



**Board of Aldermen
Pre-Agenda Meeting**

**Agenda Packet
May 7, 2026**



AGENDA
Spencer Board of Aldermen
Pre-Agenda Meeting
5:30 p.m.

DATE
May 7, 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.

- 1. CALL TO ORDER – Mayor Jonathan Williams**
- 2. INVOCATION & PLEDGE OF ALLEGIANCE – Mayor Jonathan Williams**
- 3. PUBLIC HEARING – Rezoning Parcel 324 047 (708 Hawkinstown Rd.) from SFR-2 (Single-Family Residential-2) to SFR-3 (Single-Family Residential-3)**
- 4. REVIEW OF MAY 12, 2026, AGENDA**
 - 1. CALL TO ORDER – Mayor Jonathan Williams**
 - 2. INVOCATION**
 - 3. PLEDGE OF ALLEGIANCE – Mayor Jonathan Williams**
 - 4. ADDITIONS/DELETIONS AND ADOPTION OF AGENDA**
 - 5. RECOGNITIONS**
 - a. Public Works Director Joel Taylor: Public Works Crew Member Eddie Smith**
 - 6. 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.*
 - 7. 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.*
 - 8. APPROVAL OF MINUTES:** *April 9, 2026, Pre-Agenda Meeting Minutes
April 14, 2026, Regular Meeting Minutes*

- 9. CONSIDER ADOPTING – Ordinance 26-03 Amending the Town’s Official Zoning Map Dated September 10, 2024, Rezoning Rowan County GIS System Parcel Number 324 047 (708 Hawkinstown Rd.) from SFR-2 (Single-Family Residential-2) to SFR-3 (Single-Family Residential-3)**
- 10. RECEIVE PRESENTATION – Informational Update of Grants for Town Park Gateway Arch**
- 11. DEPARTMENTAL REPORTS**
 - a. Planning*
 - b. Code Enforcement*
 - c. Police*
 - d. Fire*
 - e. Public Works*
 - f. Finance*
 - g. Active Living*
- 12. TOWN MANAGER REPORT**
- 13. REQUESTS & COMMENTS by the Mayor and Board Members**
- 14. EXECUTIVE SESSION per NC General Statute 143-318.11 (if needed)**
- 15. RECESS until TBD**
- 16. RECONVENE**
- 17. RECEIVE PRESENTATION – Recommended FY 2026-27 Budget**
- 18. ADJOURNMENT**
- 5. EXECUTIVE SESSION per NC General Statute 143-318.11 (if needed)**
- 6. ADJOURNMENT**



704-633-2231
spencernc.gov

Post Office Box 45
Spencer, NC 28159-0045

Rowan's Original Gateway.

Agenda Item Coversheet

Meeting Date: 05/07/2026

Agenda Item #:

Agenda Item Title: Public Hearing for proposed rezoning at 708 Hawkinstown Rd from SFR-2 to SFR-3

Category: Pre-Agenda

Presenter(s): Steve Blount, Planner

Explanation:

Property owner wants to reconfigure this and adjacent parcels to allow future development and needs to reduce size of this lot to what is less than currently allowed in SFR-2 classification. Proposed reduction in size will be more than adequate for current residential use.

Financial Impact:

NONE

Recommendations:

1. Hold a legislative public hearing

Attachment(s): Yes No

1. Public notice
2. slide presentation pdf



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NOTICE OF PUBLIC HEARING

The public shall take notice that the Board of Aldermen for the Town of Spencer, North Carolina, will hold a public hearing in the Hilda B. Palmer Board Room at the Spencer Town Hall, located at 460 S. Salisbury Avenue in Spencer, NC 28159, during their pre-agenda meeting at 5:30 p.m. on Thursday, May 7, 2026, to receive public input for the following:

A Zoning Map amendment, specifically rezoning parcel 324 047 located at 708 Hawkinstown Rd from SFR-2 to SFR-3.

All interested persons are invited to attend and participate in the meeting.

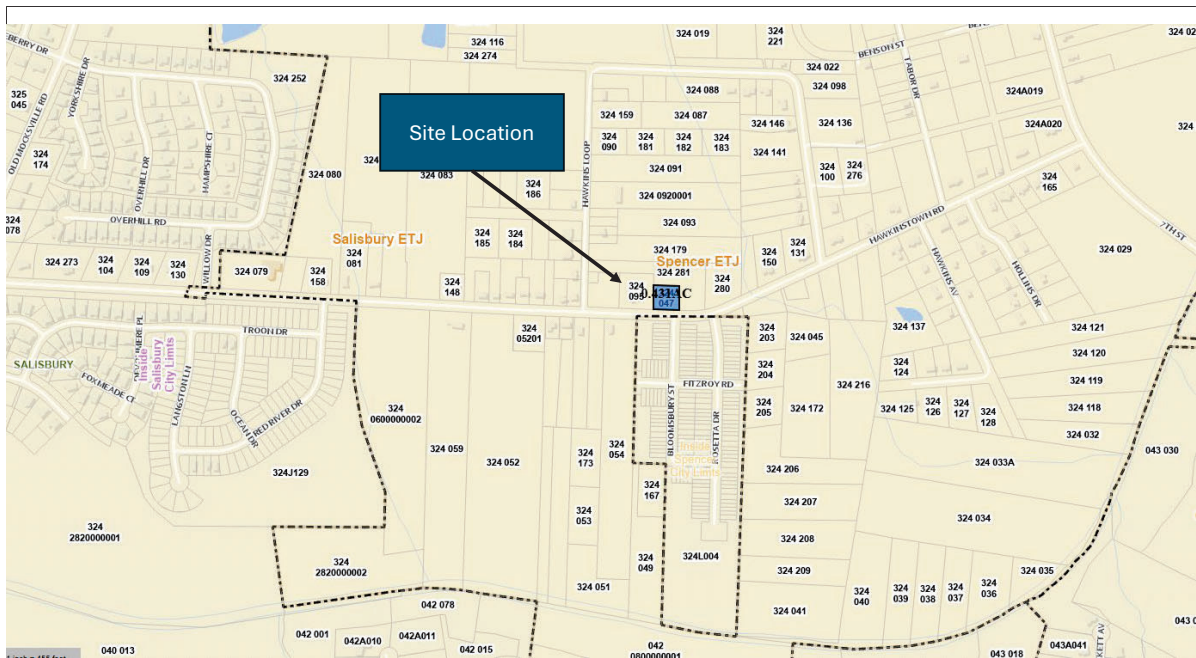
The Town will also accept public comments by either (1) submitting written comments addressed to the Clerk and delivered to Town Hall, or (2) submitting written comments by email directed to the Clerk at award@spencernc.gov. Written correspondence will be provided to the Board of Aldermen but will not be read aloud during the meeting. For more information, please contact Planning & Zoning Administrator Steve Blount at sblount@spencernc.gov.

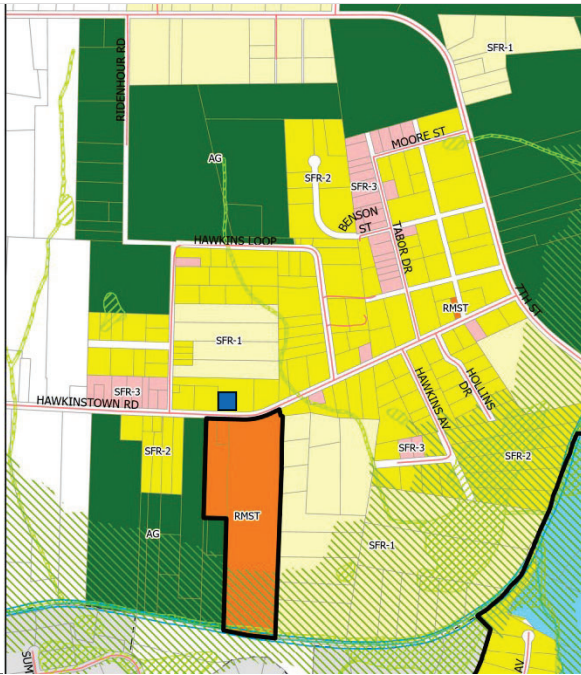
A handwritten signature in blue ink that reads "Anna Kanode Ward".

Anna Kanode Ward, Town Clerk

708 Hawkinstown Road

Rezoning from SFR-2 to SFR-3
&
Future Recombination and Development





Current zoning in this area is a mixture of SFR-1, SFR-2, SFR-3, AG, & RMST

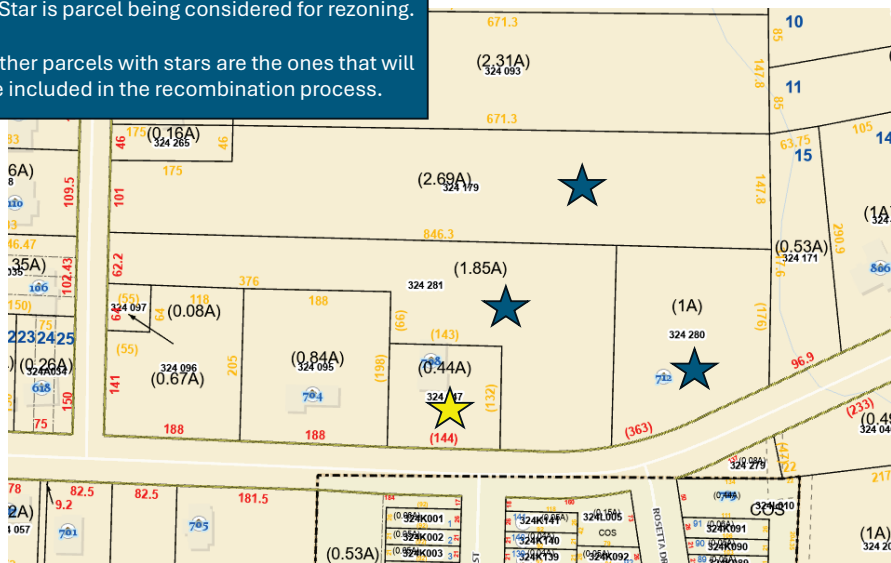
North of Hawkingtown Rd, West of 7th Street

This area has developed over time, partially through land division as inheritance into a mix of small lots, some served by a system of roads with several interior lots having no road frontage. Property owners in this area should be encouraged to recombine and then subdivide property, creating larger lots more suitable for higher density subdivision. The town could provide logistical support and then rezone the property as needed to the benefit of current property owners and the town's future. In return for attaching to town water and sewer (needed for high density development), this property would be annexed into the town's municipal limits.

Hawkingtown Rd Area- Area north of Hawkingtown Rd, east and south of 7th Street and west to Salisbury ETJ boarder, includes a mixture of small and medium sized parcels with limited residential development. If combined and redivided, and provided with municipal water and sewer, this could be prime area for higher density residential development and annexation.

Our Comprehensive Land Use Plan supports this type of rezoning and recombination of properties to create higher density development

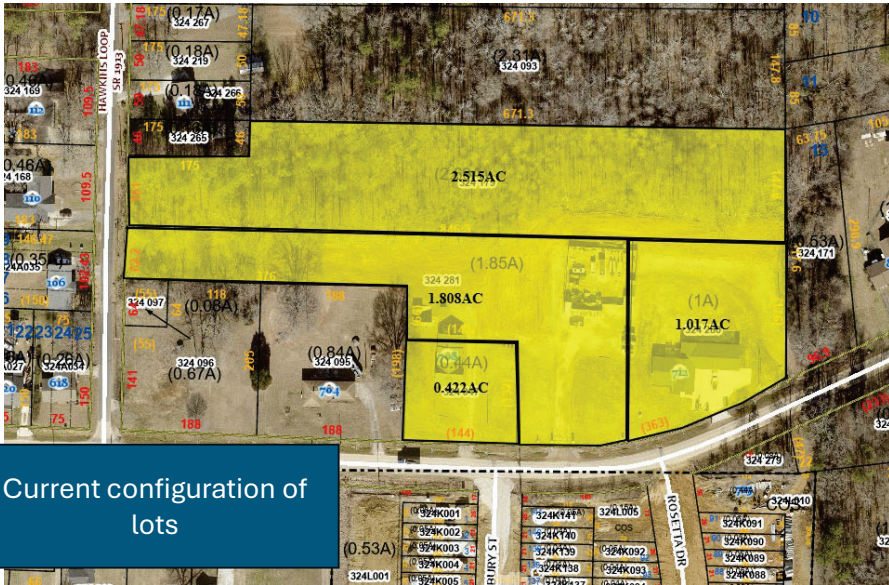
Gold Star is parcel being considered for rezoning. The other parcels with stars are the ones that will be included in the recombination process.



Current Property Lines



Current configuration of lots



Approximate proposed reconfiguration of lots





Development Steps:

1. Rezone parcel 324 047 from SFR-2 to SFR-3 to allow a slightly smaller lot
2. Surveyor to create and submit for approval a recombination survey for approval
3. Developer to work with design team and regulatory agencies (Spencer, Planning, SRU, NCDOT, Rowan County Erosion Control, etc.) to create preliminary site plan.
4. Rezone lot created for multifamily development
 1. Neighborhood meeting and public hearing
5. Annex lot created for multifamily development
 1. Public hearing for annexation
6. Approve site plan and construction drawings
7. Site development and/or bonding for site improvements
8. Spencer issues zoning permit for construction of buildings
9. Rowan County issues building permits for construction of buildings



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Agenda Item Coversheet

Meeting Date: 05/12/2026

Agenda Item #: 8.

Agenda Item Title: Approval of April 2026 Minutes

Category: Regular 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 April 9, 2026, and the Regular Meeting held on April 14, 2026.

Financial Impact:

None

Recommended Motion:

Approve the minutes from the Pre-Agenda Meeting held on April 9, 2026, and the Regular Meeting held on April 14, 2026.

Attachment(s): Yes No

1. April 9, 2026, Pre-Agenda Meeting Minutes (draft)
2. April 14, 2026, Regular Meeting Minutes (draft)

MINUTES
Spencer Board of Aldermen
Pre-Agenda Meeting
April 9, 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, April 9, 2026, at 5:32 p.m.

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

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

Town Clerk Anna Kanode Ward attended via Zoom.

Alderwoman Patti Secreast was absent.

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

PUBLIC HEARING – Rezoning Parcel 048 094 (2035 N US HWY 29) from IND to CIV

Planning & Zoning Administrator Blount gave a presentation regarding the rezoning of parcel 048 094 (2035 N US HWY 29) from IND (Industrial District) to CIV (Civic District) and answered questions from the mayor and board. The property owner purchased 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.

Being no one present wishing to speak, Mayor Williams called for a motion to close the public hearing on the proposed rezoning of parcel 048 094 (2035 N US HWY 29) from IND to CIV.

Action

Mayor Pro Tempore Muhammad moved to close the public hearing on the proposed rezoning of parcel 048 094 (2035 N US HWY 29) from IND to CIV. Alderwoman Sledge seconded the motion, which carried by a vote of 5 – 0.

DESIGNATE VOTING DELEGATE – NCLM Nominating Committee Proposed Slate

The North Carolina League of Municipalities (NCLM) was holding their 2026 election for the League's Board of Directors. The League Bylaws provide that each member municipality is entitled to one vote, which is done by voting delegates. Designation of the town's voting delegate had to be completed prior to April 13, 2026, which would be the day before the regular monthly meeting of the Town of Spencer Board of Aldermen. That was why the decision had to be made at the pre-agenda meeting.

