencer.

Mayor Williams recessed the meeting for a 20-minute break.

Mayor Williams reconvened the meeting and continued with a working lunch along with a presentation on updates from the Rowan County Health Equity Zone by Courtney Meece, Rowan County Public Health (RCPH) Community Health Manager & Healthy Rowan Director, who also answered questions from the board. The meeting continued with staff presentations and discussion by the board.

- Planning and Zoning, Steve Blount: Community development recognizing past accomplishments and future opportunities.
- Parks and Recreation Advisory Board (PRAB), Joe Morris and Chair Bob Pendergrass: A report and workplan that addresses specific activities of the PRAB during 2025 and makes recommendations for 2026.
- Historic Preservation Commission (HPC), Kyle Harris and Chair Leslie Talbott: Certified Local Government (CLG) Program overview and strategic direction for Spencer’s Historic Preservation Program.
- Police, Michael File: Increasing need for public safety and the possibility of career development as a way to attract and retain staff.

Kasia Thompson led the mayor, board, and staff members in a group activity in breakout rooms on strategy and prioritization.

Mayor Williams recessed the meeting for a 10-minute break.

Alderman Secrest left the meeting at 3:30 p.m.

Kasia Thompson, with assistance from Centralina Communications Administrator Katie Brewer, led the mayor, board, and staff members in a discussion on strategy and prioritization based on the group activity. Centralina will create a report based on this planning session which will be distributed to the mayor, board, and staff members at a later date to help inform the FY27 budget process.

**ADJOURNMENT**

Alderman Moody moved to adjourn the meeting. Mayor Pro Tempore Muhammad seconded the motion, which carried by a vote of 5 – 0. The meeting stood adjourned at 4:02p.m.

Approved by:

Attest:

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Jonathan Williams, Mayor

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Anna Kanode Ward, Town Clerk

**MINUTES**  
**Spencer Board of Aldermen**  
**Regular Meeting**  
**March 10, 2026**

The Town of Spencer Board of Aldermen met in regular session in the Hilda B. Palmer Board Room at the Spencer Town Hall on Tuesday, March 10, 2026, at 6:00 p.m.

Present were: Mayor Jonathan Williams  
Alderman Steve Miller  
Alderwoman Erin Moody  
Alderwoman Patti Secreast  
Alderwoman Patricia Sledge  
Alderwoman Pamela Stanley

Also present were: Town Clerk Anna Kanode Ward, Finance Officer Heather Kann, Public Works Director Joel Taylor, Fire Chief Michael Lanning, Special Projects Planner Joe Morris, Planning & Zoning Administrator Steve Blount, and Police Lieutenant Brian Leonard.

Mayor Pro Tempore Rashid Muhammad was absent.

Mayor Williams called the meeting to order.

Alderwoman Secreast gave the invocation.

Mayor Williams led the Pledge of Allegiance.

**ADDITIONS/DELETIONS**

Action

Alderwoman Sledge moved to approve the agenda as presented. Alderwoman Secreast seconded the motion, which carried by a vote of 5 – 0.

**RECOGNITIONS**

Mayor Williams recognized Fire Chief Michael Lanning for receiving the Patriot Award from the Employer Support of the Guard and Reserve (ESGR).

**PUBLIC COMMENT**

Mayor Williams opened the floor to receive public comment. The following people addressed the Mayor and Board:

1. Heather Resino, 310 Harrison Street, on behalf of the Spencer's Holiday Caravan Parade Committee
2. Jim Fetcher, President of All Aboard Charlotte
3. Leslie Talbott, Chair of the Spencer Historic Preservation Commission, 308 N. Salisbury Ave.

Being no one else present wishing to speak, Mayor Williams closed the public comment portion of the meeting.

## **CONSENT AGENDA**

Alderwoman Moody moved to approve the consent agenda as presented. Alderwoman Stanley seconded the motion, which carried by a vote of 5 – 0. Items c and d are included as Attachment A and Attachment B respectively). Items approved were:

- a. **APPROVAL OF MINUTES:** February 5, 2026, Pre-Agenda Meeting Minutes  
February 10, 2026, Regular Meeting Minutes
- b. **CONSIDER GRANTING** – In-Kind Sponsorship to Waive Certain Town Park Reservation and Permit Fees for the Spencer Jaycees’ Easter Egg Hunt Scheduled for March 28, 2026
- c. **CONSIDER ACCEPTING** – Deed of Utility Easement for 207 W. 17th Street
- d. **CONSIDERATION OF PROPERTY LIENS** - 204 S. Iredell Ave., Spencer, NC

### **CONSIDER APPOINTING – Mason Ivy to the Historic Preservation Commission (HPC)**

Planner Harris gave a presentation regarding the Mason Ivy’s application to the Historic Preservation Commission (HPC) and answered questions from the mayor and board. Mr. Ivy was also provided the opportunity to speak to the mayor and board and answer questions.

Mason Ivy (421 South Iredell Avenue) had submitted a Board Application requesting appointment to the HPC. The Commission interviewed Mr. Ivy at its meeting on Wednesday, February 4, 2026, and voted unanimously to recommend to the Board of Aldermen his appointment to the HPC.

Mr. Ivy had attended and observed HPC meetings for several months to become acquainted with the HPC’s procedures and responsibilities. He had a longstanding interest in historic preservation, architecture, and traditional crafts, and he and his wife were restoring their historic home in Spencer.

Mr. Ivy has an extensive educational background, with coursework at Georgia Southern University, Georgia State Perimeter College, Catawba Valley Community College, and Central Piedmont Community College, with areas of study including architecture, horticulture, and applied sciences. He was awarded a \$47,000 scholarship to a five-year architecture program. He has also been affiliated with professional organizations including the North-South Turfgrass Association and the Turfgrass Council of North Carolina.

Mr. Ivy is currently employed as a Maintenance Technician at Reed Gold Mine, where his responsibilities include oversight of historic buildings, building systems, and electrical infrastructure.

There were two (2) vacancies on the HPC. If Mr. Ivy were to be appointed, there will be one (1) vacancy.

#### Action

Alderman Miller moved to appoint Mason Ivy to the HPC. Alderwoman Secrest seconded the motion, which carried by a vote of 5 – 0.

### **CONSIDER ADOPTING – Ordinance 26-01 Granting a Franchise to Duke Energy Carolinas, LLC (second reading)**

Mayor Williams reminded the rest of the board about the facts surrounding the Ordinance 26-01 Granting a Franchise to Duke Energy Carolinas, LLC, in this second reading before the board.

Duke Energy Carolinas, LLC has an existing sixty (60) – year ordinance, approved by the Town on May 13, 1966 that grants Duke Energy (formerly Duke Power Company) permission to construct and maintain its lines for the transmission of electricity along, over and under Town property, that includes highways, streets, roads, sidewalks, alleys, lanes, bridges, and other public places. Since this ordinance is expiring, Duke Energy has drafted a new ordinance, proposing the same, for another 60 years. The City Attorney has reviewed this draft ordinance for consistency with State law and has no issues. Duke Energy states that this is a standard ordinance with municipalities, sixty-years is a standard request, grants permission to work on their lines within the Town and on Town property (sidewalks etc.) and provides assurances to continue with improvements to their facilities and grid enhancements. Per [G.S. 160A-76](#), franchise renewals must be adopted by ordinance that has been considered and passed at two regular meetings. The first reading occurred at the February 10, 2026, meeting.

#### Action

Alderwoman Moody moved to affirm the prior action, and Ordinance 26-01 Granting a Franchise to Duke Energy Carolinas, LLC, is included with these minutes as Attachment C. Alderwoman Stanley seconded the motion, which carried by a vote of 5 – 0.

#### **CONSIDER ADOPTING – Historic Preservation Commission (HPC) Bylaws Amendment**

Planner Harris gave a presentation regarding the Historic Preservation Commission (HPC) Bylaws Amendment and answered questions from the mayor and board.

This request was to change the HPC’s regular meeting time from 7:00 PM to 6:00 PM, with no change to the regular meeting date (third Monday of each month) or location (Town Hall).

The HPC Bylaws & Rules of Procedure currently state that the Commission’s regular meeting is held on the third Monday of each month at 7:00 p.m. at Town Hall. At its regular meeting on Monday, February 16, the HPC voted unanimously to adjust the standing meeting time to 6:00 p.m. to better support orderly meeting operations and customer service.

The earlier meeting time would help reduce the likelihood of late-night hearings. Due to the nature of quasi-judicial proceedings, meetings routinely extend between 2-4 hours, depending on the number and complexity of applications on the agenda. When hearings run late into the evening, participant fatigue may negatively impact testimony, deliberation, and decision-making by all parties, including Commission members, staff, applicants, and members of the public. Beginning meetings earlier would support clearer deliberations, careful consideration of evidence and testimony, and orderly administration of the HPC’s quasi-judicial responsibilities.

The proposed text amendment was to revise the “Meetings” section of the HPC Bylaws & Rules of Procedure as follows (meeting time only):

“The regular meeting date of the HPC shall be the third Monday of each month at 6:00 PM at Town Hall, as prescribed by the Board of Aldermen.”

Action

Alderman Miller moved to adopt Historic Preservation Commission (HPC) Bylaws Amendment. Alderwoman Sledge seconded the motion, which carried by a vote of 5 – 0.

**CONSIDER ADOPTING – Budget Ordinance Amendment 25-11.012 HVAC for Spencer Public Library**

Finance Officer Kann and Public Works Director Taylor gave a presentation regarding the Budget Ordinance Amendment 25-11.012 HVAC for Spencer Public Library and answered questions from the mayor and board.

Staff have been exploring alternative funding options for the Library HVAC replacement project. They researched several financing possibilities, but after conversations with several financial institutions and vendors, financing is not the best option due to limitations on the parts of the project expenses that a municipality is legally allowed to finance. Recently, there have been positive trends in our current Fiscal Year revenues that will allow this purchase with cash, with the adoption of a budget amendment. Three quotes for this project were obtained in the summer of 2025, and staff are working to confirm those quote amounts to select the vendor for this project.

The Town has also incurred an amendment to the FY25-26 Worker’s Compensation policy, additional cost to the Police Vehicle Insurance, and Fire department overtime.

The Town received reimbursement for \$20,954 Hurricane Helene expenses incurred in FY2025, a \$2,400 donation from a citizen’s family, and \$10,800 from Police storage of firearms from the estate of William Franklin Owens.

Staff anticipate this project to cost approximately \$22,000-25,000. The recommended budget ordinance amendment 1) uses increased General Fund revenues to allow a transfer of \$25,000 to Capital Reserve and Replacement Fund, 2) appropriates the Capital Fund revenue created by the General Fund transfer as a capital expenditure in the library budget, and 3) appropriates the remaining revenues to the Police and Fire expenditure lines outlined in the amendment.

Action

Alderman Miller moved to adopt Budget Ordinance Amendment 25-11.012 HVAC for Spencer Public Library, which is incorporated in the body of the minutes below. Alderwoman Sledge seconded the motion, which carried by a vote of 5 – 0.

**ORDINANCE 25-11.012  
AN ORDINANCE AMENDING THE TOWN OF SPENCER, NORTH CAROLINA, FY 25-26 ANNUAL BUDGET  
MARCH 10, 2026**

BE IT ORDAINED, by the Governing Board of the Town of Spencer, North Carolina, that the following amendment of anticipated fund revenues and departmental expenditures, certain Fee and Charge Schedules, and with certain restrictions and authorizations, are hereby appropriated and approved for the operation of Town Government and its activities for the Fiscal Year beginning July 1, 2025, and ending on June 30, 2026:

Section 1. The Town received \$20,954 reimbursement for the 2025 Hurricane Helene expenditure.

Section 2. The Town received a \$2,400 donation to the library from a local family to assist in library operations.

Section 3. The Town received \$10,800 for Police Storage of firearms from the Estate of William Franklin Owens.

Section 4. The Town will appropriate funds from the General Fund and transfer funds to the Capital Reserve Fund for the replacement of the HVAC unit at the library.

Section 5. The Town will appropriate the remaining funds received to offset Worker’s Compensation, property insurance, and overtime expenditures.

Section 6. The following General Fund line items are amended as follows:

<b>Revenues</b>				
<b>Account</b>	<b>Title</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>(Decrease) Increase</b>
10-4790	Miscellaneous Revenue	\$7,500	\$39,254	\$31,754
10-4641	Donations – Other	\$7,000	\$9,400	\$2,400
			Total	\$34,415

<b>Expenditures</b>				
<b>Account</b>	<b>Title</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>(Decrease) Increase</b>
10-5100	Transfer to Capital Reserve Fund	\$62,407	\$87,407	\$25,000
10-5300-426	Worker’s Compensation	\$33,724	\$37,533	\$3,809
10-5300-525	Property & Other Liability	\$56,295	\$58,169	\$1,874
10-5400-413	Overtime	\$23,490	\$24,784	\$1,294
10-5400-426	Worker’s Compensation	\$21,585	\$24,023	\$2,438
			Total	\$34,415

Section 7. The following Capital Reserve Fund line items as amended as follows:

<b>Revenues</b>				
<b>Account</b>	<b>Title</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>(Decrease) Increase</b>
90-4910	Transfer from General Fund	\$62,407	\$87,407	\$25,000

<b>Expenditures</b>				
<b>Account</b>	<b>Title</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>(Decrease) Increase</b>
90-5530-561	Capital Outlay	\$0	\$25,000	\$25,000

Section 8. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, and to the Town Manager and the Finance Officer for record-keeping.

**DEPARTMENTAL REPORTS**

**Planning**

Planning & Zoning Administrator Blount gave the monthly planning department report and answered any questions from the mayor and board.

**Code Enforcement**

Police Chief File had given the monthly code enforcement report during the pre-agenda meeting as he would be unable to attend the regular meeting.

**Police**

Police Chief File had given the monthly police department report during the pre-agenda meeting as he would be unable to attend the regular meeting.

## **Fire**

Fire Chief Lanning gave the monthly fire department report and answered any questions from the mayor and board.

## **Public Works**

Public Works Director Taylor gave the monthly public works department report and answered any questions from the mayor and board.

## **Finance**

Finance Officer Kann gave the monthly finance department report and answered any questions from the mayor and board.

## **Active Living**

Town Clerk Ward gave the monthly active living report and answered any questions from the mayor and board.

## **TOWN MANAGER REPORT**

Town Manager Franzese had given his monthly report during the pre-agenda meeting as he would be unable to attend the regular meeting.

## **REQUESTS AND COMMENTS BY THE BOARD MEMBERS**

### **Alderman Steve Miller**

- Reflected on the recent strategic retreat and future planning discussions.
- Expressed appreciation for staff presentations and identified many positive developments.
- Emphasized optimism about Spencer's future.
- Noted funding as a primary obstacle facing the town.
- Encouraged proactive promotion of Spencer to attract interest and support.

### **Alderman Erin Moody**

- Expressed appreciation for community participation in the strategic planning process.
- Encouraged residents to share concerns and ideas, especially ahead of budget season.
- Reported attending the county fire service strategic planning session and gaining useful insights.
- Highlighted upcoming opportunities and ongoing work within the community.

### **Alderman Pamela Stanley**

- Shared an inspirational message encouraging forward progress and optimism about the future.
- Emphasized continued momentum and perseverance as the town grows.
- Welcomed Mr. Ivy and acknowledged the arrival of spring.
- Expressed personal appreciation for being part of the community.

### **Alderman Patricia Sledge**

- Reported attending a recent Planning Board meeting.
- Noted citizen concerns regarding street repairs.
- Clarified that some streets are state-maintained, not town-maintained.
- Encouraged residents to engage directly with the board and participate in funding discussions.
- Attended the Rowan County Economic Development Council event and noted valuable data shared by a speaker.

- Requested access to that data for board review and broader sharing.
- Announced appointment to represent Rowan County on the Council of Governments executive committee.
- Indicated she will seek board input when representing the town.

**Alderwoman Patti Secreast**

- Described the strategic retreat as productive and informative.
- Emphasized a positive framing of challenges as opportunities.
- Mentioned a thoughtful letter from a staff member reflecting on retreat discussions.
- Thanked Chef Q for organizing the “Table 10” community meal event at Fleming Street Bakery & Southern Cuisine.
- Encouraged community participation in the monthly event.
- Noted affordability and community service aspect of the program.
- Reminded residents that students are on spring break.
- Urged drivers to be cautious and attentive to pedestrians, especially children.

**Mayor Jonathan Williams**

- Commended the success of the strategic planning session and thanked participants, staff, and community members.
- Acknowledged both opportunities and challenges identified during planning.
- Framed obstacles as opportunities to strengthen the community.
- Thanked the Centralina Regional Council for facilitating the session.
- Referenced a quote by John Quincy Adams emphasizing patience and perseverance.
- Noted that the town’s strategic plan dates back to 2020, with significant progress already made.
- Recognized that additional work remains and expressed optimism for the future.

**EXECUTIVE SESSION**

It was the consensus of the board that there was no reason to go into executive session.

**ADJOURNMENT**

Alderwoman Sledge moved to adjourn the meeting. Alderwoman Secreast seconded the motion, which carried by a vote of 5 – 0. The meeting stood adjourned at 7:02p.m.

Approved by:

Attest:

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Jonathan Williams, Mayor

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Anna Kanode Ward, Town Clerk



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## Agenda Item Coversheet

**Meeting Date:** 04/14/2026

**Agenda Item #:**

**Agenda Item Title:** Ordinance 25-11.012 - Library HVAC & misc. expenses Correction

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**Category:** Consent Agenda

**Presenter(s):** Heather Kann, Finance Officer

**Explanation:**

A clerical error was found in Budget Ordinance 25-11.012 Library HVAC & Misc. Expense. The total amount of revenue was transposed. The amount was noted on the original ordinance as \$34,415 and should have been \$34,154. Thus, causing the expense total to be incorrect as well. The expense total should have been \$34,154 so the \$261.00 adjustment was made in the 10-5400-413 Overtime budget ultimately changing from \$1,294.00 to \$1,033.00.

**Financial Impact:**

The financial impact is a decrease in both revenue and expenditure of \$261.00.

**Recommended Motion:**

Motion to approve the correction of Budget Ordinance Amendment 25-11.012.

**Attachment(s):**  Yes  No

1. Budget Ordinance Amendment 25-11.012
2. Budget Ordinance Amendment 25-11.012 Correction

AN ORDINANCE AMENDING  
 THE TOWN OF SPENCER, NORTH CAROLINA  
 FY 25-26 ANNUAL BUDGET  
 ORDINANCE 25-11.012  
 MARCH 10, 2026

BE IT ORDAINED, by the Governing Board of the Town of Spencer, North Carolina, that the following amendment of anticipated fund revenues and departmental expenditures, certain Fee and Charge Schedules, and with certain restrictions and authorizations, are hereby appropriated and approved for the operation of Town Government and its activities for the Fiscal Year beginning July 1, 2025, and ending on June 30, 2026:

Section 1. The Town received \$20,954 reimbursement for the 2025 Hurricane Helene expenditure.

Section 2. The Town received a \$2,400 donation to the library from a local family to assist in library operations.

Section 3. The Town received \$10,800 for Police Storage of firearms from the Estate of William Franklin Owens.

Section 4. The Town will appropriate funds from the General Fund and transfer funds to the Capital Reserve Fund for the replacement of the HVAC unit at the library.

Section 5. The Town will appropriate the remaining funds received to offset Worker's Compensation, property insurance, and overtime expenditures.

Section 6. The following General Fund line items are amended as follows:

<u>Revenues</u>				
Account	Title	Current Budget	Amended Budget	(Decrease) Increase
10-4790	Miscellaneous Revenue	\$7,500	\$39,254	\$31,754
10-4641	Donations - Other	\$7,000	\$9,400	\$2,400
			Total	\$34,415

<u>Expenses/Expenditures</u>				
Account	Title	Current Budget	Amended Budget	(Decrease) Increase
10-5100	Transfer to Capital Reserve Fund	\$62,407	\$87,407	\$25,000
10-5300-426	Worker's Compensation	\$33,724	\$37,533	\$3,809
10-5300-525	Property & Other Liability	\$56,295	\$58,169	\$1,874
10-5400-413	Overtime	\$23,490	\$24,784	\$1,294
10-5400-426	Worker's Compensation	\$21,585	\$24,023	\$2,438
			Total	\$34,415

Section 7. The following Capital Reserve Fund line items as amended as follows:

<u>Revenues</u>				
Account	Title	Current Budget	Amended Budget	(Decrease) Increase
90-4910	Transfer from General Fund	\$62,407	\$87,407	\$25,000

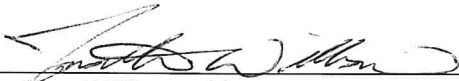
Account	Title	Expenses/Expenditures		(Decrease) Increase
		Current Budget	Amended Budget	
90-5530-561	Capital Outlay	\$0	\$25,000	\$25,000

Section 8. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, and to the Town Manager and the Finance Officer for record-keeping.

Adopted this 10<sup>th</sup> day of March 2026.

Approved by:

Attest:




Jonathan Williams, Mayor

Anna Kanode Ward, Town Clerk



AN ORDINANCE AMENDING  
THE TOWN OF SPENCER, NORTH CAROLINA  
FY 25-26 ANNUAL BUDGET  
ORDINANCE 25-11.012  
MARCH 10, 2026

BE IT ORDAINED, by the Governing Board of the Town of Spencer, North Carolina, that the following amendment of anticipated fund revenues and departmental expenditures, certain Fee and Charge Schedules, and with certain restrictions and authorizations, are hereby appropriated and approved for the operation of Town Government and its activities for the Fiscal Year beginning July 1, 2025, and ending on June 30, 2026:

Section 1. The Town received \$20,954 reimbursement for the 2025 Hurricane Helene expenditure.

