

TOWN OF GARNER
Town Council Regular Meeting Agenda

May 05, 2026 | 06:00 PM

Ronnie S. Williams Council Chambers
Garner Town Hall | 900 7th Avenue | Garner, NC 27529

Mayor Buddy Gupton | Mayor Pro Tem Demian Dellinger
Council Members Phil Matthews, Gra Singleton, Kelvin Stallings, and Elmo Vance

A. CALL MEETING TO ORDER

Proposed Action:

1. COUNCIL ROLL CALL

2. PLEDGE OF ALLEGIANCE

Council Member Elmo Vance will lead the Pledge of Allegiance.

3. INVOCATION

Police Chaplain Louis Long will deliver the invocation.

B. ADOPTION OF AGENDA

Proposed Action:

Motion to adopt the regular meeting agenda.

C. PRESENTATIONS

1. Public Works Week Proclamation 2026

Page 4

Proclamation recognizing the week of May 17-23, 2026 as National Public Works Week.

2. National Police Week Proclamation 2026

Page 6

Proclamation in honor of National Peace Officers Memorial Day, May 15 and National Police Week, May 10-16, 2026.

3. Presentation of the FY2027 Budget

Page 8

Sponsor(s): Jodi Miller, Town Manager and Sara Warren, Budget Director

The Town Manager will present the FY27 Recommended Budget to Town Council and Community.
Town Council will discuss the FY27 in more detail during the May 15 Budget Work Session.

D. PETITIONS AND COMMENTS

This portion of the meeting is to receive comments from the public on items not included in this agenda regarding matters germane to Town policies or business or subjects within the Town Council's real or

apparent jurisdiction. Individuals or group spokespersons must sign up with the Town Clerk prior to the start of the meeting.

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The Council is interested in hearing your concerns but will not take action or deliberate on subject matter brought up during the Petitions and Comments segment. Topics requiring further investigation will be referred to the appropriate town officials or staff and may be scheduled for a future agenda.

Each speaker is limited to three (3) minutes.

E. CONSENT

Proposed Action:

Motion to approve all items on the consent agenda.

1. Emergency Purchase/Repair Authorization – Sewer Lift Pump Page 26
Sponsor(s): David Beck, Finance Director and Forrest Jones, Public Works Director
An emergency purchase/repair authorization for replacing a sewer lift pump serving the Garner Police Department and Fire Administration buildings.
Proposed Action:
Adopt Resolution (2026) 2694

2. Bid Award – Bryan Road Improvements Project Page 30
Sponsor(s): Leah Harrison, Town Engineer
Award the construction bid for Bryan Road Improvements Project.
Proposed Action:
Award the bid for the Bryan Road Improvements Project, authorize the Town Manager to execute the contract in the amount of \$1,049,100.00 with Fred Smith Construction, and adopt Ordinance (2025) 5341E approving the budget amendment of \$242,271.00 for Bryan Road Improvements Project.

3. ANX-26-002, Gregory Poole Equipment HQ2 Page 35
Sponsor(s): Alex Bone, GIS Analyst and Jeff Triezenberg, Planning Director
Voluntary contiguous annexation petition (ANX-26-002) submitted by Rick Baker, Timmons Group, to bring 140.961 +/- acres into the corporate limits of the Town of Garner (127.981-acre parcel along with 12.98 +/- acres of intervening right-of-way). The property is generally located at 5100 Raynor Road; and may be otherwise identified as Wake County PIN #(s) 1730148232.
Proposed Action:
Adopt Resolution (2026) 2695 to set public hearing for May 19, 2026.

4. Audit Contract for Fiscal Year 2025-2026 Page 38
Sponsor(s): David Beck, Finance Director
The FY 2025-2026 audit contract proposal has been received from Mauldin & Jenkins. The proposal includes the basic audit fee, a required federal Single Audit, and financial statement preparation services.
Proposed Action:
Award contract to Mauldin & Jenkins to perform the FY 2025-2026 audit and authorize the Town

Manager to execute the contract.

5. Preserving Home Additional Funding

Page 61

Sponsor(s): Jodi Miller, Town Manager

Provide additional funding to Preserving Home for Garner home rehabilitation.

Proposed Action:

Adopt Budget Amendment (2026) 5340M

F. NEW/OLD BUSINESS

1. Tryon Station Conversion to Income Averaging

Page 65

Sponsor(s): John Hodges, Assistant Town Manager

The Tryon Station affordable housing project, in which the Town holds a funding position, has a unique opportunity to convert the project funding structure to serve a broader range of incomes.

Proposed Action:

Approve conversion of the Tryon Station affordable housing project to income averaging methodology and authorize the Town Manager to execute amended closing documents.