Aldерwoman Sledge nominated Mayor Pro Tempore Muhammad. No further nominations were made.

Action

Aldерwoman Sledge moved to designate Mayor Pro Tem Rashid Muhammad as the voting delegate for the North Carolina League of Municipalities for the Town of Spencer. Aldерwoman Moody seconded the motion, which carried by a vote of 5 – 0.

REVIEW OF APRIL 14, 2026, AGENDA

INVOCATION

Aldерwoman Sledge volunteered to give the invocation at the April 14, 2026, regular meeting.

CONSENT AGENDA

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

- 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

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

DEPARTMENTAL REPORT

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.

ADJOURNMENT

Aldерwoman 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 6:13 p.m.

Approved by:

Attest:

Jonathan Williams, Mayor

Anna Kanode Ward, Town Clerk

MINUTES
Spencer Board of Aldermen
Regular Meeting
April 14, 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, April 14, 2026, at 6:00 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, Special Projects Planner Joe Morris, Planning & Zoning Administrator Steve Blount, Planner Kyle Harris, Police Lieutenant Brian Leonard, Accounting Clerk Christie Hutchinson, Office Assistant Allison Myers, Police Corporal April Murph, and Police Sergeant Honeycutt.

Mayor Williams called the meeting to order.

Alderwoman Sledge gave the invocation.

Mayor Williams led the Pledge of Allegiance.

ADDITIONS/DELETIONS

Action

Alderwoman Sledge moved to adopt the agenda as presented. Mayor Pro Tempore Muhammad seconded the motion, which carried by a vote of 6 – 0.

RECOGNITIONS

Alderwoman Secreast recognized Dr. Elaine Stiller for her numerous contributions to the Town of Spencer and the surrounding communities, as well as for her lifelong role as a trailblazer for women.

PUBLIC HEARING – Closeout for CDBG-NR Grant No. 19-C-3140

Planner Harris gave a presentation regarding the projects completed through CDBG-NR Grant No. 19-C-3140, the closeout process, and answered questions from the mayor and board.

The Town had completed all construction activities funded under the grant and was 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 was required to hold a public hearing to provide citizens an opportunity to comment on the use of CDBG funds, program accomplishments, and closeout of the grant.

The following person spoke in regard to the closeout for CDBG-NR Grant No. 19-C-3140:

1. Bob Bish, Housing Selection Committee Member, 400 N. Yadkin Ave.

Being no one else present wishing to speak, Mayor Williams called for a motion to close the public hearing on the proposed closeout for CDBG-NR Grant No. 19-C-3140.

Action

Mayor Pro Tempore Muhammad moved to close the public hearing. Alderwoman Moody seconded the motion, which carried by a vote of 6 – 0.

PUBLIC COMMENT

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

1. Bob Bish, 400 N. Yadkin Ave.
2. 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 Sledge moved to approve the consent agenda as presented. Alderwoman Stanley seconded the motion, which carried by a vote of 6 – 0. Items b through c are incorporated in the body of the minutes below. Items approved were:

- 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

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:

		<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			\$34,154

		<u>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	\$24,523	\$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:

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

		<u>Expenditures</u>		
Account	Title	Current Budget	Amended Budget	(Decrease) Increase
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.

ORDINANCE 25-11.013
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 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:

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

Account	Title	Expenditures		
		Current Budget	Amended Budget	(Decrease) Increase
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.

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.

RECEIVE PRESENTATION – Black Mountain Software Conversion; Anna Etheridge and Diane Seaford from the NC League of Municipalities

Deputy Director for Municipal Accounting Services Diane Seaford and Accounting Specialist Anna Etheridge from the NC League of Municipalities (NCLM) and Finance Officer Kann gave a presentation regarding the Black Mountain Software (BMS) Conversion and answered questions from the mayor and board. The purpose of the presentation was to recognize that the Town of Spencer had successfully converted to BMS

under the Municipal Accounting Services (MAS) Program and to recognize some of the accomplishments of the Town and staff as a result of the conversion and joining the program.

CONSIDER AUTHORIZING – Town Manager to Negotiate and Execute Contract for Cell Tower to be Located at Sowers Ferry Road Site

Planning & Zoning Administrator Blount gave a presentation regarding the contract for a cell tower to be located at the Sowers Ferry Road Site and answered questions from the mayor and board.

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.

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

Action

Alderdwoman Moody moved to authorize the Town Manager to negotiate and execute the contract for a cell tower to be located at the Sowers Ferry Road Site, which is included with these minutes as Attachment A. Mayor Pro Tempore Muhammad seconded the motion, which carried by a vote of 6 – 0.

CONSIDER APPROVING – FY26 Audit Contract with Strickland Hardee PLLC

Finance Officer Kann gave a presentation regarding the FY26 audit contract with Strickland Hardee PLLC and answered questions from the mayor and board.

In February 2025 the town solicited bids from five firms that were qualified to perform the town’s audit based on information from the Local Government Commission (LGC’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.

Action

Alderdwoman Secreast moved to approve the FY26 audit contract with Strickland Hardee PLLC, which is included with these minutes as Attachment B. Alderdwoman Stanley seconded the motion, which carried by a vote of 6 – 0.

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

Planning & Zoning Administrator Blount gave a presentation regarding the 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 Industrial District (IND) to Civic District (CIV) zoning classification and answered questions from the mayor and board.

Ms. Mireyae Ochoa Bernal purchased the property located at the above address in hopes of renovating the building into a small neighborhood church. Upon review of the property, Town staff realized it was currently zoned IND, light industrial classification, in which churches are not allowed as a use. In addition, the

property had inadequate parking for the intended use. Ms. Bernal agreed to create a 32-space paved parking lot behind the building and was now asking for the property to be rezoned to CIV which does allow churches as a use.

During the 2008 land use planning process, most of the property along the Salisbury Ave/US HWY 29 corridor on the north end of town was identified for light industrial use and was then zoned IND with that preferred use in mind. During the 2022 update of the land use plan, the Town recognized that this blanket zoning for industrial use ignored the various current uses and the reality that many of the properties facing the road along this corridor were too small for industrial uses. In a subsequent study completed in 2023, the Town identified the need to rezone many of the small properties along this corridor and to date have rezoned six of them for various uses.

While the surrounding properties were almost all zoned IND, many of them were in commercial, retail, and even residential uses. Staff felt the rezoning of this property to the CIV classification would be appropriate for the following reasons:

1. The small building on the property was originally built for commercial use but had not been in active use for some time. Its last use was part of a small car dealership located next door.
2. CIV would be a less intrusive zoning classification than the current IND classification.
3. The property was too small for likely IND allowed uses.
4. C-29 was the classification identified as appropriate for this property during the corridor study completed in the summer of 2023, but its use as a small neighborhood church would not detract from surrounding uses. Churches are often located in mixed use areas.
5. This type of use would fit the mixed-use economic development plan for this corridor.

Action

Mayor Pro Tempore Muhammad moved to adopt the ordinance, which is incorporated in the body of the minutes below. Alderwoman Moody seconded the motion, which carried by a vote of 6 – 0.

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.

Action

Alderswoman Sledge moved 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.

Mayor Pro Tempore Muhammad seconded the motion, which carried by a vote of 6 – 0.

CONSIDER ADOPTING – Budget Ordinance Amendment 25-11.014 Accepting and Authorizing the Town Manager to Execute Rowan County Fire Grant for the Fire Department

Town Manager Franzese and Fire Chief Lanning gave a presentation regarding the Budget Ordinance Amendment 25-11.014 accepting and authorizing the Town Manager to execute a Rowan County Fire Grant for the Fire Department and answered questions from the mayor and board.

Rowan County had awarded staffing grants to all fire departments (contracted/volunteer and municipal) that serve throughout the county. The County's goal was 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 had created staffing shortages and delayed response times for fire departments who had historically relied on volunteers. Spencer Fire Department was an eligible recipient of the FY26 Fire Department Staffing Grant approved by the Rowan County Board of Commissioners in December 2025. The town manager anticipated this funding being available on a recurring basis in coming years based on conversations with the county manager.

Action

Mayor Pro Tempore Muhammad moved to adopt Budget Ordinance Amendment 25-11.014 accepting and authorizing the Town Manager to execute a Rowan County Fire Grant for the Fire Department, which is incorporated in the body of the minutes below. Alderswoman Sledge seconded the motion, which carried by a vote of 6 – 0.

ORDINANCE 25-11.014

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

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

		Expenditures		
Account	Title	Current Budget	Amended Budget	(Decrease) Increase
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.

DEPARTMENTAL REPORTS

Planning

Planning & Zoning Administrator Blount gave the monthly planning department report and answered any questions from the mayor and board. A main topic of discussion was the possibility of a data center being built in Rowan County near East Spencer.

Mayor Pro Tempore Muhammad left the board room at 7:49 p.m. and returned at 7:51 p.m.

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

Special Projects Planner Morris provided information regarding current progress on grants and projects.

TOWN MANAGER REPORT

Town Manager Franzese gave his monthly report and answered any questions from the mayor and board.

REQUESTS AND COMMENTS BY THE BOARD MEMBERS

Alderwoman Patricia Sledge

- Provided Board members with a copy of the executive board meeting highlights from the Centralina Council of Governments (COG), noting her role as the County's representative.
- Stated her intent to support decision-making that benefits both the town and municipalities across the county.
- Shared information about an upcoming Board of Delegates meeting and open house scheduled for May 13, encouraging attendance to learn more about available services.
- Noted that the organization has a federal lobbyist who is coordinating with congressional contacts and requested notification of any upcoming engagements so regional talking points can be prepared.
- Reported that representation is also in place at the state level and that recent discussions included proposed property tax reform.
- Explained that a letter has been sent to state legislators expressing concerns that a "one-size-fits-all" approach is not workable for smaller governments.
- Emphasized the importance of educating the public on how property taxes fund essential services such as fire, police, and sanitation.
- Spoke in support of responsible growth and development in northern Rowan County, including emerging technologies such as artificial intelligence, as a means to expand the tax base and reduce the burden on residents.
- Reaffirmed her willingness to take positions on complex or potentially controversial issues.
- Expressed appreciation for the opportunity to serve and encouraged residents to reach out with concerns, noting her willingness to listen and thoughtfully consider community input, including recent conversations with residents following the No Kings protest and other individual discussions.

Alderwoman Patti Secrest

- Noted that the school year is nearing completion, with school ending on May 20.
- Reported coordination with schools regarding upcoming awards assemblies, where the Town will present awards at elementary, middle, and high schools.
- Announced a car show at North Rowan High School on Saturday to support the school and encouraged community attendance.
- Shared details about an upcoming Community Garden event sponsored by the Community Appearance Commission, scheduled for Sunday, April 26, at the garden beside Spencer Presbyterian Church.

Mayor Pro Tempore Rashid Muhammad

- Reported attending the Cabarrus-Rowan Transportation Advisory Committee (TAC) meeting in Kannapolis, noting ongoing discussions regarding budgets and project timelines.
- Stated that discussions included cost-of-living considerations for single veterans and updates on the Long Ferry Road project.

- Noted that several items are expected to be addressed in connection with the May 6–8 CityVision Conference.
- Reported attending a Transportation Advisory Board meeting in Salisbury, where discussions focused on the Salisbury Connect Microtransit program and the Connecting Across Rowan (CARS) program for seniors.
- Stated that feedback on transit programs has been largely positive, with efforts underway to improve efficiency and reduce ride cancellations.
- Noted that program costs are currently performing favorably relative to broader operational trends and that operations are running efficiently.
- Highlighted that Catawba College utilizes electric vehicles as part of its transportation program.
- Encouraged community members to volunteer as drivers for senior transportation services.
- Thanked residents for their engagement and encouraged continued communication with Board members to address concerns.

Alderman Steve Miller

- Thanked the Finance Director and finance staff for their ongoing work and recognized their ability to manage funds effectively to support departmental needs.
- Expressed appreciation for assistance from Public Works staff in transporting and installing soil for the Community Garden on Second Street.
- Reported that the Community Appearance Commission is replacing wooden garden boxes with metal ones and making related improvements.
- Announced an upcoming Community Appearance Commission fundraiser, a Tea Party scheduled for Sunday, April 26, from 2:00 to 4:00 p.m.
- Noted that proceeds from the fundraiser will support the Community Garden and that a prize will be awarded for best attire.

Alderwoman Erin Moody

- Recognized April as Child Abuse Prevention Month and highlighted the importance of community awareness.
- Shared statistics regarding child abuse, emphasizing that most perpetrators are known to the child.
- Clarified that North Carolina is a mandated reporting state, requiring adults to report reasonable suspicions of abuse to appropriate authorities.
- Emphasized that proof is not required to make a report; trained agencies are responsible for investigation.
- Noted that child abuse affects all communities regardless of socioeconomic status.
- Offered herself as a resource for questions or concerns related to child welfare and encouraged community involvement in protecting children.

Alderwoman Pamela Stanley

- Acknowledged her new role as liaison to the school system and ongoing coordination with school officials regarding awards programs.

- Reported outreach to local business owners to introduce herself and offer support, noting no major concerns were raised.
- Expressed support for thoughtful growth and change within the community, acknowledging that progress can be challenging but necessary.
- Thanked Town staff, including police, fire, and Public Works, for their service and dedication.
- Concluded with seasonal remarks welcoming spring.

Mayor Jonathan Williams

- Reported on a recent meeting with county and municipal leaders, describing it as productive with positive dialogue on shared issues.
- Announced that progress has been made toward funding School Resource Officers (SROs) in all elementary schools, with no anticipated negative impact on local staffing, pending an official announcement from the school system.
- Emphasized the value of collaboration in achieving positive outcomes.
- Shared that he and staff recently hosted developers interested in Spencer, noting increased interest and potential commitment to future downtown redevelopment projects.
- Recognized Alderman Miller for hands-on efforts in maintaining downtown landscaping, highlighting Board member engagement.
- Encouraged Board members to advocate for the community, acknowledging that decisions may not satisfy all parties but should prioritize the Town's best interests.
- Discussed the importance of economic development and rebuilding Spencer's industrial base to reduce the tax burden on residents.
- Noted that while emerging technologies such as artificial intelligence present both opportunities and concerns, the Town's focus should remain on practical decisions that support growth and community needs.

EXECUTIVE SESSION

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

ADJOURNMENT

Alderswoman Stanley moved to adjourn [Click or tap here to enter text.](#) Alderswoman Secreast seconded the motion, which carried by a vote of 6 – 0. The meeting stood adjourned at 8:58p.m.

Approved by:

Attest:

Jonathan Williams, Mayor

Anna Kanode Ward, Town Clerk

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

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

CONTRACT TO AUDIT ACCOUNTS

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:

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* (Enter date in box to right)	
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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spencernc.gov

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Spencer, NC 28159-0045

Rowan's Original Gateway.

Agenda Item Coversheet

Meeting Date: 04/14/2026

Agenda Item #:

Agenda Item Title: Consider approval of proposed rezoning at 708 Hawkestown Rd from SFR-2 to SFR-3

Category: Regular Agenda

Presenter(s): Steve Blount, Planner

Explanation:

Property owner wants to reconfigure this and adjacent parcels to allow future development and needs to reduce size of this lot to what is less than currently allowed in SFR-2 classification. Proposed reduction in size will be more than adequate for current residential use.