Section 2. The Town received a \$2,400 donation to the library from a local family to assist in library operations.

Section 3. The Town received \$10,800 for Police Storage of firearms from the Estate of William Franklin Owens.

Section 4. The Town will appropriate funds from the General Fund and transfer funds to the Capital Reserve Fund for the replacement of the HVAC unit at the library.

Section 5. The Town will appropriate the remaining funds received to offset Worker’s Compensation, property insurance, and overtime expenditures.

Section 6. The following General Fund line items are amended as follows:

**Revenues**

<b>Account</b>	<b>Title</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>(Decrease) Increase</b>
10-4790	Miscellaneous Revenue	\$7,500	\$39,254	\$31,754
10-4641	Donations - Other	\$7,000	\$9,400	\$2,400
			Total	\$34,154

**Expenses/Expenditures**

<b>Account</b>	<b>Title</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>(Decrease) Increase</b>
10-5100	Transfer to Capital Reserve Fund	\$62,407	\$87,407	\$25,000
10-5300-426	Worker’s Compensation	\$33,724	\$37,533	\$3,809
10-5300-525	Property & Other Liability	\$56,295	\$58,169	\$1,874
10-5400-413	Overtime	\$23,490	\$24,523	\$1,033
10-5400-426	Worker’s Compensation	\$21,585	\$24,023	\$2,438
			Total	\$34,154

Section 7. The following Capital Reserve Fund line items as amended as follows:

**Revenues**

<b>Account</b>	<b>Title</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>(Decrease) Increase</b>
90-4910	Transfer from General Fund	\$62,407	\$87,407	\$25,000

**Expenses/Expenditures**

<b>Account</b>	<b>Title</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>(Decrease) Increase</b>
90-5530-561	Capital Outlay	\$0	\$25,000	\$25,000

Section 8. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, and to the Town Manager and the Finance Officer for record-keeping.

Adopted this 10<sup>th</sup>, day of March 2026.

Approved by:

Attest:

\_\_\_\_\_  
Jonathan Williams, Mayor

\_\_\_\_\_  
Anna Kanode Ward, Town Clerk



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## Agenda Item Coversheet

**Meeting Date:** 04/14/2026

**Agenda Item #:**

**Agenda Item Title:** Budget Ordinance 25-11.013

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**Category:** Consent Agenda

**Presenter(s):** Heather Kann, Finance Officer

**Explanation:**

The Police Department received a donations from the Spencer Moose Lodge to assist in the purchase of public safety supplies. Karen Kuchar donated \$100 to the Police Department who will use these funds for public safety supplies as well.

**Financial Impact:**

\$600.00 in donations to be appropriated to the Police Department Supplies expense account.

**Choose an item.**

Motion to approve the Police Department Donation Budget Ordinance 25-11.013

**Attachment(s):**  Yes  No

1. Budget Ordinance 25-11.013

AN ORDINANCE AMENDING  
 THE TOWN OF SPENCER, NORTH CAROLINA  
 FY 25-26 ANNUAL BUDGET  
 ORDINANCE 25-11.013  
 APRIL 14, 2026

BE IT ORDAINED, by the Governing Board of the Town of Spencer, North Carolina, that the following amendment of anticipated fund revenues and departmental expenditures, certain Fee and Charge Schedules, and with certain restrictions and authorizations, are hereby appropriated and approved for the operation of Town Government and its activities for the Fiscal Year beginning July 1, 2025, and ending on June 30, 2026:

Section 1. The Town received a \$500.00 donation from Spencer Moose Lodge to assist in expenses for public safety supplies in the Police Department.

Section 2. The Town received a \$100.00 donation to the Police Department from Karen Kuchar.

Section 3. To amend the FY 25-26 revenue and expense appropriations as follows:

**Revenues**

<b>Account</b>	<b>Title</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>(Decrease) Increase</b>
10-4643	Donations-Police	\$0	\$600	\$600

**Expenses/Expenditures**

<b>Account</b>	<b>Title</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>(Decrease) Increase</b>
10-5300-551	Supplies	\$27,886	\$28,486	\$600

Section 4. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, and to the Town Manager and the Finance Officer for record-keeping.

Adopted this 14<sup>th</sup>, day of April 2026.

Approved by:

Attest:

\_\_\_\_\_  
Jonathan Williams, Mayor

\_\_\_\_\_  
Anna Kanode Ward, Town Clerk



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## Agenda Item Coversheet

**Meeting Date:** 04/14/2026

**Agenda Item #:**

**Agenda Item Title:** Consider Adopting Resolution 26-02 – requesting reinstatement of passenger rail stops in Salisbury

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**Category:** Consent Agenda

**Presenter(s):** Jonathan Williams, Mayor or Peter Franzese, Town Manager

**Explanation:**

This resolution requests that the North Carolina Department of Transportation (NCDOT) Rail Division restore passenger rail stops in Salisbury that were reduced or eliminated during recent Piedmont service schedule changes. While the adjustments improved travel times between Raleigh and Charlotte, they also limited convenient rail access for local residents. Staff encourages the Board of Aldermen to emphasize that passenger rail is essential for mobility, economic development, and regional connectivity, and urge NCDOT to reinstate full service to better meet community needs.

**Financial Impact:**

**No financial impact.**

**Recommended Motion:**

Motion to Adopt Resolution 26-02 requesting that the NCDOT Rail Division restore the passenger rail stops in Salisbury that were reduced or eliminated from the Piedmont service schedule, and to work collaboratively with local stakeholders to improve rail service so it better meets the needs of the community.

**Attachment(s):**  Yes  No

1. Resolution 26-02

**RESOLUTION 26-02**  
**TOWN OF SPENCER, NORTH CAROLINA**  
**A RESOLUTION REQUESTING RESTORATION OF SALISBURY PASSENGER RAIL STOPS**

**WHEREAS**, beginning on or about July 10, 2023, the North Carolina Department of Transportation (NCDOT) Rail Division adjusted the schedule for the Piedmont passenger rail service in North Carolina; and

**WHEREAS**, as part of these adjustments, certain stops in the City of Salisbury were removed or reduced from the Piedmont service; and

**WHEREAS**, the modification of these stops was intended to reduce travel times between Raleigh and Charlotte; and

**WHEREAS**, while these changes improved overall travel time efficiency, they also reduced convenient access to passenger rail service for residents of Salisbury and surrounding communities; and

**WHEREAS**, remaining train service to Salisbury may not provide arrival and departure times that are as convenient or accessible for commuters, students, and visitors; and

**WHEREAS**, passenger rail service is a critical component of Salisbury's multimodal transportation network, providing connectivity to regional economic centers, educational institutions, and employment opportunities; and

**WHEREAS**, reduced rail service may negatively impact economic development, tourism, and the vitality of Spencer and its local businesses; and

**WHEREAS**, the Town of Spencer was incorporated due to the railway and is home to the North Carolina Transportation Museum; and

**WHEREAS**, public engagement efforts conducted by NCDOT have indicated a strong desire for increased train frequency, improved scheduling, and service to all existing stations; and

**WHEREAS**, the Board of Aldermen of the Town of Spencer recognizes the importance of maintaining and enhancing equitable, reliable, and accessible transportation options for its residents;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Aldermen of the Town of Spencer, North Carolina, hereby respectfully requests that the NCDOT Rail Division consider the full restoration of passenger rail stops in Salisbury that were reduced or eliminated from the Piedmont service, as soon as practicable; and

**BE IT FURTHER RESOLVED** that the Town of Spencer encourages continued coordination with NCDOT and other stakeholders to ensure that passenger rail service meets the needs of Spencer residents and supports the Town's economic and transportation goals.

Adopted this 7th day of April, 2026.

Approved by:

Attest:

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Jonathan Williams, Mayor

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Anna Kanode Ward, Town Clerk



704-633-2231  
spencernc.gov

Post Office Box 45  
Spencer, NC 28159-0045

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*Rowan's Original Gateway.*

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## Agenda Item Coversheet

**Meeting Date:** 04/14/2026

**Agenda Item #:**

**Agenda Item Title:** Black Mountain Conversion Presentation

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**Category:** Regular Agenda

**Presenter(s):** Heather Kann, Finance Officer and Anna Etheridge & Diane Seaford, Leage of Municipalities

**Explanation:**

To recognize that the Town of Spencer has successfully converted to Black Mountain Software under the MAS Program and to recognize some of the accomplishments of the Town and staff as a result of the conversion and joining the program.

**Financial Impact:** N/A

**Recommendations:**

N/A

**Attachment(s):**  Yes  No

## Town of Spencer Municipal Accounting Services (MAS) Program Celebration

April 14, 2026

### Municipal Accounting Services (MAS) Program



- American Rescue Plan Act (ARPA) funding awarded to the State of North Carolina and then sub-awarded to NCLM.
- Funding covers MAS participant costs in the program for the first 3 years including software licensing, conversion, and maintenance costs as well as the cost of the accounting assistance through the end of 2026.
- Goal is to:
  - promote financial accountability and reliability by providing **1)** governmental accounting software **2)** guidance on best financial practices and **3)** accounting assistance to ensure year-end audit readiness.
  - Provide software & accounting assistance for 40-60 Towns (<2500 pop.)
- **Spencer is the 30th town to convert to Black Mountain Software**

### Spencer Accomplishments



- Went “**live**” successfully on new financial software – August 1, 2025.
- General Ledger was converted to the MAS Program Standard Uniform **Chart of Accounts**.
- Utilizing payroll module to automate processes and more efficiently and effectively complete and reconcile payroll.
- Daily and monthly **bank reconciliation activity** is being completed, making month-end processes more efficient and effective, utilizing Black Mountain Software bank reconciliation module.
- Working with the bank to submit “**Positive Pay**” files to prevent check fraud.
- Utilization of accounting assistance for accounting and payroll related inquiries.

## More to Come...



- Continued mentoring of Staff / Board on Accounting related matters
- Implementation of Best Practices and Policies
- Available to Answer General Accounting Questions and MAS Help Desk
- Networking of municipalities that use the software to create a resource for units to share experiences and knowledge
- Financial management training opportunities for Board and Staff

## More to Come...



- Manuals providing information on financial tasks that must be done on a daily, weekly, monthly, quarterly, and annual basis along with information on how to complete those tasks.
- Consistent use of a Standard Chart of Accounts among participants could lead to more efficient and cost-effective preparation of financial statements and audits to assist with the amount of time it takes to complete an audit.

## Equation for Financial Success



Enhanced Software Tool Effectively Used by Staff

+

MAS Accounting Assistance Program Efforts

+

Regular Management and Board Oversight

=

**Reliable Financial Records  
and  
Quality Services to Citizens**

# Thank You!



- To the **State Legislature** for their funding and support to allow the MAS Program to become a reality!
- To the Town of **Spencer Governing Board** for their support throughout the conversion!
- To the **Local Government Commission** for partnering with the Town and the League to take this step towards better financial accountability and reliability for the Town!

# Thank You!



And last – but not least – to:

**Heather Kann, Finance Officer**  
**Christie Hutchinson, Accounting Clerk**  
**Allison Myers, Office Assistant**

for their hard work and determination to make the Town of Spencer a successful, thriving, and supportive community for its families and citizens!



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*Rowan's Original Gateway.*

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## Agenda Item Coversheet

**Meeting Date:** 04/14/2026

**Agenda Item #:**

**Agenda Item Title:** Consideration of Contract for Cell Tower to be located at Sowers Ferry Road Site

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**Category:** Regular Agenda

**Presenter(s):** Steve Blount, Planner

**Explanation:**

The approval process for the previously discussed cell tower to be located on Town owned property at Sowers Ferry Rd. requires various steps including multiple public hearings with associated notice to the public. The process of entering into a long-term lease of town owned property is a part of the overall process. We are presenting to you tonight the proposed lease agreement, a resolution to accept the lease offer, and a document showing the various steps required for final approval.

**Financial Impact:**

Location of the cell tower on this site will provide a potential 25-year revenue stream based on \$1,200/month, increased by 3% per year while using less than 1/10 of an acre of land at our Public Works Facility.

**Choose an item.**

1. Motion to authorize the Town Manager to continue contract negotiations and to execute contract when finalized
- 2.

**Attachment(s):**  Yes  No

1. Proposed lease agreement
2. Approval process document

## OPTION AND GROUND LEASE AGREEMENT

THIS OPTION AND GROUND LEASE AGREEMENT (“**Agreement**”) is effective as of the date of the last signature (“**Effective Date**”), by and between the Town of Spencer, a North Carolina Municipality (“**Optionor**”) and Diamond Towers V LLC, a Delaware limited liability company (“**Optionee**”).

### BACKGROUND

Optionor owns that certain plot, parcel or tract of land, together with all rights and privileges arising in connection therewith, located in 600 Sowers Ferry Rd, Salisbury, NC 28144, Parcel ID: 045 009 (the “**Property**”), the Property being more particularly described on Exhibit “A” of this Agreement. Optionee desires to use a portion of the Property in connection with the installation and operation of wireless communication facilities.

### I. OPTION TO LEASE

1. Grant of Option. For good and valuable consideration and the mutual promises herein set forth, Optionor hereby gives and grants unto Optionee and its assigns, an exclusive and irrevocable option (“**Option**”) to lease a portion of the Property consisting of approximately 5,625 square feet, which is more particularly described on Exhibit “B”, and with a survey or site plan shown on Exhibit “B-1”, attached hereto (“**Leased Premises**”); together with an easement, or easements, for ingress, egress and utilities for the duration of the lease on the property which is more particularly described on Exhibit “C” attached hereto (“**Access and Utilities Easement**”). Optionor agrees and acknowledges the Optionee may, at Optionee’s sole cost and expense, have a metes and bounds survey prepared of the Leased Premises and the Easement, and that the legal description of the Leased Premises and the Easement, as shown on the survey, shall thereafter become the legal description of the Leased Premises and the Easement.

2. Option Initial Term. The initial term of this Option shall be for eighteen (18) months from the Effective Date (“**Option Initial Term**”).

3. Consideration for Option. Consideration for the Initial Term of the Option granted hereunder shall be One Thousand and 00/100 Dollars (\$1,000.00) (“**Option Consideration**”).

4. Extension of Option. This Option can be extended at the discretion of Optionee for one (1) additional period of eighteen (18) months (“**Option Renewal Term(s)**”) by Optionee paying to Optionor the additional consideration of One Thousand and 00/100 Dollars (\$1,000.00) prior to the expiration of the Option Initial Term or any Option Renewal Term. The Option Initial Term and all Option Renewal Terms shall hereinafter be referred to collectively as the “**Option Term.**”

5. Optionor’s Representations and Warranties. As an inducement for Optionee to enter into and be bound by the terms of this Option, Optionor represents and warrants to Optionee and Optionee’s successors and assigns that:

(a) Optionor has good and marketable title to the Leased Premises and the Access and Utilities Easement free and clear of all liens and encumbrances;

(b) Optionor has the authority to enter into and be bound by the terms of this Option;

(c) There are no pending or threatened administrative actions, including bankruptcy or insolvency proceedings under state or federal law, suits, claims or causes of action against Optionor or which may otherwise affect the Leased Premises; and

(d) The Leased Premises are not presently subject to an option, lease, or other contract which may adversely affect Optionor's ability to fulfill its obligations under this Option and Optionor covenants that it shall not grant an option or enter into any contract which will affect the Leased Premises or the Access and Utilities Easement until this Option expires or is terminated by Optionee.

These representations and warranties of Optionor shall survive the exercise of the Option and the closing anticipated by the exercise of this Option.

6. Liquidated Damages. In the event of a default or breach of this Option by Optionee, Optionor's damages shall be fixed and liquidated to the sums paid by Optionee to Optionor as consideration for this Option. Optionor hereby expressly waives any other remedies it may have for a breach of this Option by Optionee including specific performance and damages for breach of contract.

7. Inspections and Investigations. Optionor hereby grants to Optionee, its officers, agents, employees and independent contractors the right and privilege to enter upon the Leased Premises and the Access and Utilities Easement at any time after the Effective Date to perform, or cause to be performed, test borings of the soil, environmental audits, engineering studies and to conduct a survey of the Leased Premises and the Access and Utilities Easement. Optionor shall provide Optionee with any necessary keys or access codes to the Leased Premises if needed for ingress and egress. Optionee shall not unreasonably interfere with Optionor's use of the Leased Premises or the Access and Utilities Easement in conducting these activities. Optionee shall have the right, at its cost and expense, to have the Leased Premises and the Access and Utilities Easement surveyed and to obtain a title report or commitment for a leasehold title policy covering the Leased Premises and the Access and Utilities Easement from the title insurance company of its choice. Optionor shall remove any survey or title defects, which will adversely affect Optionee's leasehold title or its ability to insure or mortgage the leasehold interest. In the event Optionor shall fail to cure any such defects, Optionee, at its election, may declare this Option to be void and of no further effect in which case there shall be no further liability on the part of Optionee to Optionor.

8. Further Acts. Optionor shall cooperate with Optionee in executing any documents necessary to protect Optionee's rights under this Option or Optionee's use of the Leased Premises and the Access and Utilities Easement and to take such action as Optionee may reasonably require

to effect the intent of this Option. Optionor hereby irrevocably appoints Optionee or Optionee's agent as Optionor's agent to file applications on behalf of Optionor with federal, state and local governmental authorities which applications relate to Optionee's intended use of the Leased Premises including but not limited to land use and zoning applications.

9. Assignment of Option. This Option may not be sold, assigned, or transferred at any time by Optionee without the written consent of Optionor which shall not be unreasonably withheld. Notwithstanding the foregoing, Optionee shall have the right to assign this Option to an affiliate of Optionee without Optionor's prior written consent. Upon notification to Optionor of such sale, assignment, or transfer, Optionee shall immediately be released from any and all liability under this Agreement, including the payment or any rental or other sums due, without any further action.

10. Change in Status or Property. If during the Option Term, or during the Term, if the Option is exercised, Optionor/Lessor decides to subdivide, sell, or change the status of the zoning of the Premises, the Property or any of Lessor's contiguous, adjoining or surrounding property (the "**Surrounding Property**"), or in the event of a threatened foreclosure on any of the foregoing, Optionor/Lessor shall immediately notify Optionee/Lessee in writing. Optionor/Lessor agrees that during the Option Term, or during the Term if the Option is exercised, Optionor/Lessor shall not initiate or consent to any change in the zoning of the Premises, the property or the Surrounding Property or impose or consent to any other use or restriction that would prevent or limit Optionee/Lessee from using the Premises for the Intended Use, as further defined herein. Any and all terms and conditions of the Agreement that by sense or context are intended to be applicable during the Option Term shall be so applicable.

## II. GROUND LEASE AGREEMENT

11. Exercise of Option. Upon the tender of written notice of Optionee's intent to exercise the Option, the following lease provisions ("**Lease**") shall govern the relationship of the parties, and Optionor shall thereafter be referred to as Lessor, and Optionee shall thereafter be referred to as Lessee. The date of the written notice to exercise the Option shall constitute the commencement date of the Lease ("**Commencement Date**").

12. Use. The Leased Premises may be used by Lessee for the transmission and receipt of wireless communication signals in any and all frequencies and the construction, maintenance, operation, repair, replacement and upgrade of communications fixtures and related equipment, cables, accessories and improvements, which may include a suitable support structure or towers, associated antennas, equipment shelters or cabinets, buildings, fencing and related facilities and activities. Lessor agrees to cooperate with Lessee in obtaining, at Lessee's expense, all licenses and permits required for Lessee's use of the Leased Premises (the "**Governmental Approvals**"). Lessor authorizes Lessee to prepare, execute and file all required applications to obtain Governmental Approval for the Intended Use and agrees to reasonably assist Lessee with such applications and with obtaining and maintaining Government Approvals. Lessee may construct additional improvements, demolish and reconstruct improvements, or restore, replace and reconfigure improvements at any time during the Initial Term or any Renewal Term of this Lease. In the event Lessee desires to modify or upgrade the Tower Facilities, as further defined herein, in

a manner that requires an additional portion of the property (the “**Additional Premises**”) for such modification or upgrade, Lessor agrees to lease to Lessee the Additional Premises, upon the same terms and conditions set forth herein, except that Rent, as further defined herein, shall increase, in conjunction with the lease of the Additional Premises by the amount equivalent to the then current per square foot rental rate charge by Lessor to Lessee times the square footage of the Additional Premises. Lessor agrees to take such actions and enter into and deliver to Lessee such documents as Lessee reasonably requests in order to effect and memorialize the lease of the Additional Premises to Lessee.

13. Initial Term. The term of this Lease shall be five (5) years commencing on the Commencement Date, as that term is defined in Section 11 above, and terminating on the fifth (5th) anniversary of the Commencement Date (“**Initial Term**”).

14. Renewal Terms. Lessee shall have the right to extend this Lease for four (4) additional five (5) year terms (each a “**Renewal Term**”). Each Renewal Term shall be on the same terms and conditions as set forth in this Lease. This Lease shall automatically be renewed for each successive Renewal Term unless Lessee notifies Lessor of Lessee's intention not to renew the Lease at least thirty (30) days prior to the expiration of the Initial Term or the Renewal Term which is then in effect. If Lessee remains in possession of the Leased Premises after the termination of this Agreement, then Lessee shall be deemed to be occupying the Leased Premises on a month-to-month basis (“**Holdover Term**”), subject to the terms and conditions of this Agreement. Hereinafter, the Initial Term, any Renewal Term and any Holdover Term may be collectively referred to as the “**Term**.”