G. PUBLIC HEARINGS

H. UPDATES TO COUNCIL

1. COMMITTEE REPORTS

2. MANAGER REPORTS

3. ATTORNEY REPORTS

4. COUNCIL REPORTS

I. CLOSED SESSION

Proposed Action:

Pursuant to N.C. General Statutes Section 143.318.11(a)(3), motion to consult with the Town Attorney regarding litigation or settlement of a claim.

J. ADJOURN

TOWN OF GARNER

Town Council Meeting - Agenda Form

Item Title	Public Works Week Proclamation 2026
Meeting Date	May 5, 2026
Department	Public Works
Staff Contact	
Presenters	
Total Cost	
Funding Source	

Agenda Summary

Proclamation recognizing the week of May 17-23, 2026 as National Public Works Week.

Executive Summary

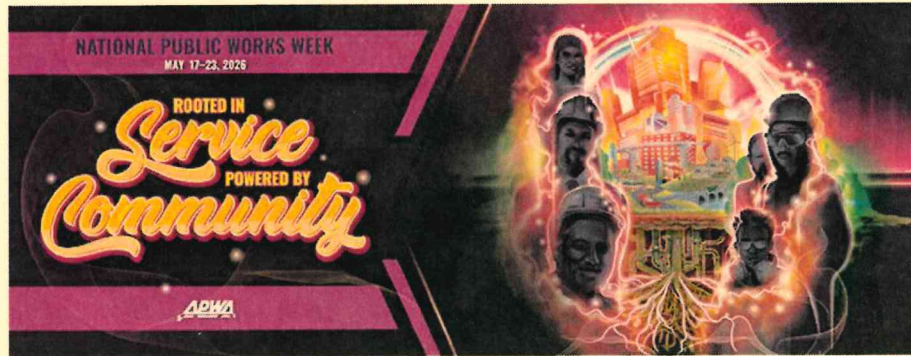
Attachments

Manager's Comments & Recommendations

Proclamation

National Public Works Week

May 17–23, 2026



WHEREAS, public works professionals focus on infrastructure, facilities, and services that are of vital importance to sustainable and resilient communities, public health, high quality of life, and well-being of the people of the Town of Garner; and

WHEREAS, these infrastructure, facilities, and services could not be provided without the dedicated efforts of public works professionals, managers, and employees at all levels of government and the private sector, who are responsible for rebuilding, improving, and protecting our nation's transportation, water supply, water treatment and solid waste systems, public buildings, and other structures and facilities essential for our citizens; and

WHEREAS, it is in the public interest for the citizens, civic leaders, and children in the Town of Garner to gain knowledge of and maintain an ongoing interest and understanding of the importance of public works and public works programs in their respective communities; and

WHEREAS, the year 2026 marks the 66th annual National Public Works Week sponsored by the American Public Works Association.

NOW, THEREFORE, I, Buddy Gupton, Mayor of the Town of Garner, do hereby proclaim the week of May 17–23, 2026, as National Public Works Week. I urge all citizens to join with representatives of the American Public Works Association and government agencies in activities, events, and ceremonies designed to pay tribute to our public works professionals, managers, and employees and to recognize the substantial contributions they make to protecting our national health, safety, and advancing quality of life for all.



In Witness Whereof, I have hereunto set my hand and caused the Great Seal of the Town of Garner, North Carolina, to be affixed this the 5th day of May 2026.

Buddy Gupton
Buddy Gupton, Mayor

TOWN OF GARNER

Town Council Meeting - Agenda Form

Item Title	National Police Week Proclamation 2026
Meeting Date	May 5, 2026
Department	Police
Staff Contact	
Presenters	Chris Adams, Police Chief
Total Cost	
Funding Source	

Agenda Summary

Proclamation in honor of National Peace Officers Memorial Day, May 15 and National Police Week, May 10-16, 2026.

Executive Summary

Attachments

Manager's Comments & Recommendations

PROCLAMATION

PEACE OFFICERS' MEMORIAL DAY POLICE WEEK IN GARNER

WHEREAS, the Congress and President of the United States, through Public Law 87-726 signed by President John F. Kennedy in 1962, proclaimed May 15th as National Peace Officers Memorial Day and the calendar week in which May 15th falls, as National Police Week; and

WHEREAS, Public Law 103-322, signed by President William Clinton in 1994, directs that the flag of the United States on all Government buildings be displayed at half-staff on May 15th of each year; and

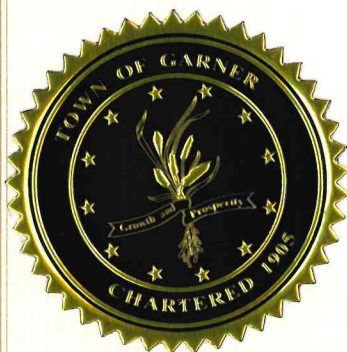
WHEREAS, the members of the Garner Police Department play an essential role in safeguarding the rights and freedoms of the Town of Garner; and

WHEREAS, it is important that all citizens know and understand the duties, responsibilities, hazards, and sacrifices of their law enforcement agency, and that members of our law enforcement agency recognize their duty to serve the people by safeguarding life and property, by protecting them against violence and disorder, and by protecting the innocent against deception and the weak against oppression; and

WHEREAS, the men and women of the Garner Police Department unceasingly provide a vital public service.

