



**COUNCIL MEETING
JUNE 15, 2026
6:30 P.M.**

ORDER OF BUSINESS

1. PLEDGE TO FLAG
2. INVOCATION
3. APPROVAL OF AGENDA
4. CONSENT AGENDA ITEMS
5. PUBLIC HEARINGS
 - a. ORDINANCE to Approve Funds and Raise Revenue - Fiscal Year 2026-2027
 - i. Presentation of Budget Message - Town Manager Leighanna Worley
 - ii. Adoption of Fiscal Year 2026-2027 Budget Ordinance
 - iii. Adoption of Fiscal Year 2026-2027 Fee Schedule
6. 1st OPEN FORUM
7. REGULAR BUSINESS:
 - a. MAYOR FLETA BYRD
 - i. PROCLAMATION Celebrating the 25th Anniversary of the United States of America
 - b. TOWN MANAGER - Leighanna Worley
 - i. Utility Service Agreement between Wilson's Mills and Johnston County
 - ii. Manager Comments/Updates
 - c. FINANCE DIRECTOR - Connie Lassiter
 - i. CONTRACT to Audit Accounts - Thompson, Price, Adams & Co, P.A.
 - ii. RESOLUTION Authorizing Town of Wilson's Mills to Engage in Electronic Payments
 - d. COUNCILMEMBER COMMENTS
8. 2nd OPEN FORUM
9. CLOSED SESSION
 - a. 143-318.11a(3) "...consult with attorney..."
10. ADJOURNMENT

TOWN OF WILSON'S MILLS
WORK SESSION
February 23, 2026

PRESENT: Mayor Fleta Byrd, Mayor Pro-tem JC Triplett, Councilmembers David McGowan, Doris Riley, Tim Brown, and Carolyn Dobbin.

OTHERS PRESENT: Town Administrator Leighanna Worley and Town Clerk Emily Matthews.

CONVOCATION: Mayor Byrd declared a quorum present and called the meeting to order at 5:01pm.

Audit Presentation: Jay Sharpe from Sharpe Patel CPA said the 2025 audit has been completed and financial statements have been prepared. He said it has been submitted to the Local Government Commission and approved. He said phase 1 of the audit is to provide any updates such as changes in internal controls. Phase 2 is to perform tests in certain areas. He said in 2025 the areas tested were cash disbursement, payroll, and credit cards. Mr. Sharpe said the audit received a clean opinion and there were no findings for 2025. Councilmember Brown asked if it is typical for there to be no findings and Mr. Sharpe said in other towns there are usually 1 or 2 findings but it's unusual to find more than that. Mr. Sharpe explained there was a loss in the general fund in 2025 and that is because expenditures just slightly over exceeded the budgeted revenue. Councilmember McGowan asked if that is of any concern to Mr. Sharpe and he said not at this time. Mr. Sharpe said there has been growth in the Town's Fund Balance since 2017. He said the 2 biggest revenues in 2025 were property taxes and unrestricted governmental such as use taxes. He also said the water and sewer fund and been profitable the last 4 years. The biggest expenditures were public safety, administration, and general government. Councilmember McGowan asked what red flags Mr. Sharpe looks for concerning credit cards and Mr. Sharpe says if there is a large number of missing receipts it is often a reason to do further research in that area.

With no other questions, Mr. Sharpe thanked Council for their time.

Departmental Reports: Mayor Byrd referenced events report and asked if there were any questions. Councilmember McGowan suggested Peter attends HOA meetings to recruit volunteers. Town Administrator Worley will talk to him about it. Mayor Byrd said she and events committee members have urged people to join the committee, but no one shows up. Councilmember Brown said Peter is doing great in reaching people. Human Resources Director Jenny Martin said she has been processing a lot of background checks for volunteers. Councilmember McGowan mentioned a Thank-A-Veteran event. Councilmember McGowan suggested Jr. ROTC at events as well. Town Administrator Worley said our Touch-A-Truck event will be on April 25th and Council will be attending the pop-up information sessions for the public 11am to 12pm. Councilmember McGowan said Peter reached out to Councilmember Riley and himself about additional times during the event. Ms. Worley said she would figure out the final timeslots and let Council know.

Finance Officer Sherry Hudson asked for any questions regarding the finance report. Councilmember Brown said on page 4 of the Finance report the expenditures line for Capital Outlay Vehicles is over 100% and asked what vehicles those were for. Finance Officer Hudson said they are for Police Vehicles. Councilmember Brown also asked about the Part-Time Salary line being over 100 percent as well. Ms. Hudson said a budget amendment was done to repair that but by the time the new numbers were put into the system, it was over 100 percent again. Chief said it is due to being short staffed earlier in the year and the part-time officers having to take over for full-time officers. Councilmember Brown asked about the telephone line until

Parks and Events and if it is related to the cameras at the Community Park. Town Administrator Worley said those funds are for the Events Coordinator's phone stipend. Councilmember Brown asked about the enterprise fund and Ms. Hudson said it is the water and sewer fund. Mayor Byrd asked if this would be the last report from Ms. Hudson since she will be retiring at the end of the month and Ms. Hudson said yes. Mayor and Council thanked Ms. Hudson for her time and dedication to the Town.

Human Resources Director Jenny Martin asked if there were any questions regarding her report. Councilmember Brown asked what the cost of the pay study is and Ms. Martin said there is no cost in addition to her salary because she is the one conducting the pay study. Councilmember McGowan asked why we are switching to a new time clock system and Ms. Martin explained the Police Department is already using TimeTrex while the Town Hall staff are using a punch card to track their time. She said all employees using TimeTrex will make payroll easier as well as allow employees to clock in and out when away from the office at training. Councilmember McGowan asked what safeguards are in place to make sure employees are tracking their time honestly. Ms. Martin said the supervisor will need to approve the final timesheet and they will also be able to see the location in which the employee clocked in and/or out.

Public Works Director Patrick Moore welcomed questions from Council regarding his report. Councilmember Brown asked about all of the service being done on the police vehicles and Public Works Director Patrick Moore said some of the service is due to the transfer case control module no longer working in the 2021 Durangos and so they are having to be replaced. Councilmember McGowan asked the cost of replacement and Mr. Moore said around \$240. Councilmember McGowan asked if some work is being sent out to a subcontractor and Mr. Moore said yes and some work is done in house.

Mayor Byrd asked if there were any questions regarding the Police Department report. Councilmember McGowan said it is good to see the number of vehicle stops have increased. Councilmember Brown said police visibility in town is higher than before and likes seeing more officers patrolling. Councilmember Brown asked what is the majority of the animal complaints. Chief said most of the time it is neighbors complaining about a dog barking or making the Town aware the animal is not being taken care of.

Planning Director Wendy Oldham asked if there were any questions about her report. Councilmember McGowan asked what is stopping the process on the streets being taken over in the Cottages subdivisions. Planning Director Wendy Oldham said there were some internal issues within the company who is also a family. She said she contacted the grandson of the owner who has since passed away. She said he is now handling the subdivisions, and he was coming to Wilson's Mills to ride through and is supposed to get street takeover paperwork to her soon. Councilmember McGowan asked if the inspection had been done and Mrs. Oldham said yes. Councilmember Brown asked if we get more Powell Bill funds if we take in more streets and Mrs. Oldham confirms. He asked if Midtown will be coming soon and Mrs. Oldham said very shortly. Councilmember McGowan said some of the culverts in Ives Landing are closed with sand and Public Works Director Patrick Moore said he emailed the engineer about the issues today and he is waiting for a response.

Town Administrator Worley introduced Connie Lassiter and said she will be starting Thursday as our new Finance Director. Mrs. Lassiter was welcomed by Council and said she is looking forward to working with the Town.

Town Administrator Worley updated Council on CityVision, the North Carolina League of Municipalities annual conference held in May. Upon further discussion, all Councilmembers agreed to attend the conference with some of them traveling each day and some staying overnight. Ms. Worley said she will send the session schedules to Council.

Town Administrator Worley updated Council on the Council Chambers upfit and said the contractor told her we could have a Certificate of Occupancy by March 9th, but she is unsure that it will be possible due to a lot of outside work still needing to be done. Councilmember Brown asked when the original completion date was supposed to be and Town Administrator Worley said November 2025. Councilmember Brown asked what the repercussions are for not being done on time. Town Administrator Worley said there is a fee per day after 180 days which would have been the end of November. She said Attorney Du Sablon is looking into how we can collect liquidated damages. Councilmember McGowan asked if this would involve litigation and Town Administrator Worley said she doesn't think so. Councilmember Brown said he is frustrated with the lack of progress. Town Administrator Worley said she will talk to Attorney Du Sablon about what action we can take for liquidated damages.

Budget Discussions:

Ms. Worley said due to time she can give brief overview of the budget and can elaborate more at the next budget meeting. She said Human Resources is looking at updating the leave policy for vacation, sick, and holiday time. She said the final numbers after the pay study will be included as well but we don't have the final numbers yet. She said we are looking at the cost of matching employees 401(k) contributions up to a certain percentage. We have 401(k) now but we do not match it at all. She said all other Johnston County municipalities match at least 4 or 5 percent for their employees. Councilmember Brown asked what other retirement benefits are offered to employees and Ms. Worley said state retirement is given to all employees and 401(k) and 457 plans are offered. She said we do not currently offer short- and long-term disability but are looking into that benefit as well. Councilmember McGowan asked who would pay for that coverage and Ms. Martin said it would be employee paid.

Ms. Worley said the main wish list items in the Public Works Department are a dump truck, snowplow, and brine setup. She said that it would be about \$90,000 total. She said there were several residents that expressed concerns about the Town not being able to service the roads during the most recent ice and snow we had. She said we are hoping to use Powell Bill funds for some but not all of the cost. She said Public Works vehicle maintenance will probably be increased to \$30,000 but the vehicle maintenance line will be removed from all other departments and be all in Public Works since their department is completing the work.

Ms. Worley said the Planning Department needs a new multifunction printer that can print, copy, and scan maps. The cost would be around \$7,400, Councilmember McGowan asked if our current printer is leased and Mrs. Oldham said we purchased it but it only prints, it does not copy or scan maps. Councilmember Brown asked who services our other printers within Town Hall and Ms. Worley said Office Value services both our machine and the machine at the Police Department.

Regarding the Police Department, Ms. Worley said the budget will consist of the funds to get the equipment up to date as well as 2 new vehicles, a full-time Lieutenant position and BLET funds for a new cadet going through the program. She said it will also need to include funds for laptops for vehicles as well as a camera at

the intersection of Wilson’s Mills Road and Fire Department Road. She said the department needs 14 new body cameras and we are looking into getting them from Motorola. She said rather than purchasing them we will receive them for use and Motorola will service and replace them as needed. She said the budget will also potentially include a non-sworn security officer to accompany the School Resource Officer at the new high school and this officer will also help with Animal Control calls.

In the Administration Department Ms. Worley said there are no additions other than the possible addition of an Assistant Town Manager.

For Park and Events, the main need is for a Park Master Plan. Ms. Worley said this is needed because our current plan is over 10 years old and in order to receive more PART-F grants we need to update the plan. She said our Events Coordinator asked via survey on social media a few months ago what citizens would like to see added to the park and most people responded they would like to have a splashpad. She said she is looking into pricing. She is also looking at increasing the festivals line item to \$30,000 so the events can continue to grow, an accessory building for storage is also being looked at and will be between \$15,000 and \$18,000. She said we have enough funds in the Parks and Events budget to finish some items this year such as the bike rack, bike repair station, and ADA ramp at the Rugby fields. The remaining funds can also be used to finish the driveway at the park. Councilmember Brown asked about getting lights placed at the park for early morning or late evening events.

MOTION TO GO INTO CLOSED SESSION:

A motion was made by Councilmember Tim Brown and seconded by Councilmember David McGowan at 6:32pm to go into Closed Session pursuant to N.C.G.S. 143-318.11(a)(2) “...consult with attorney...” and invite Planning Director Oldham into the Closed Session. Motion carried unanimously.

MOTION TO COME OUT OF CLOSED SESSION:

A motion was made by Councilmember David McGowan and seconded by Councilmember Doris Riley to come out of Closed Session at 8:02pm. Motion carried unanimously.

ADJOURN:

A motion was made by Councilmember Tim Brown and seconded by Councilmember Carolyn Dobbin to adjourn. Motion carried unanimously.

The meeting adjourned at 8:03pm.

FLETA A. BYRD, Mayor

ATTEST:

EMILY MATTHEWS, CMC
Town Clerk

TOWN OF WILSON'S MILLS
TOWN COUNCIL MEETING
March 19, 2026

PRESENT: Mayor Fleta Byrd, Mayor Pro-tem JC Triplett, Councilmembers David McGowan, Tim Brown, Carolyn Dobbin, and Doris Riley.

OTHERS PRESENT: Town Administrator Leighanna Worley, Town Clerk Emily Matthews, and Town Attorney Gabriel Du Sablon.

CONVOCATION: Mayor Byrd declared a quorum present and called the meeting to order at 6:33pm.

PLEDGE Mayor Byrd led the pledge of allegiance to the flag.

INVOCATION: Mayor Byrd gave the invocation.

APPROVAL OF AGENDA: Mayor Byrd amended the agenda to add item 6b(iii) " Recommendation to Johnston County Board of Commissioners Economic Development Board Representative" and 6b(iv) " Municipal Personnel Policy Amendment – Article 2, Section 2" as well as remove item 8a " Closed Session pursuant to N.C.G.S 143-318.1 1a(3) "...consult with attorney..."

A motion was made by Councilmember David McGowan and seconded by Councilmember Carolyn Dobbin to approve the agenda as amended. Motion carried unanimously.

1st OPEN FORUM Mayor Byrd opened the 1st Public Forum at 6:36pm.

With no one wishing to speak, Mayor Byrd closed the 1st Open Forum at 6:36pm.

REGULAR BUSINESS

MAYOR FLETA BYRD:

Mayor Byrd said the Johnston County Mayors Association met in our new Council Chambers last week and everyone was pleased with how the Chambers were coming along. She said Council should be able to hold their April meeting in the new chambers. She thanked staff for their patience throughout the construction process.

TOWN ADMINISTRATOR'S REPORT – Leighanna Worley:

Resolution in Support of Preserving Municipal Property Tax Authority and Protecting Property Tax-Funded Services:

Town Administrator Worley referenced the resolution in Council's packets. She said earlier this year the General Assembly started reviewing property tax policies and House Speaker Hall has convened a committee on property tax reduction. She said the key proposals are mostly about levy limits which would restrict local government revenue. She also said the North Carolina League of Municipalities has several lobbyists on this to try to fight it. The League has asked for municipalities to sign a resolution of opposition to send the Representatives. Mayor Byrd said the Johnston County Mayors are concerned about this and thinks the passing of it will limit our resources. Ms. Worley said this also included reforms to policy about taxing and some does deal with tax exempt status for affordable housing.

Councilmember McGowan asked if we have received any input from Representative Larry Strickland or Senator Benton Sawery and Ms. Worley said not yet. Councilmember Tim Brown said he would like to know what their feelings are as well.

Councilmember Brown expressed concerns about not having all the needed

information before approving the resolution and having our name tied to the opposition. Mayor Byrd said we want to make sure we protect our right to levy taxes.

A motion was made by Councilmember David McGowan and second by Mayor Pro-tem JC Triplett to adopt the following Resolution In Support of Preserving Municipal Property Tax Authority and Protecting Property Tax-Funded Services. Motion carried unanimously.

**RESOLUTION IN SUPPORT OF PRESERVING MUNICIPAL PROPERTY
TAX AUTHORITY AND PROTECTING PROPERTY TAX-FUNDED
SERVICES**

WHEREAS, the North Carolina House of Representatives has convened an interim committee to examine the State’s property taxation system, exemptions, and related fiscal impacts prior to the 2026 legislative short session; and

WHEREAS, property taxes represent the primary revenue source over which municipalities in North Carolina maintain direct authority and control; and

WHEREAS, revenues generated through municipal property taxes fund essential public services including, but not limited to, police protection, fire protection, emergency response, sanitation services, street maintenance, infrastructure improvements, code enforcement, and administrative services; and

WHEREAS, public safety expenditures alone typically exceed forty percent (40%) of municipal general fund budgets statewide, and in many of North Carolina’s largest cities average approximately forty-seven percent (47%) of general fund spending; and

WHEREAS, since 2020 municipalities have experienced significant cost increases due to inflation, including higher personnel costs for police officers, firefighters, sanitation workers, and other frontline public servants, as well as increased costs for infrastructure materials, equipment, fuel, and capital improvements; and

WHEREAS, any significant reduction in municipal property tax authority or revenue capacity would directly impact a municipality’s ability to provide critical public safety services and maintain infrastructure necessary for safe and thriving communities; and

WHEREAS, municipalities must retain adequate and reliable revenue streams to meet current service demands, comply with state and federal mandates, and plan responsibly for future obligations; and

WHEREAS, local elected officials are in the best position to determine appropriate tax rates and service levels based on the needs and priorities of their respective communities.