15. Rent. Commencing on the first day of the calendar month following the date that Lessee commences construction on the Leased Premises (“**Rent Commencement Date**”), during the Initial Term and each Renewal Term of this Lease, Lessee shall pay to Lessor the amount of rent (“**Rent**”) provided in the Rent Schedule attached hereto as Exhibit “D”, which shall be deemed to include any applicable State, County, or local sales or use tax. It shall be the sole responsibility of the Lessor to remit payment of any applicable State, County, or local sales or use tax to the appropriate taxing authority. Rent shall be payable in advance on or before the fifteenth (15th) day of each calendar month and shall be remitted to the address shown for Lessor in this Lease, or such other address as Lessor may direct by notice in writing to Lessee. If the Commencement Date, or the date of termination (the “**Termination Date**”), of this Lease is other than the first (1st) day of a calendar month, Rent shall be prorated. In the event of termination for any reason, other than nonpayment of Rent, all advance Rent paid to Lessor with respect to the period after the Termination Date shall be refunded to Lessee.

16. Lessor's Representations and Warranties. Lessor represents and warrants that Lessee's intended use of the Leased Premises as a site for the transmission and receipt of wireless communication signals; for the construction and maintenance of towers, antennas, or buildings; and related facilities (“**Intended Use**”) is not prohibited by any covenants, restrictions, reciprocal easements, servitudes, subdivision rules, or regulations. Lessor further represents and warrants that there are no easements, licenses, rights of use or other encumbrances on the Leased Premises which will interfere with or constructively prohibit Lessee's Intended Use of the Leased Premises.

Lessor further represents and warrants that the execution of this Lease by Lessor will not cause a breach or an event of default of any other agreement to which Lessor is a party.

17. Conditions Subsequent. In the event that Lessee's Intended Use of the Leased Premises is actually or constructively prohibited through no fault of Lessee or the Leased Premises is, in Lessee's opinion, unacceptable to Lessee, then Lessee shall have the right to terminate this Lease and Lessee shall be entitled to a refund from Lessor of any deposits or Rent paid in advance to Lessor which sums were paid prior to the date upon which Lessee gives Lessor notice of its intent to terminate this Lease pursuant to this Section.

18. Interference. Lessor shall not use, nor shall Lessor permit its lessees, licensees, invitees, or agents to use any portion of adjacent real property owned by Lessor in any way which interferes with the wireless communications operation of Lessee. Such interference shall be deemed a material breach of this Lease by Lessor and Lessor shall have the responsibility to terminate said interference. In the event any such interference does not cease or is not promptly rectified, Lessor acknowledges that continuing interference will cause irreparable injury to Lessee, and Lessee shall have the right, in addition to any other rights that it may have at law or in equity, to bring action to enjoin such interference or to terminate this Lease immediately upon notice to Lessor. Lessor will not grant after the Effective Date, a lease, license, or any other right to any third party, if the exercise of such grant may in any way adversely affect or interfere with the Tower Facilities, the operations of Lessee, or the rights of Lessee under this Agreement. Lessor will notify Lessee in writing prior to granting any third party the right to install and operate communications equipment on the property. For the purposes of this Agreement, "interference" may include, but is not limited to, any use on the property or Surrounding Property that causes electronic or physical obstruction with, or degradation of, the communication signals from the Tower Facilities.

19. Improvements; Utilities, Access and Landscaping.

(a) Lessee shall have the right at Lessee's sole cost and expense, to erect and maintain on the Leased Premises improvements, personal property and facilities, including without limitation, tower(s), a structural tower base(s), radio transmitting and receiving antennas, communications equipment, equipment cabinet(s) and/or shelter(s) and related facilities (collectively the "**Tower Facilities**"). The Tower Facilities shall remain the exclusive property of the Lessee throughout the term and upon termination of this Lease. Lessor grants Lessee the right to clear all trees, undergrowth, or other obstructions and to trim, cut, and keep trimmed and cut all tree limbs which may interfere with or fall upon Lessee's tower or Lessee's other improvements, communications equipment or Access and Utilities Easement rights. Lessor grants Lessee a non-exclusive easement in, over, across and through other real property owned by Lessor as reasonably required for construction, installation, maintenance, and operation of the Tower Facilities. If Lessee elects to utilize an Unmanned Aircraft System ("UAS") in connection with the installation, construction, monitoring, site audits, inspections, maintenance, repair, modification, or alteration activities at the Property or Leased Premises, Lessor hereby grants Lessee, or any UAS operator acting on Lessee's behalf, express permission to fly over the applicable Property and Leased Premises, and consents to the use of audio and video navigation and recording in connection with the use of the UAS.

(b) Lessee shall have the right to install utilities, at Lessee's expense, and to improve present utilities on the Leased Premises (including but not limited to the installation of emergency power generators). Lessee shall have the right to permanently place utilities on (or to bring utilities across or under) the Access and Utilities Easement to service the Leased Premises and the Tower Facilities. In the event that utilities necessary to serve the equipment of Lessee or the equipment of Lessee's licensee(s) or sublessee(s) cannot be located within the Access and Utilities Easement for ingress and egress, Lessor agrees to cooperate with Lessee and to act reasonably in allowing the location of utilities on other real property owned by Lessor without requiring additional compensation from Lessee or Lessee's licensee(s) or sublessee(s). Lessor shall, upon Lessee's request, execute a separate written easement to Lessee or to the utility company providing the service, in a form which may be filed of record evidencing this right.

(c) Lessor represents and warrants to Lessee that Lessee shall, at all times during this Lease, enjoy ingress, egress, and access from the Leased Premises to an open and improved public road which presently exists, and which Access and Utilities Easement shall be adequate to service the Leased Premises and the Tower Facilities. If no such public road exists, or ceases to exist in the future, Lessor will grant an appropriate easement to Lessee, Lessee's sublessees and assigns so that Lessee may, at its own expense, construct a suitable private access drive to the Leased Premises and the Tower Facilities. To the degree such access is across other property owned by Lessor, Lessor shall execute an easement evidencing this right and Lessor shall maintain access to the Access and Utilities Easement in a free and open condition so that no interference is caused to Lessee, by other lessees, licensees, invitees or agents of the Lessor which may utilize the Access and Utilities Easement. Lessor shall provide such access to the Leased Premises across Lessor's adjacent property, and over all paved or unpaved roads owned or controlled by Lessor, to allow Lessee, or its sublessees, to use, maintain and repair the improvements located on the Leased Premises. Such access shall be provided twenty-four (24) hours per day, seven (7) days per week. If Lessor fails to provide the access granted by this Lease, such failure shall be deemed a default under the Lease and in connection with such default, in addition to any other rights or remedies available to Lessee under this Lease or at law or equity, Lessor shall pay Lessee, as liquidated damages, and not as a penalty, Five Hundred and 00/100 Dollars (\$500.00) per day in consideration of Lessee's damages under Lessor cures such default. Lessor and Lessee agree that Lessee's damages in the event of a denial of access are difficult, if not impossible, to ascertain, and the liquidated damages set forth are a reasonable approximation of such damages.

(d) In the event a Governmental Approval necessary for the construction operation and/or maintenance of the Tower Facilities requires landscaping around the Tower Facilities and such required landscaping cannot be located within the Leased Premises, as determined by Lessee, Lessor agrees that a non-exclusive easement shall be automatically granted hereunder by Lessor to Lessee, without any notice or further writing, for the Lessor's property outside of the Leased Premises required to satisfy any such Governmental Approval with respect to landscaping without requiring additional compensation from Lessee or Lessee's licensee(s), sublessee(s) or such similar parties. Lessee shall be responsible for the installation and maintenance of any such landscaping contemplated by this Section.

20. Termination. Except as otherwise provided herein, this Lease may be terminated without any penalty or further liability upon written notice as follows:

(a) By either party upon a default of any covenant or term hereof by the other party, which default is not cured within sixty (60) days of receipt of written notice of default (without however, limiting any other rights available to the parties pursuant to any other provisions hereof); provided, that if the defaulting party commences efforts to cure the default within such period, the non-defaulting party shall no longer be entitled to declare a default;

(b) Upon thirty (30) days' written notice by Lessee to Lessor, if Lessee is unable to obtain or maintain through no fault of Lessee, any license, permit, or other Governmental Approval necessary for the construction and operation of the Tower Facilities or Lessee's business; or

(c) By Lessee for any reason upon sixty (60) days' advance written notice from Lessee to Lessor.

21. Sublessee's Improvements. Lessee's licensee(s), sublicensee(s), and sublessee(s) shall be entitled to modify the Tower and to erect additional improvements on the Leased Premises, including, but not limited to antennas, dishes, cabling, additional storage buildings or equipment shelters on the Leased Premises as are reasonably required for the operation and maintenance of the communications equipment to be installed on the Leased Premises by said licensee(s), sublicensee(s), and sublessee(s), together with rights of ingress and egress to the Leased Premises and the right to install utilities on the Leased Premises as if said licensee, sublicensee, or sublessee were the Lessee under this Lease.

22. Taxes.

(a) Lessor shall be responsible for (i) all taxes and assessments levied upon the lands, improvements and other property of Lessor including any such taxes that may be calculated by a taxing authority using any method, including the income method, (ii) all sales, use, license, value added, documentary, stamp, gross receipts, registration, real estate transfer, conveyance, excise, recording, and any other similar taxes and fees imposed in connection with this Agreement, and (iii) all sales, use, license, value added, documentary, stamp, gross receipts, registration, real estate transfer, conveyance, excise, recording, and other similar taxes and fees imposed in connection with a sale of the property or assignment of Rent payments by Lessor. Lessee shall be responsible for (y) any taxes and assessments attributable to and levied upon Lessee's leasehold improvements on the Leased Premises and as set forth in this Section and (z) all sales, use, license, value added, documentary, stamp, gross receipts, registration, real estate transfer, conveyance, excise, recording and other similar taxes and fees imposed in connection with an assignment of this Agreement or sublease by Lessee. Nothing herein shall require Lessee to pay any inheritance, franchise, income, payroll, excise, privilege, rent, capital stock, stamp, documentary, estate or profit tax, or any tax of similar nature, that is or may be imposed upon Lessor.

(b) In the event Lessor receives a notice of assessment with respect to which taxes or assessments are imposed on Lessee's leasehold improvements on the Leased Premises, Lessor

shall provide Lessee with copies of each such notice immediately upon receipt, but in no event later than thirty (30) days after the date of such notice of assessment. If Lessor does not provide such notice or notices to Lessee in a timely manner and Lessee's rights with respect to such taxes are prejudiced by the delay, Lessor shall reimburse Lessee for any increased costs directly resulting from the delay and Lessor shall be responsible for payment of the tax or assessment set forth in the notice, and Lessor shall not have the right to reimbursement of such amount from Lessee. If Lessor provides a notice of assessment to Lessee within such time period and requests reimbursement from Lessee as set forth below, then Lessee shall reimburse Lessor for the tax and assessments identified on the notice of assessment on Lessee's leasehold improvements, which has been paid by Lessor. If Lessor seeks reimbursement from Lessee, Lessor shall, no later than thirty (30) days after Lessor's payment of the taxes or assessments for the assessed tax year, provide Lessee with written notice including evidence that Lessor has timely paid same, and Lessor shall provide to Lessee any other documentation reasonably requested by Lessee to allow Lessee to evaluate the payment and reimburse Lessor.

(c) For any tax amount which Lessee is responsible for under this Lease and Agreement, Lessee shall have the right to contest, in good faith, the validity or the amount thereof using such administrative, appellate or other proceedings as may be appropriate in the jurisdiction, and may defer payment of such obligations, pay same under protest, or take such other steps as permitted by law. This right shall include the ability to institute any legal, regulatory or informal action in the name of Lessor, Lessee, or both, with respect to the valuation of the Leased Premises. Lessor shall cooperate with respect to the commencement and prosecution of any such proceedings and will execute any documents required therefor. The expense of any such proceedings shall be borne by Lessee and any refunds or rebates secured as a result of Lessee's action shall belong to Lessee, to the extent the amounts were originally paid by Lessee. In the event Lessee notifies Lessor by the due date for the assessment of Lessee's intent to contest the assessment, Lessor shall not pay the assessment pending conclusion of the contest, unless required by applicable law.

(d) Lessor shall not split or cause the tax parcel on which the Leased Premises are located to be split, bifurcated, separated or divided without the prior written consent of Lessee.

(e) Lessee shall have the right but not obligation to pay any taxes due by Lessor hereunder if Lessor fails to timely do so, in addition to any other rights or remedies of Lessee. In the event that Lessee exercises its right under this subsection due to such Lessor default, Lessee shall have the right to deduct such tax amounts paid from any monies due to Lessor from Lessee.

(f) Any tax related notices shall be sent to Lessee in the manner set forth in Section 29, Notices. Promptly after the Commencement Date, Lessor shall provide the following address to the taxing authority for the authority's use in the event the authority needs to communicate with Lessee. In the event that Lessee's tax address changes by notice to Lessor, Lessor shall be required to provide Lessee's new tax address to the taxing authority or authorities.

(g) Notwithstanding anything to the contrary contained in this Section, Lessee shall have no obligation to reimburse any tax or assessment for which the Lessee is reimbursed or rebated by a third party.

(h) Lessor hereby represents and warrants that Lessor's property on which the Leased Premises and Access and Utilities Easement are located is not subject to any "Conservation Use Covenant", "Greenbelt Covenant" or any conservation use program which restricts or limits development of Lessor's property. Lessor agrees to be solely responsible for payment of any penalties, roll-back or additional taxes, special assessments or other monetary amounts now or hereafter payable to any county, city, state or other party as a result of the breach of any conservation use tax program affecting the property on which the Leased Premises and Access and Utilities Easement are located or resulting from the change in the nature or character of the use of the property from its present use to a communications tower facility. Lessor does hereby covenant and agree to indemnify and hold Lessee forever harmless from any and all liabilities, claims, demands, actions or causes of action arising from or relating to a breach of any such covenants, whether such breach occurs because of the erection of the Tower Facilities on the Leased Premises or otherwise.

23. Destruction of Premises. If the Leased Premises or the Tower Facilities are destroyed or damaged, so as to hinder the effective use of the Tower Facilities in Lessee's judgment, Lessee may elect to terminate this Lease as of the date of the damage or destruction by so notifying the Lessor. In such event, all rights and obligations of Lessee to Lessor shall cease as of the date of the damage or destruction, and Lessee shall be entitled to the reimbursement of any Rent prepaid by the Lessee.

24. Condemnation. If a condemning authority takes all of the Leased Premises, or a portion sufficient in Lessee's determination to render the Leased Premises, in the opinion of Lessee, unsuitable for the use which Lessee was then making of the Leased Premises, this Lease shall terminate as of the date the title vests in the condemning authority. Lessee shall be entitled to file its own claims against the condemning authority for the value of its Tower Facilities, moving expenses, prepaid rent and business dislocation expenses. A sale of all or part of the Leased Premises to a purchaser with the power of eminent domain, in the face of the exercise of eminent domain power, shall be treated as taking by condemnation for the purpose of this Section.

25. Casualty. Lessor shall provide notice to Lessee of any casualty or other harm affecting the property within twenty-four (24) hours of Lessor's actual knowledge of such casualty or other harm. If any part of the Tower Facilities or the property is damaged by casualty or other harm as to render the Leased Premises unsuitable, in Lessee's sole discretion and determination, then Lessee may terminate the Lease and Agreement by providing written notice to Lessor, which termination will be effective as of the date of such casualty or other harm. Upon such termination Lessee will be entitled to collect all insurance proceeds payable to Lessee on account thereof and to be reimbursed for any prepaid Rent on a pro rata basis. Lessor agrees to permit Lessee to place temporary transmission and reception facilities on the property, but only until such time as Lessee is able to activate a replacement transmission facility at another location. Notwithstanding the termination of this Lease and Agreement, such temporary facilities will be governed by all of the terms and conditions of this Agreement, including Rent. If Lessor or Lessee undertakes to rebuild or restore the Leased Premises and/or the Tower Facilities, as applicable, Lessor agrees to permit Lessee to place temporary transmission and reception facilities on the property at no additional Rent until the reconstruction of the Leased Premises and/or the Tower Facilities is completed. If Lessor determines not to rebuild or restore the property, Lessor will notify Lessee of such

determination within thirty (30) days after the casualty or other harm. If Lessor does not so notify Lessee and Lessee decides not to terminate under this Section, then Lessor will promptly rebuild and restore any portion of the property interfering with or required for Lessee's Intended Use of the Leased Premises to substantially the same condition as existed before the casualty or other harm. Lessor agrees that the Rent shall be abated until the property and/or the Leased Premises are rebuilt or restored, unless Lessee places temporary transmission and reception facilities on the property.

26. Insurance. Lessee shall purchase and maintain in full force and effect, throughout the Initial Term and any Renewal Term, commercial general liability insurance with a combined single limit of at least One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate, which insurance shall include Lessor as an additional insured.

27. Lessee's Environmental Covenants and Indemnity. As used in this Lease, the term "**Hazardous Materials**" shall mean any hazardous or toxic substance, material or waste which is, or becomes designated as such in the future or is regulated by any agency of the United States Government or by any local governmental authority having jurisdiction, including, without limitation, any substance, material or waste that is defined or designated as a hazardous substance pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act or the Clean Water Act. During the Term of this Lease, Lessee shall cause the presence, use, storage and/or disposal of any Hazardous Material, on or under the Leased Premises by Lessee, its agents, employees, business invitees, contractors, or sublessees to be in compliance with all applicable laws, rules, regulations, and orders. Lessee shall not install or permit the installation of any underground storage tanks on the Leased Premises. Lessee shall defend, indemnify, protect, and hold Lessor harmless from and against all claims, costs, fines, judgments, and liabilities, including attorney's fees and costs, arising out of or in connection with the presence, storage, use or disposal of Hazardous Materials on or under the Leased Premises caused by the acts, omissions or negligence of Lessee, its agents and employees. The foregoing indemnity shall survive any termination of this Lease.

28. Lessor's Environmental Representation and Indemnity. Lessor represents and warrants, to the best of its knowledge, that no Hazardous Materials have been generated, stored, disposed of or are present on or under the Leased Premises prior to the Commencement Date of this Lease. Lessor shall immediately notify Lessee in writing of (i) any release or threatened release of Hazardous Materials in, on, under, from or migrating towards the Leased Premises; (ii) any non-compliance with any environmental laws related in any way to the Leased Premises; (iii) any actual or potential environmental lien; (iv) any required or proposed remediation of environmental conditions relating to the Leased Premises; and (v) any written or oral notice or other communication relating in any way to Hazardous Materials on the Leased Premises. Lessor shall indemnify, defend, protect, and hold Lessee harmless from and against any and all claims, costs, fines, judgments, liability, actions, causes of action, liens and expenses; including, without limitation, penalties and reasonable attorney's fees, incurred or suffered by or asserted against Lessee, arising out of or in any way relating to any one or more of the following: (a) the presence of any Hazardous Materials in, on, or under the Leased Premises; (b) any past, present or threatened release of Hazardous Materials in, on, under or from the Leased Premises; (c) any

activity by Lessor in connection with any actual, proposed or threatened use, treatment, storage, existence, disposition or other release, production, manufacturing, management, abatement, removal, handling, transfer or transportation to or from the Leased Premises of any Hazardous Materials at any time located in, under or on the Leased Premises; (d) any testing and/or remediation costs in connection with any Hazardous Materials alleged to be located in, under, on or above the Leased Premises; (e) any past or present non-compliance with or violations of any environmental laws in connection with the Leased Premises or operations thereon, including but not limited to, any failure by Lessor to comply with any order of any governmental authority in connection with any environmental laws; and (f) the imposition, recording or filing or the threatened imposition, recording or filing of any environmental lien encumbering the Leased Premises. The foregoing representations and indemnities shall survive any termination of this Lease.

29. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed given if sent by a nationally recognized courier, or certified mail, return receipt requested, to the following address:

If to Lessor, to:

Town of Spencer  
460 S Salisbury Ave.  
Spencer, NC 28159  
Attn: Town Manager

If to Lessee, to:

Diamond Towers V LLC  
120 Mountain Avenue  
Springfield, New Jersey 07081  
Attention: Legal Department

With a required copy to:

Diamond Towers V LLC  
120 Mountain Avenue  
Springfield, New Jersey 07081  
Attention: Lease Administration

and

Email: [notices@diamondcomm.com](mailto:notices@diamondcomm.com)

30. Title and Quiet Enjoyment. Lessor warrants and represents that (i) it has the full right, power, and authority to execute this Lease; (ii) it has good and marketable fee simple title to the Leased Premises and the Access and Utilities Easement; and (iii) the Leased Premises

constitutes a legal lot that may be leased without the need for any subdivision or platting approval. Lessor covenants that Lessee shall have the quiet enjoyment of the Leased Premises during the term of the Lease. Lessor shall indemnify Lessee from and against any loss, cost, expense or damage, including attorney's fees associated with a breach of the foregoing covenant of quiet enjoyment. Lessor shall not use, nor shall Lessor permit its lessees, licensees, invitees, or agents to use any portion of any property owned or controlled by Lessor in any way which interferes with operations of Lessee. Such interference shall be deemed a material breach by Lessor, and Lessee shall have the right, in addition to any other rights that it may have in law or equity, to enjoin such interference or to terminate this Lease.