Financial Impact:

NONE

Recommendations:

1. Approve, disapprove, or approve with conditions proposed rezoning by adoption or ordinance 26-03
2. Adopt statement of consistency

Attachment(s): Yes No

1. memo
2. ordinance language
3. motion language

8.4-2 Single-Family Residential Districts (SFR-1, SFR-2 and SFR-3)

(A.) Intent. The Single-Family Residential Districts (SFR-1, SFR-2 and SFR-3) provide for the completion of existing residential neighborhoods and the development of new residential neighborhoods. Allowed building/lot types in the Single-Family Districts are Detached House. Listed uses are restricted to Single-Family, including duplex (two-family), homes and their accessory uses. Neighborhoods in these districts are the dominant land use in Spencer and are a major element in defining the character of the community. Standards for the Single-Family Residential Districts promote that new development maintains the character of the community. The Single-Family Residential Districts permit the completion and conformity of conventional residential subdivisions already existing or approved in sketch plan form by the Town of Spencer prior to the effective date of these regulations.

(B.) Listed Uses:

- (1.) Uses listed by right: See Table of Uses (Table 8.1) of this Article
- (2.) Uses listed with additional standards: See Table of Uses (Table 8.1) of this Article and Article 10, Section 10.1
- (3.) Uses listed with conditions: See Table of Uses (Table 8.1) of this Article and Article 10, Section 10.2

(C.) Listed Building and Lot Types: Detached House

(D.) Gross Residential Density Limit, excluding Accessory Dwellings meeting the limitations of and in accordance with Article 10, Section 10.1-3:

- (1.) SFR-1: 1.00 unit/acre
- (2.) SFR-2: 2.00 units/acre
- (3.) SFR-3: 3.00 units/acre

(E.) General Standards & Specifications:

- (1.) Building placement, parking placement, building type, access, and lot arrangement shall be controlled by the lot and building type standards set forth in Article 9 for the lot and building types listed in the Single-Family Residential Districts.
- (2.) In addition to the requirements established by the lot type standards and building type standards, the following dimensional standards shall apply in the Single-Family Residential Districts:

	SFR-1	SFR-2	SFR-3
LOT DIMENSIONS			
Minimum Lot Size (gross square feet)	34,900	17,450	11,600
Minimum Lot Width measured at Front Street Setback	133'	72'	60'
PRINCIPAL STRUCTURES			
Minimum Front Street Setback measured from Street Right-of-way	42'	33'	20'
Minimum Rear Yard Setback	16'	9'	8'
Minimum Side Yard Setback	16'	9'	8'
Minimum Corner Lot Side Street Setback measured from Street Right- of-way	24'	21'	17'
ACCESSORY STRUCTURES			
Minimum Front Street Setback measured from Street Right-of-way	82'	73'	60'
Minimum Rear Yard Setback	5'	5'	5'
Minimum Side Yard Setback	5'	5'	5'
Minimum Corner Lot Side Street Setback measured from Street Right- of-way	25.5'	22.5''	18.5'
MINIMUM REQUIRED PARKING, WHETHER ENCLOSED OR NOT			
Minimum Front Street Setback measured from Street Right-of-way	45.5'	36.5'	23.5'
Minimum Corner Lot Side Street Setback measured from Street Right- of-way	25.5'	22.5'	18.5'

(F.) Open Space. The provision and design of open space shall comply with the requirements set forth in Article 21.

(G.) Parking & Landscaping. Parking shall comply with the requirements set forth in Article 12. Landscaping shall comply with the requirements set forth in Article 11.



MEMO

Date: 4.14.26

By: Steve Blount, Town Planner

RE: 708 Hawkinstown Rd Rezoning

Narrative:

I was approached by Mr. Patrick Morrison who owns several parcels along Hawkinstown Road concerning his desire to combine and reconfigure his several parcel with goal of, 1) creating a single parcel for his home and storage structure located at 712 Hawkinstown Rd., 2) creating a legally sized and configured lot for rental property he owns at 708 Hawkinstown Rd, and, 3) creating a lot from the remainders of parcels 324 179 & 324 281 large enough for future development.

The rear lot line of the parcel being considered for rezoning (parcel 324 047 at 708 Hawkinstown Rd) runs through the rear of the house and excludes a well building and storage building. It is a legal nonconforming lot for these reasons, and the reconfiguration would resolve these issues. As this is a small house, rezoning to SFR-3 at the same time as it is reconfigured would allow the maximum amount of property to be dedicated to the remainder lot.

Rezoning this parcel, the subsequent reconfiguration of the various lots, and the future development of the remainder lot will meet the desires of the property owner while accomplishing several goals of the town such as cleaning up nonconforming lots, recombination of smaller lots, and promoting higher density development in this area.

Conclusion:

Based on these findings, staff recommends that after proper procedure, notification, neighborhood meeting, and public hearings are held, that the Board of Aldermen vote to approve this rezoning and adopt the required Statement of Consistency for this action.

TOWN OF SPENCER, NORTH CAROLINA

ORDINANCE 26-03

AN ORDINANCE TO AMEND the Town's Official Zoning Map dated September 10, 2024, rezoning Rowan County GIS System parcel number 324 047 located at 708 Hawkinstown Rd from SFR-2 to SFR-3 zoning classification:

WHEREAS, the current SFR-2 zoning classification is a residential classification as is the proposed SFR-3 classification; and

WHEREAS, the SFR-3 classification would allow a slightly smaller minimum lot size while still being large enough to accommodate the existing residential structures on this lot; and

WHEREAS, the property owner plans to reconfigure this parcel and several other adjacent parcels that he owns; and

WHEREAS, the smaller lot size is needed to accommodate the proposed reconfiguration allowing future development on the other lots;

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 September 10, 2024 will be revised as follows:

Parcel 324 047 located at 708 Hawkinstown Rd will be revised from SFR-2 to SFR-3 zoning Classification

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

Adopted this 12th day of May, 2026.

Jonathan Williams, Mayor

ATTEST

Anna Kanode Ward, Town Clerk

708 Hawkinstown Rd Rezoning

5.12.26

Suggested Motion Language for rezoning approval:

I move to approve the staff's recommendation as presented to rezone parcel 324 047 located at 708 Hawkinstown Rd from SFR-2 to the SFR-3 zoning classification by adoption of ordinance 26-03.

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, "*Hawkinstown Rd Area-Area north of Hawkinstown Rd, east and south of 7th Street and west to Salisbury ETJ boarder, includes a mixture of small and medium sized parcels with limited residential development. If combined and redivided, and provided with municipal water and sewer, this could be prime area for higher density residential development and annexation.*" 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.



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Spencer, NC 28159-0045

Rowan's Original Gateway.

Agenda Item Coversheet

Meeting Date: 05/12/2026

Agenda Item #:

Agenda Item Title: Informational update of grants for Town Park Gateway Arch

Category: Regular Agenda

Presenter(s): Joe Morris Special Projects, Peter Franzese Town Manager, Heather Kann Finance Officer

Explanation:

The Town has been awarded a \$12,000 grant from the Rowan County Tourism Development Authority as a part of the wayfinding signage efforts over the past two years and a \$7,500 grant from the Woodson Foundation for the Spencer Town Park Gateway Arch. The combination of grant funding will allow pursuit of the defining element for the park.

Financial Impact:

The total grant funding of \$19,500 requires no local match. Funding was anticipated in the current project budget.

Recommendations:

Information purposes only.

Attachment(s): Yes No

1. Rite Lite quote
2. Rite Lite arch plan



Estimate #: 28672

1000 Biscayne Dr
 Concord, NC 28027-8402
 Ph: (704) 788-7097 FAX: (704) 788-7091
 Web: <https://www.ritelitesigns.com>

Estimate Date: 4/27/2026

Prepared For: Spencer Town Hall	Site: Spencer Town Park Archway
Billing Address: 460 S Salisbury Ave Spencer, NC 28159-2239	Site Address: 460 S Salisbury Ave Spencer, NC 28159-2239
Primary Contact: Peter Franzese, Town Manager	Site Contact Name: Peter Franzese
Office Phone: (704) 633-2231	Site Contact Number: (704) 633-2231
Email: pfranzese@spencernc.gov	Salesperson: Dawn Raborn
	Email: draborn@ritelitesigns.com

Description: Archway Element w/signage

		Quantity	Unit Price	Subtotal
1	Product: Decorative Element Description: Manufacture fabricated Architectural Archway per RLS #28672 dated 4/23/26. *Masonry columns/Structural members by others.	1	\$8,228.00	\$8,228.00
2	Product: Cabinet Sign Description: Manufacture non-illuminated S/F sign cabinet per RLS drawing #28672 dated 4/23/26	1	\$3,847.00	\$3,847.00
3	Product: Site Survey Description: Site Survey - Survey and confirm center to center of columns	1	\$375.00	\$375.00
4	Product: Permits Description: Permit - Submitted by client. - Engineered drawings if required are additional. - Permit Fees will be waived by the Town of Spencer.	1	\$0.00	\$0.00
5	Product: Installation of Non-Electric Signs Description: Install non-illuminated Archway structure with S/F sign cabinet per RLS drawing #28672 dated 4/23/26.	1	\$5,860.00	\$5,860.00

*Installed on top of existing masonry columns.
 *Columns to be engineered for proposed archway and signage by others.
 *Anchor bolts/ Anchors/ Steel supports or other structural members/items required by Engineer are NOT INCLUDED.

Notes

Pricing is only good for 30 days from the date of this Estimate. Any Estimate older than 30 days will require a pricing review and an updated Estimate.

SIGN PERMIT FEES AND STAFF TIME ARE NOT INCLUDED AND WILL BE BILLED ADDITIONALLY. AN ADDITIONAL CHARGE OF \$125.00 WILL BE INCURRED FOR INITIAL ON-SITE ELECTRICAL INSPECTION, IF REQUIRED. ADDITIONAL TRIPS TO BE BILLED AT \$85.00 PER HOUR.

DUE DATE IS CONTINGENT ON PERMIT APPROVAL DATE

- Sealed Engineered drawings, Sign Permits are included.
- Approved Rite Lite shop drawings required prior to production. The Shop Drawings provided to you are included in the Estimate. If electronic art files are requested, a fee is \$275.00 will be charged.
- All material is guaranteed to be as specified, and is to be completed in a workmanlike manner.
- Rite Lite Signs, Inc. will not be responsible for damage to unmarked utilities, drains or underground irrigation lines.
- Any alteration or deviation from specifications involving extra cost will be executed only upon written order and will become an extra charge over and above proposal estimate.
- Signs are a removable fixture and will remain the property of Rite Lite Signs, Inc. until fully paid. If signs are not paid for after meeting terms, Rite Lite Signs, Inc. reserves the right to enter premises and repossess sign and/or hardware associated with sign without any legal process, and all payments made up to this time of default shall be applied as hire for said property and depreciation in value. Any deposit made is considered payment for work performed.
- All agreements contingent upon strikes, accidents or delays beyond our control.
- Customer to carry necessary insurance. Rite Lite Signs, Inc. to carry workman's compensation and general liability insurance.
- This CONTRACT, when executed by Customer, does not allow any cancellations or changes unless approved in writing by both parties. No other agreements, oral or written, shall exist or bind any of the parties other than as is contained in this CONTRACT.

Estimate Total:	\$18,310.00
Subtotal:	\$18,310.00
Taxes:	\$1,281.70
Total:	\$19,591.70

- Payment Terms:**
- A 50% Deposit is due upon contract signing.
 - Payment of invoice is due upon completion.
 - A 1.5% per month finance charge of the balance due will be assessed to your account that is past term. This equals an annual interest rate of 18%.
 - Returned checks will incur a fee of \$35.00. All collection fees, court costs and finance charges will be petitioned for recovery from delinquent accounts.
 - A 2.5% processing fee will be added to all accounts paid by credit card.

Client Reply Request

Estimate Accepted "As Is". Please proceed with Order.

QUALIFIER: _____

Date: / /

Changes required, please contact me.

SIGN: _____

Date: / /

Print Date: 4/27/2026 9:26:44AM

WARRANTY

Installation by Rite Lite Signs

Rite Lite Signs, Inc. warrants all products of its own manufacture against defects in materials and workmanship for a period of one (1) year from the date of installation. The *labor* to replace or repair any material is covered for ninety (90) days from date of installation.

Rite Lite Signs requires notification prior to replacement of any part under this warranty. Rite Lite Signs shall have no obligation under this warranty if: Product is installed by others not contracted by Rite Lite Signs or if Buyer performs unauthorized service to the Product, or if the Product is damaged by acts of God, vandalism, freight damage or any force majeure. Replacement and/or repair warranty is valid only if all other terms and conditions of the contract are met. This warranty covers all components of the signs which are manufactured by Rite Lite Signs. Other components carry the separate warranty provided by the manufacturer of that component. Rental fees of any cranes and/or specialty equipment are not covered under warranty.

The obligation of Rite Lite Signs is limited to the replacement or repair of defective components at the discretion of Rite Lite Signs.

NOTE: Fluorescent lamps, neon tubing, incandescent bulbs and HID lamps carry no warranty.

Installation by Others

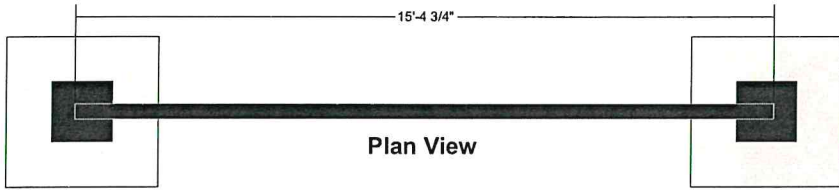
Rite Lite Signs, Inc. warrants all *products* of its own manufacture against defects in materials and workmanship for a period of ninety (90) days from the date of shipment. The *labor* to replace or repair any material is not covered under warranty.

Rite Lite Signs requires notification prior to replacement of any part under this warranty. Rite Lite Signs shall have no obligation under this warranty if: Buyer performs unauthorized service to the Product, or if the Product is damaged by acts of God, vandalism, freight damage or any force majeure. Replacement and/or repair warranty is valid only if all other terms and conditions of the contract are met. This warranty covers all components of the signs which are manufactured by Rite Lite Signs. Other components carry the separate warranty provided by the manufacturer of that component. Rental fees of any cranes and/or specialty equipment are not covered under warranty.

The obligation of Rite Lite Signs is limited to the replacement or repair of defective components at the discretion of Rite Lite Signs.

NOTE: Fluorescent lamps, neon tubing, incandescent bulbs and HID lamps carry no warranty.