NOW THEREFORE, I Buddy Gupton, Mayor of the Town of Garner, North Carolina, do call upon all citizens of the Town of Garner and upon all patriotic, civic and educational organizations to observe the Week of May 10-16, 2026 as National Police Week with appropriate ceremonies and observances in which all of our people may join in commemorating law enforcement officers, past and present, who by their faithful and loyal devotion to their responsibilities, have rendered a dedicated service to their communities and, in so doing, have established for themselves an enviable and enduring reputation for preserving the rights and security of all citizens.

FURTHER, I call upon all citizens of Garner to observe May 15, 2026, as Peace Officers' Memorial Day in honor of those law enforcement officers who, through their courageous deeds, have made the ultimate sacrifice in service to their community or have become disabled in the performance of duty, and let us recognize and pay respect to the survivors of our fallen heroes.



In Witness Whereof, I have hereunto set my hand and caused the Great Seal of the Town of Garner, North Carolina, to be affixed the 5th day of May 2026.

Buddy Gupton
Buddy Gupton, Mayor

TOWN OF GARNER

Town Council Meeting - Agenda Form

Item Title	Presentation of the FY2027 Budget
Meeting Date	May 5, 2026
Department	Town Manager's Office
Staff Contact	Jodi Miller, Town Manager, Sara Warren, Budget Director
Presenters	Jodi Miller, Town Manager
Total Cost	
Funding Source	

Agenda Summary

The Town Manager will present the FY27 Recommended Budget to Town Council and Community. Town Council will discuss the FY27 in more detail during the May 15 Budget Work Session. The budget hearing is scheduled for the May 19 Council Meeting.

The FY27 Recommended budget can be found at: [FY27 Recommended Budget](#).

Executive Summary

The FY27 Budget portal can be found at: garnernc.gov/fy27budget.

Attachments

Information from Baker Tilley on 2026 Classification and Compensation Study provided.

Manager's Comments & Recommendations



Classification and Compensation Study



Project Overview

COMPLETE

- ✓ **Data Collection:** project planning meetings, DDQs, data requested from the Town.
- ✓ **Position Review:** using existing or updated job descriptions to adjust titles and conduct job evaluation to establish internal equity.
- ✓ **Market Assessment:** collection of base pay, benefits, and pay practice information from peer organizations.

IN PROGRESS

- **Pay Plan Development:** pay plan development, grade assignments, and implementation calculations.

NEXT

- **Project Completion:** final report delivered, final presentation, project documentation delivery.



Project Overview

Position Review

- Job Evaluation: We conducted job evaluation using our point factor tool, called SAFE® for all 137 positions. This process establishes a hierarchy of jobs within the organization that is reflective of internal equity.
 - *This is a measurement of the position, NOT the person in the position.*
- The 9 compensable factors:

1. Education	6. Working Conditions
2. Experience	7. Independence to Act
3. Level of Work	8. Impact of Actions
4. Human Relations	9. Supervision Exercised
5. Physical Demands	
- *SAFE is compatible and compliant with the Federal Equal Pay Act.*
- *Baker Tilly will assess the Fair Labor Standards Act (FLSA) designation for each position to support the Town in determining appropriate exempt or nonexempt status.*



Project Overview

Market Assessment

- Peer Organizations (12): We partnered with you to identify comparable and competitive peer organizations to include in the study. These are organizations that look like you and work like you relative to size (revenue, population served, or number of employees), service offerings, geography, growth, etc.
 - Published salary survey data will be incorporated as a private sector comparison: Comp Analyst and Economic Research Institute.
- Benchmark Positions: 137 positions (100%) were included in the market survey.
- Quality & Quantity: Looking for a 75% overlap in duties as responsibilities (best practice) to be considered a “good match”. We want 3 to 5 “good matches” per benchmark to calculate market value.
- Data Adjustment: Differences in work week, fiscal year, and geographic labor cost. *We do not weight the data to give preferences to peers.*
 - Reports demonstrating market average minimum, midpoint, and maximum by benchmark; a comparison of current midpoints vs. market; a comparison of current ranges vs. market.