NOW, THEREFORE, BE IT RESOLVED that the Town of Wilson’s Mills respectfully urges the North Carolina General Assembly to preserve municipal property tax authority and avoid legislation that would significantly reduce or restrict this essential local revenue source without providing a sustainable and

equivalent alternative; and

BE IT FURTHER RESOLVED that the Town of Wilson’s Mills requests that any proposed changes to the property tax system be carefully evaluated to ensure that municipalities retain the ability to adequately fund public safety, infrastructure, and other essential services; and

BE IT FURTHER RESOLVED that a copy of this Resolution shall be transmitted to the Town of Wilson’s Mills, the members of the North Carolina General Assembly representing both municipalities, and the North Carolina League of Municipalities to express support for protecting local government fiscal stability

Resolution Calling a Public Hearing for Town of Wilson’s Mills Charter Change:

Ms. Worley referenced the resolution in Council’s packets and said the adoption of the resolution would call for a public hearing for next month in order to change the Town of Wilson’s Mills form of government from Mayor-Council to Council-Manager.

A motion was made by Councilmember Tim Brown and seconded by Councilmember Carolyn Dobbin to adopt the following Resolution of Intent of The Town Council of the Town of Wilson’s Mills to Consider an Ordinance Amending the Charter of the Town of Wilson’s Mills Concerning Its Town Administration and call a public hearing for Monday April 20, 2026 at 6:30pm in the Wilson’s Mills Twon Hall Council Chambers. Motion carried unanimously.

RESOLUTION OF INTENT OF THE TOWN COUNCIL OF THE TOWN OF WILSON’S MILLS TO CONSIDER AN ORDINANCE AMENDING THE CHARTER OF THE TOWN OF WILSON’S MILLS CONCERNING ITS TOWN ADMINISTRATION

WHEREAS, the Town of Wilson’s Mills presently operates under the mayor-council form of government and employs a Town Administrator to carry out its directives.

WHEREAS, North Carolina General Statute 160A-102 permits municipalities to amend their form of government by adoption of an ordinance amending the governing charter;

WHEREAS, it is the determination of the Town of Wilson’s Mills Town Council that a conversion of the Town’s form of government from a mayor-council form to a council-manager form would be in the best interest of the Town of Wilson’s Mills and would best promote the efficient management and efficient operation thereof;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF WILSON’S MILLS that pursuant to North Carolina General Statute 160A-102, the Town Council shall consider adoption of an ordinance amending the Town Charter to change the form of government of the Town of Wilson’s Mills from the mayor-council form to the council-manager form following a public hearing.

BE IT FURTHER RESOLVED that the Town Council hereby calls for a public hearing on the herein-described change in form of government at its next regular meeting of April 20, 2026. A public hearing on the proposed charter

amendment shall be held and notice thereof shall be published at least once in a local newspaper not less than ten (10) days prior to the date of the public hearing and said notice shall contain a summary of the proposed amendment. Following the public hearing called hereby, the Town Council of the Town of Wilson’s Mills shall consider passage of such an ordinance at its regular meeting on April 20, 2026, or at some other date within sixty (60) days of the public hearing.

Recommendation to Johnston County Board of Commissioners Economic Development Board Representative:

Ms. Worley said our Economic Development Board representative is to be reappointed every 2 years and we are now up for reappointment. She said the appointment is done by the County Commissioners but it is the duty of Council to recommend someone to the Commissioners that we wish to serve as our representative. She said Councilmember Carolyn Dobbins has filled the position and Mayor Pro-tem Triplett has as well. She said Councilmember Carolyn Dobbins has reapplied and Jonathan Stovall of Little Creek Church Road in Clayton also applied to represent us on the Board.

Councilmember David McGowan said he read both applications and thinks Councilmember Carolyn Dobbins should continue to represent us.

A motion was made by Councilmember David McGowan and seconded by Councilmember Doris Riley to recommend Councilmember Carolyn Dobbins as our Economic Development Board representative. Motion carried unanimously.

Municipal Personnel Policy Amendment – Article 2, Section 2:

Ms. Worley said in March of 2025 Council approved a temporary change to Article 3 Section 2 of the Municipal Personnel Policy which would allow Police Officers to earn overtime due to having to work more hours when the department is understaffed. She said the department is now fully staffed and the Personnel Policy needs to be amended again to remove the ability to earn overtime.

A motion was made by Councilmember Tim Brown and seconded by Mayor Pro-tem JC Triplett to amend the Municipal Personnel Policy Article 3 Section 2, removing employees of the Police Department to collect overtime for hours greater than 171 in a 28-day period. Motion carried unanimously.

OTHER

Ms. Worley said the Council Chambers are almost complete and we should be able to hold our work session next week in the chambers and tonight should be the last night meeting at the Elementary School. She said the Chambers Open house is now scheduled for May 4th.

PLANNING DIRECTOR – Wendy Oldham:

Call Public Hearing – Town of Wilson’s Mills Unified Development Ordinance:

Mayor Byrd said in Council’s packets they received a list of proposed changes for the Unified Development Ordinance (UDO). She said Council will not be discussing the changes tonight, they are only calling the hearing, and discussion will take place next month. She instructed Council to call Mrs. Oldham with any questions.

A motion was made by Councilmember Tim Brown and seconded by Councilmember Doris Riley to call a public hearing to discuss the Town of Wilson’s Mills Unified Development Ordinance on Monday April 20, 2026 in the Wilson’s Mills Town Hall Council Chambers at 6:30pm. Motion carried unanimously.

Call Public Hearing – Special Use Permit – 115 Gladstone Loop:

Mayor Byrd 115 Gladstone Loop is located in the Crescent Mills subdivision and they have applied for a Special Use Permit and a hearing will need to be called for next month.

A motion was made by Councilmember Tim Brown and seconded by

Councilmember David McGowan to call a public hearing to discuss the Special Use Permit for 115 Gladstone Loop on Monday April 20, 2026 in the Wilson's Mills Town Hall Council Chambers at 6:30pm. Motion carried unanimously.

**Appointment of New
In-Town Planning
Board Member:**

Mayor Byrd said there is currently a vacancy on the Planning Board and applications have been received and sent to the Planning Board. She said the applicant that was recommended by the Planning Board, Charlotte Cox, is here tonight and available for questions.

A motion was made by Councilmember Tim Brown and seconded by Councilmember Doris Riley to appoint Charlotte Cox to the Wilson's Mills Planning Board. Motion carried unanimously.

Mrs. Oldham said prior to tonight's meeting Councilmember Riley asked for a list of Planning Board absences for the last 12 months, noting anyone who has missed more than 3 meetings. She said one member has missed more than 3 meetings. Mayor Byrd said Planning Board needs to act, Councilmember Tim Brown agreed. Mrs. Oldham said the Board operates at the pleasure of the Council. Mayor Byrd said if Planning Board said someone needs to be removed to move forward with it.

**COUNCILMEMBER
COMMENTS:**

Councilmember David McGowan thanked Charlotte Cox for her willingness to serve on the Planning Board. He also thanked the Planning Board and Mrs. Oldham for their work on the Unified Development Ordinance.

2nd OPEN FORUM

Mayor Byrd opened the 2nd Public Forum at 7:04pm.

With no one else wishing to speak, Mayor Byrd closed the 2nd Open Forum at 7:05pm.

**MOTION TO GO INTO
CLOSED SESSION:**

A motion was made by Councilmember Tim Brown and seconded by Mayor Pro-tem JC Triplett to go into Closed Session at 7:05pm pursuant to N.C.G.S. 143-318.11(a)(6) "...personnel..." Motion carried unanimously.

**MOTION TO COME
OUT OF CLOSED
SESSION:**

A motion was made by Councilmember Tim Brown and seconded by Councilmember Carolyn Dobbin to come out of Closed Session at 7:27pm. Motion carried unanimously.

ADJOURN:

A motion was made by Councilmember David McGowan and seconded by Mayor Pro-tem JC Triplett to adjourn. Motion carried unanimously.

The meeting adjourned at 7:27pm.

FLETA A. BYRD, Mayor

ATTEST:

EMILY MATTHEWS, CMC
Town Clerk

TOWN OF WILSON'S MILLS
WORK SESSION
March 23, 2026

PRESENT: Mayor Fleta Byrd, Mayor Pro-tem JC Triplett, Councilmembers David McGowan, Doris Riley, Tim Brown, and Carolyn Dobbin.

OTHERS PRESENT: Town Administrator Leighanna Worley and Town Clerk Emily Matthews.

CONVOCATION: Mayor Byrd declared a quorum present and called the meeting to order at 5:08pm.

Departmental Reports: Mayor Byrd referenced the Events report and said she attended the Winter Warm-up event at the park recently and it was very successful. She reminded Council of the Touch-a-Truck event on April 25th. Councilmember McGowan asked if Council will have an information table at the event and Mayor Byrd said yes. Councilmember McGowan asked if we have received any applications for the soon to be vacant Events Coordinator position and Town Administrator Leighanna Worley said yes and she will be conducting interviews soon. Councilmember McGowan asked if there will be an American and North Carolina flag in the Chambers and Administrator Leighanna Worley said yes, they have been ordered and will be setup behind the dais.

Finance Director Connie Lassiter asked if there were any questions about her report. Councilmember Brown said the parttime salaries are currently at 118% and asked how much they plan to increase before eth year is over. Ms. Leighanna Worley said the high percentage is due to the Police Department not being fully staffed for part of the year and the part-time officers having to fill in for the full-time. Councilmember Brown asked about the software purchases in the Police Department and Ms. Leighanna Worley said those purchases are for additional software in Central Square. She said Central Square is the software the officers use to communicate through CAD. Councilmember Brown asked about the Buildings and Grounds Maintenance line being higher than anticipated. Public Works Director Patrick Moore said there were recent HVAC problems in the Public Works building and new ducts had to be run which cost around \$2,700.

Mayor Byrd asked Human Resource Director Jenny Martin how the new time clock system is working and Ms. Martin said everyone is starting to transition to clocking in and out on the TimeTrex system. She said we are currently working with our financial software, FMS, to coordinate payroll with the TimeTrex system.

Mr. Moore referenced his report in Council's packets and asked if there were any questions. Councilmember McGowan asked the reason for replacing the swings at the Community Park and Mr. Moore said the old swings were getting old and worn. Mayor Byrd said she was pleased the Caren M. Triplett Dog Park was recently recognized on the news. Councilmember McGowan commented on the tennis ball dispensers at the Dog Park and Ms. Leighanna Worley said all proceeds from the dispensers are going to the local animal shelter.

Councilmember Carolyn Dobbin asked if the body that was found several months ago was ever identified and Chief Williams said yes, but a statement has not yet been released. Councilmember Tim Brown asked if the cameras at the Community Park all are working. Chief said 23 out of 24 cameras in town are working. Chief said there was a recent domestic incident in the subdivision

next to the park. Our cameras were able to catch the culprit going into the Ives Landing Subdivision. He said Mr. Moore recently built a collection bin for aluminum cans at the Police Department and all proceeds from the collection will go to a local charity. Councilmember McGowan asked if we have had any problems with the Share Shed since it has moved to the park and Ms. Leighanna Worley said not that we are aware of.

Councilmember Brown asked Mrs. Wendy Oldham if the residents waiting on water and sewer from the County are still getting a good response. Planning Director Wendy Oldham said the County has started with reviews and are in the process of contacting developers now. Councilmember Brown asked how long it would take to contact a developer and get everything sorted. Mrs. Wendy Oldham said it depends on the size of the development but it is usually an average of 30 days. Councilmember McGowan asked for an update on the street takeover in The Cottages subdivision. Mrs. Wendy Oldham said there were some family issues within the company but the grandson of the original developer is now taking over. She said she had been talking to him and he plan to do an inspection and submit the takeover paperwork.

Budget Discussions:

Town Administrator Worley passed out spreadsheets showing the projected revenue for the upcoming budget. The spreadsheet also showed columns of the adopted current budget and the amended budget as of today. She said this will be the format for all budget worksheets moving forward so Council can see the changes. She said the biggest change in the budget is the ad valorem levy which has increased from 208 million to 3.3 million. She said the reason for the increase is due to their evaluation and new home built in the last year. She said the revenue replacement ends this fiscal year. She said the adopted 25/26 budget was 4.3 million and the amended budget is 4.5 million and the proposed budget for FY 26/27 is 4.8 million. We are waiting on projections from the League of Municipalities to better determine the final budget. She said the current numbers are estimated based on what we have collected this year.

Councilmember McGowan asked if the county is raising taxes this year and Ms. Worley said not that we are aware of. Councilmember McGowan asked if our Powell Bill funds will increase once we take over the streets in The Cottages. Ms. Leighanna Worley said it wouldn't increase by very much because there are less than 2 miles of streets in the subdivision. Councilmember McGowan stated the planning fees increased from \$90,000 to \$150,000 and asked if that is still based on developments happening in town. Mrs. Oldham said yes, when everything in the development were placed on hold due to the sewer, we were not collecting a lot of fees and plan to make up for that in the coming year. She said developments are continuing and we have also raised our fees.

Councilmember McGowan asked what the biggest expenditures will be and Ms. Leighanna Worley said the salary grades. Councilmember McGowan asked if we will have any paving projects this year and Mr. Moore said we looked into paving Johnston Farms but we do not have enough Powell Bill funds at this time. Mayor Byrd asked if we can pave only part of the roads in Johnston Farms at this time. Mr. Moore said they are all in desperate need of repaving. He said we have tried to patch the roads but it doesn't last long. Ms. Leighanna Worley noted the more streets we take in the more Powell Bill funds we will receive. She said due to lack of new streets in recent years there has been a lag in the funds we receive. She said now that we are taking in more new streets, we should expect more Powell Bill funds. Councilmember Brown asked if there is a process in which we categorize which streets are in need of paving. Public

Works Director Patrick Moore said he and his employees drive around town and keep notes of the streets in need. Ms. Worley said it might be a good idea to come up with a process in which we prioritize which streets to pave first.

Councilmember McGowan noted the ticket violation fees decreased from \$5,550 to \$1,700. Ms. Worley said those numbers are based on the fees we have collected so far this year. Mayor Byrd asked about open space fees and Ms. Worley said we don't usually budget for open space but if we get any open space fees we can do a budget amendment.

Ms. Worley asked Council if they would like to hold another budget session prior to their work session on April 27th. After discussion it was the consensus of Council to hold a budget session on Monday April 13th at 5:00pm.

A motion was made by Councilmember Tim Brown and seconded by Councilmember David McGowan to call a budget session meeting for April 13, 2026 at 5:00pm in the Wilson's Mills Council Chambers to further discuss the upcoming fiscal year. Motion carried unanimously.

ADJOURN:

A motion was made by Councilmember Tim Brown and seconded by Doris Riley to adjourn. Motion carried unanimously.

The meeting adjourned at 6:01pm.

FLETA A. BYRD, Mayor

ATTEST:

EMILY MATTHEWS, CMC
Town Clerk

Request for Council Action

Agenda Item 5a(i) and 5a(ii)

TO: Mayor Fleta Byrd and Town Councilmembers
FROM: Leighanna Worley, Town Manager
DATE: June 15, 2026
RE: Presentation of Budget Message & Adoption of FY26-27 Budget Ordinance

Budget Message

Attached for your reference is a copy of the Fiscal Year 2026-2027 Budget Message that I will present once the Public Hearing is opened.

Following the Budget Message, we will also review the final spreadsheet for the line items regarding various changes since your last meeting and how those changes affected the final numbers on this balanced budget.

FY26-27 Budget Ordinance

Also attached is a copy of the proposed FY26-27 Budget Ordinance. We have made some changes this year on the last page of the Ordinance under Section V. SPECIAL AUTHORIZATION – BUDGET OFFICER. Previously, as a Mayor/Council form of government, the role of Budget Officer was not defined, and the Finance Officer was given authorization to transfer between line items within a department.

The new changes define the Town Manager as the Budget Officer and authorizes the Budget Officer to approve additional transfers in the General Fund.

The \$5,000 amount in these authorizations was chosen since presently I have a \$5,000 threshold for expenditures without Council approval. If this changes over the next year, this amount can be amended in next year's budget ordinance. NOTE: there has not previously been a requirement for Council's review or approval for anything transferred within a department, but this new version adds a requirement to report anything over \$5,000 to Council. This will need to be discussed by Council to decide if you want this requirement, or to keep the transfers within the departments as it has been.

ATTACHMENTS:

Fiscal Year 2026-2027 Budget Message
Proposed Budget Ordinance for Fiscal Year 2026-2027

ACTION REQUESTED:

Approve, deny, or table the proposed Budget Ordinance for Fiscal Year 2026-2027



TOWN OF WILSON'S MILLS

4083 Wilson's Mills Road – P. O. Box 448 – Wilson's Mills, NC 27593
Voice: 919-938-3885 – Fax: 919-938-1121
Website: www.wilsonsmillsnc.org

FISCAL YEAR 2026-2027 BUDGET MESSAGE

June 15, 2026

Mayor Fleeta Byrd and Wilson's Mills Town Council,

In accordance with N.C.G.S. 159, the Local Government and Fiscal Control Act, I am pleased to present to you a balanced Recommended Budget for the fiscal year July 1, 2026, to June 30, 2027. This budget has been assembled with the premises of ensuring that the budgeted funds are spent for public purposes in accordance with the North Carolina Constitution Article V, Section 2(1), which states that "the power of taxation shall be exercised in a just and equitable manner, for public purposes only, and shall never be surrendered, suspended or contracted away." The Town's revenue forecasting philosophy has always been conservative and will continue for this fiscal year due to the ongoing uncertainty of local, state, and national economic trends. This budget document contains the recommended tax rate, revenue and expenditures estimations, and fee schedules.