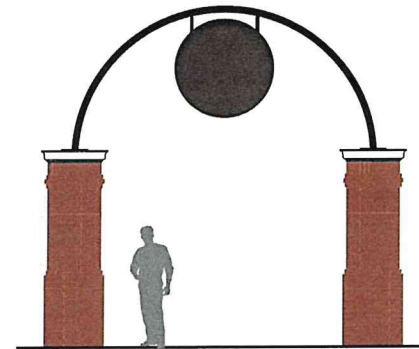




Plan View



Side A Elevation



Side B Elevation

1 S/F Non-Illuminated Hanging Sign and Arch
SCALE: 3/8" = 1' - 0"

Color Notes:

Arch w/ Mounting Plates

- Arch (All Surfaces) Painted Black (Gloss)
- Mounting Plates Painted Black (Gloss)

S/F Non-Illuminated Hanging Sign

- Side A Face Digital Print w/ Background Color To Match Painted RAL 1013 (Cream)
- Retainer Painted to Match PMS 4625c (Gloss)
- Returns Painted to Match PMS 4625c (Gloss)
- Side B Face Painted to Match PMS 4625c (Gloss)

Due to variances in screen calibration and resolution, the colors on your screen may not accurately represent the actual color sample

Square Footage Note:

- Sign: 5'-0" (H) x 5'-0" (L) = 25.00

Note:

- Field Survey Required Prior to Production.
- Paint Colors Are To Be Verified Prior To Production

RITELITE
CUSTOM SIGNS & ARCHITECTURAL ELEMENTS
1000 Biscayne Drive, Concord, NC 28027
704.788.7097
www.ritelitesigns.com

Client:



Job Location:
460 South Salisbury Avenue
Spencer, NC 28159

Designer: TB	Salesperson: DR
Project # 28672	Date: 10 July 2025
Project Manager: PM	

Revision Date:
16 July 2025 TB
16 July 2025 TB
23 Apr 2026 TW

File Location:
ART20251\Town of Spencer Archway\28672

Customer Approval: _____ Date: _____

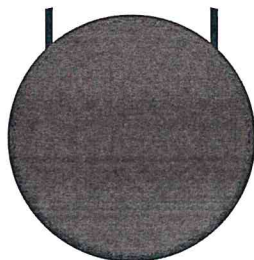
Land Lord Approval: _____ Date: _____

Architect Approval: _____ Date: _____

This original design is the exclusive property of Rite Lite Signs, Inc. and is protected by federal copyright laws. Any reproduction similar to the one embodied herein is expressly forbidden. Should an unauthorized construction of this design occur, Rite Lite Signs, Inc. is due \$2,500 as compensation for their time & effort in creating each drawing.



PROPOSED



Side B Elevation

Color Notes:

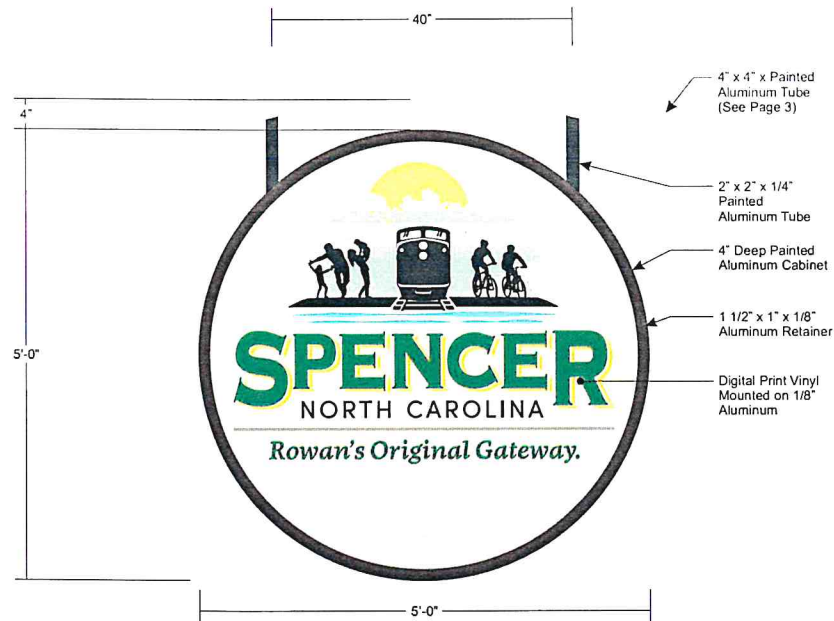
S/F Non-Illuminated Hanging Sign

- Side A Face _____ Digital Print w/ Background Color To Match Painted RAL 1013 (Cream)
- Retainer _____ Painted to Match PMS 4625c (Gloss)
- Returns _____ Painted to Match PMS 4625c (Gloss)
- Side B Face _____ Painted to Match PMS 4625c (Gloss)

Due to variances in screen calibration and resolution, the colors on your screen may not accurately represent the actual color sample.

Square Footage Note:

- Sign: 5'-0" (H) x 5'-0" (L) = 25.00 sq



Side A Elevation



End Elevation

1 Non-Illuminated Hanging Sign Details
SCALE: 3/4" = 1' - 0"

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Client:



Job Location:
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Designer: TB Salesperson: DR
Project Manager: PM

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File Location:
ART2025\Town of Spencer\Arhway\28672

Customer Approval: _____ Date: _____

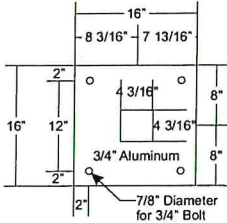
Land Lord Approval: _____ Date: _____

Architect Approval: _____ Date: _____

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PROPOSED



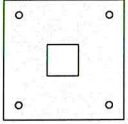
Baseplate Detail 1

Color Notes:

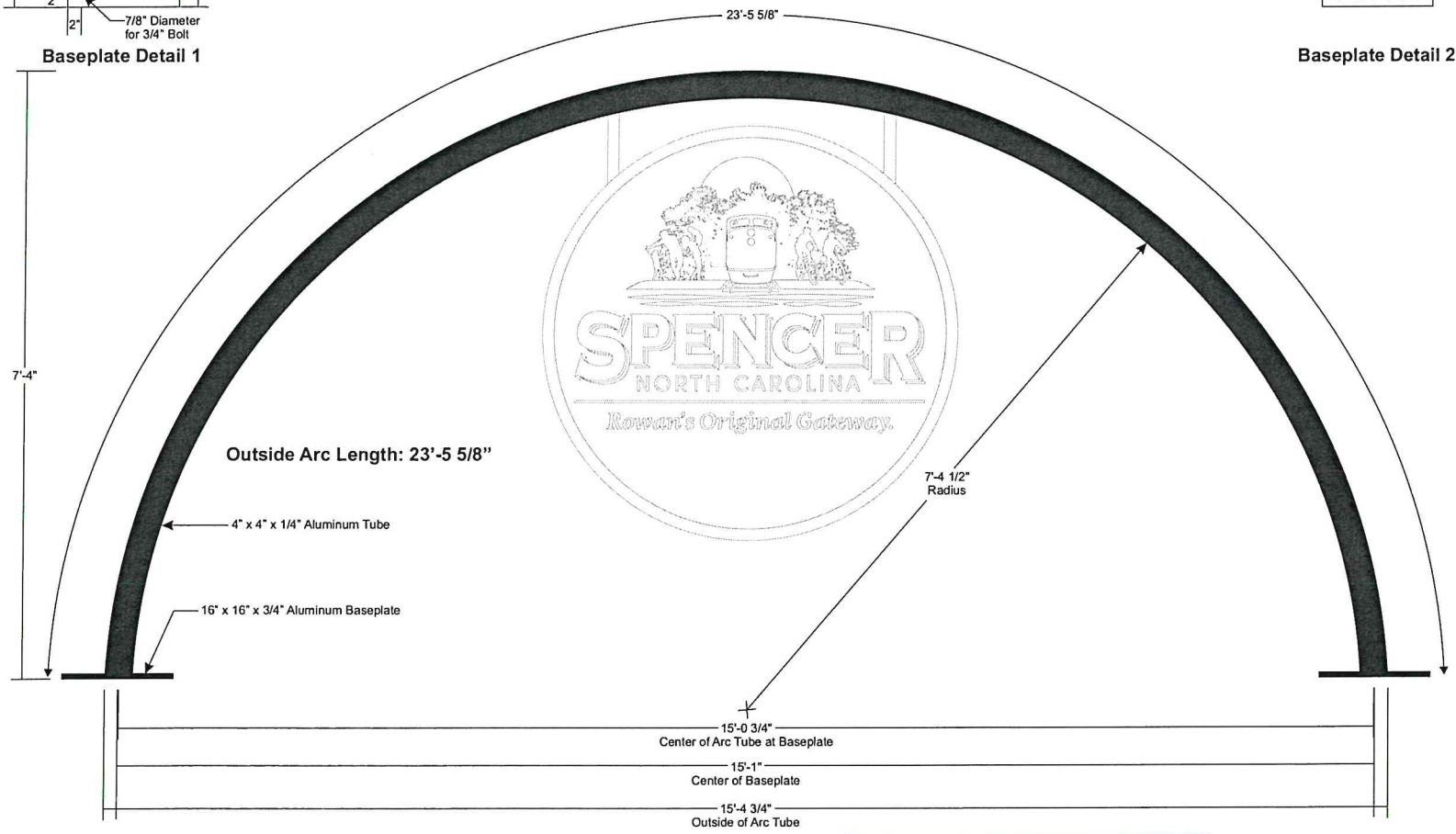
Arch w/ Mounting Plates

- Arch (All Surfaces) _____ Painted Black (Gloss)
- Mounting Plates _____ Painted Black (Gloss)

Due to variances in screen calibration and resolution, the colors on your screen may not accurately represent the actual color sample



Baseplate Detail 2



1 Arch Details
SCALE: 3/4" = 1' - 0"

Note:
• Field Survey Required Prior to Production.

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CUSTOM SIGNS & ARCHITECTURAL ELEMENTS
1000 Biscayne Drive, Concord, NC 28027
704.788.7097
www.ritelitesigns.com

Client:

Job Location:
460 South Salisbury Avenue
Spencer, NC 28159

Designer: TB
Salesperson: DR
Project Manager: PM

Project # 28672
Date: 10 July 2025

Revision Date:
16 July 2025 TB
16 July 2025 TB
23 Apr 2026 TW

File Location:
ART2025T1Town of Spencer Archway28672

Customer Approval: _____ Date: _____

Land Lord Approval: _____ Date: _____

Architect Approval: _____ Date: _____

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UL UNDERWRITERS LABORATORIES
UL File No. E152627

PROPOSED



Monthly Activity Report

Planning, Zoning & Subdivision Administrator

April 2026

	<u>Location</u>	<u>Activity</u>	<u>Action</u>
3.30.25	Tabor Dr	Zoning questions	Answered questions
3.30.26	Office	ABC permit questions	Answered questions
3.31.26	Kannapolis	Carolina Thread Trail meeting	Attended
3.31.26	Freedle lane	Zoning permit for ramp addition	Issued permit
3.31.26	Hawkins ave	Development questions	Answered questions
3.31.26	Holly ave	Development questions	Answered questions
3.31.26	Office	Addressing information	Provided information
3.31.26	Hawkinstown rd	Six zoning permits for townhomes	Issued permits
4.2.26	Office	Drafted QJ training material	Prepared
4.2.26	Holly ave	Development questions	Answered questions
4.2.26	701 salisbury ave	Change of use permit	Issued permit
4.2.26	Office	Spencer growth statistics for developer	Provided
4.2.26	Hawkins loop rd	Development questions	Answered questions
4.2.26	Office	NCRR grant meeting	Participated
4.2.26	5 th st	Demolition questions	Answered questions
4.2.26	Steeple chase trl	Code enforcement questions	Answered questions
4.6.26	Hawkinstown rd	Annexation questions	Answered questions
4.6.26	Office	Chicken springs dam information	Reviewed and commented
4.6.26	Hackett st	Three zoning permits for Innospec additions	Reviewed and issued permits
4.6.26	306 n Yadkin	Zoning permit for addition	Issued permit
4.6.26	Willow creek dr	Site plan submittal	Began review process
4.7.26	Office	Staff meeting	Attended

4.7.26	104 baldwin	Drainage issue questions	Answered questions
4.7.26	N Salisbury ave	Site plan questions	Answered questions
4.7.26	1565 n long st	Questions about deed	Answered questions
4.7.26	Willow creek	Industrial site drawings	Reviewed
4.9.26	Hawkinstown rd	Annexation questions	Answered questions
4.9.26	Long ferry rd	Nonconforming use questions	Answered questions
4.9.26	Website	Need for updated forms	Reviewed and advised Anna
4.9.26	106 4 th st	Sign ordinance violation	Reported to preston
4.9.26	Office	Preagenda meeting	Attended
4.13.26	306 s Carolina	HPC questions	Answered questions
4.13.26	Hawkinstown road	Rezoning request	Met with property owner
4.13.26	Office	Planning board chair meeting	Answered procedure questions
4.13.26	Hawkinstown rd	Development questions	Answered questions
4.13.26	Office	Planning board meeting	Participated
4.13.26	708 hawkinstown rd	Rezoning request	Drafted paperwork, etc
4.13.26	Office	Questions about NCDOT traffic assessment	Contacted with questions
4.14.26	Office	Staff meeting	Attended
4.14.26	Office	Met with postmaster on addressing	Attended
4.14.26	Office	Board of aldermen meeting	Attended
4.16.26	US HWY 29	Yadkin River Dist development plan	Discuss with staff and developer
4.16.26	Office	Response to citizen concerns on Hawkinstown rd development	Drafted document
4.16.26	Hawkinstown rd	Six zoning permits for Hawkins meadows townhomes	Issued permits
4.20.26	611 s Yadkin	Fence permit	Issued permit
4.20.26	Lee st	Development questions	Answered questions
4.20.26	Office	Greenway property value questions	Answered questions
4.20.26	324 s whitehead	Zoning permit for storage building	Issued permit
4.20.26	Long st	Zoning questions	Answered questions
4.20.26	Willow creek	Permit questions for industrial development	Answered questions
4.20.26	Office	HPC quasijudicial training	Participated

4.21.6	Office	Greenway questions	Answered questions
4.21.26	Office	ABC permit	Signed permit
4.21.26	Long st	Property development questions	Answered questions
4.21.26	Office	Spencer/east spencer growth boundary line	Reviewed and commented
4.23.26	165 hawkins loop rd	Zoning questions	Answered questions
4.23.26	2205 hollywood	Zoning questions	Answered questions
4.23.26	Office	Grant discussion with staff	Participated
4.23.26	Salisbury ave	Zoning question for new retail store	Answered questions
4.23.26	Hollins drive	Development questions	Answered questions
4.27.26	Office	Minimum lot size questions	Answered questions
4.27.26	Meadow st	Subdivision questions	Answered questions
4.27.26	Office	Staff meeting	Attended
4.27.26	Office	Hawkinstown road rezoning neighborhood meeting	Attended
4.28.26	Steeple chase trl	Owner question on appeals process	Answered questions
4.28.26	Steeple chase trl	Zoning permit for fence	Issued permit
4.28.26	446 s Salisbury ave	Paperwork etc. for rezoning request	Drafted paperwork, etc.
4.28.26	Office	Online cyber security training	Took training
4.28.26	Hollywood dr	Zoning permits for two SF homes	Issued permits
4.30.26	2 nd st	Development questions	Answered questions
4.30.26	Steeple chase trl	Garage questions	Answered questions
4.30.26	6 th st	Two zoning permits for SFHs	Revised permits

Quotes:

“Two things are infinite: the universe and human stupidity; and I'm not sure about the universe.”