Market Assessment: Peer Organizations

- The Town identified 12 public peer organizations to be included in the study
- We were able to collect and compile data from all 12 peers.
- Data from **2 published surveys** was included to represent the “private sector”

1. Apex, NC
2. Wake County, NC
3. Cary, NC
4. Chapel Hill, NC
5. Clayton, NC
6. Fuquay-Varina, NC
7. Holly Springs, NC
8. Wake Forest, NC
9. Morrisville, NC

10. Raleigh, NC
11. Knightdale, NC
12. Wendell, NC
13. Comp Analyst
14. Economic Research Institute



Market Assessment: Cost of Labor Differentials

Where cost of living is a measurement of goods and services in each area, the cost of labor is a measurement of compensation paid.

Cost of labor can be impacted by the cost of living but is mainly influenced by the supply and demand of labor in each area (rate of unemployment and number of qualified laborers).

Peer #	Peer Name	Public or Private	Cost of Labor	COL Adjust	Locality used
Client	Garner, NC	Client	101.8	\$ 83,900	Garner, NC
1	Apex, NC	Public	102.0	-0.2%	Apex, NC
2	Wake County, NC	Public	102.0	-0.2%	Raleigh, NC
3	Cary, NC	Public	101.9	-0.1%	Cary, NC
4	Chapel Hill, NC	Public	105.8	-4.0%	Chapel Hill, NC
5	Clayton, NC	Public	99.6	2.2%	Clayton, NC
6	Fuquay-Varina, NC	Public	102.0	-0.2%	Fuquay-Varina, NC
7	Holly Springs, NC	Public	102.0	-0.2%	Holly Springs, NC
8	Wake Forest, NC	Public	102.1	-0.3%	Wake Forest, NC
9	Morrisville, NC	Public	102.0	-0.2%	Morrisville, NC
10	Raleigh, NC	Public	102.0	-0.2%	Raleigh, NC
11	Knightdale, NC	Public	102.0	-0.2%	Raleigh, NC
12	Wendell, NC	Public	102.0	-0.2%	Wendell, NC
A	Comp Analyst	Private	94.7	7.1%	North Carolina State Average
B	ERI	Private	94.7	7.1%	North Carolina State Average

Cost of labor differentials collected from Economic Research Institutes Geographic Assessor tool which utilizes figures published by the Bureau of Labor Statistics.

Market Assessment: Results

- In total, 137 positions were included in the market survey as benchmark positions.
- Of those, 131 positions had sufficient data (≥ 3 matches).
- Overall, the study yielded market values for 96% of the Towns benchmark positions.
- Average minimum, midpoint, and maximum results were prepared for all benchmarks.
 - *Benchmarks had 7.56 matches on average.*
 - *46.7% of the benchmarks had 8 or more matches each.*

-
- A comparison of current midpoints vs. the market average midpoint was also prepared.
 - **On average, Garner's salary ranges are:**
 - 2.8% **below** market at the minimum
 - 5.2% **below** market at the midpoint
 - 7.7% **below** market at the maximum

Lag	"At Market"	Lead
< 95%	95-105%	> 105%
59	64	10
45%	49%	6%

Market Assessment

What is The Market?

MIN

MID

MAX

Market Midpoint

Lead Market

MIN

MID

MAX

Market Midpoint

Match Market

MIN

MID

MAX

Market Midpoint

Lag Market

Project Overview

Pay Plan Development

- Pay Plan: We are making recommendations to adjust the existing pay structure tailored to the study's results.
- Grade assignments: will be based on internal equity (job evaluation), external equity (market), and existing equity (current midpoints and grade groupings) with consideration to career progressions, supervisor separation, business needs, etc.
 - We are recommending that department heads be included in a preliminary review of grade assignments.
- Implementation: We will prepare implementation calculations across 3 scenarios that will assist your organization in adopting the new classification and compensation system.