31. Subordination and Non-Disturbance. This Lease shall be subject to and subordinate to any mortgage or deed to secure debt (collectively referred to as a "**Mortgage**") made by Lessor which may now or hereafter encumber the Leased Premises, provided that no such subordination shall be effective unless the holder of every such Mortgage shall in a separate agreement with Lessee agree that in the event of a foreclosure, or conveyance in lieu of foreclosure of Lessor's interest in the Leased Premises, such holder shall recognize and confirm the validity and existence of this Lease and that Lessee shall have the right to continue its use and occupancy of the Leased Premises in accordance with the provisions of this Lease as long as Lessee is not in default of this Lease beyond applicable notice and cure periods. Lessee shall execute in timely fashion such instruments as may reasonably be requested to evidence the provisions of this Section. In the event the Leased Premises are encumbered by a Mortgage on or after the Commencement Date, Lessor, shall [use commercially reasonable efforts to] obtain and furnish Lessee with a non-disturbance agreement in recordable form from the holder of each Mortgage.

32. Secured Parties; Assignments; Subleases.

(a) Lessee may, upon notice to Lessor, mortgage or grant a security interest in this Lease and the Tower Facilities and may assign this Lease and the Tower Facilities to any such mortgagees or holders of security interests, including their successors and assigns (hereinafter, collectively referred to as "**Secured Parties**"). In such event, Lessor shall execute such consent to leasehold financing as may reasonably be required by Secured Parties. Lessor agrees to notify Lessee and Lessee's Secured Parties simultaneously of any default by Lessee, and to give Secured Parties the same right to cure any default as Lessee except that the cure period for any Secured Party shall not be less than thirty (30) days after the receipt of the default notice. If a termination, disaffirmation, or rejection of the Lease, pursuant to any laws (including any bankruptcy or insolvency laws), by Lessee shall occur, or if Lessor shall terminate this Lease for any reason, Lessor will give the Secured Parties prompt notice thereof and Lessor will give the Secured Parties the right to enter upon the Leased Premises during a thirty (30) day period commencing upon the Secured Party's receipt of such notice for the purpose of removing any Tower Facilities. Lessor acknowledges that the Secured Parties shall be third-party beneficiaries of this Lease.

(b) Lessee shall have the right, without Lessor's consent, and upon written notice to Lessor, to sublease or assign its rights under this Lease, but any such sublease or assignment shall be subject to all terms and conditions of this Lease. Upon assignment of all of its rights pursuant to this Lease, and the execution of a written assumption of all of the terms and

conditions of the Lease by the assignee, Lessee shall be released from any further liability under this Lease.

33. Successors and Assigns. This Lease shall run with the Leased Premises described on Exhibit "B" and shall be binding upon and inure to the benefit of the parties, their respective heirs, successors, personal representatives and assigns.

34. Waiver of Lessor's Lien. Lessor hereby waives any and all lien rights it may have, statutory or otherwise, in and to the Tower Facilities or any portion thereof, regardless of whether or not same is deemed real or personal property under applicable laws. Lessor consents to Lessee's right to remove all or any portion of the Tower Facilities from time to time in Lessee's sole discretion and without Lessor's consent.

35. Waiver of Incidental and Consequential Damages. In no event will Lessor or Lessee be liable to the other for, and Lessor or Lessee each hereby waive the right to recover incidental, consequential (including, but not limited to, lost profits, loss of use or loss of business opportunity), punitive, exemplary and similar damages.

36. Lessee's Exclusivity. Lessor agrees not to lease the Property or any portion thereof for construction of a tower or for use as a communications facility or for the operation of an antenna site leasing business which competes directly or indirectly with Lessee.

37. Removal of Personal Property. Within one hundred twenty (120) business days after the Termination Date, Lessee shall, at its sole cost and expense, remove the Tower and all other personal property and improvements which Lessee has installed or otherwise located on the Leased Premises, including foundations to a level that is two (2) feet below grade, and restore the Leased Premises to the condition that existed as of the Effective Date, reasonable wear and tear and casualty damage excepted.

38. Lessee's Right of First Refusal. If, during the terms of this Agreement, Lessor receives and desires to accept an offer to purchase and/or assign any of the following interests in all or a portion of the Leased Premises and/or the Property: (i) fee title, (ii) a perpetual or other easement, (iii) a lease, (iv) any or all portions of Lessor's interest in this Agreement including but not limited to the Rent or revenue derived herefrom, whether separately or as part of the sale, transfer, grant, assignment, lease or encumbrance of the Property or other interest in the Agreement, or (v) an option to acquire any of the foregoing, Lessor shall provide written notice to Lessee of said offer to purchase ("**Lessor's Notice**"). Lessor's Notice shall include the prospective buyer's name, the purchase price being offered, the other terms and conditions of the offer, a due diligence period, the proposed closing date and, if a portion of the Property is to be sold, a description of said portion. Lessee shall have a right of first refusal to purchase, at its election and on the terms and conditions as in Lessor's Notice (x) a fee simple interest in the Property (or such lesser portion thereof as is described in Lessor's Notice), (y) a fee simple interest in the Leased Premises or (z) a perpetual easement for the Leased Premises, all on the same terms and conditions as in said offer by Lessor as modified by this Section. If the Lessor's Notice is for more than the Leased Premises and Lessee elects to purchase in fee or acquire a perpetual easement in only the Leased Premises, the terms and condition of said acquisition, including but not limited to the

purchase price, shall be the same terms and conditions as in Lessor's Notice but the purchase price shall be pro-rated on an acreage basis. If the Lessor's Notice shall provide for a due diligence period of less than sixty (60) days, then the due diligence period shall be extended to be sixty (60) days from Lessee's exercise of its right of first refusal and closing shall occur no earlier than fifteen (15) days thereafter, or as soon thereafter as practicable. If Lessee does not exercise its right of first refusal by written notice to Lessor given within thirty (30) days after receipt by Lessee of Lessor's Notice, Lessor may sell the property described in the Lessor's Notice to such third person or entity in accordance with the terms and conditions of the offer. If Lessee fails or declines to exercise its right of first refusal, then this Agreement shall continue in full force and effect and Lessee's right of first refusal shall survive any such sale and conveyance and shall remain effective with respect to any subsequent offers to purchase the Leased Premises and/or the Property. If, for any reason, the sale to the outside purchaser does not close, Lessee's right of first refusal, as provided for in this Section, shall remain applicable to any subsequent purchase or easement offer received by Lessor.

39. Estoppels. Either party may request, in writing, that the other party certify information to a prospective mortgagee or purchaser. Such certification shall be transmitted within ten (10) days after receipt of written request and may be relied upon by the party who requested it, and the contents of the certificate shall be binding upon the party executing it. The certificate may include (i) the validity, force and effect of this Lease; (ii) the extent to which this Lease has been supplemented or amended; (iii) the existence of any default; (iv) the existence of any offsets, counter-claims or defenses on the part of the other party; (v) the commencement and expiration dates of the term, (vi) the amount of any prepaid rent; and (vii) any other matter as may reasonably be requested.

40. Memorandum/Short Form. Contemporaneously with the execution of this Agreement, Lessor and Lessee shall execute a recordable Memorandum of Lease ("**Memorandum**") substantially in the form attached hereto as Exhibit "E". The Memorandum shall set forth a description of the Leased Premises, the Access and Utilities Easement, the name and addresses of Lessor and Lessee, the duration of the Initial Term and the Renewal Term(s) of this Lease, and any other provision that either party may request, except for the rental provisions. Lessee may record this Memorandum at any time during the Term, in its absolute discretion.

41. Miscellaneous.

(a) The substantially prevailing party in any litigation arising hereunder shall be entitled to its reasonable attorney's fees and court costs, including appeals, if any.

(b) This Agreement constitutes the entire agreement and understanding of Lessor and Lessee with respect to the subject matter of this Agreement, and supersedes all offers, negotiations and other agreements. There are no representations or understandings of any kind not set forth herein. Any amendments to said Agreement must be in writing and executed by Lessor and Lessee.

(c) If either Lessor or Lessee is represented by a broker in this transaction, that party shall be fully responsible for any fees due such broker and shall hold the other party harmless from any claims for commission by such broker.

(d) Lessor agrees to cooperate with Lessee in executing any documents necessary to protect Lessee's rights under this Agreement or Lessee's use of the Leased Premises, and to take any further action which Lessee may reasonably require as to effect the intent of this Agreement.

(e) This Agreement shall be construed in accordance with the laws of the state in which the Leased Premises is situated.

(f) If any term of this Agreement is found to be void or invalid, such invalidity shall not affect the remaining terms of this Agreement, which shall continue in full force and effect.

(g) Whenever under this Agreement the consent or approval of Lessor is required or a determination must be made by Lessor, no such consent or approval shall be unreasonably withheld, conditioned, or delayed, and all such determinations shall be made on a reasonable basis and in a reasonable manner.

(h) The headings of the sections of this Agreement are for convenience of reference only and in no way define, limit, or affect the scope or substance of any section of this Agreement.

(i) This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties, it being understood that all parties need not sign the same counterpart.

(j) Lessor agrees that the terms of this Agreement shall be strictly confidential and that Lessor shall not disclose any of the terms hereof to any third party, except with Lessee's prior written consent. Notwithstanding the foregoing, Lessor is permitted to disclose the terms of this Agreement to its attorneys, financial consultants, accountants and lenders, or as required to by law.

(k) Upon request, Lessor will cause to be promptly and duly taken, executed, acknowledged and delivered all such further acts, documents and assurances as Lessee may request from time to time in order to effectuate, carry out, and perform all of the terms, provisions, and conditions of this Agreement and all transactions and permitted use contemplated by this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, this Agreement shall be effective as of the Effective Date.

**LESSOR:**

Town of Spencer, a North Carolina Municipality

By: Draft Only – Not for Signature

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**LESSEE:**

Diamond Towers V LLC, a  
Delaware limited liability company

By: Draft Only – Not for Signature

Name: Michael G. Brett

Title: COO

Date: \_\_\_\_\_

DRAFT

**EXHIBIT "A"**

**Description of Property**

\*Note: to be replaced by As-Built Survey

DRAFT

**EXHIBIT “B”**

**Description of Leased Premises**

A 5,625 square foot parcel located within the Property, as further described below:

\*Note: to be replaced by As-Built Survey

DRAFT

# EXHIBIT "B-1"

## Site Plan of Leased Premises



\*Note: to be replaced by As-Built Survey

**EXHIBIT “C”**

**Description of Access and Utilities Easement**

\*Note: to be replaced by As-Built Survey

DRAFT

**EXHIBIT “D”**

**Rent Schedule**

One Thousand Two Hundred and 00/100 Dollars (\$1,200.00) per month for the Initial Term. Thereafter, the monthly Rent will be increased by three percent (3%) on each annual anniversary of the Rent Commencement Date.

DRAFT

**EXHIBIT "E"**

**Memorandum of Lease**

Prepared by:  
Diamond Towers V LLC  
120 Mountain Ave.  
Springfield, New Jersey 07081  
Attn: Legal Department

Site Name: \_\_\_\_\_

**Memorandum of Option and Ground Lease Agreement**

This Memorandum of Option and Ground Lease Agreement ("Memorandum") evidences that a lease ("Lease") was made and entered into by written Option and Ground Lease Agreement dated \_\_\_\_\_, 20\_\_, between \_\_\_\_\_ ("Lessor") and DIAMOND TOWERS V LLC, a Delaware limited liability company ("Lessee"), the terms and conditions of which are incorporated herein by reference.

Such Lease provides, in part, that Lessor leases to Lessee a \_\_\_\_ ft. x \_\_\_\_ ft. parcel ("Site") on the parent tract described in Exhibit "A" attached hereto and located at \_\_\_\_\_, City of \_\_\_\_\_, County of \_\_\_\_\_, State of \_\_\_\_\_ ("Property"). The Site is described in Exhibit "B" attached hereto. The Lessor also grants easements ("Access and Utilities Easements") for unrestricted rights of ingress and egress to and from the Site and to electric and telephone facilities, which are described in Exhibit "C" attached hereto. The term of the Lease and the Access and Utilities Easements are for five (5) years commencing on the Commencement Date, as defined in the Lease, which term is subject to seven (7) additional five (5) year extension periods by the Lessee.

Lessor has further granted to Lessee, during the term and any renewal terms of the Lease, a Right of First Refusal on the Site during the time, for the price, and on the terms and conditions contained in the Lease. The Right of First Refusal must be exercised on or before the date specified in the Lease.

This Memorandum is not intended to amend or modify and shall not be deemed or construed as amending or modifying, any of the terms, conditions, or provisions of the Lease, all of which are hereby ratified and affirmed. In the event of a conflict between the provisions of this Memorandum and the provisions of the Lease, the provisions of the Lease shall control.

*[Signature pages follow]*

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum as of the date first above written.

**LESSOR:**

\_\_\_\_\_

By: Exhibit Only - Do not Sign

**LESSEE:**

DIAMOND TOWERS \_\_\_\_\_ LLC, a Delaware limited liability company

Exhibit Only - Do not Sign

**\* Final Memorandum will have appropriate state notary blocks.**

DRAFT

**EXHIBIT “A” TO MEMORANDUM**

**Legal Description of Property**

Exhibit Only

**EXHIBIT “B” TO MEMORANDUM**

**Legal Description of Site**

Exhibit Only

**EXHIBIT “C” TO MEMORANDUM**

**Legal Description of Access and Utilities Easements**

Exhibit Only

DRAFT



MEMO

Date: 2.24.26 rev. 3.23.26

By; Steve Blount, Town Planner

RE: Cell Tower Project Approval Process

1. Proposed contract and option agreement
  - a. Review and comment (completed)
  - b. Review final draft and present to Board of Aldermen (BoA) for consideration
    - i. Seek approval for staff to continue to negotiate
    - ii. ~~Seek approval to begin upset bid process~~
2. ~~Upset Bid Process~~
  - a. ~~Town receives an offer to lease property. The town may solicit offers informally, and may negotiate with a prospective buyer prior to initiating the upset bid procedure.~~
  - b. ~~Governing board adopts a resolution accepting the offer and authorizing the upset bid procedure.~~
  - c. ~~Publish advertisement for upset bids in a newspaper of general circulation within the jurisdiction (electronic advertisement is not authorized). The advertisement must describe the property to be leased, the terms and conditions of the lease, and the requirements for submitting a qualifying upset bid within 10 days after the date of publication: a qualifying upset bid must be an amount at least 10% of the first \$1000 of the original offer and 5% of the remainder. Bidders must submit qualifying upset bids within 10 days after date of advertisement.~~
3. Tower site approval process
  - a. Ensure compliance with our development ordinance
  - b. Site evaluation for impact on surrounding properties (completed)
  - c. Public hearing for neighboring properties
    - i. Notice by mail
    - ii. Advertisement
4. Rezoning process
  - a. Application from cell tower company for rezoning
  - b. Schedule neighborhood meeting
    - i. Advertise
  - c. Schedule public hearing for BoA
    - i. Advertise
  - d. Review by Planning Board
    - i. Provide recommendation to BoA (completed)

e. Approval of rezoning and Statement of Consistency by BoA



704-633-2231  
spencernc.gov

Post Office Box 45  
Spencer, NC 28159-0045

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*Rowan's Original Gateway.*

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## Agenda Item Coversheet

**Meeting Date:** 04/14/2026

**Agenda Item #:**

**Agenda Item Title:** Consider approving FY26 audit contract with Strickland Hardee PLLC

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**Category:** Consent Agenda

**Presenter(s):** Heather Kann, Finance Officer

**Explanation:**

In February 2025 the town solicited bids from five firms that were qualified to perform the Town's audit based on information from the LGS's website. Strickland Hardee PLLC firm was selected for the FY25 audit. In the same proposal, Strickland Hardee PLLC proposed \$27,000 for the FY26 audit services.

**Financial Impact:**

The total cost for the FY26 audit and preparing the financial statements is \$27,000.

**Recommended Motion:**

Motion to approve the contract.

**Attachment(s):**  Yes  No

1. Strickland Hardee PLLC Contract

The	Governing Board
of	Primary Government Unit
and	Discretely Presented Component Unit (DPCU) (if applicable)

*Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)*

and	Auditor Name
	Auditor Address

*Hereinafter referred to as Auditor*

for	Fiscal Year Ending	Date Audit Will Be Submitted to LGC
-----	--------------------	-------------------------------------

*Must be within six months of FYE*

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by “U.S. Auditing Standards – AICPA (Clarified),” referred to as generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). Budgetary comparison information shall be prepared in accordance with applicable GASB standards. Budget-to-actual comparisons at the level of the legally adopted budget ordinance shall be presented as required supplementary information and shall not be included in the basic financial statements. Any other budgetary comparison information shall be presented only as supplementary information for funds required to be budgeted under NCGS Chapter 159, Article 3.

2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. If the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period, the Auditor shall perform the audit in accordance with *Generally Accepted Government Auditing Standards* (GAGAS). The Governmental Unit is subject to federal single audit requirements in accordance with Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F (*Uniform Guidance*) and the State Single Audit Implementation Act. Currently the threshold is \$1,000,000 for federal and state single audits, or such other threshold as applicable for the fiscal year under audit. This audit and all associated audit documentation may be subject to review by federal and State agencies in accordance with federal and State laws, including the staff of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501) the Auditor and Governmental Unit(s) should discuss, in advance of the execution of this contract, the responsibility for submission of the audit and the accompanying data collection form (form SF-FAC) to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512) to ensure proper submission.

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.
5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards* (2018 revision or subsequent revisions, as applicable) issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he or she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and to the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon the Auditor's receipt of an updated peer review report. If the audit firm receives a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Auditing Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed, and the report of audit submitted to LGC Staff, within six months of fiscal year end. At the time of the execution of this contract, if the parties know that the anticipated submission date of the audit exceeds six months after fiscal year end, a written explanation shall be provided to the Secretary of the LGC on this contract form (see the space provided on Page 7). If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.
7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as they relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth the Auditor's findings, together with his or her recommendations for improvement. That written report shall include all matters determined to be "significant deficiencies and material weaknesses" in accordance with AU-C §265 "Communicating Internal Control Related Matters Identified in an Audit" of GAAS. The Auditor shall file a copy of that report with the Secretary of the LGC.

For GAAS or *Government Auditing Standards* audits, if an Auditor issues an AU-C §260 report, "Auditor's Communication With Those Charged With Governance," commonly referred to as a "Governance Letter," LGC staff does not require the report to be submitted unless the Auditor cites significant findings or issues from the audit, as defined in AU-C §260 paragraphs 12 - 14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious for which the Auditor consulted outside the engagement team and, in the Auditor's judgment, are significant and relevant to those charged with governance, and other findings or issues that the Auditor believes are significant and relevant. If matters identified during the audit were required to be reported as described in AU-C §260 paragraphs 12 - 14 and were communicated in a method other than an AU-C §260 letter, the written documentation must be submitted.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.
9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings [G.S. 159-34 and 115C-447]. All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.
10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal Single Audit Act and the State Single Audit Act. This does not include fees for any pre-issuance reviews that may be required by the North Carolina Association of Certified Public Accountants (NCACPA) Peer Review Committee or North Carolina State Board of CPA Examiners (see Paragraph 13).
11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.
12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.
13. If the audit firm is required by the Secretary of the Local Government Commission to obtain a pre-issuance review or take corrective action as a result of peer review findings or quality control deficiencies, such corrective action shall be consistent with the authority and requirements of the North Carolina State Board of Certified Public Accountant Examiners, the AICPA Peer Review Program, and established Local Government Commission practice, including the use of report addenda or other remedial measures, as appropriate.

14. In accordance with G.S. 159-34, the Finance Officer of the Unit is responsible for filing the audited financial statements with the Secretary of the Local Government Commission.

The Auditor may upload the audit report and related documents through the LGC's electronic submission system; however, submission shall not be deemed complete until the Finance Officer has reviewed and certified the submission.

The Auditor, Finance Officer, other Unit staff member designated by the Finance Officer, or a third party approved by the Unit may enter all Data Input Report information except the information on the "transmittal doc info" tab. The "transmittal doc info" tab must be completed by the Auditor.

The Finance Officer shall review, approve, and certify the accuracy and completeness of the Data Input Report (DIR) in the LGC's LOGOS system prior to LGC review, regardless of whether the DIR is prepared by the Auditor or the Unit.

Finance Officer certification is required for any corrected or revised submissions.

Finance Officer certification of the DIR shall be completed in a timely manner following notification that the DIR is ready for review and within time frames prescribed by the LGC. Failure to complete certification in a timely manner may result in the audit being considered late due to unit action rather than auditor performance.

The Auditor shall conduct the audit in accordance with generally accepted auditing standards and shall ensure that the financial statements are prepared in accordance with generally accepted accounting principles as of the fiscal year end. Budget-to-actual comparisons at the level of the legally adopted budget ordinance shall be presented in required supplementary information, separate from the basic financial statements, and shall not be included in the audit opinion. The Auditor shall confirm that such information reconciles to the financial statements and is consistent with applicable accounting guidance and any LGC reporting requirements.

The Finance Officer shall certify in a timely manner that all data inputted in LOGOS used for preparation of the financial statements and required supplementary information is complete and accurate.