— Albert Einstein

“Live as if you were to die tomorrow. Learn as if you were to live forever.”

— Mahatma Gandhi

“The fool doth think he is wise, but the wise man knows himself to be a fool.”

— William Shakespeare

“You have brains in your head. You have feet in your shoes. You can steer yourself any direction you choose. You're on your own. And you know what you know. And YOU are the one who'll decide where to go...”

— Dr. Seuss

“Do what you can, with what you have, where you are.”

— Theodore Roosevelt

“Success is not final, failure is not fatal: it is the courage to continue that counts.”

— Winston S. Churchill

“The only true wisdom is in knowing you know nothing.”

— Socrates



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Rowan's Original Gateway.

Agenda Item Coversheet

Meeting Date: 05/12/2026

Agenda Item #:

Agenda Item Title: Code Enforcement Monthly Report

Category: Departmental Report

Presenter(s): Michael File, Chief

Explanation:

Code Enforcement Monthly Report

Financial Impact:

N/A

Choose an item.

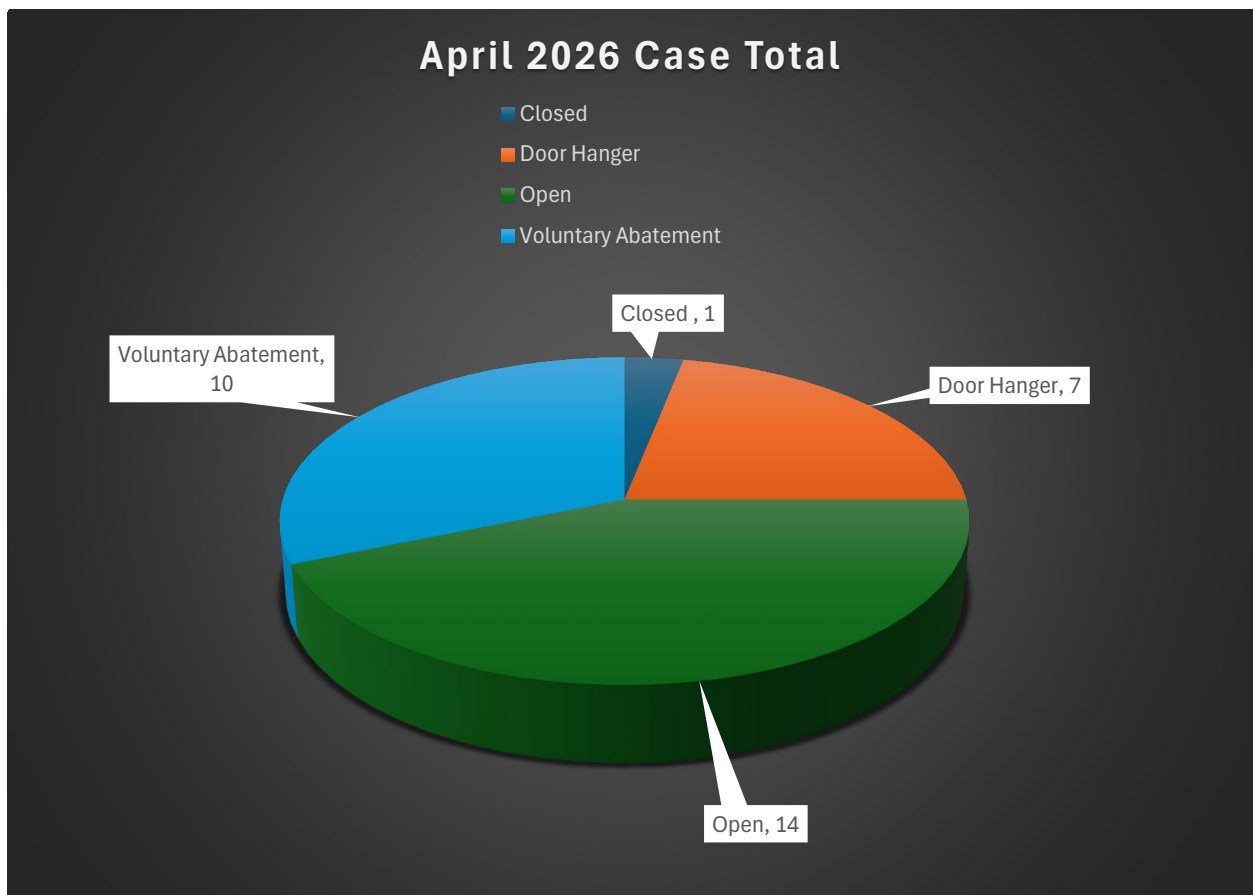
N/A

Attachment(s): Yes No

1. Code Enforcement Report

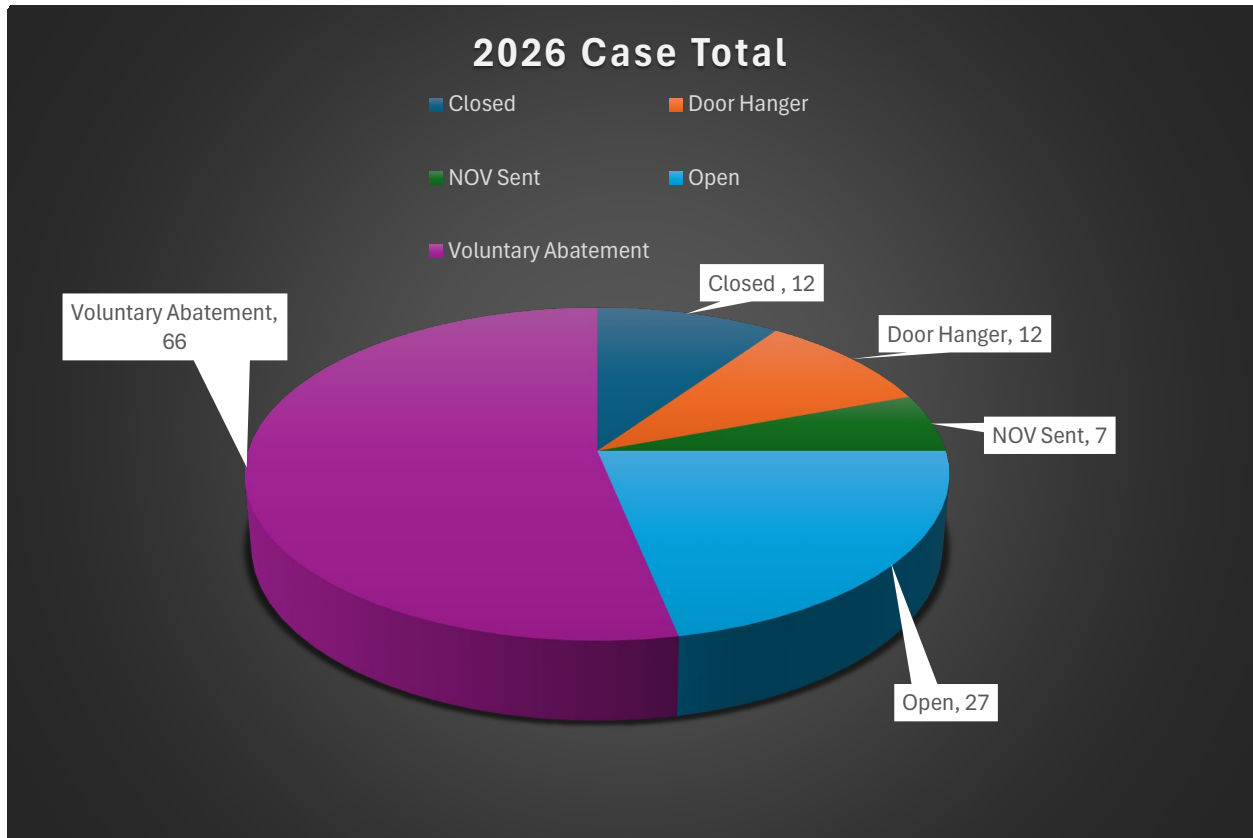
Monthly Report

- **Total cases – 32**
- **Open - 14**
- **Voluntary Abatement – 10**
- **Door Hanger - 7**
- **Closed – 1**



2026 Yearly Report

- Total cases – 124
- Open - 27
- Voluntary Abatement - 66
- Door Hanger - 12
- Notice of Violations – 14
- Closed - 12
- NOV Sent – 7



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
202600127	315 N Rowan	High Grass	Open
202600126	309 N Rowan	High Grass	Open
202600124	813 4TH ST	Junk Vehicle	Open
202600123	508 2ND ST	High Grass	Open
202600122	609 2ND ST	High Grass	Open
202600121	200 Gobble St	Junk	Open
202600117	905 3RD ST	High Grass	Open
202600114	810 4TH ST	High Grass	Open
202600113	110 N Rowan Ave	Junk Pile	Open
202600112	1105 2ND ST	Junk Pile	Open
202600111	401 Forestdale Dr	High Grass	Open
202600106	414 S Rowan Ave	Tall grass	Open
202600102	804 4TH ST	High Grass	Open
202600100	453 Steeplechase	High Grass	Open
202600096	440 Steeplechase trail	horse in back yard	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 4TH ST	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
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

04/01/2026 - 04/30/2026

Case #	Case Date	Main Status	Last Status Change Date	Complaint Received	Violation Address	Nature of Complaint
--------	-----------	-------------	-------------------------	--------------------	-------------------	---------------------

Group: Closed

202600105	4/1/2026	Closed	4/28/2026	Portal Complaint	121 5th Street	Misrepresentation of use of space, illegal residential occupancy, uninhabitable living conditions

Group Total: 1

Group: Door Hanger

202600125	4/27/2026	Door Hanger	4/27/2026	Site Visit	603 4TH ST	High Grass
202600120	4/27/2026	Door Hanger	4/27/2026	Site Visit	907 2ND ST	High Grass
202600119	4/27/2026	Door Hanger	4/27/2026	Site Visit	914 2ND ST	High Grass
202600118	4/27/2026	Door Hanger	4/27/2026	Site Visit	912 2ND ST	High Grass
202600116	4/27/2026	Door Hanger	4/27/2026	Site Visit	309 1ST ST	Junk Pile
202600109	4/13/2026	Door Hanger	4/13/2026	Site Visit	507 S Rowan Ave	Junk on porch
202600101	4/1/2026	Door Hanger	4/1/2026	Site Visit	535 Steeplechase	High Grass

Group Total: 7

Group: NOV Sent

202600088	3/25/2026	NOV Sent	4/1/2026	Site Visit	203 8th ST	Overgrowth
202600083	3/24/2026	NOV Sent	4/1/2026	Site Visit	403 S Rowan Ave	Junk

Group Total: 2

Group: Open

202600127	4/28/2026	Open	4/28/2026	Site Visit	315 N Rowan	High Grass
202600126	4/28/2026	Open	4/28/2026	Site Visit	309 N Rowan	High Grass
202600124	4/27/2026	Open	4/27/2026	Site Visit	813 4TH ST	Junk Vehicle
202600123	4/27/2026	Open	4/27/2026	Site Visit	508 2ND ST	High Grass
202600122	4/27/2026	Open	4/27/2026	Site Visit	609 2ND ST	High Grass

202600121	4/27/2026	Open	4/27/2026	Site Visit	200 Gobble St	Junk
202600117	4/27/2026	Open	4/27/2026	Site Visit	905 3RD ST	High Grass
202600114	4/21/2026	Open	4/21/2026	Site Visit	810 4TH ST	High Grass
202600113	4/21/2026	Open	4/21/2026	Site Visit	110 N Rowan Ave	Junk Pile
202600112	4/21/2026	Open	4/21/2026	Site Visit	1105 2ND ST	Junk Pile
202600111	4/21/2026	Open	4/21/2026	Site Visit	401 Forestdale Dr	High Grass
202600106	4/10/2026	Open	4/13/2026		414 S Rowan Ave	Tall grass
202600102	4/1/2026	Open	4/1/2026	Site Visit	804 4TH ST	High Grass
202600100	4/1/2026	Open	4/1/2026	Site Visit	453 Steeplechase	High Grass

Group Total: 14

Group: Voluntary Abatement

202600128	4/28/2026	Voluntary Abatement	4/28/2026	Site Visit	200 S Rowan	Junk
202600115	4/24/2026	Voluntary Abatement	4/24/2026	Site Visit	311 S Rowan	High Grass
202600110	4/13/2026	Voluntary Abatement	4/28/2026	Site Visit	401 S Rowan Ave	Tall Grass
202600108	4/13/2026	Voluntary Abatement	4/24/2026	Site Visit	601 S Rowan Ave	Junk on porch
202600107	4/13/2026	Voluntary Abatement	4/24/2026	Site Visit	1118 N Salisbury Ave	Junk on Porch
202600104	4/1/2026	Voluntary Abatement	4/24/2026	Site Visit	749 4TH ST	High Grass
202600103	4/1/2026	Voluntary Abatement	4/27/2026	Site Visit	810 4TH ST	High Grass
202600099	3/31/2026	Voluntary Abatement	4/27/2026	Weeds / Tall Grass	529 Steeplechase Trail	tall grass in yard
202600098	3/31/2026	Voluntary Abatement	4/27/2026	Weeds / Tall Grass	104 Sowers Ferry Road	fallen rotten tree and overgrowth
202600097	3/31/2026	Voluntary Abatement	4/27/2026	Illegally Parked Vehicle	104 Sowers Ferry Road	2 cars parked in front yard. today and most days
202600095	3/30/2026	Voluntary Abatement	4/1/2026	Site Visit	205 S Rowan	Overgrowth
202600093	3/30/2026	Voluntary Abatement	4/27/2026	Site Visit	705 S Yadkin	Overgrowth
202600092	3/30/2026	Voluntary Abatement	4/27/2026	Site Visit	701 S Yadkin	High Grass

202600089	3/25/2026	Voluntary Abatement	4/27/2026	Site Visit	110 11th ST	Overgrowth
202600087	3/25/2026	Voluntary Abatement	4/1/2026	Site Visit	708 8TH ST	Abandoned Vehicle
202600068	3/11/2026	Voluntary Abatement	4/1/2026	Site Visit	501 10TH ST	Junk Pile
202600048	2/18/2026	Voluntary Abatement	4/27/2026	Site Visit	605 4TH ST	junk on Porch
202600038	2/18/2026	Voluntary Abatement	4/27/2026	Site Visit	909 S Carolina Ave	Junk
202600037	2/18/2026	Voluntary Abatement	4/27/2026	Site Visit	602 S Carolina Ave	Abandoned Vehicle
202600032	2/18/2026	Voluntary Abatement	4/27/2026	Site Visit	155 Lee ST	Junk
202600013	1/14/2026	Voluntary Abatement	4/27/2026	Site Visit	119 N Salisbury Ave	Junk
202500419	12/23/2025	Voluntary Abatement	4/1/2026	Site Visit	785 Long Ferry Rd	Minimal Housing

Group Total: 22

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Total Records: 46

5/1/2026



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Rowan's Original Gateway.