Current General Pay Plan

Grade	Minimum	Midpoint	Maximum	Range Spread	Mid Diff %
5	\$ 35,638	\$ 44,961	\$ 54,284	52%	
6	\$ 37,403	\$ 47,201	\$ 56,998	52%	5%
7	\$ 39,279	\$ 49,562	\$ 59,845	52%	5%
8	\$ 41,242	\$ 52,044	\$ 62,846	52%	5%
9	\$ 43,295	\$ 54,638	\$ 65,980	52%	5%
10	\$ 45,457	\$ 57,373	\$ 69,289	52%	5%
11	\$ 47,730	\$ 60,242	\$ 72,754	52%	5%
12	\$ 50,135	\$ 63,254	\$ 76,372	52%	5%
13	\$ 52,629	\$ 66,410	\$ 80,191	52%	5%
14	\$ 55,255	\$ 69,731	\$ 84,207	52%	5%
15	\$ 58,035	\$ 73,228	\$ 88,421	52%	5%
16	\$ 60,927	\$ 76,881	\$ 92,835	52%	5%
17	\$ 63,971	\$ 80,720	\$ 97,469	52%	5%
18	\$ 67,171	\$ 84,759	\$ 102,346	52%	5%
19	\$ 70,525	\$ 88,995	\$ 107,465	52%	5%
20	\$ 74,056	\$ 93,453	\$ 112,849	52%	5%
21	\$ 77,763	\$ 98,120	\$ 118,476	52%	5%
22	\$ 81,647	\$ 103,030	\$ 124,413	52%	5%
23	\$ 85,729	\$ 108,182	\$ 130,635	52%	5%
24	\$ 90,010	\$ 113,589	\$ 137,167	52%	5%
25	\$ 94,512	\$ 119,260	\$ 144,007	52%	5%
26	\$ 99,234	\$ 125,229	\$ 151,224	52%	5%
27	\$ 104,199	\$ 131,485	\$ 158,770	52%	5%
28	\$ 109,407	\$ 138,061	\$ 166,714	52%	5%
29	\$ 114,879	\$ 144,968	\$ 175,056	52%	5%
30	\$ 120,617	\$ 152,205	\$ 183,793	52%	5%
31	\$ 126,663	\$ 159,829	\$ 192,995	52%	5%
32	\$ 132,996	\$ 167,818	\$ 202,639	52%	5%
33	\$ 139,638	\$ 176,203	\$ 212,767	52%	5%
34	\$ 146,611	\$ 185,008	\$ 223,404	52%	5%
35	\$ 153,938	\$ 194,254	\$ 234,569	52%	5%

Current Pay Plan

- Open plan structure (no steps)
- 31 pay grades
- 52% range spreads (distance from min to max)
- 5% consistent midpoint differential (distance between grades)

Recommendations:

- Tailored range spreads to reduce compression between positions
- Realignment to market