The proposed Fiscal Year 2026-2027 Budget is \$4,918,776.00 and anything can be added or deleted at the pleasure of the Council. Budget needs and assessments were first discussed at the Budget Session which was publicly noticed and held on March 23, 2026, and in following sessions of the Town Council. A public hearing is set to be held for the budget on June 15, 2026, at 6:30 PM.

In 2025-2026, the Town collected approximately \$2,885,475.00 in property tax. Wilson's Mills continues to be a rapidly growing town, and we are working to maintain the needs of the town infrastructure and services, along with keeping up with the additional influx of people and homes. The Town of Wilson's Mills will collect an estimated \$3,357,351.00 in ad valorem taxes in the coming year. This is mainly due to additional tax revenue from homes added during our growth this past year. Because of this, Town Management recommends a proposed tax rate totaling \$0.50, which continues to be average in the County and is the same rate as Fiscal Year 2025-2026.

REVENUES*

Property & Vehicle Taxes

The Property Tax base is estimated by the Johnston County Tax Office to produce \$3,357,351 in revenue based on the latest tax scroll dated June 1, 2026, and at a 99% collection rate.

The Prior Year Tax collection estimates are based on previous years' collections as well as discoveries and collection rates. We have estimated a collection of \$500 for prior years' taxes. This amount is lower than the fiscal year 2025-2026 and is based on Johnston County's excellent 99% collection rate. Penalties and interest are based on prior year collections and is estimated at \$1,700.

Vehicle Tax estimates are based on the information from Johnston County Tax Office and an average of year-to-date revenues, and are increased slightly this year to \$222,500, up from \$208,000 in Fiscal Year 2025-2026.

The property tax, prior year collections, penalties and interest, and vehicle taxes generate approximately 73% of all General Fund Revenues. Last year these revenues generated only around 55% of all General Fund Revenues due to the addition of state ARPA money still being shown in Revenues. These ARPA funds were and are a portion of the Town's unrestricted fund balance; therefore, those fund balance totals will not be budgeted as Revenue this year, as the Town intends to work to build it's fund balance totals for upcoming projects and savings.

In addition to the ARPA funds from last year, Sales Tax refunds and Motor Fuel Tax refunds will not be reflected as revenue in the Fiscal Year 2026–2027 budget. These line items are classified as accounts receivable, meaning the expenses are paid upfront and later reimbursed through the accounting system.

Shared State and Local Revenues

According to estimates from the North Carolina League of Municipalities, Wilson's Mills' share of the Johnston County sales & use tax will generate about \$810,000 or 16% of General Fund Revenues.

Other Significant Revenues

Utility Franchise Taxes, which includes electric power, piped natural gas, cable television, and telecommunications taxes, are expected to generate \$81,518 or 2% of the total General Fund revenues.

The Town intends to appropriate \$40,000 in Powell Bill Fund Balance to add to the state's estimated \$90,000 in distributions for this fiscal year. This total of \$130,000 in Powell Bill Fund revenue and fund balance will be used for specific projects for town-owned streets and represents approximately 3% of the general fund budget.

The Town also expects to receive grants totaling \$126,000 or 3%.

In addition to the sources of revenue discussed above, the Town is also expected to realize other revenues, accounting for 3% of total General Fund revenues including beer and wine taxes and collected fees.

Miscellaneous and Departmental Fees

Staff will present for Council's review and approval an updated Fee Schedule for Fiscal Year 2026-2027 that includes some increases approved during the Fiscal Year 2025-2026, as well as Beer and Wine Licenses for malt beverages and wine within the town limits.

General Fund Appropriation

There are no general fund balance amounts appropriated to be used for Fiscal Year 2026-2027.

EXPENDITURES*

Basic Expenditures Authorized by Department

The following expenditures have been appropriated in relation to our revenues.

GENERAL FUND	
General Government	\$1,087,876.00
Administration	\$ 735,611.00
Police	\$2,093,467.00
Public Works	\$ 561,444.00
Planning	\$ 368,878.00
Parks & Events	\$ 71,500.00
TOTAL	\$4,918,776.00

STAFF: The budget reflects the following new positions and their perspective departments:

1. One full-time Lieutenant position in the Police Department starting after July 2026
2. One additional full-time School Resource Officer in the Police Department for the new Wilson’s Mills High School opening with a limited capacity in the Fall of 2026

SALARY: This budget includes a tiered salary-grade adjustment for all departments based on comparable towns in and around Johnston County. There is no set percentage increase, as these grade scales have been adjusted based on comparisons made. Positions in each grade have been calculated based on newly approved education and experience criteria for each department.

BENEFITS: The Town is continuing it’s health and life benefits with The Laymon Group broker with BCBSNC and Delta coverages. We have received new rates with these companies that vary by coverage, so the increase percentage budgeted for each department is 10% across the board. The specific new rate increases are as follows:

- **Health:** a 9.5% increase
- **Dental:** an 8.51% increase
- **Vision:** 0% increase
- **Basic Life, AD&D, and Voluntary Term Life:** 0% increase

All of these new rates are a very favorable outcome compared to an average of 25% across the market this year.

Additional employee benefits this year include a Town match of up to 5% of each employee's own 401(k) contribution, as well as enhanced employee appreciation and service year recognition awards.

The Fiscal Year 2026–2027 budget also reflects the Town's continued commitment to implementing the goals and timelines established within the 2026–2031 Strategic Plan. Key initiatives planned for this fiscal year include the following:

- Updating the Town's current Comprehensive Plan and Future Land Use Map to better guide growth and development decisions.
- Creating a comprehensive Master Utility Plan to support long-term infrastructure planning.
- Updating the current Master Park Plan. In updating the Master Park Plan this will also position the Town more competitively for future grant opportunities aimed at park improvements and recreational enhancements for residents.

The Town Council reviewed the proposed budget in 5 work sessions where changes in revenues and expenditures were directed. The financial investments identified in the budget are designed to address the following Town Council goals:

- Support employee retention and recruitment through strategic salary adjustments.
- Maintain adequate police staffing levels to continue providing quality public safety services.
- Advance priorities and initiatives identified in the 2026–2031 Strategic Plan.
- Utilize additional Powell Bill revenues and available fund balance to improve maintenance and long-term care of Town-owned streets.
- Replenish amounts in the Town's overall General Fund Balance with the use of Contingency

I would like to express my sincere appreciation to the staff for their support during the preparation of this budget. They have spent a great deal of time working to ensure the tax dollars of the citizens of Wilson's Mills are spent correctly. Additionally, I would like to acknowledge the Mayor and the Town Council for their support and leadership throughout the work sessions held to develop this budget.

Respectfully Submitted,



Leighanna Worley
Town Manager

END NOTE: The proposed Fiscal Year 2026-2027 Budget along with this Budget Message is available at Town Hall and it has been requested that a Public Hearing be called for June 15, 2026, at 6:30pm. The information on the Proposed Budget and the Notice Of Public Hearing will be published twice – once in *The News & Observer* and once in *The Johnstonian* as well as notices posted on the Town's web page, and at Town Hall.

FY 2026-2027 Budget Preparation

Transactions

V6 FINAL - 6/15/2026

	<u>GL Account Number</u>	<u>GL Account Description</u>	<u>Fiscal Year 2025-2026 Amended Budget</u>	<u>Fiscal Year 2026-2027 Proposed Budget</u>
REVENUE - Fund 10				
	10-3100-120	Vehicle Tax	\$208,000.00	\$222,500.00
	10-3100-170	Penalties & Interest on Taxes	\$3,100.00	\$1,700.00
	10-3198-110	Ad Valorem Prior Levies	\$600.00	\$500.00
	10-3199-110	Ad Valorem Current Levy	\$2,828,210.00	\$3,357,351.00
	10-3231-310	Sales & Use Tax	\$725,000.00	\$810,392.00
	10-3231-311	Sales Tax Refund	\$40,000.00	\$0.00
	10-3231-312	Motor Fuel Tax	\$9,620.00	\$0.00
	10-3315-330	Powell Bill Street Aid	\$96,221.00	\$90,000.00
	10-3322-310	Beer & Wine Taxes	\$15,050.00	\$12,250.00
	10-3322-311	ABC Board - Local	\$10,400.00	\$10,125.00
	10-3324-310	Electric Power Tax	\$110,000.00	\$75,053.00
	10-3324-311	Telecommunications Tax	\$500.00	\$500.00
	10-3324-312	Video Tax	\$6,200.00	\$4,530.00
	10-3324-313	Natural Gas Tax	\$2,000.00	\$1,435.00
	10-3431-220	Drug Seizure Revenue	\$0.00	\$0.00
	10-3431-360	Vest Grant Income	\$0.00	\$0.00
	10-3431-361	School Resource Officers - JCPS	\$75,000.00	\$126,000.00
	10-3431-430	Court Facility Fees	\$3,686.00	\$1,800.00
	10-3431-431	Ticket & Violation Fees	\$5,550.00	\$1,500.00
	10-3471-410	Open Space Fees	\$0.00	\$0.00
	10-3491-410	Planning Fees	\$90,000.00	\$150,000.00
	10-3491-412	PD Fees	\$275.00	\$140.00
	10-3612-411	Festival & Event Income	\$2,500.00	\$3,500.00
	10-3701-001	Revenue Replacement	\$312,780.00	\$0.00

*This column notes changes since last meeting in RED

Decreased based on final scroll dated 6/1/2026

Decreased based on actual received 5/28 +0.75% increase per NCLM projections

FY 2026-2027 Budget Preparation

Transactions

V6 FINAL - 6/15/2026

<u>GL Account Number</u>	<u>GL Account Description</u>	<u>Fiscal Year 2025-2026 Amended Budget</u>	<u>Fiscal Year 2026-2027 Proposed Budget</u>
REVENUE - Fund 10			
10-3831-000	Interest Earned	\$3,600.00	\$2,000.00
10-3833-840	Community Program Donations	\$0.00	\$0.00
10-3833-842	Donations to PD	\$0.00	\$0.00
10-3839-410	Lot Mowing Fees	\$0.00	\$0.00
10-3839-850	Insurance Proceeds	\$0.00	\$0.00
10-3840-800	Misc. Collections	\$23,000.00	\$6,900.00
10-3840-801	Pet Fees	\$0.00	\$600.00
10-3981-970	Drug Seizure Reimburse GF	\$0.00	\$0.00
10-3986-031	Transfer FROM Rev.	\$0.00	\$0.00
10-3991-991	Appropriated Fund Balance	\$0.00	\$0.00
10-3991-992	Powell Bill F/B Appropriated	\$0.00	\$40,000.00
		\$4,571,292.00	\$4,918,776.00
	TOTAL REVENUE	\$4,571,292.00	\$4,918,776.00

*This column notes changes since last meeting in RED

FY 2026-2027 Budget Preparation

Transactions

V6 FINAL - 6/15/2026

	<u>GL Account Number</u>	<u>GL Account Description</u>	<u>Fiscal Year 2025-2026 Amended Budget</u>	<u>Fiscal Year 2026-2027 Proposed Budget</u>
GOVERNING BOARD - Fund 10				
	10-4110-121	Salaries & Wages	\$12,000.00	\$12,000.00
	10-4110-181	Payroll FICA	\$918.00	\$918.00
	10-4110-185	Excess ESC Taxes	\$3,000.00	\$3,000.00
	10-4110-191	Audit Fees	\$17,000.00	\$20,000.00
	10-4110-192	Legal Fees	\$48,000.00	\$65,000.00
	10-4110-193	Professional Fees	\$5,000.00	\$5,000.00
	10-4110-299	Department Supplies	\$25,135.00	\$25,000.00
	10-4110-311	Travel Expense	\$3,200.00	\$6,000.00
	10-4110-331	Utilities / Electricity	\$20,000.00	\$21,800.00
	10-4110-333	Utilities / LP Gas	\$2,000.00	\$2,500.00
	10-4110-334	Utilities / Water	\$2,500.00	\$2,500.00
	10-4110-335	Utilities / Trash Service	\$6,500.00	\$7,000.00
	10-4110-336	IT Services	\$85,500.00	\$95,000.00
	10-4110-339	Municipal Election Cost	\$3,500.00	\$0.00
	10-4110-359	Tax Collections Fees	\$56,565.00	\$67,148.00
	10-4110-395	Education & Seminars	\$1,000.00	\$5,000.00
	10-4110-452	Insurance & Bonding	\$72,350.00	\$75,000.00
	10-4110-491	Dues	\$7,000.00	\$7,500.00
	10-4110-495	Ordinance Codification	\$2,000.00	\$2,000.00
	10-4110-498	Contingency	\$0.00	\$73,661.00
	10-4110-552	Capital Outlay Projects	\$10,000.00	\$175,000.00
	10-4110-553	Professional Municipal Studies	\$4,000.00	\$30,000.00
	10-4110-690	Donations/Food	\$2,500.00	\$2,500.00
	10-4110-693	Employee/Vol Appr/Svc Awards	\$5,000.00	\$10,000.00

*This column notes changes since last meeting in RED

Decreased based on final scroll dated 6/1/2026

Decreased based on changes shown (To be used for Fund Balance replenishment this fiscal year)

FY 2026-2027 Budget Preparation

Transactions

V6 FINAL - 6/15/2026

	<u>GL Account Number</u>	<u>GL Account Description</u>	<u>Fiscal Year 2025-2026 Amended Budget</u>	<u>Fiscal Year 2026-2027 Proposed Budget</u>
GOVERNING BOARD - Fund 10				
	10-4110-710	Town Hall - Debt Principal	\$290,309.00	\$301,715.00
	10-4110-720	Town Hall - Interest	\$35,713.00	\$24,307.00
	10-4110-991	Appropriated Fund Balance	\$0.00	\$0.00
			\$720,690.00	\$1,039,549.00

*This column notes changes since last meeting in RED

FY 2026-2027 Budget Preparation

Transactions

V6 FINAL - 6/15/2026

	<u>GL Account Number</u>	<u>GL Account Description</u>	<u>Fiscal Year 2025-2026 Amended Budget</u>	<u>Fiscal Year 2026-2027 Proposed Budget</u>
ADMINISTRATION - Fund 10				
	10-4120-121	Salaries & Wages	\$420,107.00	\$475,322.00
	10-4120-126	Salaries Part Time	\$2,624.00	\$0.00
	10-4120-181	Payroll FICA	\$32,139.00	\$36,363.00
	10-4120-182	Retirement	\$60,286.00	\$68,209.00
	10-4120-183	Group Insurance	\$53,000.00	\$58,300.00
	10-4310-186	401K Match	\$0.00	\$23,767.00
	10-4120-193	Software Purchases	\$0.00	\$0.00
	10-4120-199	Professional Services	\$0.00	\$0.00
	10-4120-251	Gas	\$325.00	\$400.00
	10-4120-260	Department Supplies	\$9,000.00	\$12,000.00
	10-4120-311	Travel	\$10,500.00	\$20,000.00
	10-4120-321	Telephone	\$2,700.00	\$3,000.00
	10-4120-325	Postage	\$950.00	\$500.00
	10-4120-353	Vehicle Maintenance	\$300.00	\$0.00
	10-4120-359	Contracted Services	\$0.00	\$0.00
	10-4120-370	Advertising	\$6,000.00	\$5,000.00
	10-4120-395	Employee Training	\$10,500.00	\$16,000.00
	10-4120-398	Drug Testing	\$60.00	\$250.00
	10-4120-438	Building Rent	\$0.00	\$0.00
	10-4120-439	Equipment Rent	\$12,500.00	\$12,500.00
	10-4120-491	Dues	\$2,500.00	\$4,000.00
	10-4120-553	Capital Outlay - Vehicles		
			\$623,491.00	\$735,611.00

*This column notes changes since last meeting in RED

FY 2026-2027 Budget Preparation

Transactions

V6 FINAL - 6/15/2026

	<u>GL Account Number</u>	<u>GL Account Description</u>	<u>Fiscal Year 2025-2026 Amended Budget</u>	<u>Fiscal Year 2026-2027 Proposed Budget</u>
POLICE - Fund 10				
	10-4310-121	Salaries & Wages	\$1,195,129.00	\$1,196,618.00
	10-4310-126	Salaries - Part Time	\$80,000.00	\$70,000.00
	10-4310-127	LEO Separation Allowance	\$0.00	\$14,000.00
	10-4310-181	Payroll FICA	\$96,412.00	\$96,897.00
	10-4310-182	Retirement	\$250,835.00	\$192,417.00
	10-4310-183	Group Insurance	\$150,270.00	\$176,250.00
	10-4310-184	LEO 401K	\$42,876.00	\$59,831.00
	10-4310-186	401K Match	\$0.00	\$59,831.00
	10-4310-193	Software Purchases	\$15,500.00	\$21,000.00
	10-4310-199	Professional Services	\$2,000.00	\$2,000.00
	10-4310-212	Uniforms	\$15,000.00	\$16,000.00
	10-4310-213	Vest Expenses	\$12,200.00	\$13,000.00
	10-4310-251	Gasoline	\$72,000.00	\$50,000.00
	10-4310-252	Tires	\$12,500.00	\$0.00
	10-4310-260	Department Supplies	\$30,600.00	\$15,000.00
	10-4310-265	Ammunition & Guns	\$16,600.00	\$16,000.00
	10-4310-311	Travel	\$3,500.00	\$4,000.00
	10-4310-321	Telephone	\$20,000.00	\$16,000.00
	10-4310-325	Postage	\$200.00	\$200.00
	10-4310-352	Maintenance - Equipment	\$0.00	\$0.00
	10-4310-353	Maintenance Vehicles	\$50,000.00	\$0.00
	10-4310-359	Contracted Services	\$0.00	\$0.00
	10-4310-395	Employee Training	\$9,000.00	\$7,500.00
	10-4310-398	Pre-Employment Testing	\$4,750.00	\$4,750.00
	10-4310-430	Equipment - Body Cameras	\$0.00	\$19,000.00

*This column notes changes since last meeting in RED

Changes based on vacancies in PD since spreadsheet first created - 5 vacancies now all estimated at mid-range amounts of new salary scale.