Agenda Item Coversheet

Meeting Date: 05/12/2026

Agenda Item #:

Agenda Item Title: Police Department Monthly Report

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

(04/01/2026 - 04/30/2026)

<No Event Type Specified>	1	8th Street Ballpark Check	82
911 Hang-Up	6	Administrative Work	58
Alarm - Other	4	Animal Complaint	1
Assault - Sexual	1	Assist - East Spencer Police	39
Assist - EMS	1	Assist - Fire Department	9
Assist - Motorist/Public	2	Assist - NCHP	4
Assist - Other Agency	6	Assist - Other Officer	28
Assist - Sheriff's Office	6	B&E/Burglary - Commercial, In-Progress	1
B&E/Burglary - Residential, Report	1	Business Check-Drive Through	405
Calls For Service (General)	9	Code Enforcement Activities	22
Community Event	3	Court	2
Directed Patrol	19	Disturbance	2
Disturbance- Verbal	4	Disturbance-Physical	3
Domestic Dispute	4	Drug Offense on School Property	1
Follow-up Investigation - Outside Town Limits	1	Follow-up Investigation- Spencer	5
Foot Patrol - Business	61	Foot Patrol - Residential	4
Found Property	1	Fraud - Report	3
House Check	30	Illegal Burning	1
Interview	1	Involuntary Commitment	2
Juvenile - Runaway	1	Juvenile Complaint	2
Larceny - In-Progress	2	Larceny - Report	3
Library Park Check	86	Magistrate's Office	2
Maintenance - Equipment	1	Maintenance - Vehicle	17
NCTM - Drive Through	232	NCTM - Foot Patrol	55
Noise Complaint	2	Norfolk Southern Railroad-Drive Through	8
Park Check	160	Property - Lost/Missing	1
Public Service	18	School Activities	1
School Check - NRES	84	School Check - NRHS	82
School Check - NRMS	71	Security Check/Standby	2
Shots Fired	1	SRO Duties	58
Subpoena Service	6	Suspicious - Activity	3
Suspicious - Person	3	Suspicious - Vehicle	4
Traffic Accident - PD	6	Traffic Complaint	1

Activity Log Event Summary (Totals)

Spencer Police Department

(04/01/2026 - 04/30/2026)

Traffic Enforcement	14	Training - PD	56
Training - School	1	Trespassing - In-Progress	3
Trespassing - Report	2	Unattended Death	1
Vehicle Stop	105	Warrant Service	1
Welfare Check	9	Yadkin River Park Check - Davidson County	98
Yadkin River Park Check - Spencer	112		

Total Number Of Events: 2,147



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SPENCER
NORTH CAROLINA

Public Works Director
Post Office Box 45
Spencer, NC 28159-0045

Rowan's Original Gateway.

Agenda Item Coversheet

Meeting Date: 05/12/2026

Agenda Item #: ____ . e.

Agenda Item Title: Public Works Monthly Report

Category: Departmental Report

Presenter(s): Joel Taylor, Public Works Director

Explanation:

No approval needed. This item is for information only.

Financial Impact:

None.

Recommendations:

N/A

Attachment(s): Yes No

1. Monthly Report

May 2026 Board of Alderman Meeting

- 1) Regular services (Sanitation, Brush, Mowing) are running on schedule.
- 2) **Reminder:** The leaf vacs will not run again until October, so all loose material (leaves and grass clippings) will need to be placed in bags for pick-up until this time.
- 3) We will be observing the Memorial Day holiday on May 25th. All Town offices will be closed, and the change to the trash schedule is listed below.

Memorial Day	Monday	May 25 th	*** Monday will run on Tuesday (May 26th) *** Tuesday will run on Wednesday (May 27th) *** Wednesday will run on Thursday (May 28th) *** Thursday will run on Friday (May 29th)
---------------------	--------	----------------------	--

- 4) We are still currently out of replacement trash carts. We have placed an order for more, and the last update we received is to expect our shipment at the end of this month. We have been moving cans from vacant properties to make sure that all of our citizens have acceptable cans.
- 5) The drainage project on Iredell Avenue between 1st and 2nd Street has been completed, and the Street has been reopened. The old 36” rcp pipe has been replaced with 36” double wall plastic (little over 80 feet), from catch basin to junction box. The ditch has been filled, topped off with stone and road patched. The surrounding area has been graded with seed and straw. The pipe repair extended completely across the road, so we should not see any issues with the Street in the near future. This repair was paid for with Powell Bill funds, but making sure not to get into the amount allotted for Paving improvements.
- 6) We are finalizing our list for paving improvements this Spring/Summer. We have numerous intersections and sections of Streets to include. Plans are to start bidding towards the end of the month.
- 7) Once again we have had damage to a planter on Salisbury Avenue. The planter located in front of the NCTM Foundation Building was damaged in a traffic accident, and we have called our brick mason to provide an estimate. We will get it repaired as soon as possible with the bill being paid by their insurance company.
- 8) We have been looking at candidates for our open laborer position, and have narrowed our selection to several viable candidates. We will be conducting interviews soon to get this position filled. We have had another employee to leave, to pursue other endeavors, so this opens another laborer position, and we have another long time employee that will be retiring at the end of May. We will be continuing to look to fill these positions from the applications that we have received.
- 9) We still have plenty of mulch available, so if anyone is interested please let Public Works or Town Hall know.

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

10) We have repaired quite a few potholes this month, which no doubt is a result of the snow plowing efforts this Winter. 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) We have been doing a great deal of spraying this month, and will continue until the first round of curb spraying is completed. As always, we only spray where it is needed, so if you keep the curb line in front of your property maintained, we will not spray.

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.

Update: Peter, our Engineer, and I met with the engineer's from DEQ for an inspection of our Dam, and they felt that what we are doing at this point to stabilize and maintain the current dam is adequate until funding is available to repair our dam. We will be receiving another NOD from them, and will continue to receive them, until we get the dam declassified or repairs are made.

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:

May 10th - Mother's Day

May 25th - Memorial Day



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Agenda Item Coversheet

Meeting Date: 05/12/2026

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 April.
- The Financial Summary report shows individual lines in place of the Department/Account total. I would like your thoughts on receiving this detailed report in place of the summarized Department/Account report I have provided since conversion to BMS.
- Budget. Budget. Budget. That's what we've been working on!

Sales and Use Tax Distributions As of May		
March distributions are May revenues		
	FY25	FY26
Total Revenues	892,730.10	921,209.91
FY26 vs FY25 @May Reporting		3.19%

Financial Impact: N/A

Recommendations:

N/A

Attachment(s): Yes No

1. Finance Report

10 General

Account	Object	Description	Expended Current YTD	Encumber YTD	Committed	Budget	Variance	Committed %
Revenue								
4100		* Tax Revenues - 41xx						
4111		Ad Valorem Tax - CY	2,205,353.13		2,231,566.00		-26,212.87	99 %
4112		Ad Valorem Tax - PY	60,152.23		42,600.00		17,552.23	141 %
4113		Interest & Penalties	13,538.26		15,585.00		-2,046.74	87 %
4120		Vehicle Property Tax	151,713.43		186,626.00		-34,912.57	81 %
4142		Municipal Vehicle Tax	9,700.00		13,000.00		-3,300.00	75 %
		Total Group	2,440,457.05		2,489,377.00		-48,919.95	98 %
4200		* Intergovernmental - 42xx						
4210		ABC Revenue	16,389.29		16,000.00		389.29	102 %
4231		NCDOR - Beer & Wine Tax			14,500.00		-14,500.00	0 %
4232		NCDOR - Local Option Sales	831,576.69		1,206,213.00		-374,636.31	69 %
4233		NCDOR - Solid Waste	1,401.49		2,600.00		-1,198.51	54 %
4234		NCDOR - Utility Franchise	115,996.06		204,000.00		-88,003.94	57 %
4272		Resource Officer	252,807.06		252,641.00		166.06	100 %
		Total Group	1,218,170.59		1,695,954.00		-477,783.41	72 %
4300		* Investment income - 43xx						
4311		Investment Earnings	50,396.60		60,000.00		-9,603.40	84 %
		Total Group	50,396.60		60,000.00		-9,603.40	84 %
4400		* Sale of Services - 44xx						
4451		Solid Waste Collection Fees	231,674.80		318,926.00		-87,251.20	73 %
4452		Yard Waste Sales	1,365.00		2,000.00		-635.00	68 %
		Total Group	233,039.80		320,926.00		-87,886.20	73 %
4500		* Fees and Fines - 45xx						
4531		Court, Pkg Fees, Reports	1,789.65		1,500.00		289.65	119 %
4532		First Responder Fees	5,550.00		8,000.00		-2,450.00	69 %
4533		Lien Payments	181.22		20,000.00		-19,818.78	1 %
4534		Civil Citations - Police			100.00		-100.00	0 %
4535		Civil Citations - Land Mgmt	700.00		100.00		600.00	700 %
4541		Zoning Fees	58,696.50		15,000.00		43,696.50	391 %
4551		Park Reservation Fees	1,365.00		4,500.00		-3,135.00	30 %
		Total Group	68,282.37		49,200.00		19,082.37	139 %

10 General

Account	Object	Description	Expended Current YTD	Encumber YTD	Committed	Budget	Variance	Committed %
4600		* Grants & Donations - 46xx						
	4612	Grants - Stanback Forest			6,654.29	5,000.00	1,654.29	133 %
	4613	State Grants			95,000.00		95,000.00	
	4615	Miscellaneous Grants			13,732.00	15,857.00	-2,125.00	87 %
	4641	Donations-Other			7,214.70	9,400.00	-2,185.30	77 %
	4643	Donations-Police Dept.			600.00	600.00		100 %
	4644	Donations-Fire Dept.			550.00	10,500.00	-9,950.00	5 %
	4651	NCTM Payments			27,968.90	32,473.00	-4,504.10	86 %
	4652	State Shared Revenue - Fire				13,500.00	-13,500.00	0 %
		Total Group			151,719.89	87,330.00	64,389.89	174 %
4700		* Miscellaneous - 47xx						
	4715	Lease Proceeds			1,530.00		1,530.00	
	4740	Insurance Recovery			3,494.59	2,078.00	1,416.59	168 %
	4751	Capital Asset Sales			25,000.00	16,000.00	9,000.00	156 %
	4790	Miscellaneous Revenue			45,174.06	39,254.00	5,920.06	115 %
		Total Group			75,198.65	57,332.00	17,866.65	131 %
4900		* Transfers and Appropriations						
	4999	Appropriation from FB				436,495.00	-436,495.00	0 %
		Total Group				436,495.00	-436,495.00	0 %
Total Revenue					4,237,264.95	5,196,614.00	-959,349.05	82 %
Expenses								
5100		Governing Body						
	411	Full-time Regular Wages	14,562.50		14,562.50	17,475.00	-2,912.50	83 %
	421	FICA	779.80		779.80	1,337.00	-557.20	58 %
	511	Professional Services	35,042.46	19,450.00	54,492.46	52,500.00	1,992.46	104 %
	512	Contractual Services	4,687.50	2,062.50	6,750.00	6,750.00		100 %
	513	Staff Development & Travel	3,598.47	3,078.14	6,676.61	7,375.00	-698.39	91 %
	514	Uniforms				280.00	-280.00	0 %
	525	Property & Other Liability	3,884.32		3,884.32	3,884.00	0.32	100 %
	526	Utilities & Communication	269.40		269.40	600.00	-330.60	45 %
	534	Dues & Subscriptions	15,180.17		15,180.17	14,757.00	423.17	103 %
	537	Collection Fee	34,171.59		34,171.59	35,500.00	-1,328.41	96 %
	551	Supplies	664.75		664.75	1,000.00	-335.25	66 %
	573	Governing Board Projects	103,954.41	500.00	104,454.41	103,750.00	704.41	101 %
	574	Election Expenses	3,616.57		3,616.57	3,617.00	-0.43	100 %
	577	Contingencies				5,000.00	-5,000.00	0 %
	602	Community Appearance	2,877.50	2,000.00	4,877.50	6,485.00	-1,607.50	75 %
	603	Historic Preservation	5,054.00	1,087.50	6,141.50	7,560.00	-1,418.50	81 %
	790	Transfer to Capital Reserve				87,407.00	-87,407.00	0 %
		Total Account	228,343.44	28,178.14	256,521.58	355,277.00	-98,755.42	72 %

10 General

Account		Expended					
Object	Description	Current YTD	Encumber YTD	Committed	Budget	Variance	Committed %
5210	Administration						
411	Full-time Regular Wages	249,275.31		249,275.31	322,051.00	-72,775.69	77 %
412	Part-time Regular Wages	208.00		208.00	1,670.00	-1,462.00	12 %
415	Supplements to Regular	2,750.00		2,750.00	3,000.00	-250.00	92 %
421	FICA	18,547.42		18,547.42	24,835.00	-6,287.58	75 %
422	Unemployment Insurance	1,986.01		1,986.01	1,987.00	-0.99	100 %
423	LGERS Pension	35,268.40		35,268.40	46,585.00	-11,316.60	76 %
424	401K	10,559.66		10,559.66	15,440.00	-4,880.34	68 %
425	Health & Life Insurance	43,902.55		43,902.55	41,854.00	2,048.55	105 %
426	Workers' Compensation	884.30		884.30	885.00	-0.70	100 %
511	Professional Services	6,144.25		6,144.25	6,145.00	-0.75	100 %
512	Contractual Services	111,313.53	50,224.00	161,537.53	167,645.00	-6,107.47	96 %
513	Staff Development & Travel	5,650.81		5,650.81	9,072.00	-3,421.19	62 %
514	Uniforms				360.00	-360.00	0 %
515	Advertising	1,336.46		1,336.46	4,523.00	-3,186.54	30 %
517	Drug Screening/Background	2,916.51		2,916.51	2,925.00	-8.49	100 %
522	Maint & Rep - Buildings &	2,948.09		2,948.09	11,500.00	-8,551.91	26 %
525	Property & Other Liability	14,340.93		14,340.93	14,341.00	-0.07	100 %
526	Utilities & Communication	27,058.20		27,058.20	34,644.00	-7,585.80	78 %
531	Rent Expense	4,228.00	980.39	5,208.39	5,439.00	-230.61	96 %
534	Dues & Subscriptions	24,476.30	240.00	24,716.30	25,793.00	-1,076.70	96 %
535	Postage & Printing	1,172.89	397.40	1,570.29	2,382.00	-811.71	66 %
551	Supplies	2,503.37		2,503.37	4,600.00	-2,096.63	54 %
562	Engineering & Design	1,860.75		1,860.75	9,345.00	-7,484.25	20 %
575	Special Activities	3,000.00		3,000.00	3,000.00		100 %
579	Miscellaneous Expense	64.99		64.99	500.00	-435.01	13 %
	Total Account	572,396.73	51,841.79	624,238.52	760,521.00	-136,282.48	82 %
5300	Police						
411	Full-time Regular Wages	757,742.83		757,742.83	1,021,111.00	-263,368.17	74 %
412	Part-time Regular Wages	11,886.40		11,886.40	19,575.00	-7,688.60	61 %
415	Supplements to Regular	10,000.00		10,000.00	11,250.00	-1,250.00	89 %
417	Special Compensation	5,576.95		5,576.95	7,108.00	-1,531.05	78 %
421	FICA	57,789.59		57,789.59	75,090.00	-17,300.41	77 %
423	LGERS Pension	120,021.77		120,021.77	156,187.00	-36,165.23	77 %
424	401K	36,670.42		36,670.42	48,424.00	-11,753.58	76 %
425	Health & Life Insurance	122,049.53		122,049.53	160,778.00	-38,728.47	76 %
426	Workers' Compensation	37,532.77		37,532.77	41,342.00	-3,809.23	91 %
512	Contractual Services	41,565.90		41,565.90	46,652.00	-5,086.10	89 %
513	Staff Development & Travel	2,216.45		2,216.45	10,060.00	-7,843.55	22 %
514	Uniforms	5,933.96	3,174.00	9,107.96	17,555.00	-8,447.04	52 %
517	Drug Screening/Background	375.00		375.00	1,575.00	-1,200.00	24 %
523	Maint & Rep - Equipment	985.52		985.52	2,800.00	-1,814.48	35 %
524	Maint & Rep - Vehicles	9,355.33	2,429.52	11,784.85	15,134.00	-3,349.15	78 %
525	Property & Other Liability	57,168.59		57,168.59	58,169.00	-1,000.41	98 %
526	Utilities & Communication	15,906.45	990.00	16,896.45	21,721.00	-4,824.55	78 %
534	Dues & Subscriptions	18,599.57		18,599.57	20,239.00	-1,639.43	92 %
535	Postage & Printing		400.00	400.00	400.00		100 %