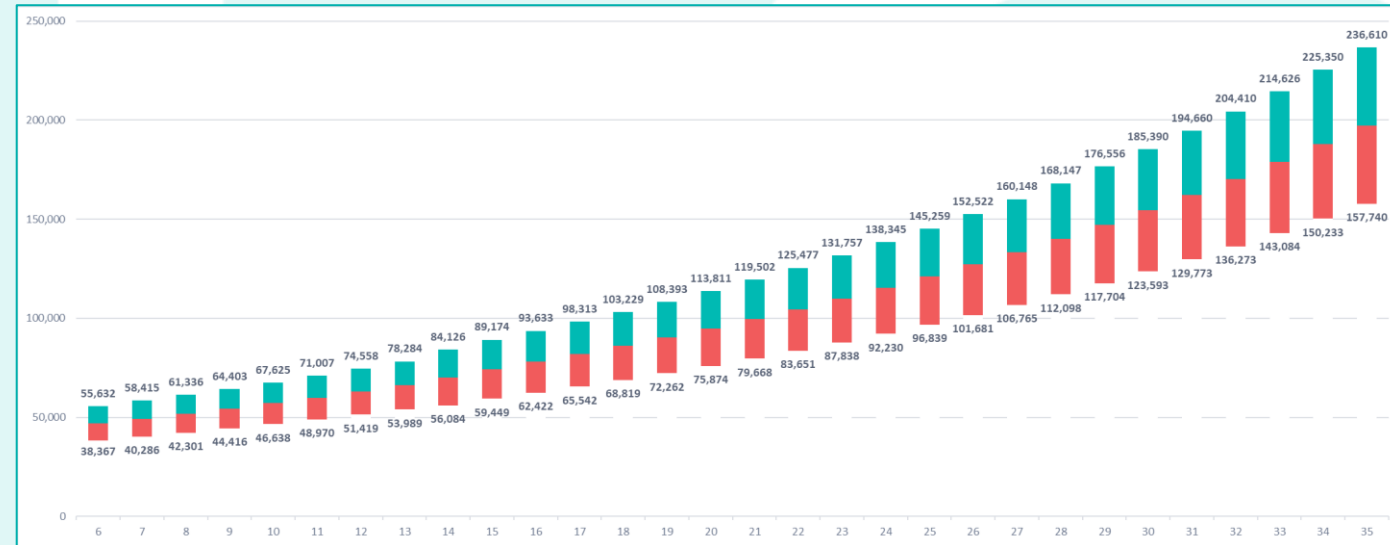


Proposed General Pay Plan

Grade	Minimum	Midpoint	Maximum	Range Spread	Midpoint Differential
6	\$38,367	\$47,000	\$55,632	45%	
7	\$40,286	\$49,350	\$58,415	45%	5%
8	\$42,301	\$51,819	\$61,336	45%	5%
9	\$44,416	\$54,410	\$64,403	45%	5%
10	\$46,638	\$57,131	\$67,625	45%	5%
11	\$48,970	\$59,988	\$71,007	45%	5%
12	\$51,419	\$62,988	\$74,558	45%	5%
13	\$53,989	\$66,137	\$78,284	45%	5%
14	\$56,084	\$70,105	\$84,126	50%	6%
15	\$59,449	\$74,311	\$89,174	50%	6%
16	\$62,422	\$78,027	\$93,633	50%	5%
17	\$65,542	\$81,928	\$98,313	50%	5%
18	\$68,819	\$86,024	\$103,229	50%	5%
19	\$72,262	\$90,328	\$108,393	50%	5%
20	\$75,874	\$94,843	\$113,811	50%	5%
21	\$79,668	\$99,585	\$119,502	50%	5%
22	\$83,651	\$104,564	\$125,477	50%	5%
23	\$87,838	\$109,797	\$131,757	50%	5%
24	\$92,230	\$115,287	\$138,345	50%	5%
25	\$96,839	\$121,049	\$145,259	50%	5%
26	\$101,681	\$127,101	\$152,522	50%	5%
27	\$106,765	\$133,456	\$160,148	50%	5%
28	\$112,098	\$140,122	\$168,147	50%	5%
29	\$117,704	\$147,130	\$176,556	50%	5%
30	\$123,593	\$154,491	\$185,390	50%	5%
31	\$129,773	\$162,216	\$194,660	50%	5%

Proposed Pay Plan

- Open plan structure (no steps)
- 30 pay grades
- Tailored 45-50% range spreads (distance from min to max)
- 5-6% consistent midpoint differential (distance between grades)
- Aligned to 100% of market midpoints



Grade Assignments

Positions will be assigned based on the following:

- External competitiveness (market midpoints)
- Internal Equity (job evaluation scores)
- Existing alignment (current midpoints and grade groupings)
- Career progressions
- Supervisor / Subordinate separation

The following information is NOT considered:

- The person in the position
 - Performance
 - Length of service
 - Existing employee salary
- Preliminary grade assignments will be reviewed with the Town's project team and Department leadership to ensure positions are assigned to the correct grade and address any outliers.





Implementation Scenarios

Baker Tilly does not recommend a pay decrease for any employee as a result of the study.

Calculations reflect base pay only.

1. Employees move to the minimum of their assigned pay grade if their current salary is below that amount.
 - *Option 1 represents the minimum action required to adopt the proposed pay plans.*
2. Employees receive the greater of moving to the minimum of their assigned pay grade or a 2% salary adjustment.
 - *This scenario intends that no eligible employee receives less than 2%.*
3. Starts by moving employees to the minimum of their assigned pay grade then calculating 3% x years in position, capped at 10 years. For example: if an employee has been in their position with the Town for 2 years, the employee's new salary would be calculated by adding 6% to the minimum of their newly assigned pay grade. Any employees whose current salary is greater than that calculation would retain their existing salary.
 - *This scenario is meant to help alleviate compression by moving employees further into their new range relative to their time in position. This is not a calculation based on years of service with the organization.*

Implementation: All Employees

Option 1: 138 employees receive an adjustment.

Option 2: 423 employees receive an adjustment.

Option 3: 162 employees receive an adjustment.

Option 1 - Move to Minimum					
	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	439	\$29,565,769.57	\$29,887,710.44	\$321,940.87	1.1%
Employees Below Minimum	138	\$4,469,058.13	\$4,790,999.00	\$321,940.87	7.2%
Employees Within Range	285	\$24,002,558.61	\$24,002,558.61	\$0.00	0.0%
Employees Above Maximum	15	\$1,031,752.83	\$1,031,752.83	\$0.00	0.0%

Option 2 - Greater of Minimum or 2%					
	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	439	\$29,565,769.57	\$30,375,537.45	\$809,767.88	2.7%
Employees Below Minimum	138	\$4,469,058.13	\$4,797,526.84	\$328,468.71	7.3%
Employees Within Range	285	\$24,002,558.61	\$24,482,609.78	\$480,051.17	2.0%
Employees Above Maximum	15	\$1,031,752.83	\$1,031,752.83	\$0.00	0.0%

Option 3 - Move to Minimum + 3% per Years in Position (Capped)					
	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	439	\$29,565,769.57	\$30,158,652.39	\$592,882.82	2.0%
Employees Below Minimum	138	\$4,469,058.13	\$4,968,055.91	\$498,997.78	11.2%
Employees Within Range	285	\$24,002,558.61	\$24,096,443.65	\$93,885.04	0.4%
Employees Above Maximum	15	\$1,031,752.83	\$1,031,752.83	\$0.00	0.0%