FY 2026-2027 Budget Preparation

Transactions

V6 FINAL - 6/15/2026

	<u>GL Account Number</u>	<u>GL Account Description</u>	<u>Fiscal Year 2025-2026 Amended Budget</u>	<u>Fiscal Year 2026-2027 Proposed Budget</u>
POLICE - Fund 10				
	10-4310-491	Dues	\$300.00	\$500.00
	10-4310-550	Capital Outlay - Equipment	\$45,000.00	\$24,500.00
	10-4310-553	Capital Outlay - Vehicles	\$133,000.00	\$66,500.00
			\$2,257,672.00	\$2,141,794.00

*This column notes changes since last meeting in RED

FY 2026-2027 Budget Preparation

Transactions

V6 FINAL - 6/15/2026

	<u>GL Account Number</u>	<u>GL Account Description</u>	<u>Fiscal Year 2025-2026 Amended Budget</u>	<u>Fiscal Year 2026-2027 Proposed Budget</u>
<u>PUBLIC WORKS - Fund 10</u>				
	10-4410-121	Salaries & Wages	\$164,581.00	\$203,215.00
	10-4410-126	Salaries - Part Time	\$1,100.00	\$0.00
	10-4410-181	Payroll FICA	\$12,591.00	\$15,546.00
	10-4410-182	Retirement	\$23,618.00	\$29,162.00
	10-4410-183	Group Insurance	\$33,600.00	\$36,960.00
	10-4310-186	401K Match	\$0.00	\$10,161.00
	10-4410-212	Uniforms	\$6,000.00	\$6,000.00
	10-4410-251	Gasoline	\$9,000.00	\$7,500.00
	10-4410-252	Tires	\$1,500.00	\$14,000.00
	10-4410-253	Oil	\$0.00	\$6,000.00
	10-4410-260	Department Supplies	\$15,000.00	\$10,000.00
	10-4410-311	Travel	\$100.00	\$100.00
	10-4410-321	Telephone	\$1,800.00	\$1,800.00
	10-4410-325	Postage	\$150.00	\$150.00
	10-4410-330	Street Lighting	\$7,000.00	\$7,000.00
	10-4410-351	Maintenance - Bldg. & Grounds	\$12,000.00	\$12,000.00
	10-4410-352	Maintenance - Equipment	\$2,000.00	\$2,000.00
	10-4410-353	Maintenance - Vehicles	\$2,500.00	\$40,500.00
	10-4410-359	Contracted Services	\$17,500.00	\$5,000.00
	10-4410-395	Employee Training	\$2,000.00	\$2,000.00
	10-4410-398	Drug Testing	\$100.00	\$100.00
	10-4410-439	Equipment Rent	\$1,000.00	\$1,000.00
	10-4410-491	Dues	\$250.00	\$250.00
	10-4410-550	Capital Outlay - Equipment	\$94,793.00	\$21,000.00

*This column notes changes since last meeting in RED

FY 2026-2027 Budget Preparation

Transactions

V6 FINAL - 6/15/2026

	<u>GL Account Number</u>	<u>GL Account Description</u>	<u>Fiscal Year 2025-2026 Amended Budget</u>	<u>Fiscal Year 2026-2027 Proposed Budget</u>	
	<u>PUBLIC WORKS - Fund 10</u>				
	10-4410-553	Capital Outlay - Vehicles	\$49,731.00	\$0.00	
	10-4410-591	Powell Bill Expenditures	\$108,464.00	\$130,000.00	
			\$566,378.00	\$561,444.00	

*This column notes **changes since last meeting in RED**

FY 2026-2027 Budget Preparation

Transactions

V6 FINAL - 6/15/2026

	<u>GL Account Number</u>	<u>GL Account Description</u>	<u>Fiscal Year 2025-2026 Amended Budget</u>	<u>Fiscal Year 2026-2027 Proposed Budget</u>
PLANNING - Fund 10				
	10-4910-121	Salaries & Wages	\$179,189.00	\$217,171.00
	10-4910-122	Salaries & Wages - Planning Bd.	\$0.00	\$0.00
	10-4910-181	Payroll FICA	\$13,708.00	\$16,614.00
	10-4910-182	Retirement	\$25,714.00	\$31,164.00
	10-4910-183	Group Insurance	\$31,700.00	\$34,870.00
	10-4310-186	401K Match	\$0.00	\$10,859.00
	10-4910-193	Software Purchases	\$9,800.00	\$8,400.00
	10-4910-199	Professional Services	\$15,000.00	\$20,000.00
	10-4910-251	Gasoline	\$750.00	\$500.00
	10-4910-252	Tires	\$0.00	\$0.00
	10-4910-260	Department Supplies	\$2,000.00	\$9,500.00
	10-4910-311	Travel	\$3,500.00	\$5,000.00
	10-4910-321	Telephone	\$1,800.00	\$1,800.00
	10-4910-325	Postage	\$800.00	\$800.00
	10-4910-353	Maintenance - Vehicles	\$400.00	\$0.00
	10-4910-359	Contracted Services	\$10,000.00	\$5,000.00
	10-4910-370	Advertising	\$1,500.00	\$1,500.00
	10-4910-395	Employee Training	\$4,500.00	\$5,000.00
	10-4910-398	Drug Testing	\$100.00	\$100.00
	10-4910-491	Dues	\$600.00	\$600.00
	10-4910-553	Capital Outlay - Vehicles	\$0.00	\$0.00
			\$301,061.00	\$368,878.00

*This column notes **changes since last meeting in RED**

FY 2026-2027 Budget Preparation

Transactions

V6 FINAL - 6/15/2026

	<u>GL Account Number</u>	<u>GL Account Description</u>	<u>Fiscal Year 2025-2026 Amended Budget</u>	<u>Fiscal Year 2026-2027 Proposed Budget</u>	
PARKS & EVENTS - Fund 10					
	10-6120-321	Telephone	\$2,000.00	\$1,000.00	
	10-6120-550	Capital Outlay - Equipment	\$0.00	\$15,000.00	Decreased to allow for smaller loft building w/ solar (vs. electric)
	10-6120-693	Festivals / Events	\$25,000.00	\$30,000.00	
	10-6120-694	Seniors Program	\$0.00	\$2,500.00	
	10-6120-700	WM Dog Park	\$25,000.00	\$8,000.00	
	10-6120-992	WM Community Park	\$50,000.00	\$15,000.00	
			\$102,000.00	\$71,500.00	

*This column notes changes since last meeting in RED

FY 2026-2027 Budget Preparation

Transactions

V6 FINAL - 6/15/2026

	<u>GL Account Number</u>	<u>GL Account Description</u>	<u>Fiscal Year 2025-2026 Amended Budget</u>	<u>Fiscal Year 2026-2027 Proposed Budget</u>	
	SEWER - Fund 10				
	10-9860-982	Transfer OUT to the Sewer Fund	\$0.00	\$0.00	
	10-9860-983	Transfer OUT Powell Bill	\$0.00	\$0.00	
	10-9860-999	SEWER FUND SAVINGS	\$0.00	\$0.00	
			\$0.00	\$0.00	
		TOTAL EXPENDITURES	\$4,571,292.00	\$4,918,776.00	

*This column notes changes since last meeting in RED

FY 2026-2027 Budget Preparation

Transactions

V6 FINAL - 6/15/2026

	<u>GL Account Number</u>	<u>GL Account Description</u>	<u>Fiscal Year 2025-2026 Amended Budget</u>	<u>Fiscal Year 2026-2027 Proposed Budget</u>	
					*This column notes changes since last meeting in RED
		TOTAL REVENUE	\$4,571,292.00	\$4,918,776.00	
		TOTAL EXPENDITURES	\$4,571,292.00	\$4,918,776.00	
		DIFFERENCE	\$0.00	\$0.00	

SEWER FUND - FY 2026-2027 Budget

Preparation Transactions

<u>GL Account Number</u>	<u>GL Account Description</u>	<u>Fiscal Year 2025-2026 Amended Budget</u>	<u>Fiscal Year 2025-2026 Council Approved</u>	<u>NOTES</u>
REVENUE - Fund 30				
30-3800-000	Sewer Charges	\$7,500.00	\$7,000.00	
30-3800-001	Late Fee	\$500.00	\$1,400.00	
30-3831-497	Interest Earned		\$0.00	
30-3832-000	NSF Fees		\$0.00	
30-3900-911	Johnston County Public Utilities	\$168,000.00	\$171,600.00	*This is based on # of customers
30-3900-910	USDA Rural Development		\$0.00	
30-3986-030	Transfer From General Fund		\$0.00	
30-3991-000	Loan Proceeds		\$0.00	
		\$176,000.00	\$180,000.00	
	TOTAL REVENUE	\$176,000.00	\$180,000.00	

SEWER - Fund 30				
30-7140-199	Professional Services	\$14,590.00	\$24,060.00	
30-7140-200	Tapping Fee Refunds		\$0.00	
30-7140-299	Dept. / Office / Misc. Supplies	\$1,000.00	\$1,000.00	
30-7140-325	Postage	\$500.00	\$500.00	
30-7140-359	Contracted Services		\$0.00	
30-7140-491	Dues		\$0.00	
30-7140-591	Sewer Capital Outlay		\$0.00	
30-7140-710	Debt Principal Payment		\$0.00	
30-7140-711	Principal - Excess USDA Pymt	\$0.00	\$19,010.00	Remainder of required USDA pymt per JoCo AGR (90%)
30-7140-711	Principal - USDA Sewer Loan "A"	\$65,000.00	\$42,000.00	
30-7140-712	Interest - USDA Sewer Loan "A"	\$79,475.00	\$78,162.50	
30-7140-713	Principal - USDA Sewer Loan "B"	\$6,000.00	\$6,000.00	
30-7140-714	Interest - USDA Sewer Loan "B"	\$9,435.00	\$9,267.50	
30-7140-990	Depreciation Exp.		\$0.00	
30-7140-991	Fund Balance Appropriated		\$0.00	
30-9860-982	Transfer Out to GF		\$0.00	
		\$176,000.00	\$180,000.00	
	TOTAL EXPENDITURES	\$176,000.00	\$180,000.00	
	TOTAL REVENUE	\$176,000.00	\$180,000.00	
	TOTAL EXPENDITURES	\$176,000.00	\$180,000.00	
	DIFFERENCE	\$0.00	\$0.00	

**TOWN OF WILSON'S MILLS
BUDGET ORDINANCE
FISCAL YEAR ~~2025-2026~~2026-2027**

**AN ORDINANCE TO APPROPRIATE FUNDS AND RAISE REVENUE FOR THE FISCAL YEAR
BEGINNING JULY 1, ~~2025~~2026, AND ENDING JUNE 30, ~~2026~~
2027**

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF WILSON'S MILLS, NORTH CAROLINA, MEETING IN REGULAR SESSION, THAT: the following anticipated Fund Revenues and Departmental Expenditures, together with certain fees and charges schedules and with certain restrictions and authorizations are hereby appropriated and approved for the operation of the Town Government and its activities for the Fiscal Year beginning July 1, ~~2025~~2026 and ending June 30, ~~2026~~2027.

SECTION I. GENERAL FUND

A. REVENUES ANTICIPATED:

Current Year Ad Valorem Taxes	\$3,357,351.00
Prior Year Ad Valorem Taxes	\$500.00
Motor Vehicle Tax	\$222,500.00
Tax Penalties & Interest	\$1,700.00
Festivals & Events	\$3,500.00
Utility Franchise Taxes	\$81,518.00
School Resource Officers – JCPS	\$126,000.00
Court Facility Fees	\$1,800.00
Ticket and Violation Fees	\$1,500.00
Local Government Sales Tax	\$810,392.00
Beer & Wine	\$12,250.00
Powell Bill Street Grant	\$90,000.00
ABC Board Local	\$10,125.00
Interest Income	\$2,000.00
Fees Collected – Planning Dept.	\$150,000.00
Fees Collected – Police Dept.	\$140.00
Misc. Collections	\$6,900.00
Pet Fees	\$600.00
Fund Balance (General Fund)	\$0.00
Fund Balance (Powell Bill)	\$40,000.00
TOTAL	\$4,918,776.00

B. EXPENDITURES AUTHORIZED BY DEPARTMENT:

Governing Body	\$1,087,876.00
Administration	\$735,611.00
Police	\$2,093,467.00
Public Works	\$561,444.00
Planning & Zoning	\$368,878.00
Events	\$71,500.00
Transfers to Other Funds	\$0.00
TOTAL	\$4,918,776.00

SECTION II. WATER AND SEWER FUND

A. REVENUES ANTICIPATED:

Sewer Charges	\$7,000.00
Late Fees	\$1,400.00
Johnston County Public Utilities	\$171,600.00
TOTAL	\$180,000.00

B. EXPENDITURES AUTHORIZED:

Professional Services	\$18,590.00
Dept./Office/Misc. Supplies	\$1,000.00
Postage	\$500.00
USDA Sewer Loan "A" – Principal	\$65,000.00
USDA Sewer Loan "A" – Interest	\$79,475.00
USDA Sewer Loan "B" – Principal	\$6,000.00
USDA Sewer Loan "B" – Interest	\$9,435.00
TOTAL	\$180,000.00

SECTION III. LEVY OF TAXES

There is hereby levied for Fiscal Year ~~20252026-20262027~~ an ad valorem tax rate of \$0.50 per one hundred dollars (\$100.00) valuation of taxable property as listed for taxes as of July 1, ~~20252026~~ for the purpose of raising the revenue from current taxes as set forth in the foregoing estimate of revenues, and in order to finance the foregoing applicable appropriations.

~~**SECTION IV. SPECIAL AUTHORIZATION – BUDGET OFFICER**~~

~~A. The Financial Officer is authorized to transfer funds between line items for expenditures within departmental budgets.~~

~~B.A. Proposed changes from one departmental budget to another departmental budget must be approved by the Town Council of the Town of Wilson's Mills.~~

SECTION IV. SPECIAL AUTHORIZATIONS

The Town Manager, as Budget Officer, under the North Carolina Budget and Fiscal Control Act, is authorized to direct transfers of appropriations as contained herein under the following conditions:

A. The Budget Officer may approve transfers between line-item expenditures within any department without limitation. This transfer shall be recorded as an Intradepartmental Budget Adjustment. All Intradepartmental Budget Adjustments over five thousand dollars (\$5,000) shall be reported to the Town Council at the first regular meeting after the adjustment has occurred.

B. The Budget Officer may approve transfers of amounts between departments, including contingency appropriations, within the same fund without limitation. This transfer shall be recorded as an Interdepartmental Budget Adjustment. All Interdepartmental Budget Adjustments over five thousand dollars (\$5,000) shall be reported to the Town Council at the first regular meeting after the adjustment has occurred.

C. The Budget Officer may not transfer any amounts between funds, except as approved by the Town Council by a Budget Ordinance Amendment.

~~**SECTION V. UTILIZATION OF FINANCIAL OFFICER / MAYOR**~~

~~This Ordinance shall be the bases of the Financial Plan for the Town of Wilson's Mills municipal government during the 2025-2026 Fiscal Year. The Financial Officer shall administer the Budget and he/she shall~~

~~ensure that operating officials are provided guidance and sufficient detail to implement their appropriate portion of the budget.~~

~~The Administrative Department shall establish and maintain all records which are in accordance with this Budget Ordinance and the appropriate Statutes of North Carolina.~~

~~Copies of the Ordinance and any relevant fee schedule shall be maintained in the office of the Town Clerk of the Town of Wilson's Mills and shall be made available for public inspection.~~

SECTION V. UTILIZATION OF THE BUDGET ORDINANCE

This ordinance shall be the basis of the financial plan for the Town of Wilson's Mills beginning July 1, 2026 and ending June 30, 2027. The Budget Officer shall administer the budget and shall ensure that operating officials are provided with guidance and sufficient details to implement their appropriate portion of the budget. The Finance Department shall establish and maintain all records which are in consonance with this ordinance, and the appropriate statutes of the State of North Carolina. Copies of this ordinance shall be furnished to the Finance Director for direction in the disbursement of the Town's funds and to the Town Clerk for purpose of public inspection.