10 General

Account		Expended		Committed	Budget	Variance	Committed %
Object	Description	Current YTD	Encumber YTD				
551	Supplies	12,003.45	1,214.92	13,218.37	28,486.00	-15,267.63	46 %
553	Fuel	31,671.29	23,328.71	55,000.00	55,000.00		100 %
561	Capital Outlay	11,081.00		11,081.00	11,857.00	-776.00	93 %
579	Miscellaneous Expense	132.95		132.95	1,200.00	-1,067.05	11 %
Total Account		1,366,265.72	31,537.15	1,397,802.87	1,831,713.00	-433,910.13	76 %
5400	Fire						
411	Full-time Regular Wages	378,016.09		378,016.09	497,562.00	-119,545.91	76 %
412	Part-time Regular Wages	32,687.50		32,687.50	36,109.00	-3,421.50	91 %
413	Overtime	32,348.55		32,348.55	46,023.00	-13,674.45	70 %
415	Supplements to Regular	5,500.00		5,500.00	5,500.00		100 %
421	FICA	33,040.61		33,040.61	44,739.00	-11,698.39	74 %
423	LGERS Pension	59,092.51		59,092.51	73,533.00	-14,440.49	80 %
424	401K	19,890.58		19,890.58	26,162.00	-6,271.42	76 %
425	Health & Life Insurance	60,409.33		60,409.33	83,325.00	-22,915.67	72 %
426	Workers' Compensation	24,022.78		24,022.78	26,461.00	-2,438.22	91 %
512	Contractual Services	12,821.64	3,718.00	16,539.64	18,829.00	-2,289.36	88 %
513	Staff Development & Travel	3,306.35		3,306.35	6,350.00	-3,043.65	52 %
514	Uniforms	7,691.70	215.00	7,906.70	10,815.00	-2,908.30	73 %
522	Maint & Rep - Buildings &	2,685.80		2,685.80	13,778.00	-11,092.20	19 %
523	Maint & Rep - Equipment	3,534.04		3,534.04	3,000.00	534.04	118 %
524	Maint & Rep - Vehicles	10,342.42	480.42	10,822.84	27,089.00	-16,266.16	40 %
525	Property & Other Liability	15,212.00		15,212.00	15,213.00	-1.00	100 %
526	Utilities & Communication	19,978.96		19,978.96	24,566.00	-4,587.04	81 %
534	Dues & Subscriptions	4,849.92		4,849.92	4,755.00	94.92	102 %
551	Supplies	17,226.77	15.70	17,242.47	39,747.00	-22,504.53	43 %
553	Fuel	9,280.74	2,873.22	12,153.96	15,000.00	-2,846.04	81 %
579	Miscellaneous Expense	926.25		926.25	1,300.00	-373.75	71 %
Total Account		752,864.54	7,302.34	760,166.88	1,019,856.00	-259,689.12	75 %
5510	Parks & Recreation						
512	Contractual Services				3,200.00	-3,200.00	0 %
522	Maint & Rep - Buildings &	3,029.90		3,029.90	11,100.00	-8,070.10	27 %
525	Property & Other Liability	217.80		217.80	218.00	-0.20	100 %
526	Utilities & Communication	12,489.97		12,489.97	5,820.00	6,669.97	215 %
551	Supplies	525.26		525.26	1,750.00	-1,224.74	30 %
601	Senior Citizens Council	3,200.00		3,200.00	3,200.00		
Total Account		19,462.93		19,462.93	22,088.00	-2,625.07	88 %
5530	Library						
412	Part-time Regular Wages	12,423.57		12,423.57	16,585.00	-4,161.43	75 %
415	Supplements to Regular	250.00		250.00	250.00		100 %
421	FICA	969.54		969.54	1,316.00	-346.46	74 %
512	Contractual Services	1,799.30		1,799.30	3,927.00	-2,127.70	46 %
513	Staff Development & Travel	34.87		34.87	721.00	-686.13	5 %
515	Advertising	14.70		14.70	100.00	-85.30	15 %
522	Maint & Rep - Buildings &	4,401.93		4,401.93	8,825.00	-4,423.07	50 %
525	Property & Other Liability	3,212.00		3,212.00	3,212.00		100 %
526	Utilities & Communication	10,370.71		10,370.71	11,621.00	-1,250.29	89 %

Water bill issue; credit coming

10 General

Account		Expended		Committed	Budget	Variance	Committed %
Object	Description	Current YTD	Encumber YTD				
534	Dues & Subscriptions	360.00		360.00	360.00		100 %
551	Supplies	539.79		539.79	2,500.00	-1,960.21	22 %
	Total Account	34,376.41		34,376.41	49,417.00	-15,040.59	70 %
5740	Streets						
411	Full-time Regular Wages	145,635.09		145,635.09	195,962.00	-50,326.91	74 %
412	Part-time Regular Wages	51,981.34		51,981.34	50,759.00	1,222.34	102 %
413	Overtime	2,100.49		2,100.49	2,500.00	-399.51	84 %
415	Supplements to Regular	3,212.50		3,212.50	3,213.00	-0.50	100 %
421	FICA	14,629.43		14,629.43	19,273.00	-4,643.57	76 %
423	LGERS Pension	21,271.49		21,271.49	27,831.00	-6,559.51	76 %
424	401K	6,437.03		6,437.03	8,781.00	-2,343.97	73 %
425	Health & Life Insurance	37,923.60		37,923.60	46,417.00	-8,493.40	82 %
426	Workers' Compensation	13,548.78		13,548.78	13,549.00	-0.22	100 %
512	Contractual Services	552.40		552.40	1,352.00	-799.60	41 %
513	Staff Development & Travel				100.00	-100.00	0 %
514	Uniforms	1,694.52		1,694.52	4,500.00	-2,805.48	38 %
521	Maint & Rep -	2,400.54		2,400.54	2,500.00	-99.46	96 %
522	Maint & Rep - Buildings &	2,943.25		2,943.25	5,000.00	-2,056.75	59 %
523	Maint & Rep - Equipment	4,896.56		4,896.56	6,400.00	-1,503.44	77 %
524	Maint & Rep - Vehicles	5,817.50	3,470.00	9,287.50	13,500.00	-4,212.50	69 %
525	Property & Other Liability	8,240.50		8,240.50	8,241.00	-0.50	100 %
526	Utilities & Communication	54,250.83		54,250.83	68,677.00	-14,426.17	79 %
531	Rent Expense				1,000.00	-1,000.00	0 %
534	Dues & Subscriptions	825.00		825.00	850.00	-25.00	97 %
551	Supplies	7,391.05		7,391.05	11,200.00	-3,808.95	66 %
553	Fuel	16,304.79	116.61	16,421.40	22,000.00	-5,578.60	75 %
579	Miscellaneous Expense	1,191.04		1,191.04	1,500.00	-308.96	79 %
	Total Account	403,247.73	3,586.61	406,834.34	515,105.00	-108,270.66	79 %
5750	Solid Waste						
411	Full-time Regular Wages	132,906.69		132,906.69	166,831.00	-33,924.31	80 %
413	Overtime	536.18		536.18	2,000.00	-1,463.82	27 %
415	Supplements to Regular	1,962.50		1,962.50	1,962.00	0.50	100 %
421	FICA	9,615.63		9,615.63	13,153.00	-3,537.37	73 %
423	LGERS Pension	19,218.63		19,218.63	24,672.00	-5,453.37	78 %
424	401K	4,203.09		4,203.09	7,191.00	-2,987.91	58 %
425	Health & Life Insurance	32,771.09		32,771.09	37,483.00	-4,711.91	87 %
426	Workers' Compensation	13,846.24		13,846.24	13,847.00	-0.76	100 %
512	Contractual Services	16,000.00		16,000.00	16,200.00	-200.00	99 %
514	Uniforms	2,246.21		2,246.21	6,000.00	-3,753.79	37 %
515	Advertising				150.00	-150.00	0 %
523	Maint & Rep - Equipment	2,087.32	461.91	2,549.23	4,000.00	-1,450.77	64 %
524	Maint & Rep - Vehicles	18,492.69		18,492.69	19,000.00	-507.31	97 %
525	Property & Other Liability	8,179.50		8,179.50	8,180.00	-0.50	100 %
526	Utilities & Communication	488.10		488.10	1,505.00	-1,016.90	32 %
551	Supplies	651.21	10,775.00	11,426.21	14,475.00	-3,048.79	79 %
553	Fuel	10,869.87	77.74	10,947.61	14,452.00	-3,504.39	76 %
576	Landfill Tipping Fees	50,433.23		50,433.23	68,100.00	-17,666.77	74 %
	Total Account	324,508.18	11,314.65	335,822.83	419,201.00	-83,378.17	80 %

10 General

Account		Expended		Committed	Budget	Variance	Committed %
Object	Description	Current YTD	Encumber YTD				
6000	Debt Service						
564	Debt service - Principal	72,785.58		72,785.58	72,786.00	-0.42	100 %
565	Debt service - Interest	55,610.42		55,610.42	55,610.00	0.42	100 %
566	Lease Payment - Principal	95,040.31		95,040.31	95,040.00	0.31	100 %
	Total Account	223,436.31		223,436.31	223,436.00	0.31	100 %
Total Expenses		3,924,901.99	133,760.68	4,058,662.67	5,196,614.00	-1,137,951.33	78 %
Net Income				178,602.28			

20 Powell Bill

Account	Expended					
Object Description	Current YTD	Encumber YTD	Committed	Budget	Variance	Committed %
Revenue						
4100 * Tax Revenues - 41xx						
4142 Municipal Vehicle Tax			9,700.00	13,000.00	-3,300.00	75 %
Total Group			9,700.00	13,000.00	-3,300.00	75 %
4200 * Intergovernmental - 42xx						
4280 Powell Bill aid			133,069.95	134,902.00	-1,832.05	99 %
Total Group			133,069.95	134,902.00	-1,832.05	99 %
4300 * Investment income - 43xx						
4311 Investment Earnings			7,318.92	7,690.00	-371.08	95 %
Total Group			7,318.92	7,690.00	-371.08	95 %
Total Revenue			150,088.87	155,592.00	-5,503.13	96 %
Expenses						
5740 Streets						
411 Full-time Regular Wages	9,507.22		9,507.22	12,128.00	-2,620.78	78 %
415 Supplements to Regular	75.00		75.00	52.00	23.00	144 %
421 FICA	670.08		670.08	932.00	-261.92	72 %
423 LGERS Pension	1,369.04		1,369.04	1,748.00	-378.96	78 %
424 401K	475.34		475.34	609.00	-133.66	78 %
425 Health & Life Insurance	1,565.05		1,565.05	1,725.00	-159.95	91 %
521 Maint & Rep -	9,800.00	24,000.00	33,800.00	33,000.00	800.00	102 %
551 Supplies				2,000.00	-2,000.00	0 %
561 Capital Outlay	24,117.20		24,117.20	103,398.00	-79,280.80	23 %
Total Account	47,578.93	24,000.00	71,578.93	155,592.00	-84,013.07	46 %
Total Expenses	47,578.93	24,000.00	71,578.93	155,592.00	-84,013.07	46 %
Net Income			78,509.94			

21 HI Reimbursement

Account Object	Description	Expended Current YTD	Encumber YTD	Committed	Budget	Variance	Committed %
Revenue							
4900	* Transfers and Appropriations						
4910	Transfer from GF			45,000.00		45,000.00	
Total Group				45,000.00		45,000.00	
Total Revenue				45,000.00		45,000.00	
Expenses							
5210	Administration						
425	Health & Life Insurance	45,417.75		45,417.75		45,417.75	
Total Account		45,417.75		45,417.75		45,417.75	
Total Expenses		45,417.75		45,417.75		45,417.75	
Net Income				-417.75			

31 ARPA

Account Object	Description	Expended Current YTD	Encumber YTD	Committed	Budget	Variance	Committed %
Revenue							
4600	* Grants & Donations - 46xx						
4611	Grant Revenues			1,037,997.00	1,037,997.00		100 %
Total Group				1,037,997.00	1,037,997.00		100 %
Total Revenue				1,037,997.00	1,037,997.00		100 %
Expenses							
9999	Non-departmental						
710	Transfer to GF	1,037,997.00		1,037,997.00	1,037,997.00		100 %
Total Account		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 Object	Description	Expended Current YTD	Encumber YTD	Committed	Budget	Variance	Committed %
Revenue							
4600	* Grants & Donations - 46xx						
4611	Grant Revenues			183,490.00		183,490.00	
Total Group				183,490.00		183,490.00	
4900 * Transfers and Appropriations							
4999	Appropriation from FB				214,828.00	-214,828.00	0 %
Total Group					214,828.00	-214,828.00	0 %
Total Revenue				183,490.00	214,828.00	-31,338.00	85 %
Expenses							
5740	Streets						
512	Contractual Services	176,398.25	38,429.71	214,827.96	214,828.00	-0.04	100 %
Total Account		176,398.25	38,429.71	214,827.96	214,828.00	-0.04	100 %
Total Expenses		176,398.25	38,429.71	214,827.96	214,828.00	-0.04	100 %
Net Income				-31,337.96			

48 Miscellaneous Grants

Account	Object	Description	Expended Current YTD	Encumber YTD	Committed	Budget	Variance	Committed %
Revenue								
4600		* Grants & Donations - 46xx						
	4615	Miscellaneous Grants			101,967.74	247,675.00	-145,707.26	41 %
		Total Group			101,967.74	247,675.00	-145,707.26	41 %
4900 * Transfers and Appropriations								
	4999	Appropriation from FB				34,722.00	-34,722.00	0 %
		Total Group				34,722.00	-34,722.00	0 %
Total Revenue					101,967.74	282,397.00	-180,429.26	36 %
Expenses								
5100 Governing Body								
	512	Contractual Services	4,820.00	15,987.00	20,807.00	20,808.00	-1.00	100 %
		Total Account	4,820.00	15,987.00	20,807.00	20,808.00	-1.00	100 %
5210 Administration								
	511	Professional Services		27,827.16	27,827.16		27,827.16	
	562	Engineering & Design	86,286.76	27,426.82	113,713.58	161,589.00	-47,875.42	70 %
		Total Account	86,286.76	55,253.98	141,540.74	161,589.00	-20,048.26	88 %
5510 Parks & Recreation								
	512	Contractual Services		11,100.00	11,100.00	100,000.00	-88,900.00	11 %
		Total Account		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					-71,480.00			