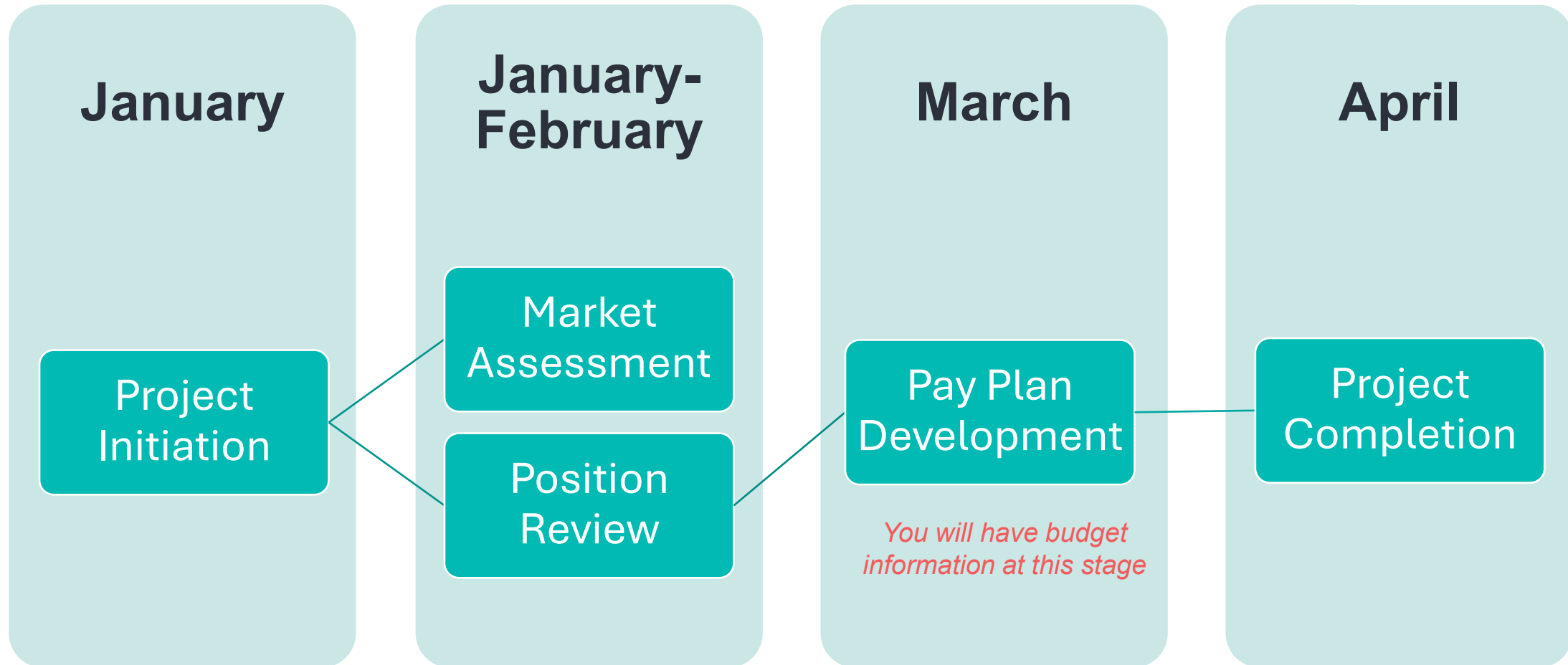
Project Overview

Project Completion

- Final report: We will document the methodology used to conduct the study, our findings, and recommendations in a comprehensive final report.
- Final presentation(s): We can present the results to elected officials, senior leadership, employees, and/or designated staff as desired.
- All project documentation will be delivered.
- Training: We will provide training to HR staff to administer and maintain the new classification and compensation system – including the SAFE® job evaluation process.



Project Timeline



Contact Information



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TOWN OF GARNER

Town Council Meeting - Agenda Form

Item Title	Emergency Purchase/Repair Authorization – Sewer Lift Pump
Meeting Date	May 5, 2026
Department	Public Works
Staff Contact	David Beck, Finance Director, Forrest Jones, Public Works Director
Presenters	David Beck, Finance Director, Forrest Jones, Public Works Director
Total Cost	\$26,350
Funding Source	Available budgeted funds

Agenda Summary

An emergency purchase/repair authorization for replacing a sewer lift pump serving the Garner Police Department and Fire Administration buildings. Town Council approval is required for emergency purchases.