For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements and/or the compliance section, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.
16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and preaudited if the change includes a change in audit fee (preaudit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC.
17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Paragraph 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.
18. Special provisions should be limited. Please list any special provisions in an attachment.
19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in The Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and Finance Officer also shall be included on this contract.
20. The contract shall be executed, preaudited (preaudit requirement does not apply to hospitals) and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.
21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.
22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

26. E-Verify. The Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if the Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Government Auditing Standards, 2018 or 2024 Revision* (as applicable). Preparing financial statements in their entirety shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, the Auditor must document and include in the audit workpapers how the Auditor reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The Auditor shall present the audited financial statements including any compliance reports to the Government Unit's Governing Board or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary of the LGC. The Auditor's presentation to the Governing Board or audit committee shall include:

- a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the Auditor, and any other issues related to the internal controls or fiscal health of the Government Unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the Auditor regarding internal controls as required by current auditing standards;
- b) the status of the prior year audit findings;
- c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
- d) notification to the Governing Board that the Governing Board shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under Rule 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary of the LGC through the LGC's LOGOS system, including completion of the Data Input Report (DIR). Submission is not complete and shall not be accepted by the LGC until the Finance Officer has reviewed and certified the DIR in accordance with Paragraph 14 of this contract.

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Paragraph 17 for clarification).

31. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and Units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit>.

32. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

33. **Applicable to audits with fiscal year ends of June 30, 2025, and later.** The Unit authorizes the LGC to grant access to the LGC's LOGOS system, including the Data Input Report (DIR), to employees of the contracted audit firm who are associated with and acting on behalf of the firm for purposes of performing audit and reporting services under this contract. Such access shall be limited to the scope necessary to perform contracted services and shall not relieve the Auditor or the Unit of their respective responsibilities under this contract.

34. Changes or edits to the text of this contract form are not permitted, except for the Secretary's authority to revise or update this contract form pursuant to LGC Rule 20 NCAC 03. 0502.

**For contracts with an anticipated audit submission date exceeding six months after fiscal year end, please use this space to explain the reason for the late submission, as required by Paragraph 6 of this contract form:**

**FEEES FOR AUDIT SERVICES**

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Government Auditing Standards, 2018 Revision*. Refer to Paragraph 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will be not be approved.

Financial statements were prepared by:  Auditor  Governmental Unit  Third Party

If applicable: The individual at the Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

**Name:** **Title and Unit / Company:** **Email Address:**

**OR Not Applicable** *(Identification of SKE Individual on the LGC-205 Contract is not applicable for GAAS-only audits or audits with FYEs prior to June 30, 2020.)*

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Paragraphs 8 and 13 for details on other allowable and excluded fees.

3. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit firm for correction.

4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the Unit's last annual audit that was submitted to the Secretary of the LGC. All invoices for services rendered in an audit engagement as defined in Rule 20 NCAC .0503 shall be submitted to the Secretary of the LGC for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

<b>Primary Government Unit</b>	
Audit Fee (financial and compliance if applicable)	\$
Fee per Major Program (if not included above)	\$
<b>Additional Fees Not Included Above (if applicable):</b>	
Financial Statement Preparation (incl. notes and RSI)	\$
All Other Non-Attest Services	\$
<b>TOTAL AMOUNT NOT TO EXCEED</b>	<b>\$</b>

<b>Discretely Presented Component Unit</b>	
Audit Fee (financial and compliance if applicable)	\$
Fee per Major Program (if not included above)	\$
<b>Additional Fees Not Included Above (if applicable):</b>	
Financial Statement Preparation (incl. notes and RSI)	\$
All Other Non-Attest Services	\$
<b>TOTAL AMOUNT NOT TO EXCEED</b>	<b>\$</b>

**SIGNATURE PAGE**

**AUDIT FIRM**

Audit Firm*	
Authorized Firm Representative (typed or printed)*	Signature* <i>Nick Wicker</i>
Date*	Email Address*

**GOVERNMENTAL UNIT**

Governmental Unit*	
Date Governing Board Approved Audit Contract* <b>(Enter date in box to right)</b>	
Mayor/Chairperson (typed or printed)*	Signature*
Date	Email Address*

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

**GOVERNMENTAL UNIT – PREAUDIT CERTIFICATE**

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

*This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act or by The School Budget and Fiscal Control Act.*

Sum Obligated by This Transaction:	\$
Primary Governmental Unit Finance Officer* (typed or printed)	Signature*
Date of Preaudit Certificate*	Email Address*

**SIGNATURE PAGE – DPCU  
(complete only if applicable)**

**DISCRETELY PRESENTED COMPONENT UNIT**

DPCU*	
Date DPCU Governing Board Approved Audit Contract* (Enter date in box to right)	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

**DPCU – PREAUDIT CERTIFICATE**

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

*This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act or by The School Budget and Fiscal Control Act.*

Sum Obligated by this Transaction:	\$
DPCU Finance Officer (typed or printed)*	Signature*
Date of Preaudit Certificate*	Email Address*

Remember to print this form, and obtain all required signatures prior to submission.



# Strickland Hardee PLLC

Certified Public Accountants

*INTEGRITY MEETS TRUST*

March 24, 2026

To the Honorable Mayor, Board of Aldermen, and Town Management  
Town of Spencer  
460 S. Salisbury Ave.  
Spencer, NC 28159

We are pleased to confirm our understanding of the services we are to provide the Town of Spencer for the year ended June 30, 2026.

## **Audit Scope and Objectives**

We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements, of the Town of Spencer as of and for the year ended June 30, 2026. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Town of Spencer's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Town of Spencer's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. LEO Special Separation Allowance Schedule of Changes in Total Pension Liability
3. LEO Special Separation Allowance Schedule of Total Pension Liability as a Percentage of Covered Payroll
4. LGERS Schedule of the Town's Proportionate Share of the Net Pension Liability (Asset)
5. LGERS - Schedule of the Town's Contributions
6. Budgetary comparison schedules for the general fund and other major special revenue funds with a legally adopted annual budget

We have also been engaged to report on supplementary information other than RSI that accompanies the Town of Spencer's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

1. Schedule of expenditures of federal and State awards.
2. Budgetary comparison schedules that are not considered RSI
3. Combining Balance Sheet – Nonmajor Governmental Funds

4. Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds
5. Schedule of Ad Valorem Taxes Receivable Town-Wide Levy
6. Analysis of Current Tax Levy - Town-Wide
7. Ten Largest Taxpayers

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

#### **Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit**

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any

material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

- 1) Management override of controls.
- 2) Improper revenue recognition due to fraud.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of financial statements does not relieve you of your responsibilities.

### **Audit Procedures—Internal Control**

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

## **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Town of Spencer's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Town of Spencer's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the Town of Spencer's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

## **Responsibilities of Management for the Financial Statements and Single Audit**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us; and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to [include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

## **Other Services**

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the Town of Spencer in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

## **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the Federal Audit Clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the Town of Spencer; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Strickland Hardee PLLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Local Government Commission or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Strickland Hardee PLLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Local Government Commission. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Travis Hardee CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit on approximately May 1, 2026.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, confirmation service provider fees, etc.) except that we agree that our gross fee, including expenses, will not exceed \$27,000. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly.

### **Reporting**

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Honorable Mayor and Members of the Board of Aldermen of the Town of Spencer. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to the Town of Spencer and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

*Strickland Hardee PLLC*

**RESPONSE:**

This letter correctly sets forth the understanding of Town of Spencer.

Management signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Governance signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



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## Agenda Item Coversheet

**Meeting Date:** 04/14/2026

**Agenda Item #:**

**Agenda Item Title:** Consider approval of proposed rezoning at 2035 N US HWY 29 from IND to CIV

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**Category:** Regular Agenda

**Presenter(s):** Steve Blount, Planner

**Explanation:**

Property owner purchase property with plans to open a small, neighborhood church. Churches are not an allowed use in the current zoning classification, so she is requesting a rezoning to CIV to allow her desired use.

**Financial Impact:**

NONE

**Choose an item.**

1. Approve, disapprove, or approve with conditions proposed rezoning by adoption or ordinance 26-02
2. Adopt statement of consistency

**Attachment(s):**  Yes  No

1. Memo (included with public hearing portion)
2. slide presentation pdf (included with public hearing portion)
3. ordinance language
4. motion language

2035 US HWY 29 Rezoning

3.3.26

**Suggested Motion Language for rezoning approval:**

I move to approve the staff's recommendation as presented to rezone parcel 048 094 located at 2035 US HWY 29 from IND to the CIV zoning classification by adoption of ordinance 26-???

**Suggested motion language for Statement of Consistency and reasonableness:**

I move to adopt a Statement of Consistency and Reasonableness stating that we find that this rezoning is consistent in general with the town's Comprehensive Land Use Plan (per requirements of NCGS 160D-605(a)), said plan stating specifically, "***This is a strip of mixed development on both sides along N Salisbury Ave (US HWY 29) from about 1625 (the old weigh station site) to about 2175 (Yadkin Baptist Church Rd) that is currently zoned Industrial (IND) for industrial development. These are relatively small lots that over time will likely transition to retail uses, especially if the surrounding properties are developed into industrial uses and the NC Finishing property is developed into some sort of mixed-use development. We would suggest rezoning this to an appropriate commercial zoning classification (C-29) to promote commercial development over time.***"

We further find this rezoning to be reasonable in all ways as prescribed by NCGS 160D-605(b). This rezoning will be beneficial to the citizens of the Town of Spencer.

TOWN OF SPENCER, NORTH CAROLINA

ORDINANCE 26-02

**AN ORDINANCE TO AMEND the Town's Official Zoning Map dated September 10, 2024, rezoning Rowan County GIS System parcel number 048 094 located at 2035 US HWY 29 from IND to CIV zoning classification:**

**WHEREAS**, the current IND zoning classification is meant for light industrial uses on large parcels and requires large setbacks not available on this parcel; and

**WHEREAS**, the existing uses of structures on this property are not allowed in the current zoning classification but the business exists by virtue of previous use; and

**WHEREAS**, the current property owner desires to improve her property and make better use of the property as a small neighborhood church but cannot under the current zoning classification; and

**WHEREAS**, the requested CIV zoning classification would make the proposed use conforming with our development ordinance and allow the property owner to improve her business;

**NOW, THEREFORE, BE IT ORDAINED** by the Board of Aldermen of the Town of Spencer, North Carolina, that:

**Section 1.**

The Town's Official Zoning Map dated April 12, 2021, will be revised as follows:

Parcel 048 094 located at 2035 US HWY 29 will be revised from IND to CIV zoning Classification

**Section 2.** This ordinance shall become effective immediately upon adoption.

**Adopted** this 14th day of April, 2026.

---

Jonathan Williams, Mayor

ATTEST

---

Anna Kanode Ward, Town Clerk



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## Agenda Item Coversheet

**Meeting Date:** 04/14/2026

**Agenda Item #:**

**Agenda Item Title:** Consider adopting Budget Ordinance Amendment 25-11.014, accepting and authorizing the Town Manager to execute Rowan County Fire Department Staffing Grant Agreement.

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**Category:** Regular Agenda

**Presenter(s):** Fire Chief Michael Lanning, Town Manager Peter Franzese, Finance Officer Heather Kann  
Finance Officer

**Explanation:**

Rowan County has awarded staffing grants to all Fire departments (contracted/volunteer and municipal) that serve throughout the County. The County's goal is to assist all Departments with establishing or increasing staffing with certified personnel who can respond immediately to emergency situations. Declining membership and the trend of most volunteers' primary employment being outside their districts have created staffing shortages and delayed response times for Fire Departments who have historically relied on volunteers. Spencer Fire Department is an eligible recipient of the FY26 Fire Department Staffing Grant approved by the Rowan County Board of Commissioners in December 2025. The Town Manager anticipates this funding being available on a recurring basis in coming years, based on conversations with the County Manager.

**Financial Impact:**

This funding will be used to expand the resources available to cover Fire Department personnel expenses.

**Choose an item.**

Motion to adopt Budget Ordinance 25-11.014 and authorize the Town Manager to execute the grant agreement with Rowan County in the amount of \$10,000.



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**Attachment(s):**  Yes  No

1. Award Letter
2. Grant Agreement
3. Budget Ordinance Amendment 25-11.014



March 23, 2026

Chief M. Lanning  
Spencer Fire Department  
208 S Salisbury Avenue  
Spencer, NC 28159

**Subject: FY26 Fire Department Staffing Grant Agreement**

Dear Chief Lanning,

I am pleased to let you know that Spencer Fire Department has been awarded a FY26 Fire Department Staffing Grant. Rowan County included funding in the FY26 budget to provide staffing grants of up to \$10,000 to the County's fire departments and the Rowan County Rescue Squad. The attached agreement was approved by the Board of Commissioners on March 2, 2026 (Consent Item K).

As part of this grant process, we kindly ask you to complete the following steps:

1. **By May 15, 2026:** Review, sign, and return the attached FY26 Fire Department Staffing Grant agreement.
2. **By May 31, 2026:** Provide a copy of your FY25 audit report. This is a required document for grant administration.

You may either email the documents to me at [ann.kitalong-will@rowancountync.gov](mailto:ann.kitalong-will@rowancountync.gov) or mail/drop off hard copies of each to the following address:

Rowan County  
Grants Administration & Government Relations  
130 W. Innes St.  
Salisbury, NC 28144  
P: 704-216-8135

If you have any questions or require further assistance, feel free to contact me or Emergency Services Chief TJ Brown. Thank you for your continued service to the people of Rowan County.

Sincerely,

A handwritten signature in blue ink that reads "Ann Kitalong-Will".

Ann Kitalong-Will, Ph.D.  
Director, Grants Administration & Governmental Relations

cc: Chief TJ Brown; Samantha Rosenhaus

## FIRE DEPARTMENT STAFFING GRANT

Between

Rowan County  
("County")

And

SPENCER FIRE DEPARTMENT  
("Department")

Whereas, Rowan County has appropriated funding to a grant program to provide staffing of fire departments that are contracted to provide fire department response in Rowan County.

Whereas, the purpose of this agreement is to provide financial assistance to the Department to assist that entity in providing initial or increased staffing of their fire department with appropriately certified personnel to provide immediate response to emergency situations that the department is called upon to respond to;

And, Whereas, National, State and local trends have shown a decline in enrollment for fire service organizations and current conditions require some to be employed outside their fire districts, such that a situation can exist that a fire department can see delayed response times due to lack of personnel available to respond, and it is deemed to be in the public interest to have dedicated personnel available to respond to a call for aid in order to provide safety to life and property;

Now, therefore, in consideration of the mutual covenants contained herein by and between the parties hereto, it is agreed as follows:

1. The County, upon execution of this agreement and upon confirmation that all items required by Rowan County are in place at the Department, will provide funding in the amount up to \$10,000 during the 2025/2026 fiscal year for the sole use of staffing of personnel at the Department for emergency responses. The county will make a one-time payment within 30 days of receipt of the Department's most recent/FY25 annual audit.
2. The Department will provide staffing at its facilities.
3. The Department will maintain a record of how the funds are being used to support staffing. The Department will make this record available for review and approval by the Rowan County Emergency Services Chief upon request.
4. It shall be the responsibility of the Department to ensure that all personnel funded under this grant are qualified persons with appropriate training and

experience required to fulfill the job requirements. The Department assumes all responsibility and liability for the conduct and actions of the personnel, up to the limits required by law, when such person is engaged as an agent of the Department.

5. Any positions funded under this grant are sole staff members of the Department hiring them and are in no way considered employees of Rowan County Government.
6. The Department shall be responsible for paying all salaries, wages, bonuses, or other compensation including, but not limited to worker's compensation, insurance, and retirement benefits, for its staff. The Department shall provide to the County a FY25 Financial Statement/Audit as set forth in N.C.G.S. § 55A-16-24(a) which reflects the amount of funds received from the County and how those funds were used.
7. The Department is responsible for all aspects of personnel management concerning any positions funded by this grant, including, but not limited to, hiring, termination, wages and compensation, scheduling, orientation and training.
8. Either party may terminate this agreement without cause after expiration of a thirty (30) day written notice to the other party. Unused grant funds will be returned to the County upon termination of this agreement.
9. The County Emergency Services Chief will make periodic inspections of all departments participating in this grant to determine continued compliance with this agreement and, with regard to the contract to provide tax district fire service. The Emergency Services Chief's Office may withhold funding if the Department is out of compliance with either agreement.

{SIGNATURE PAGE FOLLOWS}

IN WITNESS, the County has caused this instrument to be signed by its County Manager and attested by the County Clerk with its seal affixed, and the Department has likewise caused this instrument to be signed in its name, attested by its chief executive officer with its seal affixed, effective on the date the second party signed but both pursuant to the authority given by their respective governing bodies.

ROWAN COUNTY

By: \_\_\_\_\_  
(County Manager)

Date: \_\_\_\_\_

[AFFIX SEAL]

Attest: \_\_\_\_\_  
(Clerk)

Date: \_\_\_\_\_

RECIPIENT

By: \_\_\_\_\_  
(Authorized Representative)

Date: \_\_\_\_\_

Attest: \_\_\_\_\_  
(Clerk)

Date: \_\_\_\_\_

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

By: \_\_\_\_\_ Date: \_\_\_\_\_  
(Finance Director, Rowan County, NC)

AN ORDINANCE AMENDING  
 THE TOWN OF SPENCER, NORTH CAROLINA  
 FY 25-26 ANNUAL BUDGET  
 ORDINANCE 25-11.014  
 APRIL 14, 2026

BE IT ORDAINED, by the Governing Board of the Town of Spencer, North Carolina, that the following amendment of anticipated fund revenues and departmental expenditures, certain Fee and Charge Schedules, and with certain restrictions and authorizations, are hereby appropriated and approved for the operation of Town Government and its activities for the Fiscal Year beginning July 1, 2025, and ending on June 30, 2026:

Section 1. The Town received \$10,000.00 from Rowan County’s FY26 Fire Department Staffing Grant.

Section 2. To amend the FY 25-26 revenue and expense appropriations as follows:

**Revenues**

<b>Account</b>	<b>Title</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>(Decrease) Increase</b>
10-4644	Donations - Fire	\$500	\$10,500	\$10,000

**Expenses/Expenditures**

<b>Account</b>	<b>Title</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>(Decrease) Increase</b>
10-5400-413	Overtime	\$34,990	\$44,990	\$10,000

Section 3. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, and to the Town Manager and the Finance Officer for record-keeping.

Adopted this 14<sup>th</sup>, day of April 2026.

Approved by:

Attest:

\_\_\_\_\_  
 Jonathan Williams, Mayor

\_\_\_\_\_  
 Anna Kanode Ward, Town Clerk



## Monthly Activity Report

### Planning, Zoning & Subdivision Administrator

March 2026

	<b><u>Location</u></b>	<b><u>Activity</u></b>	<b><u>Action</u></b>
2.26.25	Office	Transportation Museum parking lot questions	Answered questions
2.26.26	Salisbury Academy	Planning presentation to students	Made presentation
2.26.26	7 <sup>th</sup> st	Development questions	Answered questions
3.2.26	Catawba College	Regenerative Campus meeting	Attended
3.2.26	7 <sup>th</sup> St	Development questions	Answered questions
3.2.26	Longs ferry rd	Traffic impact statement for truck stop	Reviewed
3.2.26	All	Verizon request for information on fiber optic lines	Responded
3.2.26	Hawkinstown rd	Environmental questions	Answered questions
3.2.26	Hudson/meadow st	Drainage problems	Advised contractor
3.2.26	Office	Recreation asset survey	Forwarded to Joe
3.3.26	Long ferry rd	Subdivision and development questions	Answered questions
3.3.26	Office	Online cyber security training	Participated
3.3.26	2035 us hwy 29	Rezoning request	Processed
3.5.26	1108 s Salisbury ave	Development questions	Answered questions
3.5.26	3 <sup>rd</sup> st	Zoning questions	Answered questions
3.5.26	N rowan ave	Fencing questions	Answered questions
3.5.26	Pickett ave	Chicken keeping questions	Answered questions
3.5.26	Long ferry rd	Truck stop	Site visit
3.5.26	Willow creek	Medical office bldg.	Site visit
3.5.26	Willow creek	Sewer related development questions	Answered questions
3.5.26	Willow creek	Site plan review	Provided comments

3.5.26	Office	Preagenda meeting	Attended
3.5.26	Office	Planning session	Attended
3.6.26	Office	Board Planning Session	Participated
3.9.26	Long ferry rd	Annexation questions	Answered questions
3.9.26	222 n Yadkin	Development questions	Answered questions
3.9.26	S Yadkin	Fencing questions	Answered questions
3.9.26	301 pincroft	Garage and driveway permits	Issued permits
3.9.26	807 n rowan	Fence, storage bldg., deck permits	Issued permits
3.9.26	Office	Planning board meeting	Participated
3.10.26	810 s iredell	Tree issues	Reviewed and commented
3.10.26	1108 s Salisbury ave	Development questions	Answered questions
3.10.26	700 s Salisbury ave	Development process questions	Answered questions
3.10.26	2035 n us hwy 29	Rezoning process	Prepared ads, etc
3.10.26	N Salisbury ave	NR Medical sign questions	Answered questions
3.10.26	7 <sup>th</sup> st	ADU zoning permit	Reviewed
3.10.26	Office	BoA meeting	Attended
3.12.26	3 <sup>rd</sup> st	Residential parking and sewer issues	Answered questions
3.12.26	Office	Carolina Thread Trail survey	Responded
3.12.26	Us hwy 29	NC Finishing co property development questions	Answered questions
3.12.26	S Salisbury ave	Developer meeting	Participated
3.12.26	Office	Revised cell tower contract	Reviewed and commented
3.16.26	Hollywood ave	Development questions	Answered questions
3.16.26	Hawkinstown rd	Easement questions	Answered questions
3.16.26	Office	Building availability questions for coffee & tea shop	Answered questions
3.16.26	N Salisbury ave	Bathroom addition questions	Answered questions
3.16.26	Office	Code of ordinances review meeting	Participated
3.16.26	Hawkinstown rd	Preliminary review for apartment complex	Reviewed and commented
3.16.26	Hawkinstown rd	Preliminary site plan for 30 lot subdivision	Reviewed and commented
3.17.26	Willow creek	Site plan review meeting	Participated

3.17.26	Long ferry rd	Driveway permit meeting for JDA & truck stop	Participated
3.19.26	All	Fire pit questions	Answered and referred to Lanning
3.19.26	15 pickett ave	Chicken keeping permit	Issued
3.19.26	Office	Interview for Spencer Success Story	Participated
3.19.26	3 <sup>rd</sup> st	Sewer easement questions	Answered questions
3.19.26	3 <sup>rd</sup> st	Sewer routing meeting with SRU	Participated
3.19.26	Office	EB-5861 funding strategy meeting	Participated
3.19.26	US HWY 29	PCA property development questions	Answered questions
3.23.26	Hollywood dr	Development questions	Answered questions
3.23.26	Yadkin ave	Development questions	Answered questions
3.23.26	3 <sup>rd</sup> st	Piedmont Players property development meeting	Participated
3.23.26	Us hwy 29	PCA property “max built-upon restrictions” questions	Answered questions
3.23.26	3 <sup>rd</sup> st	Two zoning permits for SFHs	Issued permits
3.23.26	Hawkinstown rd	Water and sewer information for developer	Provided information
3.24.26	Baldwin	Chicken and goat questions	Provided information
3.24.26	Hawkinstown road	Apptment developer meeting	Participated
3.24.26	6 <sup>th</sup> and Hudson	Post office meeting on addressing	Participated
3.24.26	Office	Alleyway and tree responsibility meeting	Participated
3.26.26	Asheville	Responded to development and survey questions	Responded
3.26.26	Hawkinstown rd	driveway questions	Answered questions
3.28.26	Office	Played catchup on emails	
3.30.26	Whitehead	Subdivision plat revision	Reviewed and commented
3.30.26	220 n Yadkin	Recombination plat	Reviewed and commented
3.30.26	Salisbury ave	Zoning questions for convenience store	Answered questions
3.30.26	N Salisbury ave	Subdivision plat for pca property	Approved
3.30.26	529 steeple chase trail	Fence permit	Issued permit
3.30.26	Office	Grants Creek Greenway meeting	participated

## Quotes:

“It is impossible to live without failing at something, unless you live so cautiously that you might as well not have lived at all—in which case, you fail by default.”