61 Yadkin River Trail

Account	Object	Description	Expended Current YTD	Encumber YTD	Committed	Budget	Variance	Committed %
Revenue								
4600		* Grants & Donations - 46xx						
	4611	Grant Revenues			640,074.40	640,075.00	-0.60	100 %
		Total Group			640,074.40	640,075.00	-0.60	100 %
4900 * Transfers and Appropriations								
	4910	Transfer from GF			149,246.43	185,258.00	-36,011.57	81 %
		Total Group			149,246.43	185,258.00	-36,011.57	81 %
Total Revenue					789,320.83	825,333.00	-36,012.17	96 %
Expenses								
5510		Parks & Recreation						
	512	Contractual Services	69,816.05		69,816.05	69,816.00	0.05	100 %
	515	Advertising	156.35		156.35	157.00	-0.65	100 %
	534	Dues & Subscriptions	52.00		52.00	52.00		100 %
	561	Capital Outlay	719,296.43		719,296.43	719,297.00	-0.57	100 %
	710	Transfer to GF				36,011.00	-36,011.00	0 %
		Total Account	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 Object	Description	Expended Current YTD	Encumber YTD	Committed	Budget	Variance	Committed %
Revenue							
4600	* Grants & Donations - 46xx						
4611	Grant Revenues			1,675,000.00	1,675,000.00		100 %
4642	Donations - DT Park			309,194.00	385,000.00	-75,806.00	80 %
	Total Group			1,984,194.00	2,060,000.00	-75,806.00	96 %
4900 * Transfers and Appropriations							
4910	Transfer from GF			403,000.00	403,000.00		100 %
	Total Group			403,000.00	403,000.00		100 %
Total Revenue				2,387,194.00	2,463,000.00	-75,806.00	97 %
Expenses							
5510	Parks & Recreation						
512	Contractual Services	160,000.00		160,000.00	160,000.00		100 %
561	Capital Outlay	2,219,983.89		2,219,983.89	2,303,000.00	-83,016.11	96 %
	Total Account	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				7,210.11			

63 17ST SW Improvements

Account Object	Description	Expended Current YTD	Encumber YTD	Committed	Budget	Variance	Committed %
Revenue							
4600	* Grants & Donations - 46xx						
4611	Grant Revenues			224,021.50	1,959,462.00	-1,735,440.50	11 %
Total Group				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							
5760	Stormwater						
561	Capital Outlay				1,490,420.00	-1,490,420.00	0 %
562	Engineering & Design	224,021.50	95,801.91	319,823.41	320,000.00	-176.59	100 %
577	Contingencies				149,042.00	-149,042.00	0 %
Total Account		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

Account	Object	Description	Expended Current YTD	Encumber YTD	Committed	Budget	Variance	Committed %
Revenue								
4600		* Grants & Donations - 46xx						
	4611	Grant Revenues			400,602.57	750,000.00	-349,397.43	53 %
Total Group					400,602.57	750,000.00	-349,397.43	53 %
Total Revenue					400,602.57	750,000.00	-349,397.43	53 %
Expenses								
5610		Planning & Development						
	511	Professional Services	47,347.05		47,347.05	75,000.00	-27,652.95	63 %
	562	Engineering & Design	537,551.68	736.06	538,287.74	675,000.00	-136,712.26	80 %
	Total Account		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			

Reimbursement on bank in May

65 STANBACK FOREST

Account		Expended					
Object	Description	Current YTD	Encumber YTD	Committed	Budget	Variance	Committed %
Revenue							
4600	* Grants & Donations - 46xx						
4645	Donations- Stanback Forest			475,000.00	350,000.00	125,000.00	136 %
Total Group				475,000.00	350,000.00	125,000.00	136 %
Total Revenue				475,000.00	350,000.00	125,000.00	136 %
Expenses							
5510	Parks & Recreation						
512	Contractual Services	2,400.00	4,832.00	7,232.00	100,000.00	-92,768.00	7 %
561	Capital Outlay				250,000.00	-250,000.00	0 %
Total Account		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			

05/04/26
10:19:16

TOWN OF SPENCER
Financial Summary Report
For the Accounting Period: 4 / 26

Page: 17 of 18
Report ID: LB180

66 NC Finishing Co Site Infra

Account	Object	Description	Expended Current YTD	Encumber YTD	Committed	Budget	Variance	Committed %
Revenue								
4600		* Grants & Donations - 46xx						
	4611	Grant Revenues			750,000.00	750,000.00		100 %
		Total Group			750,000.00	750,000.00		100 %
Total Revenue					750,000.00	750,000.00		100 %
Expenses								
5610		Planning & Development						
	512	Contractual Services				750,000.00	-750,000.00	0 %
		Total Account				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 Object	Description	Expended Current YTD	Encumber YTD	Committed	Budget	Variance	Committed %
Revenue							
4900	* Transfers and Appropriations						
4910	Transfer from GF				87,407.00	-87,407.00	0 %
4999	Appropriation from FB				69,236.00	-69,236.00	0 %
Total Group					156,643.00	-156,643.00	0 %
Total Revenue					156,643.00	-156,643.00	0 %
Expenses							
5300	Police						
551	Supplies	4,348.40		4,348.40	5,000.00	-651.60	87 %
561	Capital Outlay	59,896.75	6,518.71	66,415.46	66,643.00	-227.54	100 %
Total Account		64,245.15	6,518.71	70,763.86	71,643.00	-879.14	99 %
5530	Library						
561	Capital Outlay	21,130.35		21,130.35	25,000.00	-3,869.65	85 %
Total Account		21,130.35		21,130.35	25,000.00	-3,869.65	85 %
5750	Solid Waste						
561	Capital Outlay	59,611.20		59,611.20	60,000.00	-388.80	99 %
Total Account		59,611.20		59,611.20	60,000.00	-388.80	99 %
Total Expenses		144,986.70	6,518.71	151,505.41	156,643.00	-5,137.59	97 %
Net Income				-151,505.41			



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Rowan's Original Gateway.

Agenda Item Coversheet

Meeting Date: 04/14/2026

Agenda Item #: ____ . g.

Agenda Item Title: Active Living Monthly Report

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
 - Met on March 6 for their regular meeting. Discussed site visits in Wilkes County and Surry County, North Carolina, hosted by the North Carolina Department of Commerce (DOC) and U.S. Economic Development Administration (EDA).
 - Beginning discussions surrounding Race to the River plans and future expansion of event.

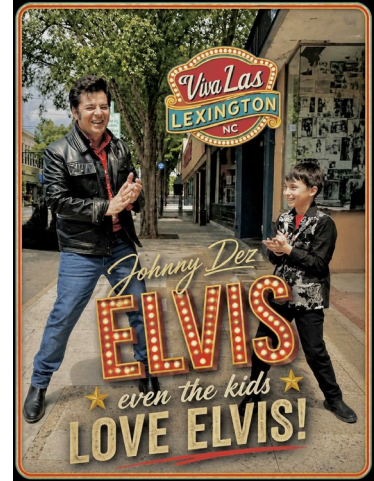
- Grants/Projects
 - Successfully secured funds for the Town Park gateway arch through grants from Rowan County Tourism and the Woodson Foundation.
 - Successfully secured grant from the Robertson Foundation for the children's play area.
 - Stanback Forest Center timeline has moved; hope to begin design in August.
 - Grants Creek Blueway delayed; civil engineer unable to complete the floodplain development application due to health-related difficulties.
 - Waiting on contract for the Great Trail State grant as they have been preoccupied with Helene recovery funding efforts.

- Events
 - Talk of the Town on April 21 focused on the Community Appearance Commission.
 - Neighborhood Walk will be on May 19 and focus on the Community Garden.

- Spencer Public Library
 - Finalized plans for the Summer Reading Program (June–July) with the theme “Celebrate American Heritage,” featuring weekly programs held on Tuesdays at 2:00 p.m. that highlight major historical periods and include crafts and light refreshments
 - Scheduled programs include:
 - June 2: Native American cultural presentation to open the series
 - June 9: Revolutionary War–era fife and drum demonstration with historical interpretation
 - June 16: Living history portrayal of Sojourner Truth focusing on the Civil War period
 - June 23: Civil War reenactor program demonstrating daily life of a soldier
 - June 30: 1950s-themed Elvis Presley tribute performance
 - July 7: Circus arts performance featuring acrobatics and hula hoop demonstrations
 - Supporting materials include circulating books on American history for youth (ages 5–14)
 - Registration is open through May 25, with sign-up available in person, by phone, and via the library’s Facebook page

○ Library information:

- Hours: Monday–Tuesday, 11:00 a.m.–6:00 p.m.; Wednesday, 12:00 p.m.–5:00 p.m.
- Location: 300 Fourth St., Spencer, NC 28159
- Phone: 704-636-9072



Spencer Public Library Statistics

Day	Door Count	Adult Circulation	Children Circulation	Research Questions	New Cards Issued	Students Tutored	Volunteers/ Tutors	Corresponding Due Date
Wed., 4/1/2026	7	6			1			4/16/2026
WEEK TOTAL:	7	6			1			
Mon., 4/6/2026	1	2						4/21/2026
Tue., 4/7/2026	5			3				4/22/2026
Wed., 4/8/2026	7	6	5	2				4/23/2026
WEEK TOTAL:	13	8	5	5				
Mon., 4/13/2026	3	2		3	1			4/28/2026
Tue., 4/14/2026	8	5	3	5	1			4/29/2026
Wed., 4/15/2026								4/30/2026
WEEK TOTAL:	11	7	3	8	2			
Mon., 4/20/2026	8	5		4	4			5/5/2026
Tue., 4/21/2026	2			2				5/6/2026
Wed., 4/22/2026	5	6	3					5/7/2026
WEEK TOTAL:	15	11	3	6	4			
Mon., 4/27/2026	8							5/12/2026
Tue., 4/28/2026	4							5/13/2026
Wed., 4/29/2026	3				1			5/14/2026
WEEK TOTAL:	15				1			
MONTH TOTAL:	61	32	11	19	8			

Blood Pressure Kiosk

QUESTION	YES	NO
Did you take your BP today?	4	
Was your BP high?		4
Are you currently being treated for high BP?		4
Do you have a health care professional to talk to about your BP?	1	4
Will you be contacting one of the health care professionals listed for help?		4



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Agenda Item Coversheet

Meeting Date: 05/12/2026

Agenda Item #:

Agenda Item Title: Town Manager's Report

Category: Town Manager's Report

Presenter(s): Peter Franzese, Town Manager

Explanation:

Town Hall Lease Spaces

In the last month, two businesses have expressed interest in leasing the two smaller storefront spaces next to Town Hall, including them performing the tenant upfit that would be necessary. We have come to verbal agreements about lease terms and are working on the correct structure to start with a Tenant upfit period/option, with a lease starting once an occupancy permit is achieved. While I have authority to execute leases of one year or less, a longer lease would be presented to the Board of Aldermen for approval. We should determine the lease term and the approval process in the coming weeks, and I will keep the Board updated either way. We also will need to work on a rezoning of these properties (446 and 448 S. Salisbury Avenue) from Civic to Main Street to match the privately-owned portions of the shopping center. This is an exciting milestone in the overall redevelopment of the Park Plaza!

Opportunity Zone Nomination period

Centralina and NC Commerce have shared that the process has started to nominate eligible census tracts for the federal Opportunity Zone program. A summary of the OZ program and recent changes to its administration can be found [here](#). Centralina advised that their review of the published NC Commerce map showed 14 eligible census tracts for Opportunity Zones in Rowan. While the eligible tracts do not include the core of Spencer, they do include the areas around Hawkinstown Road and Long Ferry Road east of I-85. NC Commerce has shared that there will be *at least one eligible census tract designated per county*, with the remaining tracts selected based on a nomination process and evaluation of each nominee against a set of established criteria. I have asked Steve to pursue collaboration with the County and our municipal neighbors in this process. Centralina's full summary of tips is available at:

centralina.org/blog/opportunity-zone-nomination-preparation/

Cannon Ballers – Spencer Night

Community members and local organizations have an opportunity to come together at the ballpark in Kannapolis, when the Cannon Ballers take on the Myrtle Beach Pelicans on Saturday, July 18 at 7pm. The ticket link (<https://www.gofevo.com/event/Townspencer2>) is set up for individuals to buy discounted tickets to the game and be seated as a community group. Anyone is welcome to share this link or the attached flyers as you see fit.

Town Hats for Sale

Spencer hats are available for purchase in Town Hall for \$11.19 (or \$11 if paying with cash). Adjustable fit and available in navy or chrome.



Attachment(s): Yes No

1. Cannon Ballers – Spencer Night



TOWN OF SPENCER NIGHT OUT

WITH THE KANNAPOLIS CANNON BALLERS

JULY 18, 2026 | ATRIUM HEALTH BALLPARK

BUSINESS TABLE PACKAGE:

\$250 PER TABLE

INCLUDES 12 TICKETS FOR FAMILY, FRIENDS, OR COWORKERS

ADDITIONAL TICKETS AVAILABLE FOR JUST \$13 + TAX

LIMITED ACCESS FOR TABLES - RESERVE YOURS TODAY!

CONTACT:

PARKER DE LEON

PHONE: 704-935-1525

EMAIL: [PDELEON@KCBALLERS.COM](mailto:pdeleon@kcballers.com)





TOWN OF SPENCER NIGHT OUT

WITH THE KANNAPOLIS CANNON BALLERS

JULY 18, 2026 | ATRIUM HEALTH BALLPARK

SPENCER SPECIAL:

TICKETS AVAILABLE FOR JUST \$13 + TAX
\$2 OF BALLER BUCKS FOR CONCESSIONS OR TEAM STORE

LEARN MORE:





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Agenda Item Coversheet

Meeting Date: 05/12/2026

Agenda Item #:

Agenda Item Title: Presentation of the Recommended FY 2026-27 budget

Category: Regular Agenda

Presenter(s): Peter Franzese, Town Manager

Explanation:

Please consider the preference of a recessed meeting at 2 p.m. on May 19 or 5:30 p.m. on May 20 to receive the FY27 budget presentation. The Town Manager will submit the recommended FY27 budget to the Mayor and Board of Aldermen for consideration. The budget recommendation is based on feedback from the March 5-6 Annual Planning Session and the pre-recommendation workshop opportunities. Full details will be available for the public at spencernc.gov. Before adopting a budget ordinance, the Board must hold a public hearing. Once the Board holds a public hearing (rec June 4), and considers input, it may adopt a budget ordinance at any time before the end of June 2026.

Financial Impact:

To be provided in recommendation.

Recommendations:

Recess the May 12 meeting to time TBD on May 19 or May 20, in order to receive presentation of the Recommended FY27 budget. Conduct a public hearing on June 4, 2026.

Attachment(s): Yes No

1. FY 2026-27 Recommended Budget (to be provided May 19 or May 20)