ADOPTED THIS 15th DAY OF JUNE 2025

FLETA A. BYRD, Mayor

ATTEST:

EMILY A. MATTHEWS, CMC Town Clerk

**TOWN OF WILSON'S MILLS
BUDGET ORDINANCE
FISCAL YEAR 2026-2027**

**AN ORDINANCE TO APPROPRIATE FUNDS AND RAISE REVENUE FOR THE FISCAL
YEAR BEGINNING JULY 1, 2026, AND ENDING JUNE 30, 2027**

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF WILSON'S MILLS, NORTH CAROLINA, MEETING IN REGULAR SESSION, THAT: the following anticipated Fund Revenues and Departmental Expenditures, together with certain fees and charges schedules and with certain restrictions and authorizations are hereby appropriated and approved for the operation of the Town Government and its activities for the Fiscal Year beginning July 1, 2026 and ending June 30, 2027.

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Powell Bill Street Grant	\$90,000.00
ABC Board Local	\$10,125.00
Interest Income	\$2,000.00
Fees Collected – Planning Dept.	\$150,000.00
Fees Collected – Police Dept.	\$140.00
Misc. Collections	\$6,900.00
Pet Fees	\$600.00
Fund Balance (General Fund)	\$0.00
Fund Balance (Powell Bill)	\$40,000.00
TOTAL	\$4,918,776.00

B. EXPENDITURES AUTHORIZED BY DEPARTMENT:

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TOTAL	\$180,000.00

B. EXPENDITURES AUTHORIZED:

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This ordinance shall be the basis of the financial plan for the Town of Wilson's Mills beginning July 1, 2026, and ending June 30, 2027. The Budget Officer shall administer the budget and shall ensure that operating officials are provided with guidance and sufficient details to implement their appropriate portion of the budget. The Finance Department shall establish and maintain all records which are in consonance with this ordinance, and the appropriate statutes of the State of North Carolina. Copies of this ordinance shall be furnished to the Finance Director for direction in the disbursement of the Town's funds and to the Town Clerk for the purpose of public inspection.

ADOPTED THIS 15th DAY OF JUNE 2025

FLETA A. BYRD, Mayor

ATTEST:

EMILY A. MATTHEWS, CMC Town Clerk

Request for Council Action

Agenda Item 5a(iii)

TO: Mayor Fleta Byrd and Town Councilmembers
FROM: Leighanna Worley, Town Manager
DATE: June 15, 2026
RE: Fiscal Year 2026-2027 Fee Schedule

Attached for your consideration is the updated FY26-27 Fee Schedule.

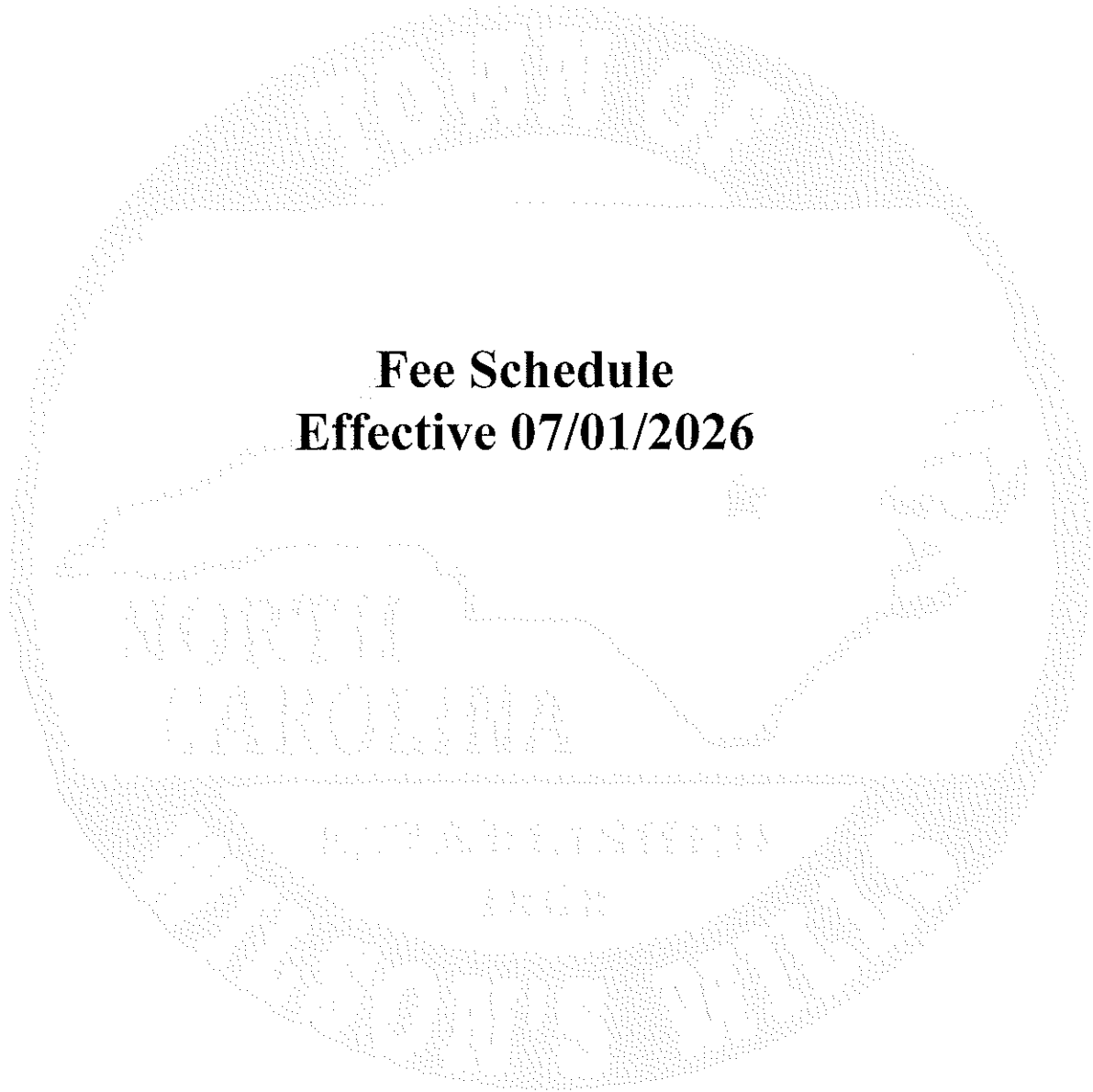
The only change to this schedule since your last amendment in February 2026 is the addition of Beer & Wine Licensing Fees found on Page 1 under Administration.

ATTACHMENTS:

Proposed FY26-27 Fee Schedule with changes

ACTION REQUESTED:

Approve, deny, or table the proposed FY26-27 Fee Schedule for the Town of Wilson's Mills.



Fee Schedule
Effective 07/01/2026

ADMINISTRATIVE DEPARTMENT	
COPIES-INCLUDES PUBLIC RECORDS REQUESTS AND PUBLIC COPY REQUESTS	FEE
Regular	\$1.00 per page
Certified (Town Records only - does not include Notarization)	\$5.00 first page \$2.00 each subsequent page
Certified Copies with Numbered Pages	\$6.00 first page \$2.00 each subsequent page
USB Drive Copies of Documents &/or Pictures	\$5.00 per USB Drive
FAX SERVICES **ONLY LOCAL FAXES AVAILABLE**	FEE
Send	\$2.00 first page \$1.00 each subsequent page
Receive	\$1.00 per page
Ad Valorem Tax	\$0.50 per hundred
BEER AND WINE LICENSES	FEE
Beer on Premises	\$15.00
Beer off Premises	\$5.00
Wine on Premises	\$15.00
Wine off Premises	\$10.00
Returned Check Charge	\$35.00
Notary Public Fees	\$10.00 per signature/seal
Meeting notice request—Sunshine List	\$10.00 annually* *Fee waived for email-only notifications
"Stop Payment" Fee for Misplaced Checks	\$35.00
Fee for Replacement of Lost or Damaged Check	\$5.00
Petition to close a street	\$750.00 per street
Town Hall Property Temporary Parking *With written approval ONLY (Parking without approval will be cited per Code)	\$20.00 per day per vehicle

ANIMAL CONTROL DEPARTMENT	FEE
Dog or Cat Registration (Spayed or Neutered)	\$10.00 each year
Dog or Cat Registration (Non-Spayed or Neutered)	\$20.00 each year
All Other Animals (Exotic)	\$50.00 each year
Duplicate Animal Registration Tag	\$5.00
Rabies Non-Compliance	\$100.00
Wild Animal Non-Compliance	\$100.00
Reclaim Fee (Domestic)	\$50.00 per animal
Reclaim Fee (Exotic)	\$200.00

PLANNING FEES

CERTIFICATES ISSUED BY JOHNSTON COUNTY

Building Permits – Johnston County Building Inspections Department issues building permits following issuance of Zoning permit by the Town of Wilson’s Mills.

Certificate of Occupancy (CO)- Johnston County Building Inspections Department issues upon final building inspections and site plan zoning compliance approval by the Town.

*****All fees and charges relevant to building permits, inspections, and issuance of certificates shall be as adopted by Johnston County’s fee schedule.**

ZONING COMPLIANCE PERMITS (Where construction begins without appropriate permits in place, permit cost shall be doubled)	FEE
Single, Two-Family structures and mobile home	\$250
Accessory Dwelling	\$250
Single Family attached/multi- family (condominium, apartment, town home, etc.)	\$300
Residential Addition-Attached	\$100
Accessory structures/Shed/Porch/Pool/Paving	\$100
Fences	\$50
Non-residential	\$300 + site plan review
Temporary Use/Event Permit	\$100 \$0 for events hosted by charitable organizations that are within the Town’s Planning Jurisdiction
Home Occupation Permit	\$100
Conditional Use Permit Application	\$750
Zoning Verification Letter	\$50
Certificate of Non-Conformity Adjustment	\$100
Driveway Permit (2.17) (If Town-owned street)	\$100
Tree Disturbance Permit (11.10)	\$250 admin fee + Actual cost from any outside consultants or professional services review
Land Disturbance Permit	\$200/acre (valid for 2 years)
Excavation and Encroachment	\$200
On-site Land Clearing and Inert Debris (LCID) Landfill Permit – 2.13-4	\$150 admin fee + Actual cost from outside consultant review to determine surety bond amount + bond administration fee
Food Truck Permit	\$100 (unless Town sponsored event) plus proof of current sanitation inspection
Amplified Music Permit	\$25.00
SIGN PERMITS (Only when obtained separately from primary development permits)	FEE
Permanent Sign	\$100
Temporary Sign	\$25
Master Sign Plan (When not submitted with site development plan)	\$400

TELECOMMUNICATIONS TOWERS/COLLOCATIONS		FEE
New Tower, Stealth Tower, and Collocation Lease Negotiation Fee (Existing Tower)		\$2,500
REZONES		FEE
Less than 3 acres		\$400
3-6 Acres		\$600
More than 6 acres		\$750 + \$20/acre
Vested Rights		\$500
Vested Rights Extension		\$200
BOARD OF ADJUSTMENT		FEE
Variance		\$1,000
Variance (After the fact)		\$2,000
Appeal		\$500
ANNEXATIONS		FEE
Voluntary Contiguous Annexation Request		\$0
Voluntary Satellite Annexation Request within the Extraterritorial Jurisdiction (ETJ)		\$400
Voluntary Satellite Annexation Request outside the Extraterritorial Jurisdiction (ETJ)		\$400 + \$250 per ¼ mile outside the Extraterritorial Jurisdiction (ETJ)
COMMERCIAL/MAJOR SITE PLAN DEVELOPMENT		FEE
Site Development Plans		\$500
Construction Drawings		\$750
Final Plat		\$150 per sheet
MAJOR SUBDIVISION REVIEW - 5 or more lots (If a 3rd submittal is required, an additional fee will be collected)		FEE
Sketch Plat/Plan Review		\$200 per sheet
Preliminary Plat/Site Development Plan/ Construction Plans Review		\$500 + 25 per lot
Construction Plan Review		\$750 + \$25 per lot
Preliminary/Construction Plan Amendment		\$400
3 rd submittal of Preliminary/Construction Plan		¼ of the original cost
Final Plat Review		\$150 per map sheet
3 rd submittal of Final Plat		\$50 per map sheet
Re-addressing Due to Changes		\$250
MINOR SUBDIVISION REVIEW - 4 lots or less (If a 3rd submittal is required, an additional fee will be collected)		FEE
Preliminary Plat Review		\$300
Preliminary Plat Amendment		\$200
3 rd submittal of Preliminary Plat		\$50
Construction Drawings		\$500
Final Plat Review		\$150 per map sheet
3 rd submittal of Final Plat		\$50 per map sheet

STORMWATER MANAGEMENT FEES		FEE
Stormwater Plan Review less (If a 3rd submittal is required, an additional fee will be collected)		\$400 per disturbed acre (\$1000 minimum)
3 rd submittal of Stormwater Review		¼ of the original cost
Stormwater Facilities Operation and Maintenance Agreement Administration		\$200 per agreement
Stormwater Facilities Inspection (if completed by the Town)		\$2500 per stormwater facility
OTHERS		FEE
Conveyance Plat		\$10 per lot
Exempt Subdivision/Easement/Recombination Plat		\$100
Floodplain Development Permit (If not part of construction plan review)		\$250
Open Space Fee in Lieu		\$1,000 per lot
Demolition Permit (Asbestos Report Required)		\$250
Floodplain Management Document review (Letter of Map Revision (LOMR), Conditional Letter of Map Revision (CLOMR) etc.)		\$150 per form
Transportation Impact Analysis (TIA) Review		\$400
Bond Amendment and Reduction Fee		\$100
Bond Administration Fee		\$250
Conditional Use Permit Fee		\$500
Chicken and Fowl Permit		\$100
Chicken and Fowl Inspection		\$40
Acceptance of Streets/Utilities/Infrastructure		\$500 per application
CONSTRUCTION INSPECTION FEES (Fees to be collected upon approval of construction drawings)		FEE
New Streets (public)		\$1.50 per linear foot
Storm Drainage		\$1.50 per linear foot
Final Subdivision Inspection Fee (trails, sidewalks, greenways)		\$500
As-built Review Fee		\$250

CODE ENFORCEMENT FEES

	FEE
All Nuisance Violations- Administration Fee (per occurrence)	\$200
Nuisance Abatement – Administration Fee	\$300 Administration fee + actual cost for clean-up or removal
Lien Placement	\$500

PARK FEES	FEE
Community Park Shelter Rental	\$15.00 per hour – in town residents 30.00 per hour – out of town residents (minimum of 2 hours for any rentals)
	\$100.00 daily rate – in town residents \$200.00 daily rate – out of town residents (more than 6 hours)

POLICE DEPARTMENT	FEE
Golf Cart	\$50.00 1 st year
	\$20.00 each subsequent year

Civil Penalty Fee & Nonpayment Penalty

In addition to the general penalties provided in the Town's Code, an ordinance may provide that a violation shall subject the offender to a civil penalty. Unless otherwise specified by Town Code, the **civil penalty is \$50.00.**

A nonpayment penalty of \$50.00 for each 30-day period will be added to all civil penalties not paid by the date due.

**PROCLAMATION CELEBRATING THE 250TH ANNIVERSARY
OF THE UNITED STATES OF AMERICA**

WHEREAS, July 4, 2026, marks the 250th anniversary of the signing of the Declaration of Independence and the founding of the United States of America; and

WHEREAS, the America 250 semi-quincentennial represents a monumental opportunity to reflect on our nation’s rich history, honor the diverse stories and sacrifices of the people who shaped it, and look forward toward a shared future of liberty and justice for all; and

WHEREAS, the State of North Carolina played a vital and historic role in the journey toward American independence, leading the nation with early actions of courage and self-determination; and

WHEREAS, local communities are the bedrock of our nation’s character, and the residents of Wilson’s Mills have contributed significantly to the civic, economic, and cultural fabric of our region and country; and

WHEREAS, this historic milestone encourages all citizens to engage in educational programs, community service, and commemorative events that promote a deeper understanding of our foundational principles and strengthen our civic institutions;

NOW, THEREFORE, Fleta A. Byrd, Mayor of the Town of Wilson’s Mills, hereby proclaims the year 2026 as the

250th Anniversary of the United States of America

and encourages all residents to participate in activities and events that celebrate our nation’s history and heritage.

This is the 15th day of June 2026

Fleta Byrd, Mayor

Attest:

Emily Matthews, CMC lerk

Request for Council Action

Agenda Item 7b(i)

TO: Mayor Fleta Byrd and Town Councilmembers
FROM: Leighanna Worley, Town Manager
DATE: June 15, 2026
RE: Utility Service Agreement between Wilson's Mills and Johnston County

Attached please find the final draft version of the Utility Service Agreement with Johnston County and both appendixes (maps) that was sent to your email for review on June 8, 2026.

Since that version, no other changes have been made and this item is also on Johnston County's regular meeting agenda for June 15, 2026 at 6:00pm for review and approval.

Attorney Herman will not be able to be present at the meeting, as he is on vacation.

ATTACHMENTS:

Proposed Utility Service Agreement with Johnston County

ACTION REQUESTED:

Approve, deny, or table the proposed Utility Service Agreement with Johnston County

STATE OF NORTH CAROLINA

UTILITY SERVICE AGREEMENT

COUNTY OF JOHNSTON

THIS UTILITY SERVICE AGREEMENT (“Agreement”) is made and entered into as of the date identified in section V(A) below, by and between the COUNTY OF JOHNSTON, a political subdivision of the State of North Carolina, and the TOWN OF WILSON’S MILLS, a North Carolina municipal corporation.