— **J.K. Rowling**

“Be who you are and say what you feel, because those who mind don't matter, and those who matter don't mind.”

— **Bernard M. Baruch**

“To be yourself in a world that is constantly trying to make you something else is the greatest accomplishment.”

— **Ralph Waldo Emerson**

“Twenty years from now you will be more disappointed by the things that you didn't do than by the ones you did do. So throw off the bowlines. Sail away from the safe harbor. Catch the trade winds in your sails. Explore. Dream. Discover.”

— **H. Jackson Brown Jr.**

“Imperfection is beauty, madness is genius and it's better to be absolutely ridiculous than absolutely boring.”

— **Marilyn Monroe**

“It takes a great deal of bravery to stand up to our enemies, but just as much to stand up to our friends.”

— **J.K. Rowling**



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## Agenda Item Coversheet

**Meeting Date:** 04/14/2026

**Agenda Item #:**

**Agenda Item Title:** Code Enforcement Monthly Report

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**Category:** Departmental Report

**Presenter(s):** Michael File, Chief

**Explanation:**

**Code Enforcement Monthly Report**

**Financial Impact:**

N/A

**Choose an item.**

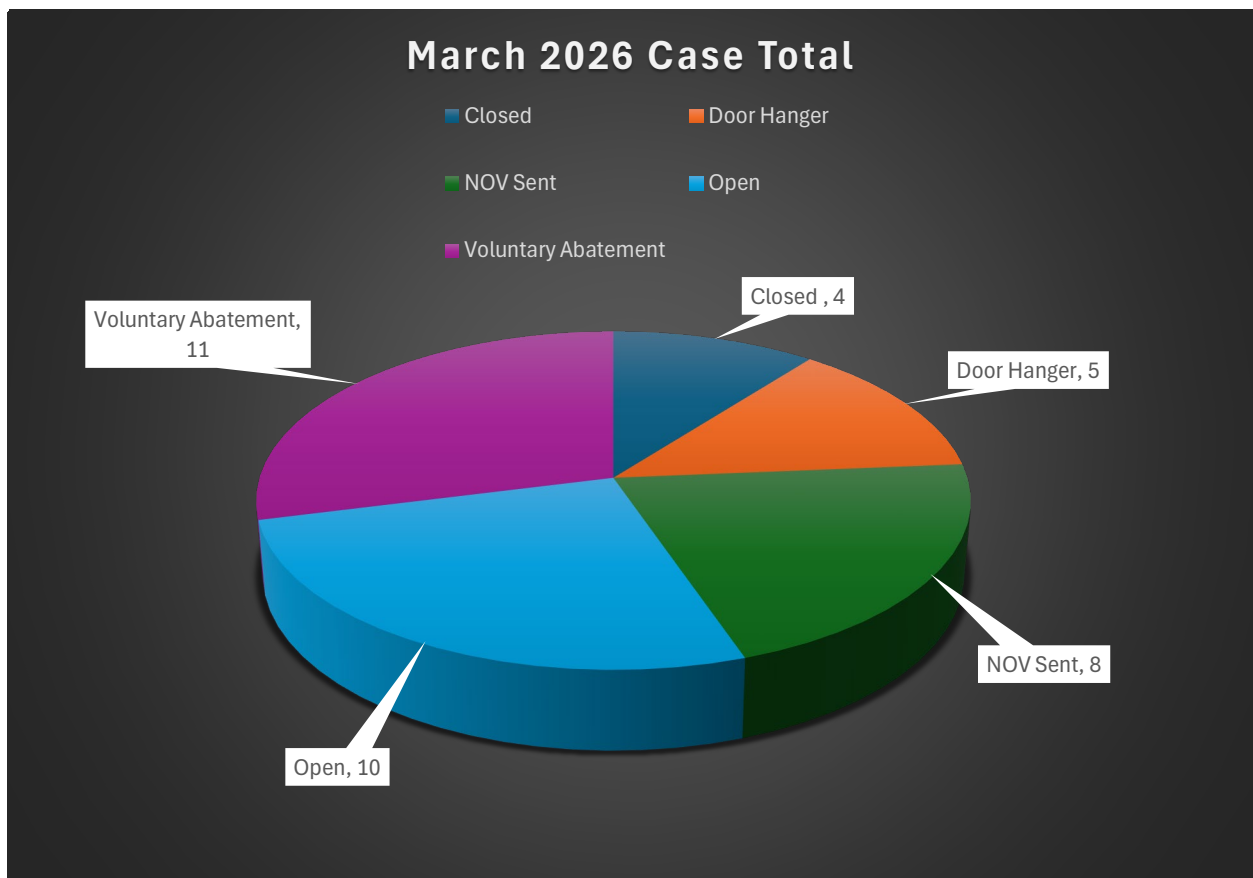
N/A

**Attachment(s):**  Yes  No

1. Code Enforcement Report

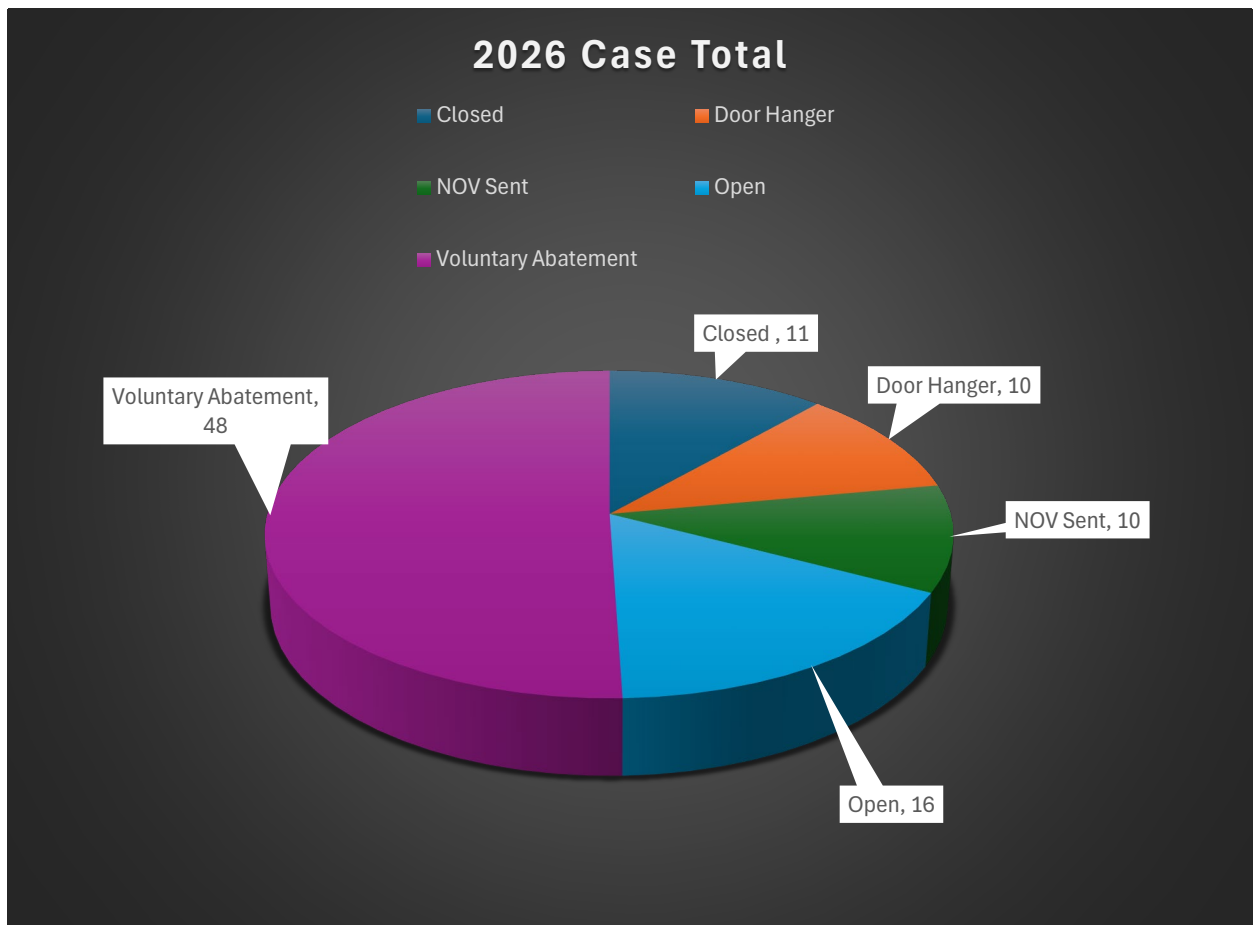
## Monthly Report

- Total cases – 38
- Open - 10
- Voluntary Abatement – 11
- Notice of Violations – 8
- Notice of Bill - 0
- Notice of Lien – 0
- Door Hanger – 5
- Closed - 4



## 2026 Yearly Report

- Total cases – 95
- Open – 16
- Closed - 11
- Voluntary Abatement - 48
- Enforced Abatement - 0
- Notice of Violations – 10
- Notice of Bill - 0
- Notice of Lien – 0
- Door Hanger - 10



MH - Minimum Housing / OL - Overgrown Lot / JV - Junk Vehicle / JP - Junk Pile / AC - Animal Control /  
 IP - Illegal Parking / ZV - Zoning Violation / CM - Commercial Maintenance/

**2026 Open Cases**

Case Number	Address	Nature of Complaint	Main Status
202600098	104 Sowers Ferry Road	fallen rotten tree and overgrowth	Open
202600097	104 Sowers Ferry Road	2 cars parked in front yard. today and most days	Open
202600096	440 Steeplechase trail	Has a horse in the lot. Fence was not permitted.	Open
202600090	708 4TH ST	Overgrowth	Open
202600086	511 S Iredell	Junk Pile	Open
202600085	709 7TH ST	Overgrowth	Open
202600084	401 S Rowan Ave	Falling Fence	Open
202600081	510 4THST	Junk Pile	Open
202600080	901 3RD ST	Junk on porch	Open
202600069	611 3RD ST	Junk Pile	Open
202600042	511 3RD ST	Nuisance Home	Open
202600037	602 S Carolina Ave	Abandoned Vehicle	Open
202600034	705 B N Salisbury Ave	Junk	Open
202600018	1355 Adams ST	Overgrowth	Open
202600017	1340 Adams ST	Overgrowth	Open
202600008	613 5TH ST	Minimal Housing	Open



# Case Status Report

03/01/2026 - 03/31/2026

Case #	Case Date	Main Status	Last Status Change Date	Complaint Received	Violation Address	Nature of Complaint
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**Group: Closed**

202600077	3/19/2026	Closed	3/19/2026	Site Visit	1745 Hollywood Dr	Junk Piles
202600072	3/12/2026	Closed	3/12/2026		909 S Carolina Ave	Junk/trash out side of dumpster. It has been there for several weeks
202600071	3/12/2026	Closed	3/24/2026	Site Visit	411 N Rowan Ave Ext	No Permit
202600070	3/12/2026	Closed	3/12/2026	Phone Call	412 Forestdale	Illegal Parking
202600036	2/18/2026	Closed	3/24/2026	Site Visit	033 452	Overgrowth

**Group Total: 5**

**Group: Door Hanger**

202600092	3/30/2026	Door Hanger	3/30/2026	Site Visit	701 S Yadkin	High Grass
202600082	3/24/2026	Door Hanger	3/24/2026	Site Visit	1014 4TH ST	Illegal Parking
202600079	3/23/2026	Door Hanger	3/23/2026	Site Visit	816 3RD ST	Illegal Parking
202600078	3/23/2026	Door Hanger	3/23/2026	Site Visit	309 1ST ST	Junk

**Group Total: 4**

**Group: Notice of Lien**

202400385	9/11/2024	Notice of Lien	3/2/2026	Site Visit	204 S Iredell	Overgrowth
202400348	8/13/2024	Notice of Lien	3/2/2026	Site Visit	204 S Iredell	Overgrowth

**Group Total: 2**

**Group: NOV Sent**

202600094	3/30/2026	NOV Sent	3/30/2026	Site Visit	414 S Rowan	Overgrowth
202600093	3/30/2026	NOV Sent	3/30/2026	Site Visit	705 S Yadkin	Overgrowth
202600091	3/30/2026	NOV Sent	3/30/2026	Site Visit	511 4TH ST	Junk

202600075	3/17/2026	NOV Sent	3/30/2026	Site Visit	104 Sowers Ferry Rd	Junk
202600062	3/2/2026	NOV Sent	3/4/2026	Site Visit	700 S Salisbury Ave	Commercial Maint
202600055	2/25/2026	NOV Sent	3/4/2026	Site Visit	1000 2ND ST	Junk
202600038	2/18/2026	NOV Sent	3/13/2026	Site Visit	909 S Carolina Ave	Junk

**Group Total: 7**

**Group: Open**

202600096	3/30/2026	Open	3/31/2026		440 Steeplechase trail	is living on a 1.28 acre lot has had Fence installed in back yard and now has a BIG horse in the lot. Out of compliance and I'm sure Fence was not permitted.
202600090	3/25/2026	Open	3/25/2026	Site Visit	708 4TH ST	Overgrowth
202600086	3/25/2026	Open	3/25/2026	Site Visit	511 S Iredell	Junk Pile
202600085	3/24/2026	Open	3/24/2026	Site Visit	709 7TH ST	Overgrowth
202600084	3/24/2026	Open	3/24/2026	Site Visit	401 S Rowan Ave	Falling Fence
202600081	3/23/2026	Open	3/23/2026	Site Visit	510 4TH ST	Junk Pile
202600080	3/23/2026	Open	3/23/2026	Site Visit	901 3RD ST	Junk on porch
202600069	3/11/2026	Open	3/11/2026	Site Visit	611 3RD ST	Junk Pile
202600037	2/18/2026	Open	3/2/2026	Site Visit	602 S Carolina Ave	Abandoned Vehicle

**Group Total: 9**

**Group: Voluntary Abatement**

202600076	3/17/2026	Voluntary Abatement	3/17/2026	Site Visit	306 N Yadkin	Illegal Parking
202600074	3/17/2026	Voluntary Abatement	3/24/2026	Site Visit	520 Steeple Chase	Illegal Parking
202600073	3/17/2026	Voluntary Abatement	3/24/2026	Site Visit	430 Steeple Chase	Illegal Parking
202600067	3/10/2026	Voluntary Abatement	3/24/2026	Site Visit	119 2ND ST	Junk on Porch
202600066	3/10/2026	Voluntary Abatement	3/24/2026	Site Visit	511 S Iredell	Junk Pile
202600065	3/10/2026	Voluntary Abatement	3/24/2026	Site Visit	611 S Carolina	Junk on Porch
202600064	3/10/2026	Voluntary Abatement	3/24/2026	Site Visit	207 8TH ST	Junk on Porch

202600063	3/10/2026	Voluntary Abatement	3/24/2026	Site Visit	1210 N Salisbury Ave	Brush Ple
202600058	2/25/2026	Voluntary Abatement	3/17/2026	Site Visit	509 2ND ST	Junk on porch
202600057	2/25/2026	Voluntary Abatement	3/17/2026	Site Visit	911 2ND ST	Junk
202600056	2/25/2026	Voluntary Abatement	3/17/2026	Site Visit	507 2ND ST	Junk
202600052	2/19/2026	Voluntary Abatement	3/17/2026	Site Visit	802 4TH ST	Junk on Porch
202600047	2/18/2026	Voluntary Abatement	3/17/2026	Site Visit	710 4TH ST	Junk on Porch
202600041	2/18/2026	Voluntary Abatement	3/17/2026	Site Visit	1009 4TH ST	Junk
202600040	2/18/2026	Voluntary Abatement	3/17/2026	Site Visit	302 S Iredell	Junk on Porch
202600039	2/18/2026	Voluntary Abatement	3/17/2026	Site Visit	500 7TH ST	Junk
202600029	2/9/2026	Voluntary Abatement	3/17/2026	Site Visit	501 10TH ST	Junk Pile
202600007	1/14/2026	Voluntary Abatement	3/24/2026	Site Visit	032 108	Tall Grass/ Weeds

**Group Total: 18**

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**Total Records: 45**

**4/1/2026**



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## Agenda Item Coversheet

**Meeting Date:** 04/14/2026

**Agenda Item #:**

**Agenda Item Title:** Police Department Monthly Report

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**Category:** Departmental Report

**Presenter(s):** Michael File, Police Chief

**Explanation:**

No approval needed. This item is for information only.

**Financial Impact:**

N/A

**Recommendations:**

N/A

**Attachment(s):**  Yes  No

1. Monthly PD Report

# Activity Log Event Summary (Totals)

## Spencer Police Department

(02/28/2026 - 03/31/2026)

<No Event Type Specified>	1	8th Street Ballpark Check	87
911 Hang-Up	16	Administrative Work	71
Alarm - Other	10	Assault - Report	1
Assault - Sexual	1	Assist - East Spencer Police	27
Assist - EMS	2	Assist - Fire Department	4
Assist - Motorist/Public	2	Assist - NCHP	3
Assist - Other Agency	4	Assist - Other Officer	48
Assist - Sheriff's Office	16	B&E/Burglary - Commercial, Report	1
B&E/Burglary - Residential, In-Progress	3	B&E-Vehicle, Report	1
Business Check-Drive Through	442	Calls For Service (General)	11
Child Abuse/Neglect	2	Code Enforcement Activities	19
Community Event	3	Court	2
Directed Patrol	19	Disturbance	7
Disturbance- Verbal	6	Disturbance-Physical	2
Domestic - Property Pick-up	4	Domestic Dispute	4
Domestic Violence	2	Escort - Motorist/Public	4
Fight - In-Progress	1	Follow-up Investigation - Outside County	1
Follow-up Investigation- Spencer	7	Foot Patrol - Business	74
Foot Patrol - Residential	8	Found Property	2
Fraud - Report	2	Harrassment-Stalking	1
House Check	44	Illegal Dumping	1
Involuntary Commitment	6	Larceny - In-Progress	1
Larceny - Report	4	Library Park Check	85
Maintenance - Equipment	2	Maintenance - Vehicle	20
Meeting	1	Missing Juvenile	5
Missing Person	1	NCTM - Drive Through	261
NCTM - Foot Patrol	68	Norfolk Southern Railroad-Drive Through	14
Park Check	235	Property - Found	1
Property - Lost/Missing	1	Property Damage - Report	1
Public Service	20	School Check - NRES	89
School Check - NRHS	101	School Check - NRMS	77
Special Assignment - Other	3	SRO Duties	49
Subject with Gun	1	Subpoena Service	2

# Activity Log Event Summary (Totals)

Spencer Police Department

(02/28/2026 - 03/31/2026)

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Suicide Threat	1	Suspicious - Activity	8
Suspicious - Person	11	Suspicious - Vehicle	6
Traffic - Parking Control	1	Traffic Accident - PD	5
Traffic Accident - PI	2	Traffic Control	2
Traffic Enforcement	18	Training - PD	18
Training - School	9	Training-Virtual Zoom Web-Ex, etc.	1
Trespassing - In-Progress	2	Trespassing - Report	1
Unattended Death	1	Unlock Vehicle	2
Vehicle Stop	135	Warrant Service	6
Welfare Check	14	Yadkin River Park Check - Davidson County	100
Yadkin River Park Check - Spencer	112		

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**Total Number Of Events: 2,469**



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## Agenda Item Coversheet

**Meeting Date:** 04/14/2026

**Agenda Item #:**

**Agenda Item Title:** Fire Department Monthly Report

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**Category:** Departmental Report

**Presenter(s):** Michael Lanning, Fire Chief

**Explanation:**

No approval needed. This item is for information only.

**Financial Impact:**

N/A

**Recommendations:**

N/A

**Attachment(s):**  Yes  No

1. Fire Department Report



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## **April 2026 Monthly Report**

*Calls for Service: 03/01/2026-03/31/2026*

Fire: \*

Medical: \*

Monthly Total:

**2026 Total: 357**

**\*State reporting software will currently not allow reports of any kind to be run.**

### **Apparatus:**

- No current needs or issues.

### **Equipment:**

- All hoses, ladders, and apparatus pumps successfully passed the annual testing on 03/30/26.

### **Special Events:**

- Justin E. Monroe Fire Camp will be held July 20<sup>th</sup> through 22<sup>nd</sup>.

### **Personnel:**

- Engineer Aaron Russell is currently out due to the birth of his son. Anticipated return of May 1<sup>st</sup>.

### **Station:**

- The HVAC unit for the office space is OOS (25-year-old). The compressor is non-repairable. Currently awaiting additional quotes.

### **Special Information:**

- We currently have 15 eligible firefighters on the certified roster.  
North Carolina's requirement to maintain at least 15 eligible firefighters on a department's certified roster is not a suggestion or best practice; it is a compliance



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standard established by the Office of State Fire Marshal in 11 NCAC 05A .0906(a)(1). Failure to meet that requirement places a fire department out of compliance with State fire rating standards and creates direct risk to the department's standing, credibility, and ability to demonstrate that it is meeting the minimum staffing expectations required for certification and rating purposes. In addition, G.S. 58-86-25 requires departments to annually submit a certified roster of firefighters who meet the State's eligibility and training requirements, including 36 hours of annual training. Simply put, falling below the required staffing threshold is not an administrative technicality; it is a serious compliance issue that can carry operational, organizational, and reputational consequences for the department and the community it serves.



## Agenda Item Coversheet

**Meeting Date:** April 14, 2026

**Agenda Item #:**

**Agenda Item Title:** Public Works Monthly Report

**Category:** Departmental Reports

**Presenter(s):** Joel Taylor, Public Works Director

**Explanation:**

No approval needed. This item is for information only.

**Financial Impact:**

N/A

**Attachment(s):**  Yes  No

1. Monthly Report



**Public Works  
Director**

Post Office Box 45 Spencer, NC  
28159-0045  
704.633.2231 Ext. 50 Ofc.  
704.633.3837 Fax  
<http://www.ci.spencer.nc.us>

**April 2026 Board of Alderman Meeting**

- 1) Regular services (Sanitation, Brush, Mowing) are running on schedule.
- 2) The leaf vacs began running the week of March 16<sup>th</sup> and will run through April 17<sup>th</sup> for spring clean-up. After the week of April 17<sup>th</sup>, all small material will be required to be bagged for pick-up for the remainder of the summer.
- 3) We held our Spring Mulch Give-Away on March 21<sup>st</sup> for the citizens of Spencer. We delivered a total of 21 loads to resident's here in Town, and quite a few came to get mulch in their own vehicles. We still have plenty of mulch available, so if anyone is interested please let Public Works or Town Hall know.

<b>Mulch Fee Schedule</b>	
<b>In-Town</b>	
John Deere	\$3 per bucket
Backhoe	\$5 per bucket
<b>Out of Town</b>	
John Deere	\$7 per bucket
Backhoe	\$10 per bucket
<b>IN TOWN DELIVERY</b>	
<b>Small Truck (Chevy)(3 scoops delivered)</b>	<b>\$25.00</b>
<b>Large Truck (International)(5 scoops delivered)</b>	<b>\$35.00</b>

- 4) We are currently out of replacement trash carts. We have placed an order for more, and we should have a new supply in the next couple of weeks. Cold weather in conjunction with the new truck, and new homes, has caused us to go through our supply a little earlier than normal this year.
- 5) We have investigated yet another drainage issue on Iredell Avenue between 1<sup>st</sup> and 2<sup>nd</sup> Street. A small hole opened up in the middle of the street and we have traced it back to a failed section of 36" RCP pipe some 40 feet from the opening. The pipe will have to be removed and a new section put in its place. The complication is that the pipe is deep, about 10 feet to the bottom, which is the full reach of our equipment. We have contacted a contractor and he will be getting started in the next

week to replace the failed section of pipe. This portion of Iredell Avenue does not have any homes located on it, so it is only a mild inconvenience for residents to have to dodge this block for a short time.

- 6) We have completed the project at Library Park. All of the bushes have been trimmed, and several of the trees have been pruned especially the ones around the flag pole. We have pressure washed the memorial brick walkway around the statue, the statue and planter, and all of the benches. We have completed the mulch bed where the large trees were removed and re-installed the Peace Pole, and all of the flower beds have fresh pine needles. We will be looking to plant several trees this fall to replace those that were removed.
- 7) We have completed the project to remove the trees behind Town Hall. All of the evergreen trees have been removed, surface sprayed, and fresh mulch put down. We intend to improve the looks of the fence line area with better landscaping when possible.
- 8) We have cleaned the dead debris out of several areas along the NCTM side of Salisbury Avenue. We are currently working with Shawn at the NCTM at this time to coordinate efforts for cleaning the bank completely to the tracks.
- 9) We have posted the job opening for a general laborers position on the Town Website. We have had several to apply so far, and we are in the process of going over their applications. Once we have completed this process, we will begin interviews of the most qualified candidates. As always, if you know of someone that is interested please have them go to the website and submit an application. Chad Eagle has been filling in a little extra to help fill this position during the hiring process. We will continue this process until this position is filled.
- 10) We have had quite a few potholes to show up after the plowing of the streets during the snow. We will be fixing them as time and materials are available. Please let Public Works or Town Hall know if you see one that needs attention.
- 11) **Final Final CCAP update promise:**  
We have received the final reimbursement for this project, 25% or \$5,000, so this project is complete.
- 12) **Update: Chicken Springs Dam**  
We are staying in touch with our engineer's and completing tasks as they let us know. We continue to keep the water level down, using the existing siphon, mowing the area, and constantly monitoring the situation with the outfall and boil.  
We have received news that we did receive the grant, which we had applied for some time ago, and have had several meetings with our engineers and DEQ to discuss options for fixing the pond in Stanback Forest. We are in the process of figuring out the match portion of the grant and which solution to go with for repairing the dam.
- 13) **Since last report:**  
**There were no abatement's issued this month.**
- 14) **Work Orders were completed as necessary, along with several citizen engagement requests.**

### **Monthly Events:**



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## Agenda Item Coversheet

**Meeting Date:** 04/14/2026

**Agenda Item #:**

**Agenda Item Title:** Finance Monthly Report

**Category:** Departmental Report

**Presenter(s):** Heather Kann, Finance Officer

**Explanation:**

- Bank Reconciliations are up to date as of March.
- The final step in the Salary Study implementation took affect 3/23/26
- Budget Prep has begun using Black Mountain Software. Department heads will submit their initial budget requests to me; I will enter into the software and then Peter and I will review before presenting a Recommended Budget for FY26-27. Plans were to use Analytics for FY26-27, but SS has had issues getting things set up. Therefore, we are going to push through working in the new software.

Sales and Use Tax Distributions As of April		
January distributions are March revenues		
	<b>FY 25</b>	<b>FY26</b>
<b>Total Revenues</b>	803,290.61	831,576.83
FY26 vs FY25 @ April Reporting		3.5%

**Financial Impact:** N/A

**Recommendations:**

N/A

**Attachment(s):**  Yes  No

1. Finance Report

10 General

Account	Expended					
Object Description	Current YTD	Encumber YTD	Committed	Budget	Variance	% Committed
Revenue						
* Tax Revenues - 41xx			2,387,947.01	2,489,377.00	-101,429.99	96 %
* Intergovernmental - 42xx			1,121,605.80	1,695,954.00	-574,348.20	66 %
* Investment income - 43xx			43,025.33	60,000.00	-16,974.67	72 %
* Sale of Services - 44xx			205,577.63	320,926.00	-115,348.37	64 %
* Fees and Fines - 45xx			57,231.12	49,200.00	8,031.12	116 %
* Grants & Donations - 46xx			148,923.00	74,330.00	74,593.00	200 %
* Miscellaneous - 47xx			74,424.76	25,578.00	48,846.76	291 %
* Transfers and Appropriations -				436,495.00	-436,495.00	0 %
Total Revenue			4,038,734.65	5,151,860.00	-1,113,125.35	78 %
Expenses						
Governing Body	224,534.60	25,550.00	250,084.60	330,277.00	-80,192.40	76 %
Administration	522,820.51	60,475.53	583,296.04	760,521.00	-177,224.96	77 %
Police	1,259,686.55	39,682.02	1,299,368.57	1,825,430.00	-526,061.43	71 %
Fire	680,526.44	4,860.92	685,387.36	1,006,385.00	-320,997.64	68 %
Parks & Recreation	18,097.25		18,097.25	22,088.00	-3,990.75	82 %
Library	32,051.38		32,051.38	49,417.00	-17,365.62	65 %
Streets	367,577.59	206.76	367,784.35	513,605.00	-145,820.65	72 %
Solid Waste	295,057.16	137.84	295,195.00	420,701.00	-125,506.00	70 %
Debt Service	223,436.31		223,436.31	223,436.00	0.31	100 %
Total Expenses	3,623,787.79	130,913.07	3,754,700.86	5,151,860.00	-1,397,159.14	73 %
Net Income			284,033.79			

20 Powell Bill

Account	Expended	Encumber YTD	Committed	Budget	Variance	% Committed
Object Description	Current YTD					
Revenue						
* Tax Revenues - 41xx			8,200.00	13,000.00	-4,800.00	63 %
* Intergovernmental - 42xx			133,069.95	134,902.00	-1,832.05	99 %
* Investment income - 43xx			6,596.62	7,690.00	-1,093.38	86 %
Total Revenue			147,866.57	155,592.00	-7,725.43	95 %
Expenses						
Streets	46,236.91		46,236.91	155,592.00	-109,355.09	30 %
Total Expenses	46,236.91		46,236.91	155,592.00	-109,355.09	30 %
Net Income			101,629.66			

21 HI Reimbursement

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<b>Account</b>		<b>Expended</b>					
<b>Object</b>	<b>Description</b>	<b>Current YTD</b>	<b>Encumber YTD</b>	<b>Committed</b>	<b>Budget</b>	<b>Variance</b>	<b>% Committed</b>
	Revenue						
*	Transfers and Appropriations -			45,000.00		45,000.00	
	Total Revenue			45,000.00		45,000.00	
	Expenses						
	Administration	43,459.29		43,459.29		43,459.29	
	Total Expenses	43,459.29		43,459.29		43,459.29	
	Net Income			1,540.71			

31 ARPA

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<b>Account</b>		<b>Expended</b>				
<b>Object</b>	<b>Description</b>	<b>Current YTD</b>	<b>Encumber YTD</b>	<b>Committed</b>	<b>Budget</b>	<b>% Committed</b>
	Revenue					
*	Grants & Donations - 46xx			1,037,997.00	1,037,997.00	100 %
	Total Revenue			1,037,997.00	1,037,997.00	100 %
	Expenses					
	Non-departmental	1,037,997.00		1,037,997.00	1,037,997.00	100 %
	Total Expenses	1,037,997.00		1,037,997.00	1,037,997.00	100 %
	Net Income			0.00		

32 Stormwater Grant

Account		Expended		Committed	Budget	Variance	% Committed
Object	Description	Current YTD	Encumber YTD				
	Revenue						
*	Grants & Donations - 46xx			173,010.00		173,010.00	
*	Transfers and Appropriations -				214,828.00	-214,828.00	0 %
	Total Revenue			173,010.00	214,828.00	-41,818.00	81 %
	Expenses						
	Streets	169,895.75	44,932.21	214,827.96	214,828.00	-0.04	100 %
	Total Expenses	169,895.75	44,932.21	214,827.96	214,828.00	-0.04	100 %
	Net Income			-41,817.96			

48 Miscellaneous Grants

Account		Expended		Committed	Budget	Variance	% Committed
Object	Description	Current YTD	Encumber YTD				
Revenue							
*	Grants & Donations - 46xx			99,800.00	247,675.00	-147,875.00	40 %
*	Transfers and Appropriations -				34,722.00	-34,722.00	0 %
Total Revenue				99,800.00	282,397.00	-182,597.00	35 %
Expenses							
	Governing Body	4,820.00	15,987.00	20,807.00	20,808.00	-1.00	100 %
	Administration	86,286.76	55,253.98	141,540.74	161,589.00	-20,048.26	88 %
	Parks & Recreation		11,100.00	11,100.00	100,000.00	-88,900.00	11 %
Total Expenses		91,106.76	82,340.98	173,447.74	282,397.00	-108,949.26	61 %
Net Income				-73,647.74			

61 Yadkin River Trail

Account		Expended		Committed	Budget	Variance	% Committed
Object	Description	Current YTD	Encumber YTD				
	Revenue						
*	Grants & Donations - 46xx			640,074.40	640,075.00	-0.60	100 %
*	Transfers and Appropriations -			149,246.43	185,258.00	-36,011.57	81 %
Total Revenue				789,320.83	825,333.00	-36,012.17	96 %
	Expenses						
	Parks & Recreation	789,320.83		789,320.83	825,333.00	-36,012.17	96 %
Total Expenses		789,320.83		789,320.83	825,333.00	-36,012.17	96 %
Net Income				0.00			

62 DT Park Project

Account		Expended		Committed	Budget	Variance	% Committed
Object	Description	Current YTD	Encumber YTD				
Revenue							
*	Grants & Donations - 46xx			1,973,756.50	2,060,000.00	-86,243.50	96 %
*	Transfers and Appropriations -			403,000.00	403,000.00		100 %
Total Revenue				2,376,756.50	2,463,000.00	-86,243.50	96 %
Expenses							
	Parks & Recreation	2,379,983.89		2,379,983.89	2,463,000.00	-83,016.11	97 %
Total Expenses		2,379,983.89		2,379,983.89	2,463,000.00	-83,016.11	97 %
Net Income				-3,227.39			

63 17ST SW Improvements

Account Object Description	Expended Current YTD	Encumber YTD	Committed	Budget	Variance	% Committed
Revenue						
* Grants & Donations - 46xx			224,021.50	1,959,462.00	-1,735,440.50	11 %
Total Revenue			224,021.50	1,959,462.00	-1,735,440.50	11 %
Expenses						
Stormwater	224,021.50	95,801.91	319,823.41	1,959,462.00	-1,639,638.59	16 %
Total Expenses	224,021.50	95,801.91	319,823.41	1,959,462.00	-1,639,638.59	16 %
Net Income			-95,801.91			

64 CDBG-NR

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<b>Account</b>		<b>Expended</b>					
<b>Object</b>	<b>Description</b>	<b>Current YTD</b>	<b>Encumber YTD</b>	<b>Committed</b>	<b>Budget</b>	<b>Variance</b>	<b>% Committed</b>
	Revenue						
*	Grants & Donations - 46xx			400,602.57	750,000.00	-349,397.43	53 %
	Total Revenue			400,602.57	750,000.00	-349,397.43	53 %
	Expenses						
	Planning & Development	584,898.73	736.06	585,634.79	750,000.00	-164,365.21	78 %
	Total Expenses	584,898.73	736.06	585,634.79	750,000.00	-164,365.21	78 %
	Net Income			-185,032.22			

65 STANBACK FOREST

Account		Expended		Committed	Budget	Variance	% Committed
Object	Description	Current YTD	Encumber YTD				
Revenue							
*	Grants & Donations - 46xx			475,000.00	350,000.00	125,000.00	136 %
Total Revenue				475,000.00	350,000.00	125,000.00	136 %
Expenses							
	Parks & Recreation	2,400.00	4,832.00	7,232.00	350,000.00	-342,768.00	2 %
Total Expenses		2,400.00	4,832.00	7,232.00	350,000.00	-342,768.00	2 %
Net Income				467,768.00			

04/06/26  
16:23:26

TOWN OF SPENCER  
Financial Summary Report  
For the Accounting Period: 3 / 26

Page: 12 of 13  
Report ID: LB180S

66 NC Finishing Co Site Infra

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<b>Account</b>		<b>Expended</b>					
<b>Object</b>	<b>Description</b>	<b>Current YTD</b>	<b>Encumber YTD</b>	<b>Committed</b>	<b>Budget</b>	<b>Variance</b>	<b>% Committed</b>
	Revenue						
*	Grants & Donations - 46xx			750,000.00	750,000.00		100 %
	Total Revenue			750,000.00	750,000.00		100 %
	Expenses						
	Planning & Development				750,000.00	-750,000.00	0 %
	Total Expenses				750,000.00	-750,000.00	0 %
	Net Income			750,000.00			

90 Capital Reserve

Account		Expended		Committed	Budget	Variance	% Committed
Object	Description	Current YTD	Encumber YTD				
	Revenue						
*	Transfers and Appropriations -				131,643.00	-131,643.00	0 %
	Total Revenue				131,643.00	-131,643.00	0 %
	Expenses						
	Police	64,245.15	6,518.71	70,763.86	71,643.00	-879.14	99 %
	Library		22,030.00	22,030.00		22,030.00	
	Solid Waste	59,611.20		59,611.20	60,000.00	-388.80	99 %
	Total Expenses	123,856.35	28,548.71	152,405.06	131,643.00	20,762.06	116 %
	Net Income			-152,405.06			



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*Rowan's Original Gateway.*

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## Agenda Item Coversheet

**Meeting Date:** 04/14/2026

**Agenda Item #:** \_\_\_\_ . g.

**Agenda Item Title:** Active Living Monthly Report

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**Category:** Departmental Report

**Presenter(s):** Anna Ward, Town Clerk

**Explanation:**

No approval needed. This item is for information only.

**Financial Impact:**

N/A

**Recommendations:**

N/A

**Attachment(s):**  Yes  No

1. Active Living Report
2. Library Statistics

## ACTIVE LIVING MONTHLY REPORT

- Parks and Recreation Advisory Board
  - The PRAB met on Wednesday, April 1, 2026.
  - Discussion surrounding the creation of a park inspection schedule.
  - Confusion and concerns raised regarding the mention of closing the portion of the road by Chicken Springs Dam.
- Grants/Projects
  - Waiting to find out if awarded grants to fund the proposed children’s play area in the Spencer Town Park.
- Events
  - First 2026 Neighborhood Walk was held on March 17 in partnership with the N.C. Transportation Museum; involved a walking tour led by NCTM volunteer Lucas Safrit and museum staff.
- Spencer Public Library
  - Hosted a Dr. Seuss birthday program on March 10 featuring stories, posters, snacks, and a themed craft; strong engagement with featured titles.
  - Librarian attended the Lexington Book Festival on March 21, participating in four hours of sessions with emerging and established authors; gained insight into writing processes and themes.
  - Expanded the collection with signed copies of children’s and adult titles acquired at the festival.
  - Initiated outreach to local authors for future programming; several confirmed for late summer and early fall events.
  - Upcoming: Open mic poetry and prose event scheduled for April 28 at 1:00 p.m., featuring participation from the NRHS drama class.
  - Summer Reading Program scheduled for early June through early July; theme is “Celebrate American Heritage,” with planned cultural presenters and performances.



<u>March</u>	Door Count	Adult Circulation	Children Circulation	Research Questions	New Cards Issued
3/2/2026 Mon.	5	4	6		
3/3 Tues.	2	3	2		
3/4/2026 Wed. Fri.	3	11			
<b>WEEK TOTAL:</b>	10	18	8	2	0
3/9/2026 Mon.	9	2		2	3
3/10/2026 Tues.	11	3	3	2	2
3/11/2026 Wed. Thurs. Fri.	3	2			1
<b>WEEK TOTAL:</b>	23	7	3	4	6
3/16/2026 Mon.	2	1			
3/17/2026 Tues.	4	3			
3/18/2026 Wed. Thurs. Fri.	4				
<b>WEEK TOTAL:</b>	10	4	0	0	0
3/23/2026 Mon.	11	4		2	1
3/24/2026 Tues.	4	2			
3/25/2026 Wed. Thurs. Fri.	3	2			
<b>WEEK TOTAL:</b>	18	8		2	1
3/30/2026 Mon.	2			4	
3/31/2026 Tues. Wed. Thurs. Fri.	7	4			
<b>WEEK TOTAL:</b>	9	4		4	
<b>MONTH TOTAL:</b>	70	41	11	12	7

Did you take your BP today?	Yes	No	
		9	

Was your BP high?	Yes	No	
		5	4

Are you currently being treated for high BP?	Yes	No	
		3	6

Do you have a health care professional to talk about your BP?	Yes	No	
		8	1

Will you be contacting one of the health care professionals listed for help?	Yes	No	
		4	5



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## Agenda Item Coversheet

**Meeting Date: 04/14/2026**

**Agenda Item #:**

**Agenda Item Title: Town Manager's Report**

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**Category:** Town Manager's Report

**Presenter(s):** Peter Franzese, Town Manager

**Explanation:**

March 5-6 Strategic Planning report

The team at Centralina Regional Council has provided a report on the Town's March 5-6 Strategic Planning session, which is attached. The planning session provided the Board, staff, and community with valuable opportunities to come together, reflect on the Town's recent achievements and engage meaningfully on critical issues shaping the Town of Spencer's future. Through presentations, facilitated discussions, and interactive exercises, Board members and staff reviewed Spencer's current and projected financial picture, and deepened their understanding of current and future operational considerations. In addition, we explored strategic solutions to address key roadblocks to progress. This report will help with direction during the preparation, recommendation, and consideration of the FY27 budget.