WITNESSETH:

WHEREAS, Johnston County (herein “County”) is a body politic and corporate, organized pursuant to the laws of the State of North Carolina; and

WHEREAS, the Town of Wilson’s Mills (herein “Town”) is a municipal corporation, organized pursuant to the laws of the State of North Carolina; and

WHEREAS, the County, in coordination with and through its water districts, is the sole utility provider for both water and wastewater (sewer) services within the Town’s corporate limits and Extraterritorial Jurisdiction; and

WHEREAS, the Town does not presently own, maintain and operate any public water and wastewater infrastructure within the Town’s corporate limits, with the exception of the sewer utility infrastructure designated in that Interlocal Agreement entered into by the County and Town on March 6, 2017, for the Town’s Phase 1 Sewer System Improvements; and

WHEREAS, the Town has undertaken a utility study completed in February of 2025 to determine the feasibility of purchasing or taking over the water and wastewater utility infrastructure from the County currently located within the Town’s corporate limits; and

WHEREAS, the Town’s utility study determined it would not be economically viable for the Town to assume the control and responsibility of the County’s utility infrastructure within the Town’s corporate limits, including any future development that comes into the Town’s corporate limits by way of voluntary annexation; and

WHEREAS, due to an increasing number of annexation petitions for projects and developments coming into the Town’s corporate limits, the parties desire to enter into this Agreement in order to (i) define utility service areas the County is willing to serve for both current properties within Town corporate limits and future developments coming into the Town’s corporate limits via voluntary annexation, (ii) provide for limitations on water and sewer services the County is willing to provide to the Town in certain areas, as defined herein, and (iii) to establish specific procedures and criteria for the County providing utility services within the Town’s utility services areas, as defined herein; and

WHEREAS, North Carolina General Statutes § 160A-460 *et seq.* authorizes the County and the Town to enter into Interlocal Agreements with each other to execute an undertaking of any function of local government; and

WHEREAS, because the Town and the County recognize that coordination and cooperation on issues involving land use planning, annexation, and the provision of utilities is necessary to fulfill their shared goals of managing growth, providing reliable utility services to Town and County ratepayers, planning for long-range water and sewer capital improvements, and facilitating economic development, the parties desire to enter into this Agreement pursuant to N.C. Gen. Stat. § 160A-460, *et seq.*

NOW, THEREFORE, in consideration of the mutual covenants and agreements regarding defining water and sewer utility service boundaries and the procedures, criteria, management and planning for future utility services within the Town, the parties to this Agreement hereby mutually agree to the terms and conditions as follows:

I. **DEFINITION OF TERMS**

A. Definitions. The following definitions shall apply to this Agreement:

1. Annexation: official Town Council action to bring property that is in an area of unincorporated County into the corporate limits of the Town of Wilson's Mills.
2. Contiguous: property that abuts directly on the Primary Corporate Limits, or is separated by the width of a street, creek or river, or the right of way of a railroad.
3. Corporate Limits: the area within the corporate limits of the Town of Wilson's Mills, as identified on the official map maintained in the office of the Town Clerk and as amended.
4. Extraterritorial Jurisdiction: property located outside of the corporate limits of the Town of Wilson's Mills over which the Town has the legal authority to regulate land use and zoning that is currently established as of the Effective Date of this Agreement.
5. Planning Area: the area depicted in the Town of Wilson's Mills most recent comprehensive plan that is used for long-range planning efforts and future land use map designation to help ensure logical and orderly development.
6. Primary Corporate Limits: the boundaries of the Town of Wilson's Mills as defined in the Charter and as enlarged by annexation of contiguous property, or as diminished by exclusion of contiguous property by the General Assembly.

7. Satellite Annexation: a voluntary annexation of property into the corporate limits of the Town of Wilson's Mills that is not contiguous to the Primary Corporate Limits (also referred to as noncontiguous).

8. Utility Services: water and sewer service provided by Johnston County to property within the corporate limits of the Town of Wilson's Mills.

9. Voluntary Annexation: annexation of property by a voluntary request of the property owners to include the property into the corporate limits of the Town of Wilson's Mills.

II. UTILITY BOUNDARIES

A. Definitions for Town Utility Service Area Boundaries:

1. **Primary Utility Service Area**: An area (as shown on the Water and Sewer Service Boundary Map 1, which is attached as Appendix A) that includes the Town's existing Corporate Limits as of the date of execution of this Agreement, Primary Corporate Limits, and any future parcels or developments that could come into the Town's Primary Corporate Limits through contiguous annexation. The Primary Utility Service Area is hereafter referred to as the Town's "Primary Service Area."

2. **Town Long-Term Utility Interest Area**: The area shown on the Water and Sewer Service Boundary Map 2, which is attached as Appendix B, exclusive of the Primary Utility Service Area, beyond which: (i) the Town agrees not to approve any satellite annexation, and (ii) in the event the Town does annex property or receives a petition for voluntary annexation, the County shall have no obligation to follow the procedures set forth in Section III(B) below. The Town's Long-Term Utility Interest Areas is hereafter referred to as the Town's "Interest Area."

B. Adherence to Boundaries.

1. The boundaries for the Interest Area as shown on the map attached hereto as Appendix B define the maximum areas within which properties annexed (now or in the future) into the Town's Corporate Limits could receive water and/or sewer services from the County according to the procedures and criteria set forth in Section III(B) below. The Town shall not approve any voluntary annexation petitions that require Utility Services for any property located outside the designated Interest Area.

2. The boundaries for the Town's Primary Service Area as shown on the map attached hereto as Appendix A, define the areas which the County presently provides water and/or sewer services to the Town and agrees to continue to provide Utility Services to parcels within the Town's Primary Corporate Limits and as expanded by any future Town-approved contiguous voluntary annexation petitions. All contiguous annexation petitions approved by the Town after the Effective Date shall automatically amend the Primary Service Area as if fully set forth herein in this Agreement.

III. PROCEDURES AND CRITERIA FOR PROVIDING UTILITY SERVICES

A. Procedures for County Providing Utility Services within the Primary Service Area.

1. Upon request by the Town, the County agrees to provide Utility Services, subject to availability and on the same terms the County provides Utility Services to other retail customers, to properties within the Primary Service Area that exist as of the Effective Date of this Agreement and all parcels or developments that could come into the Town's Primary Corporate Limits by future contiguous annexation. This applies to properties that are within the Town's Extraterritorial Jurisdiction or unincorporated areas within the County's planning jurisdiction, so long as the future annexation petitions are contiguous to the Town's Primary Corporate Limits. For the purposes of this Agreement, the Town's Extraterritorial Jurisdiction is that defined area that exists as of the Effective Date of this Agreement, regardless of the Town's Extraterritorial Jurisdiction being extended or expanded in the future.

2. Upon receipt of a petition for contiguous annexation of property within the Primary Service Area, and as part of determining the sufficiency of such petition pursuant to N.C. Gen. Stat. § 160A-31(c) before setting the annexation for public hearing, the Town Planner, or other appropriate member of the Town's staff, shall provide notice of the petition and the proposed development to the County's Public Utilities Director, who shall evaluate the request for Utility Services on a first-come, first-served basis to determine, based on their professional judgment and in the same manner as would be determined for any other Utility Services retail customer of the County, that the County has adequate capacity to serve the property being proposed for Town annexation. This evaluation by the County is not a reservation of capacity by the County for the project or property.

B. Procedures for County Providing Utility Services within the Town's Interest Area.

For all satellite (non-contiguous) annexations located within the Town's Interest Areas, the following procedures and criteria shall apply, and the Town shall not approve any satellite

annexation petition that requests Utility Services without the County's commitment to serve and extend Utility Services as set forth herein, below.

1. Town Evaluation of Satellite Annexation Petition. When an owner or developer ("Applicant") submits a petition for satellite annexation to the Town ("Petition") for a particular parcel or development that also requests Utility Services to be provided and extended for that development, the Town Planner will evaluate whether the proposed use for the development aligns with the Town's Planning Area, as amended, and/or the County's Future Land Use Map, as applicable. Except for those projects specifically listed in Section III(C), the Town understands that the County will not provide water or sewer services to a property approved for satellite annexation by the Town which did not originally request Utility Services utilizing the procedures of this Section III(B) at the time of annexation. The Town may not duplicate Utility Services provided by the County's utility districts, except with the consent of the County.

2. Notice to County and Joint Meeting. After confirming that the project is the type of use that conforms with the Town's Planning Area and/or the County's Future Land Use Map (as applicable), the Town Planner shall then give notice of the Petition to the County's Public Utilities Director and will coordinate scheduling a joint meeting with County staff to discuss, review and evaluate the proposed development and whether the County will commit to providing Utility Services for the project. The joint meeting shall consist of the Town's Planning Director, the County Public Utility's Department personnel, and the Applicant.

3. Review Criteria. At the joint meeting, the Town Planning Director and County Public Utility Department staff shall first evaluate the proposed use for the development being considered for the Petition and the location.

i. Residential. If the Petition and proposed project or development are submitted for a residential subdivision, Utility Services may be provided at the County's sole and exclusive discretion.

ii. Commercial or Industrial. If the proposed project or development in the Petition is for either a commercial or an industrial use, the County Public Utility Department will review the request according to the following criteria:

a. Adequate Capacity: The County Public Utility Department will review the Application to verify the feasibility of serving the project or property and that there is available capacity based on capacity assurance analysis. All requests for Utility Services pursuant to this section III(B) shall be provided on a first-come, first-serve basis depending on the available capacity needed.

- b. Utility Infrastructure: The County Public Utility Department will review the existing utility infrastructure and whether any extensions, improvements, or upgrades to the existing system will be needed, and who is responsible for the costs and installation. If the County determines that extensions, improvements, and/or upgrades will be needed, the Applicant will be responsible for bearing all costs associated thereof.

4. County Review and Determination. After the joint meeting between the Town Planning Director, the County Public Utilities Department, and the Applicant, the County Public Utilities Department shall report the results of its review to the Johnston County Board of Commissioners, which shall make a formal determination on the request for Utility Services based on the Petition, the developments proposed use and location, the County's future land use map and comprehensive plan, the County's Capital Improvements Plan and any similar capital project planning tools, the criteria set forth above, and other considerations related to the operation, preservation, and needs of the County's utility system. The County's review and determination of the Utility Services request shall be subject only to the criteria outlined above and shall be made and applied with parity, treating the request the same as any other similarly situated unincorporated County property owner or customer who receives or requests water and/or sewer utility services directly from the County.

5. County Written Determination on Utility Services Request. The County's formal determination on the request for Utility Services will be considered at the Board of Commissioners next upcoming regularly scheduled meeting following the County Public Utilities Department's completion of its review and submission of a timely agenda request in accordance with the Johnston County Board of Commissioners Rules of Procedure, if possible, but no later than the following Board of Commissioners regularly scheduled meeting held thereafter. The County shall give a written determination to the Town and the Applicant within 10 days of the Board of Commissioners' decision to either: (i) approve the Utility Services request in the form of a "Will Serve" determination letter; or (ii) deny the Utility Services request with an explanation of the County's basis for the denial. Any written determination approving the Utility Services request by the County is not a reservation of capacity by the County for a project or property.

6. No Obligation for Town Council to Approve Petition. If the Applicant's request for Utility Services is approved by the County by a written "Will Serve" letter, nothing herein shall obligate or require the Town Council to approve the satellite annexation Petition at a subsequent public hearing on the Petition as that is a legislative decision made by majority vote of the Town Council.

- C. Previously Approved Projects and Satellite Annexations. As of the Effective Date of this Agreement, the County agrees to review and, assuming adequate capacity is available to do so, provide Utility Services for all current projects or parcels that are either inside the existing Primary Service Area or outside of the Primary Service Area but were previously annexed into the Town's Corporate Limits via satellite annexation. Said review shall be undertaken on the same terms as outlined in Section III(A) above for review of projects within the Primary Service Area. For the sake of clarity, the only projects to which this section applies, and their corresponding parcel numbers, are listed below as follows:
- i. Cobalt Townes (Parcel # 05I06199D);
 - ii. Lee Property (Parcel # 17J07022A);
 - iii. Midtown Village (Parcel # 17J07013, 17J07008, 17J070104);
 - iv. Clayton Glass (Parcel # 17K08033R, 17K08029A);
 - v. Johnston Farms Phase 3 (a.k.a. "Miller Ridge") (Parcel # 17K08026L, 17K08026);
 - vi. Wellons Property (Parcel # 17K08007A); and
 - vii. Jones Property (Parcel #05I06028)

IV. OTHER TOWN RESPONSIBILITIES

- A. Town Updates to UDO/Utility Policy. The Town will codify the procedures set forth above in Section III(A) and (B) in the Town's Unified Development Ordinance or create a standalone Policy setting forth the procedural process and criteria for future annexations petitions seeking Utility Services from the Town, including that the procedures outlined in those sections shall be treated as or, at a minimum, occurring simultaneously with the Town clerk's investigation into the sufficiency of an annexation petition pursuant to N.C. Gen. Stat. § 160A-31(c), such that determinations as to the availability of Utility Services are made prior to the Town's public hearing on the subject annexation petition.
- B. Town Amendment to Comprehensive Plan and Future Land Use Map. Within eighteen (18) months after the Effective Date of this Agreement, the Town will update and amend the Town's Planning Area that includes the Town's Comprehensive Land Use Plan and Future Land Use Map, to better align with both the County's Future Land Use map and to effectuate the Town's goals for future growth and development by encouraging more commercial and industrial development within the Town's Interest Area; particularly the areas west of the Town's Primary Corporate Limits.
- C. Town Design and Construction Standards. The Town will update the Town's Unified Development Ordinance and Technical Standards and Specifications Manual Standards to

align with the County's Water Distribution, Wastewater Collection, and Reclaimed Water Design and Construction Standards.

- D. Utility Master Planning and Capital Improvements Planning. A Utility Master Plan will be developed by the Town in coordination with the County based upon the Town's Comprehensive Land Use and Master Plan, and will be developed and maintained jointly by the parties. The Wilson's Mills Utility Master Plan shall be jointly reviewed and updated by the parties at a minimum of five-year intervals. The County at its discretion will incorporate projects necessary to implementing the Utility Master Plan into the Public Utilities Capital Improvement Plan. The County at its discretion may require developers to alter plans to align with the Wilson's Mills Utility Master Plan. The County at its discretion may enter into developer reimbursement agreements and joint ventures with developers on projects that align with the Utility Master Plan.

V. TERM AND RENEWAL OF AGREEMENT

- A. Effective Date of the Agreement. This Agreement shall become effective upon execution by the parties and signature by the duly authorized appointed or elected official of each party. For purposes of this Agreement, the "Effective Date" shall be the date the Agreement is executed by the last party to do so.
- B. Term of Agreement and Renewal. This Agreement shall remain in effect for ten (10) years from the Effective Date and shall be renewable automatically for additional ten (10) year term(s) unless a party provides written notice to the other party of its intent to not renew as provided in subsection C.
- C. Procedure to not renew the Agreement. Any party desiring to terminate this Agreement at the end of the initial term or any subsequent renewal term must give written notice to the other party twenty-four (24) months before the expiration of the term in which notice of nonrenewal is given.

VI. MISCELLANEOUS PROVISIONS

- A. Recitals Incorporated. The above recitals are hereby incorporated in and made a part of this Agreement as if set forth verbatim herein.
- B. Exhibits. All Exhibits or Appendixes referenced in this Agreement are incorporated herein by reference as integral parts of this Agreement.

- C. Defined Terms. Capitalized terms in this Agreement shall have the meanings ascribed to them at the point where first defined, irrespective of where their use occurs, with the same effect as if the definitions of such terms were set forth in full and at length every time such terms are used.
- D. Water Districts. The County and the Town recognize that the County provides water and wastewater service through its water districts, which are organized as distinct municipal corporations under Article 6 of Chapter 162A of the North Carolina General Statutes. The County water districts whose signatures appear below join in this Agreement for the purpose of fulfilling its purpose and the County and the Town agree that the use of the terms “party,” “parties,” or similar descriptions shall include the relevant water district or districts as may be necessary or appropriate to carry out the terms of this Agreement, and the County and Town agree that the water districts have standing to enforce the terms of this Agreement, should such enforcement become necessary.
- E. Nondiscrimination. The parties recognize and agree that, while determinations on annexations and the provision of Utility Services may be based on legitimate planning objectives of each party and that the provision of Utility Services by the County to parcels or properties within the Town’s planning or corporate limits requires cooperation, alignment, and careful planning of land uses within the Interest Area to preserve the integrity of the County’s utility system and maximize the productive use of its limited capacity which, in turn, serves the interest of all County utility ratepayers, no decision, recommendation, or action taken by either party pursuant to this Agreement shall be made or applied in a discriminatory manner.
- F. Amendment to Agreement. This Agreement, including the Boundary Maps attached hereto, may be modified or amended only by written amendments that are approved and signed on behalf of both parties in the same manner as the original adoption.
- G. No assignment without consent. Neither party shall assign this Agreement (or assign any right or delegate any obligation contained herein whether such assignment is of service, of payment, or otherwise) without the prior written consent of the other party hereto. Any such assignment without the prior written consent of the other party hereto shall be void.
- H. Governing law and venue. This Agreement shall be governed by applicable federal law and by the State of North Carolina laws without regard for its choice of law provisions. All actions relating to this Agreement shall be brought in the General Court of Justice of the State of North Carolina in Johnston County or the Federal District Court for the Eastern District of North Carolina.

- I. Dispute resolution. Should a dispute arise as to the terms of this Agreement, both parties agree that neither may initiate binding arbitration. The parties may agree to non-binding mediation of any dispute prior to bringing any suit or action.
- J. Governmental Immunity. To the extent applicable, each party does not waive its governmental immunity by entering into this Agreement and fully retains all immunities and defenses provided by law with regard to any action based on this Agreement.
- K. Non-Waiver. Failure by a party at any time to require the performance of any of the provisions of this Agreement shall in no way affect the party's right hereunder to enforce the same, nor shall any waiver by a party of any breach be held to be a waiver of any succeeding breach or a waiver of this Section.
- L. No Third-Party Beneficiaries. Nothing in this Agreement shall give any person other than the parties any rights to enforce any provision of this Agreement. There are no intended third-party beneficiaries of this Agreement.
- M. Entire Agreement. This Agreement constitutes the entire Agreement between the parties with respect to the subject matter herein. There are no other representations, understandings, or agreements between the parties with respect to such subject matter. This Agreement supersedes all prior agreements, negotiations, representations, and proposals, written or oral.
- N. Headings. The headings in this Agreement are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.
- O. Severability. The invalidity of one or more of the phrases, sentences, clauses, or sections contained in this Agreement shall not affect the validity of the remaining portion of the Agreement so long as the material purposes of this Agreement can be determined and effectuated. If a provision of this Agreement is held to be unenforceable, then both parties shall be relieved of all obligations arising under such provision, but only to the extent that such provision is unenforceable, and this Agreement shall be deemed amended by modifying such provision to the extent necessary to make it enforceable while preserving its intent.
- P. Notices.
 - 1. Delivery of Notices. Any notice, consent, or other communication required or contemplated by this Agreement shall be in writing and shall be delivered in person, by U.S. mail, by overnight courier, by electronic mail, or by facsimile to the intended recipient at the address set forth below.
 - 2. Effective Date of Notices. Any notice shall be effective upon the date of receipt by the intended recipient. Any notice sent by facsimile or electronic mail shall also be

simultaneously sent by mail deposited with the U.S. Postal Service or by overnight courier.

3. Notice Address. Communications that relate to any breach, default, termination, delay in performance, prevention of performance, modification, extension, amendment, or waiver of any provision of this Agreement shall be sent to:

- i. For the County
Attention: County Manager
Johnston County
PO Box 1049
Smithfield, NC 27577
- ii. For the Town
Attention: Town Administrator
Town of Wilson's Mills
PO Box 448
4083 Wilson's Mills Rd.
Wilson's Mills, NC 27593

Q. Signatures. Together with any amendments or modifications, this Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall be considered the same Agreement.

[This space is intentionally left blank, signature page to follow:]

IN WITNESS WHEREOF, the parties hereto, acting by and through their duly authorized representatives pursuant to the resolutions of their respective governing bodies, have caused this Agreement to be executed as of the day and year set forth below.

ATTEST:

THE COUNTY OF JOHNSTON

Dana Cuddington, County Clerk

By: _____
Patrick Harris, County Chairman

(SEAL)

Date: _____

ATTEST:

TOWN OF WILSON'S MILLS

Emily Matthews, Town Clerk

By: _____
Fleta Byrd, Town Mayor

(SEAL)

Date: _____

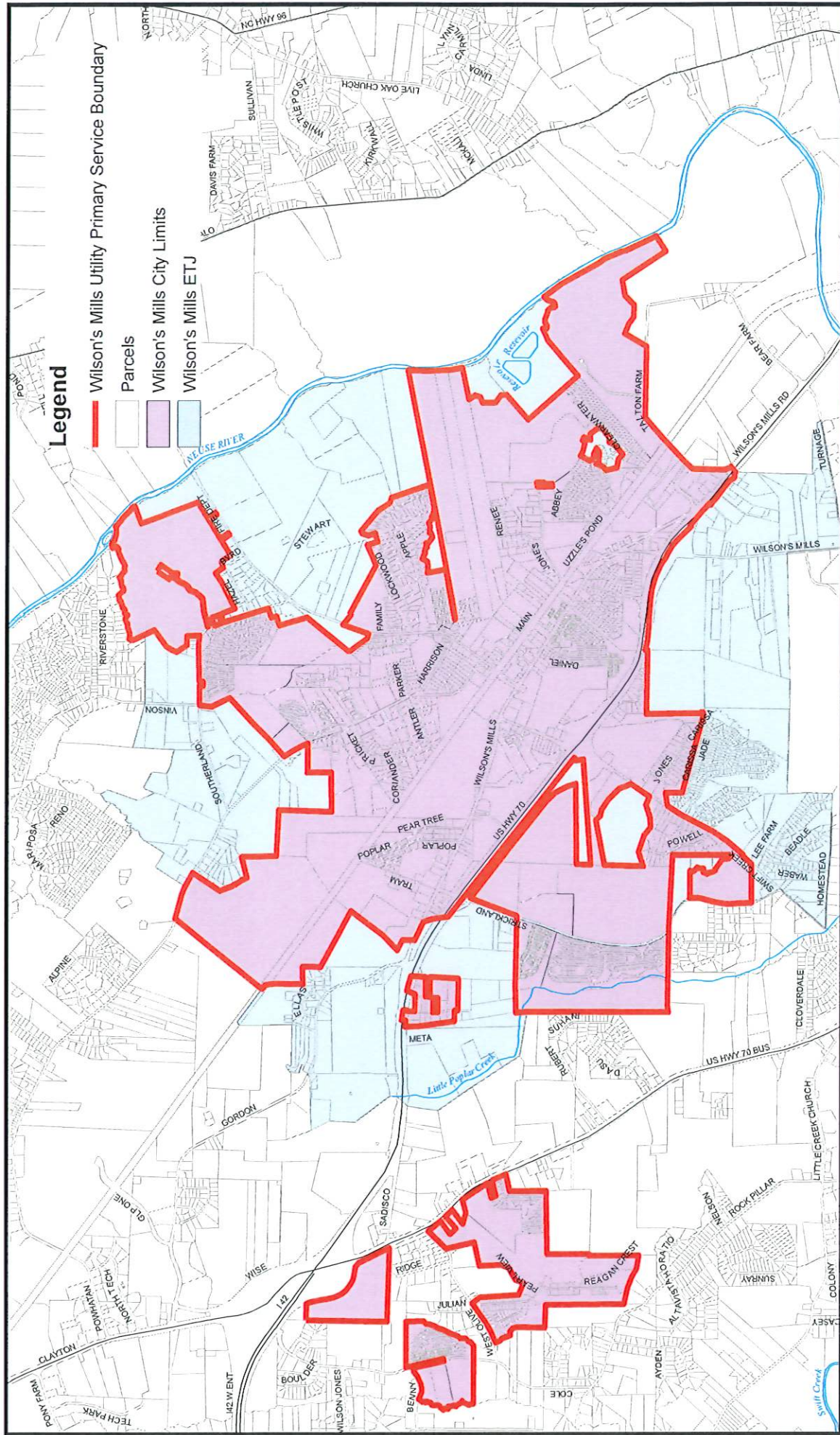
Reviewed, Approved, and Consented to by:

Wilson's Mills Water District

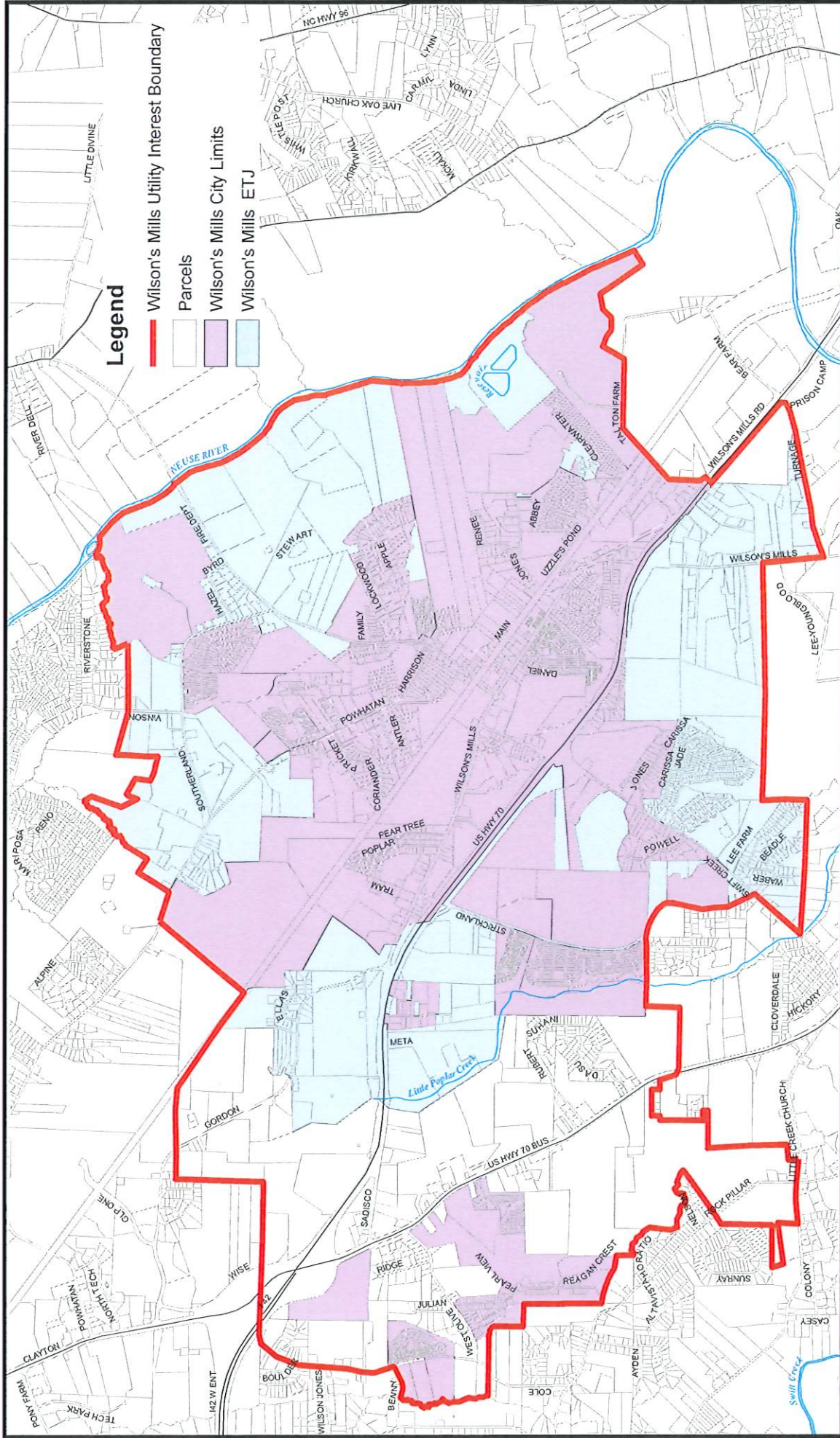
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Little Creek Water District

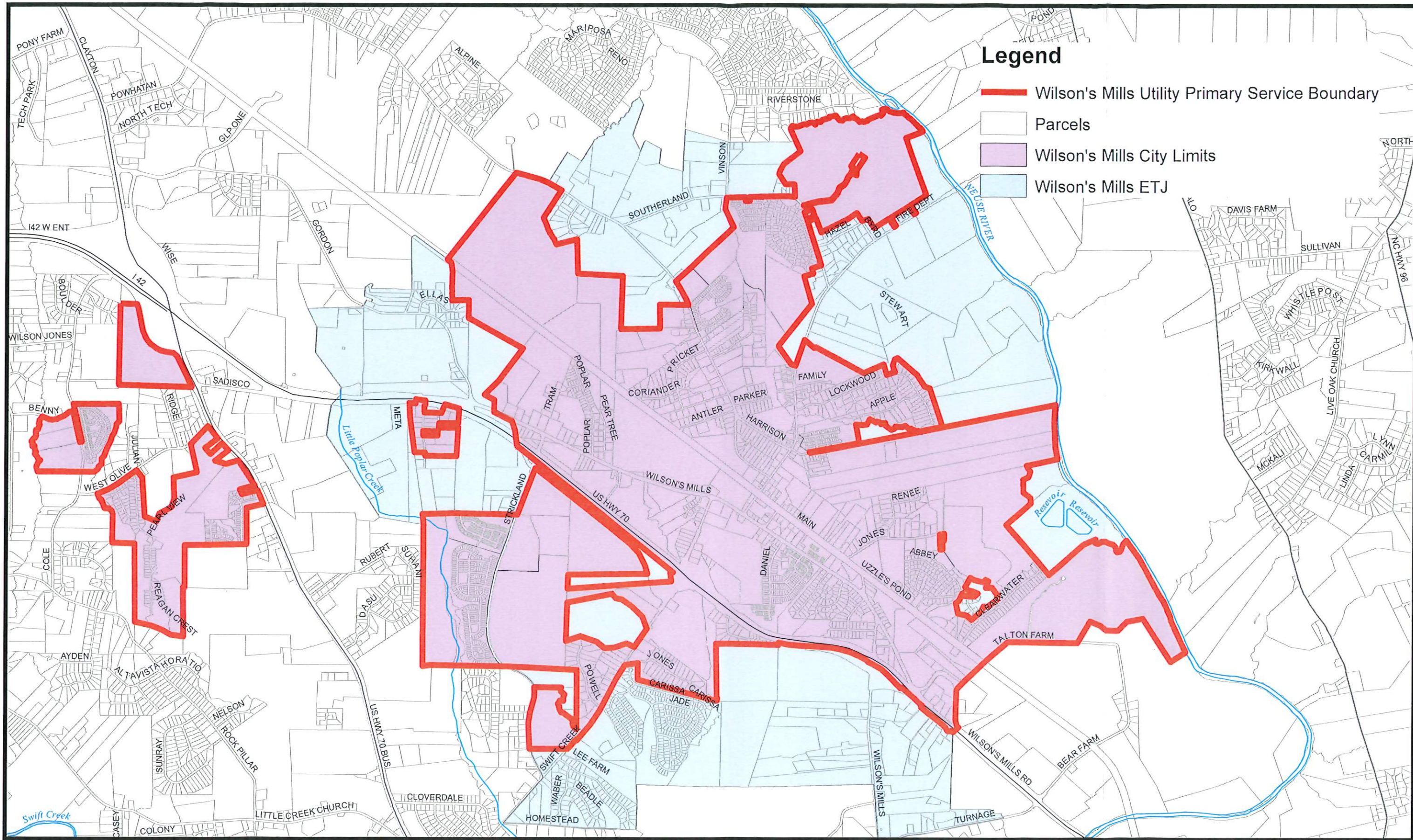
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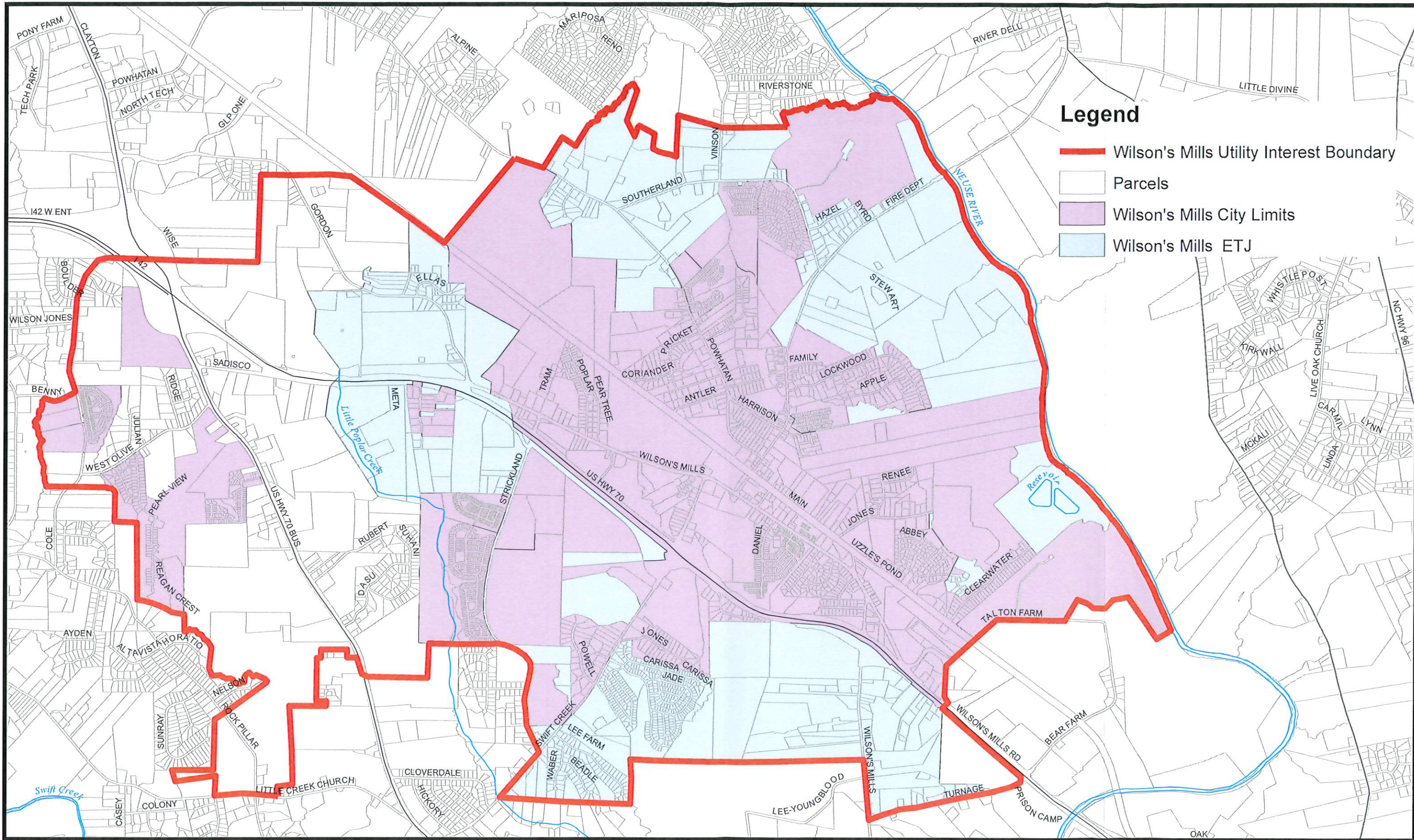


Appendix A
 Town of Wilson's Mills Primary Service Area
 June 2026



Appendix B
 Town of Wilson's Mills Long-Term Utility Interest Map
 June 2026





Appendix B
 Town of Wilson's Mills Long-Term Utility Interest Map
 June 2026



Request for Council Action

Agenda item 7c(i)

TO: Mayor Fleta Byrd and Town Council Members
FROM: Connie Lassiter, Finance Director
DATE: June 15, 2026
REQUEST: Approval of Audit Contract and Engagement Letter

STAFF REPORT:

At its May 18, 2026 regular meeting, the Town Council awarded Thompson, Price, Scott, Adams & Co., P.A. (TPSA) a three-year contract for audit services at \$13,500 per year for FY2026, FY2027, and FY2028, with an additional \$3,000 if a single audit is required.