Upcoming NCDOT work

We are coordinating with NCDOT on a few area projects. You may have noticed surveying, utility location, and other activity recently along Salisbury Avenue. This is related to a pedestrian signal improvement project that will rebuild and add additional pedestrian crossing signals at the Fourth, Fifth, and Sixth Street intersections along Salisbury Avenue, along with refreshing of crosswalk markings. There will be similar work completed in East Spencer at the intersection of Andrews and Long. One planter near the corner of Sixth and Salisbury will need to be removed to accommodate the project. We have also recently received questions about the markings and signage going up in the area of Charles Street, Oakwood Drive, Whitehead Avenue, and Jefferson Street. This is related to upcoming NCDOT resurfacing work, which will be completed while school is out this summer. This work is included in resurfacing planned in various locations around the county between now and November 1. A map showing planned work locations is attached.

Several events planned for Community Appearance Commission

The Community Appearance Commission is working on a variety of initiatives to increase community engagement and membership in coming months, and their ideas will be shared at the April 21 Talk of the Town event. Some topics will include a refreshed Landscape of the Month program and a volunteer workday in the Spencer Community Garden. Shortly following this event, the annual Tea Party in the [Spencer Community] Garden fundraiser is planned for Sunday, April 26, from 2-5 p.m. As a follow up and a chance to learn more in an hands-on environment, the May 19 Neighborhood Walk is being planned for the Spencer Community Garden. Thank you to the Community Appearance Commission and Community Garden volunteers, and staff liaison Kyle Harris!

TRPNC Spring Fling and Tow Show

The Towing and Recovery Professionals of NC (TRPNC) reserved the F&M Bank Pavilion and the Gathering Lawn at Spencer Town Park on Saturday, April 25 for their annual Spring Fling event. While primarily an educational event for area Tow Truck operators, the event will also include a free “Tow Truck Beauty Contest” open to the public. Live music is planned and NC Insurance Commissioner Mike Causey is expected to be in attendance. For more information, go to [nctowing.org/events/](http://nctowing.org/events/) or contact event sponsor, Dale Peeler of the Central Carolina Insurance Agency at 704-202-3123.

**Attachment(s):**  Yes  No

1. Centralina Report – Strategic Planning
2. NCDOT Maps



**CENTRALINA**  
REGIONAL COUNCIL

# Town of Spencer Board of Aldermen FY27 Planning Session Report

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*March 6, 2026*

**CONTENTS**

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PRE-SESSION ENGAGEMENT ..... 5  
ADDITIONAL BOARD DISCUSSIONS..... 6  
FY27 BUDGET PRIORITY SETTING ..... 7  
CONCLUSIONS & NEXT STEPS ..... 10

# PLANNING SESSION OBJECTIVES & AGENDA

The Town of Spencer held a Community Feedback Session on Thursday, March 5, 2026. The evening event included a review of 2025-26 priorities, community engagement opportunities and Mayor/Board comments.

Centralina Regional Council joined the Board of Aldermen and staff on Friday, March 6, 2026, to facilitate the Town's FY27 Planning Session.

The objectives of the planning session were to:

- Review Spencer's current and projected financial picture
- Understand current and future operational considerations
- Establish priorities to inform FY27 budget development

The planning session included presentations, facilitated discussions, and interactive engagement activities. Centralina staff facilitated each session to ensure broad participation, draw out multiple perspectives, and keep discussions focused using agreed-upon ground rules and structured exercises.

This report captures insights from the interactive components of the agenda, including the budget prioritization exercise, key themes that emerged from facilitated group discussions, and identified action items. It does not summarize or restate presentations delivered by internal or external speakers.



## Agenda

<b>Friday, March 6, 2026</b>
<b>Welcome and Agenda Review</b> Kasia Thompson, Centralina
<b>Kickoff and Inspiration</b> Mayor Williams
<b>Remarks from NC House of Representatives</b> Representative Harry Warren
<b>Legislative Update</b> Patrick Buffkin, NC League of Municipalities
<b>Financial Update and Early Revenue Projections</b> Heather Kann, Finance Director
<b>Stretch Break</b>
<b>Affordable Housing</b> Kyle Harris, Historic and Community Planner
<b>Growth and Development</b> Steve Blount, P&Z Administrator
<b>Rowan County Health Equity Zone Update</b> Courtney Meese, Rowan County Public Health
<b>Parks and Recreation Advisory Board</b> Bob Pendergrass, PRAD Chair Joe Morris, Special Projects Planner
<b>Historic Preservation Commission</b> Leslie Talbott, Historic Preservation Commission Member Kyle Harris, Historic and Community Planner
<b>Public Safety Career Development</b> Police Chief File
<b>Stretch Break</b>
<b>Key Priorities Activity</b> Kasia Thompson, Centralina
<b>Wrap-up and adjourn</b> Mayor Williams

# PRE-SESSION ENGAGEMENT

In preparation for the planning session, the Board of Aldermen participated in an online, pre-session survey to provide insights into the Town's current challenges and existing opportunities to leverage. The table below summarizes the Board's responses to these key questions.

## What are the top projects that our community needs to complete in 10 years?

- Boost economic growth and positive economic mobility through increased commercial development (Stanback Park Office), revitalization of downtown and vacant buildings, and attracting tourism via events and parks.
- Infrastructure improvements, including fixing streets, sidewalks, drainage, and beautifying entrances.
- Enhancing recreational programs, expanding parks, and connecting schools with safe walkways and trails are key.
- Housing plans focus on affordable, mixed-use options for various age groups.
- Additional priorities include expanding fire and police departments, library funding, funding town employees and developing the Yadkin River District.
- Efforts also target attracting new businesses, revitalizing historic areas and improving community aesthetics.

## What challenges do we have that would be detrimental to our community if not addressed within the next 10 years?

- Planning to increase/build commercial/economic growth and support residential growth.
- Deteriorating streets and sidewalks, stagnant household incomes, declining property values, aging buildings and insufficient infrastructure funding.
- The Town faces risks of losing property appeal, limited growth and difficulty retaining emergency personnel.
- Ensuring adequate police, fire and maintenance services, along with managing community assets and grants, is critical to prevent decline.

**Of the opportunities and challenges you described above, list the top 3 that should be prioritized for community investment.**

- Promoting commercial growth
- Repairing streets
- Maintaining funding for Town employee compensation
- Housing development, economic expansion and community safety are also prioritized, alongside greenway connectivity and proactive policing.

**If there is another revenue source not listed above that you think should be considered or explored, please list below.**

- Sale and development of the old town hall and property
- When needed, review tax rate against service offerings in support of quality services

## ADDITIONAL BOARD DISCUSSIONS



The planning session featured several focused discussions around specific topic areas and items for the Board's consideration.

### *Board Feedback on Department Briefings*

The following list provides a high-level summary of the Board's comments following department head presentations.

#### Financial update and early revenue projections

- Transparent financial reporting
- Balance and prioritize projects
- Staff compensation
  - Ask staff for their opinions and focus on what matters to them
  - Recognize the value of staff retention
  - Develop creative solutions to recognize staff

### Affordable Housing

- Public education and awareness are important
- Evaluate need v. funding available to support
- Monitor and evaluate build-to-rent
- Review program qualifications
- Marketing: Consider “equitable housing” and “attainable housing” terminology
- Review the Fayetteville “Heroes” program

### Growth and Development

- Vision for gully

### Parks and Recreation Advisory Board

- Parks and Recreation staff are doing a great job

### Rowan County Health Equity Zone Update

### Historic Preservation Commission

- CLG Certification requires staffing considerations

### Public Safety Career Development

- Finding ways to retain trainees as they enter their first years of service
- Consider compensation incentives for seasoned officers

## FY27 BUDGET PRIORITY SETTING



At the planning session, the Board and staff participated in a facilitated prioritization exercise to identify roadblocks and map solutions.

First, attendees were divided into three groups, each inclusive of Board and staff. The groups identified and unpacked key roadblocks that stand in the way of progress. They could not identify funding as a roadblock.

Here is a list of key roadblocks and impacts discussed by small groups:

Roadblock	Unpack It			
	Systems /processes this affects	Key stakeholders and primary role in solving the problem	Level of risk it poses for the Town	Does this require multiple solutions
Lack of community engagement	Vitality of community	Community members (advocate)  (illegible) to motivate (influence)	Moderate	Yes
Distraction	Ability to closely follow the strategic plan	Community members (control, influence) Staff (influence)	Moderate	Yes
Competing priorities	Everything we do	Employees (influence) Citizens (advocate) Elected officials (control)	Moderate	Yes
Agency competing for our people	Public safety (all areas based on budget)	Chiefs (advocate) Elected officials (control) Manager (control) Customers (advocate)	High	Yes
Staffing limitation	All departments, Community level of service	Staff/Dept. Heads (control, influence, advocate) Citizens/community (influence, advocate) Organization (control)	High	Yes
Long-term institutional sustainability Succession planning	SOPs, replicability, documented processes, role descriptions	Town (control) Staff (control)	High	
Space activation	Public safety, Public Works, Tourism	PRAB (advocate) General public (shared) Staff (control)	Moderate	Yes

Morale Attitude Boundaries	Employee education, EAP, day-to-day activities, big projects	Staff (shared) Board (influence) Public (influence)	High	Yes
Perception/buy-in of historic preservation	Permits, communication (PR, social media, newsletter), staff, training	Residents (shared) Town (control) Historic Experts (advocate)	Moderate	Yes



The groups used the information to rate the impact (High = complex problem, Medium = may or may not be a complex problem, Low = simple problem), identify ideas to solve for the problems, and prioritize the roadblocks as Tier 01 (solve for it in FY27), Tier 2 (work to solve in 2-3 years) or Tier 3 (work to solve in 4+ years).

Tier 1 Roadblocks are indicated in green, Tier 2 in orange and Tier 3 in yellow.

Roadblock	Solutions Mapping		
	Impact Rating	Solve	Prioritize
Lack of community engagement	Medium	Innovation Collaboration	Tier 3
Distraction	Medium	Innovation Policies	Tier 3
Competing priorities	Medium	Policy Collaboration	Tier 2
Agency competing for our people	High	Collaboration Innovation Investment	Tier 1
Staffing limitation	High	Investment Collaboration Innovation	Tier 1

Long-term institutional sustainability Succession planning	High	Policy Investment	Tier 1, 2, 3
Space activation	Medium	Investment Policy Collaboration Partnership Innovation	Tier 2
Morale Attitude Boundaries	High	Innovation Partnership Investment	Tier 1
Perception/buy-in of historic preservation	Medium	Policy Collaboration	Tier 2
Retention*	High	Investment Policy Innovation	Tier 1, 2 (ongoing, multi-year)
Citizen Participation*	Medium	Collaboration Innovation	Tier 1
Infrastructure Maintenance*	High	ALL	Tier 3+

*\*Indicates the associated Part 1 cards were not collected.*

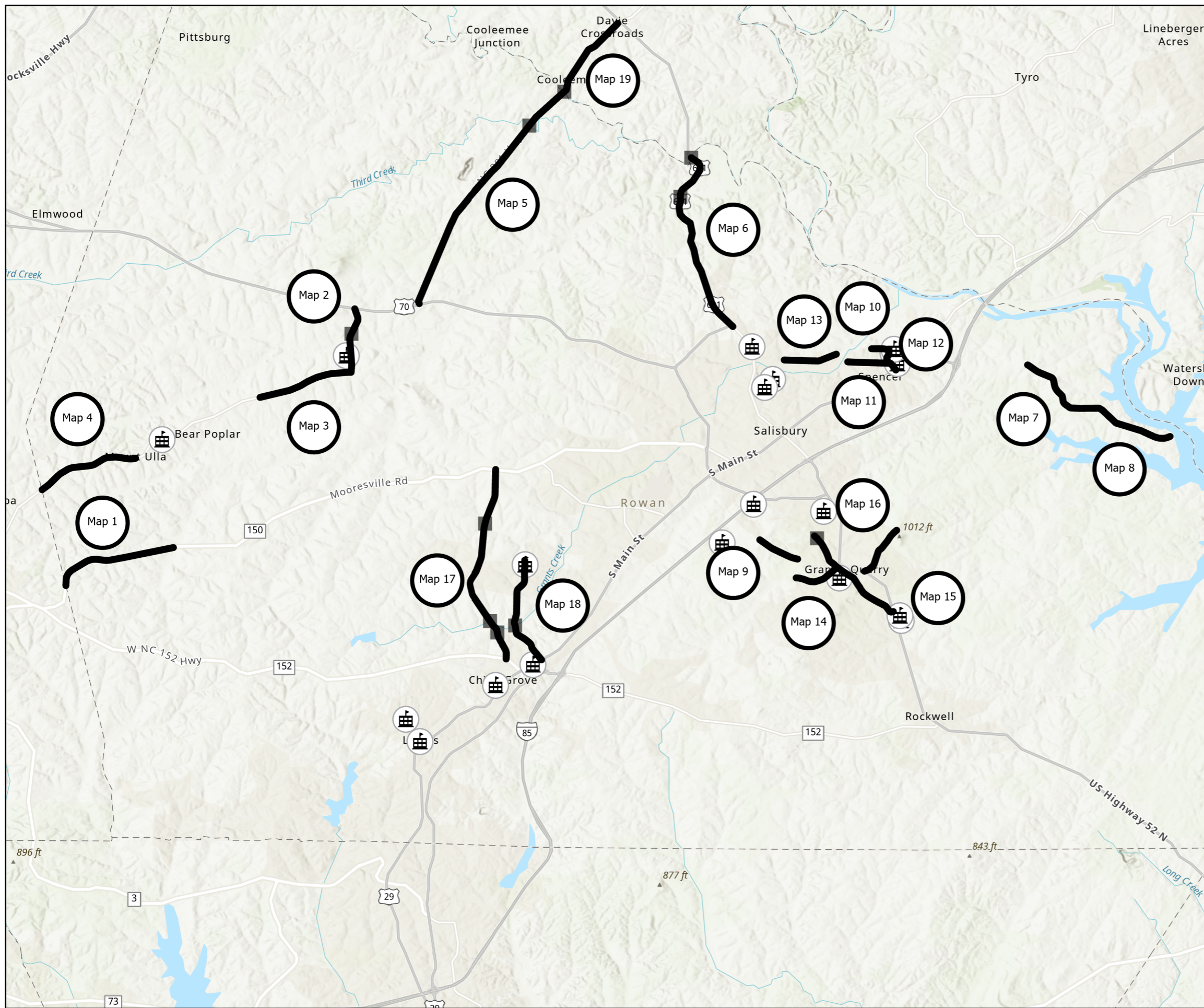
## CONCLUSIONS & NEXT STEPS

The planning session provided the Board, staff and community with valuable opportunities to come together, reflect on the Town’s recent achievements and engage meaningfully on critical issues shaping the Town of Spencer’s future. Through presentations, facilitated discussions and interactive exercises, Board members and staff reviewed Spencer’s current and projected financial picture, and deepened their understanding of current and future operational considerations. In addition, they explored strategic solutions to address key roadblocks to progress.

These outcomes provide clear direction for staff as they prepare the FY27 Recommended Budget and associated work plans.

PROJECT REFERENCE NO.	SHEET NO.
2025CPT.09.07.10801	Title Page
2025CPT.09.08.20801	
2025CPT.09.18.10301	

- Map 1 NC150
- Map 2 NC801
- Map 3 NC801
- Map 4 NC801
- Map 5 NC801
- Map 6 US601
- Map 7 SR2120 Long Ferry Rd
- Map 8 SR2120 Long Ferry Rd
- Map 9 SR2528 Heilig Rd
- Map 10 SR2026 Charles St
- Map 11 SR2825 S Whitehead Ave
- Map 12 SR2026 Oakwood Dr
- Map 13 SR1914 Hawkinstown Rd
- Map 14 SR2313 Byrd Rd
- Map 15 SR2300 S Main St
- Map 16 SR2131 Dunns Mountain Rd
- Map 17 SR1509 Miller Rd
- Map 18 SR1506 Shue Rd
- Map 19 NC801 S

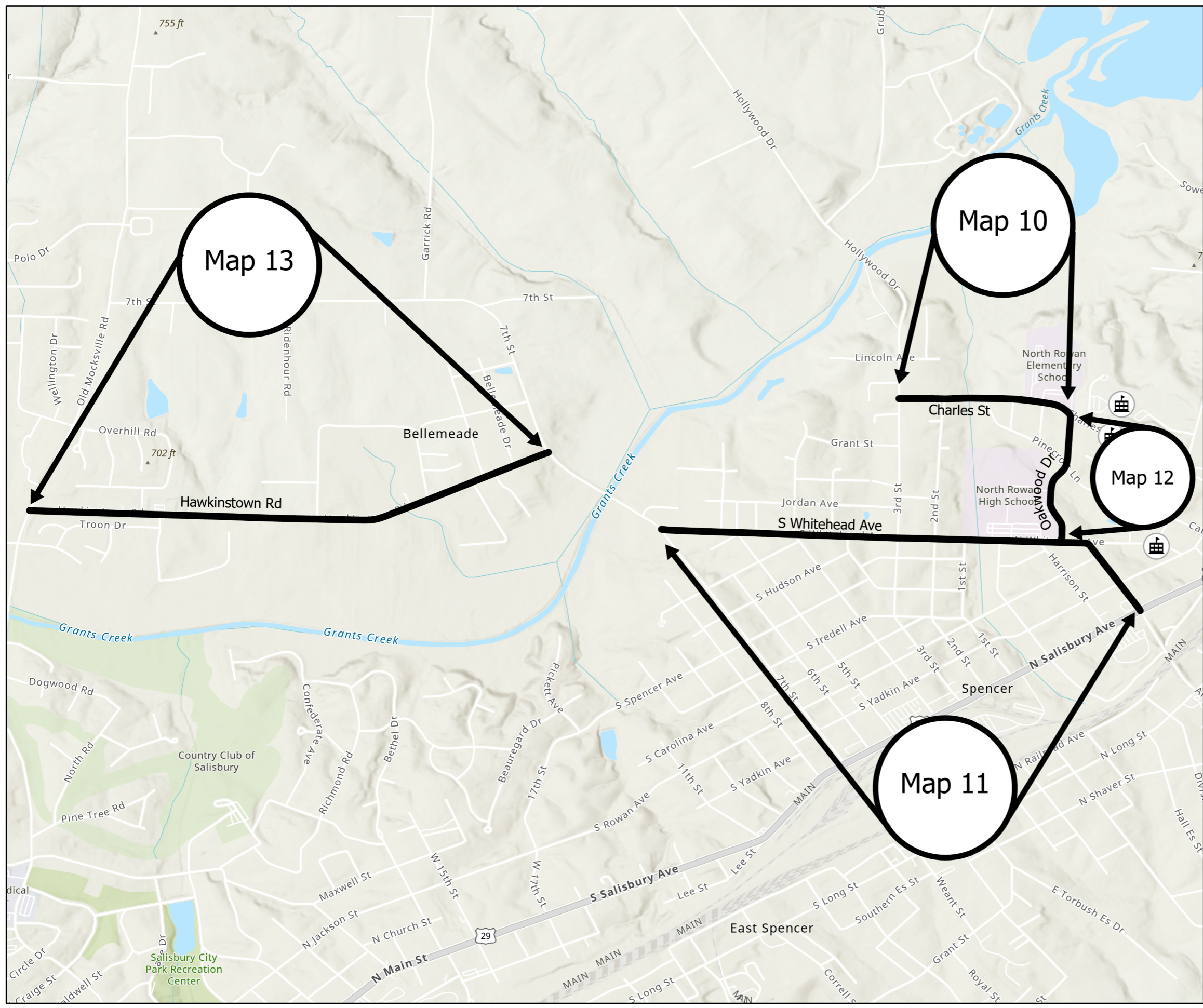


**Legend**

- NCDOT Structures selection
- Public\_Schools selection
- Rowan2025






PROJECT REFERENCE NO.	SHEET NO.
2025CPT.09.07.10801 2025CPT.09.08.20801	Sheet 8



- Map 10 Charles St SR2026  
From 3rd St SR2037 to Oakwood St SR2026  
Mill 11/2" entire width  
Pave 11/2" S9.5B
- Map 11 S Whitehead Ave SR2825  
From US29/ N Salisbury Ave to 7th St SR1912  
Mill 11/2" entire width  
Pave 11/2" S9.5B
- Map 12 Oakwood Dr SR2026  
From Charles St SR2026 to S Whitehead Ave SR2825  
Mill 11/2" entire width  
Pave 11/2" S9.5B
- Map 13 Hawkinstown Rd SR1914  
From 7th St SR1912 to Old Mocksville Rd SR1910  
Mill 0-11/2" incidental milling beginning, end and at all SR intersections  
Pave 11/2" S9.5B

**Legend**

-  NCDOT Structures selection
-  Public\_Schools selection
-  Rowan2025