The Town has received the FY2026 Audit Contract and the Engagement Letter which provides more details regarding the Town's and TPSA's responsibilities related to the annual audit. This contract and letter will need to be signed by the Mayor and Finance Officer.

FISCAL IMPACT: \$16,500 (Budgeted 10-4110-191 for expenditure in FY2026-2027)

ATTACHMENT(S):

Contract to Audit Accounts
Engagement Letter

ACTION REQUESTED:

A motion to authorize the Mayor and Finance Officer to sign the Audit Contract and Engagement Letter allowing Thompson, Price, Scott, Adams & Co, P.A. to perform audit services for the Town of Wilson's Mills.

The	Governing Board TOWN COUNCIL
of	Primary Government Unit TOWN OF WILSON'S MILLS
and	Discretely Presented Component Unit (DPCU) (if applicable) N/A

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

and	Auditor Name THOMPSON, PRICE, SCOTT, ADAMS & CO, P.A.
	Auditor Address 1626 S MADISON STREET, WHITEVILLE, NC 28472

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/26	Date Audit Will Be Submitted to LGC 12/31/26
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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:

FEES FOR AUDIT SERVICES

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

Financial statements were prepared by: Auditor Governmental Unit Third Party

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

Name:	Title and Unit / Company:	Email Address:
Connie Lassiter	Finance Officer / Wilson's Mills	classiter@wilsonmillsnc.org

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

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

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

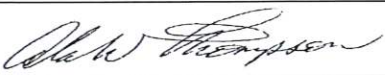
4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC,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

Primary Government Unit	TOWN OF WILSON'S MILLS
Audit Fee (financial and compliance if applicable)	\$ 11,500
Fee per Major Program (if not included above)	\$ 3,000
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	\$ 2,000
All Other Non-Attest Services	\$
TOTAL AMOUNT NOT TO EXCEED	\$ 16,500

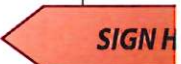
Discretely Presented Component Unit	N/A
Audit Fee (financial and compliance if applicable)	\$
Fee per Major Program (if not included above)	\$
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	\$
All Other Non-Attest Services	\$
TOTAL AMOUNT NOT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

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* THOMPSON, PRICE, SCOTT, ADAMS & CO, P.A.	
Authorized Firm Representative (typed or printed)* ALAN W. THOMPSON	Signature* 
Date* 05/27/26	Email Address* alanthompson@tpsacpas.com

GOVERNMENTAL UNIT

Governmental Unit* TOWN OF WILSON'S MILLS	
Date Governing Board Approved Audit Contract* (Enter date in box to right)	✓
Mayor/Chairperson (typed or printed)* ✓	Signature* 
Date ✓	Email Address* ✓

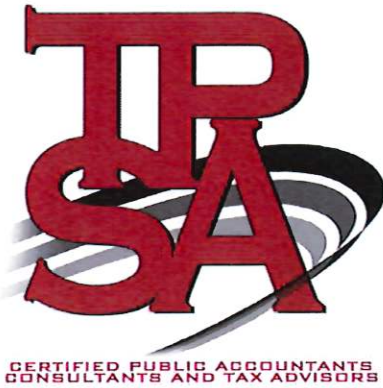
✓ Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

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:	\$	16,500
Primary Governmental Unit Finance Officer* (typed or printed) ✓	Signature* ✓	
Date of Preaudit Certificate* ✓	Email Address* ✓	✓



Thompson, Price, Scott, Adams & Co, P.A.

P.O. Box 398

1626 S Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

May 27, 2026

Town of Wilson's Mills
PO Box 448
4083 Wilson's Mills Rd
Wilson's Mills, NC 27577

To Management and Those Charged With Governance:

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

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements, of Town of Wilson's Mills 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 Town of Wilson's Mills'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 Town of Wilson's Mills'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. Schedule of Town's Proportionate Share of Net Pension Liability (Asset) and Schedule of Contributions - LGERS
3. Schedule of Changes in Total Pension Liability and Schedule of Total Pension Liability as a Percentage of Covered Payroll – Law Enforcement Officers' Special Separation Allowance

We have also been engaged to report on supplementary information other than RSI that accompanies Town of Wilson's Mills'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 auditors' report on the financial statements:

1. Combining and Individual Fund Financial Statements, Budgetary Schedules, and Other Schedules

Members

American Institute of CPAs - N.C. Association of CPAs – AICPA's Private Companies Practice Section

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatements, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and to 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*.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Town of Wilson's Mills 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 underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable rather than absolute 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 entity or to acts by management or employees acting on behalf of the entity. 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 and 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 may exist and 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. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes 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. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmission, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

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 and may include tests of the physical existence of inventories (if material), and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

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 safeguard 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 entity and its environment, including internal control, sufficient to 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. 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*. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. 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 and *Government Auditing Standards*.

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 Wilson's Mills's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit 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*.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand our responsibility for 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 evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and 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 fair presentation of the financial statements 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 and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, 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); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statement date or shortly thereafter (for example, within an addition three months if currently known). 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) additional information that we may request for the purpose of the audit, and (3) 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 your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written 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 or illegal acts 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 entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America (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 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) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that 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. With regard to publishing the financial statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information on the website with the original document.

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 other 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 and related notes of the Town of Wilson's Mills in conformity with U.S. generally accepted accounting principles based on information provided by you. We may also assist in preparing year-end cash to accrual entries and GASB related entries and updating the depreciation schedule if needed. 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 statement preparation and other services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedures or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide, to include making any adjusting journal entries. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements 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 (Connie Lassiter), preferably from senior management, who possesses suitable skill,

knowledge, and/or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing. We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If for whatever reason your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate. We will not undertake any accounting services (including but not limited to reconciliation of accounts and preparation of requested schedules) without obtaining approval through a written change order or additional engagement letter for such additional work.

We will provide copies of our reports to the Town; 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 Thompson, Price, Scott, Adams & Co, P.A. 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 requesting Regulators 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 Thompson, Price, Scott, Adams & Co, P.A. 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. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the audit documentation.

Alan Thompson is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign them. We expect to begin our audit on approximately June 15, 2026 and to issue our reports no later than December 31, 2026, with final copies being provided to the Town upon approval by the Local Government Commission.

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, etc.) except that we agree that our gross fee, including expenses, will not exceed \$13,500. We quoted a not to exceed price of \$16,500 in the event that the Town had one major compliance program to test, but we are initially planning for no major programs. However, any additional fees incurred in obtaining required audit evidence (i.e. bank confirmations) will be billed directly to the Town. 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 60 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. 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 audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue a written report upon completion of our audit of the Town of Wilson's Mills's financial statements. Our report will be addressed to the Mayor and Town Council of the Town of Wilson's Mills. We cannot provide assurance that unmodified opinions will be expressed. 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 emphasis-of-matter or other-matter paragraphs, or if necessary, withdraw from this engagement. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that 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 on compliance, and (2) that 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 paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Town of Wilson's Mills is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We appreciate the opportunity to be of service to the Town of Wilson's Mills 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 enclosed copy and return it to us.

Very truly yours,



Alan W. Thompson, CPA
Thompson, Price, Scott, Adams & Co., P.A.

RESPONSE:

This letter correctly sets forth the understanding of the Town of Wilson's Mills.

Management signature: _____

SIGN HERE

Title: _____



Date: _____



Governance signature: _____

SIGN HERE

Title: _____



Date: _____



CC: Mayor and Town Council

Request for Council Action

Agenda item 7c(ii)

TO: Mayor Fleta Byrd and Town Council Members
FROM: Connie Lassiter, Finance Director
DATE: June 15, 2026
REQUEST: Authorize the Town to Engage in Electronic Payments

STAFF REPORT:

State law requires local governments to pre-audit and encumber liabilities and pre-audit disbursements. Electronic payments often are the most difficult to preaudit. The point of transaction often occurs off-site or on the vendor's proprietary software. A local unit, therefore, cannot easily include a signed pre-audit certificate.

NCGS § 159-28(d2) updated by 2015 legislature assigned the Local Government Commission staff with developing standards by which local government can comply with statutory requirements for these transactions. The attached LGC Memorandum #2018-05 outlines the requirements for the exemption from the pre-audit certificate and disbursement certificate on electronic transactions.

This exemption eliminates the problem. It only applies, however, if the local unit follows the rules adopted by the LGC. The LGC rules are considered a safe harbor. In other words, the law presumes compliance with the statutory preaudit requirements if a finance officer follows the LGC rules. The rules must ensure that a local unit properly performs the other steps in the preaudit process before undertaking an electronic transaction.

The first step in complying with the LGC rules is to adopt the resolution authorizing the Town to engage in electronic payments.

FISCAL IMPACT: None

ATTACHMENT(S):

LGC Memorandum #2018-05
Resolution Authorizing Town of Wilson's Mills to Engage in Electronic Payments

ACTION REQUESTED:

Move to approve the Resolution Authorizing Town of Wilson's Mills to Engage in Electronic Payments



Dale R. Folwell, CPA

STATE AND LOCAL GOVERNMENT FINANCE DIVISION
AND THE LOCAL GOVERNMENT COMMISSION

GREGORY C. GASKINS
DEPUTY TREASURER

Memorandum # 2018-05

To: Finance Officers of Local Governments and LEAs

From: Sharon Edmundson, Director, Fiscal Management Section

Subject: Changes to Pre-audit Certification Requirements for Electronic Obligations and Payments; Administrative Code - 20NCAC 03 .0409 and 20 NCAC 03 .0410

Date: March 12, 2018

The 2015 legislature modified GS 159-28 (d2) (local governments) and 115C-441(d2) (local school administrative units) to allow the Local Government Commission (LGC) to adopt rules to address the execution of the pre-audit and disbursement process related to electronic transactions for local government and local school administrative units. The new pre-audit and disbursement rules were effective as of November 1, 2017, and exist as part of the North Carolina Administrative Code (20 NCAC 03.0409 and 20 NCAC 03.0410).

Units of government can now be exempt from the pre-audit certificate and disbursement certificate requirements on electronic transactions ***if they follow the requirements as detailed in the new administrative code rules***. The purpose of this memorandum is to briefly outline the requirements that will allow local governments to take advantage of these changes for electronic transactions utilizing the following:

- (1) charge cards;
- (2) credit cards;
- (3) debit cards;
- (4) gas cards;
- (5) procurement cards; or
- (6) electronic funds transfers

It is important to note that ***none of these rule changes exempt a unit of government from going through the pre-audit process***; the rules only exempt a unit from affixing the certificate of pre-audit on electronic transactions IF the unit abides by the rules set forth in the administrative code.

Requirements to Take Advantage of Pre-Audit Certificate Exemption on Electronic Obligations

There are multiple steps a unit of government must take in order to take advantage of the rule change for electronic **obligations**. These steps are:

1. The unit's governing board shall adopt a resolution authorizing the unit to engage in electronic payments as defined by G.S. 159-28 or G.S. 115C-441 (see Addendum A for a sample resolution).
2. The unit's board must adopt policies and procedures for electronic obligations or delegate the authority and responsibility for writing those policies and procedures to the finance officer.
3. The written policy must outline the basic procedures for pre-auditing obligations incurred by electronic transactions. The written policy and any procedures developed by the finance officer must provide sufficient internal controls over the obligation process, which must include the following:
 - a. Ensure that there is an appropriate budget ordinance or project/grant ordinance appropriation authorizing the obligation;
 - b. ensure that sufficient monies remain within the appropriation to cover the amount that is expected to be paid out during the current fiscal year if accounted for in the budget ordinance, or to cover the entire amount if accounted for in a project or grant ordinance.
 - c. Record the amount of the transaction in the unit's encumbrance system.
4. The unit must provide training to all personnel about the written policy and the procedures that must be followed before undertaking an electronic transaction.
5. If a governmental unit is not already doing so, the unit of government must present to its governing board at least quarterly a budget to actual statement by fund that includes budgeted accounts, actual payments made, amounts encumbered (including electronic obligations) and the amount of the budget that is unobligated.
6. The unit's written policy and procedures must include a method to track obligations, commonly called an encumbrance system. The system can be manual or maintained as part of the unit's accounting system or any combination thereof.

Requirements to Take Advantage of Disbursement Certificate Exemption on Electronic Payments

Likewise there are multiple steps a unit of government must take in order to take advantage of the rule change for electronic **payments**. These steps are:

1. The unit's governing board shall adopt a resolution authorizing the unit to engage in electronic payments as defined by G.S. 159-28 or G.S. 115C-441 (see Addendum A for a sample resolution).

2. The unit's board must adopt policies and procedures for electronic payments or delegate the authority and responsibility for writing those policies and procedures to the finance officer.
3. The unit must adopt a written policy outlining basic procedures for disbursing public funds electronically. The written policy must provide sufficient internal controls to ensure the following:
 - a. ensure that the amount claimed is payable;
 - b. ensure that there is an appropriate budget ordinance or project/grant ordinance appropriation authorizing the expenditure;
 - c. ensure that sufficient monies remain within the appropriation to cover the amount that is due to be paid out during the current fiscal year if accounted for in the budget ordinance, or to cover the entire amount if accounted for in a project/grant ordinance; and
 - d. ensure that the unit has sufficient cash to cover the payment.

Some of the questions we have received about this new process, along with our responses, are noted below.

Q *Does the board's delegation of authority to the finance officer to develop the policies and procedures need to be in writing?*

A. Yes.

Q *My unit already publishes monthly budget-to-actual financial reports on its website – will these suffice for the requirement to provide these reports to the board?*

A. We believe so if they meet all the other requirements listed.

While these changes do not address all the business challenges that local governments face in operating in an increasingly electronic environment, they should provide a way for entities to more easily operate within the requirements of the General Statutes in this particular area.

If you have any questions or concerns about this publication, please contact us at (919) 814-4299 or via email at Sharon.edmundson@nctreasurer.com

**RESOLUTION AUTHORIZING TOWN OF WILSON'S MILLS
TO ENGAGE IN ELECTRONIC PAYMENTS**

WHEREAS, it is the desire of the Town Council that the Town of Wilson's Mills is authorized to engage in electronic payments as defined by G.S. 159-28; and

WHEREAS, it is the responsibility of the Finance Officer to adopt a written policy outlining procedures for pre-auditing obligations that will be incurred by electronic payments as required by NC Administrative Code 20 NCAC 03 .0409; and

WHEREAS, it is the responsibility of the Finance Officer to adopt a written policy outlining procedures for disbursing public funds by electronic transaction as required by NC Administrative Code 20 NCAC 03 .0410;

NOW, THEREFORE, BE IT RESOLVED, by the Town Council of the Town of Wilson's Mills:

Section 1. Authorizes the Town of Wilson's Mills to engage in electronic payments as defined by G.S. 159-28 or G.S. 115C-441; and

Section 2. Authorizes the Finance Officer to adopt a written policy outlining procedures for pre-auditing obligations that will be incurred by electronic payments as required by NC Administrative Code 20 NCAC 03 .0409; and

Section 3. Authorizes the Finance Officer to adopt a written policy outlining procedures for disbursing public funds by electronic transactions as required by NC Administrative Code 20 NCAC 03 .0410; and

Section 4. This resolution shall take effect upon approval by the Town Council.

Adopted this 15th day of June 2026.

Fleta Byrd, Mayor

ATTEST:

Emily Matthews, CMC. Town Clerk