Proposed Action

Adopt Resolution (2026) XX

Executive Summary

Attachments

Manager's Comments & Recommendations



Town of Garner

900 7th Avenue · Garner, North Carolina 27529
Phone (919) 772-4688 · Fax (919) 662-8874 · www.GarnerNC.gov



To: Jodi Miller, Town Manager

From: Forrest Jones, Public Works Director

cc: Matt Poole, Assistant Town Manger
David Beck, Finance Director

Date: April 23, 2026

Re: Emergency Repair for Lift Pump at Police Department and Fire Administration Building

On April 10, 2026 the alarm to the sewer lift pump that serves both the Garner Police Building and Garner Fire Administration Building activated alerting Public Works of an issue with the system. Public Works crews reached out to Full Circle Environmental LLC to pump out the holding tank and begin investigating the issue. Public Works investigation found that both pumps failed and needed replacement. Full Circle Environmental LLC was able to perform a patch to get the system back operational on very limited basis until the replacement pumps could be ordered and installed.

On April 11, 2026 the Town Manager authorized staff to move forward with this as an emergency repair per the Town's Policy due to the health and safety emergency this situation created. Therefore, the Town entered into an agreement with an authorized vendor to perform this repair at an estimated cost of \$26,350.00. Currently the repairs are scheduled to be completed by April 24, 2026.

RESOLUTION NO. (2026) 2694

RESOLUTION AUTHORIZING EXEMPTION TO THE PUBLIC CONTRACTING REQUIREMENTS FOR CASES OF SPECIAL EMERGENCY

WHEREAS, Article 8 of Chapter 143 of the North Carolina General Statutes (NCGS) requires the Town to comply with public contracting requirements for the purchase of certain goods and services;

WHEREAS, pursuant to NCGS Section 143-129(e)(2), cases of special emergency involving the health and safety of the people or their property;

WHEREAS, the subsection (e)(2) exemption must be approved by Town Council either prior to the award of the contract or as soon as possible after the award of the contract pursuant to Section 4020.9 of the Town's Purchasing Policy;

WHEREAS, the Town of Garner has previously purchased equipment and supporting services from Full Circle Environmental, LLC;

WHEREAS, On April 10, 2026 the alarm to the sewer lift pump that serves both the Garner Police Building and Garner Fire Administration Building activated alerting Public Works of an issue with the system. Public Works crews reached out to Full Circle Environmental, LLC to pump out the holding tank and begin investigating the issue. Public Works investigation found that both pumps failed and needed replacement. Full Circle Environmental, LLC was able to perform a patch to get the system back operational on very limited basis until the replacement pumps could be ordered and installed;

WHEREAS, The Town entered into an agreement with Full Circle Environmental, LLC to perform the necessary repair;

WHEREAS, the Garner Public Works Department has requested that Town Council ratify the contract with Full Circle Environmental, LLC for the repair of the lift pump at the Police Department and Fire Administration Building.

BE IT RESOLVED by the Town Council of the Town of Garner, North Carolina, as follows:

That prior contract with Full Circle Environmental, LLC is hereby ratified and Town Council approves staff to move forward with the emergency repair per the Town's Policy due to the health and safety emergency this situation created.

Adopted this 5th day of May 2026.

Buddy Gupton, Mayor

ATTEST:

Stella L. Gibson, Town Clerk

Approved as to form: _____
Terri Jones, Town Attorney

TOWN OF GARNER

Town Council Meeting - Agenda Form

Item Title	Bid Award – Bryan Road Improvements Project
Meeting Date	May 5, 2026
Department	Engineering
Staff Contact	Leah Harrison, Town Engineer
Presenters	Leah Harrison, Town Engineer
Total Cost	\$1,049,100.00
Funding Source	2021 Streets and Sidewalk Bonds

Agenda Summary

Award the construction bid for Bryan Road Improvements Project.

Proposed Action

Award the bid for the Bryan Road Improvements Project, authorize the Town manager to execute the contract in the amount of \$1,049,100.00 with Fred Smith Construction, and adopt Ordinance (2025) 5341E approving the budget amendment of \$242,271.00 for Bryan Road Improvements Project.

Executive Summary

This project will improve Bryan Road from Ackerman Road to approximately 250 feet South of Elk Stone Trail in Garner, NC. The purpose of this 0.1± mile project is to enhance mobility and connectivity for pedestrian, bicycle, and vehicular traffic while improving safety throughout this important corridor. The bid was advertised for four weeks and received seven bids. The lowest responsive bidder is Fred Smith Company with a total bid price of \$1,049,100.00.

Attachments

1. Bid Award - Bryan Rd. Improvements - Certified Bid Tab
2. Bid Award - Bryan Rd. Improvements - Recommendation Letter
3. Bid Award – Bryan Rd. Improvements - Budget Amendment

Manager's Comments & Recommendations

Line Item	Description	Quantity	Unit	Price	Amount
Engineer Estimate					
1	Mobilization (Max 5% of Bid)	1	LS	\$ 46,400.00	\$ 46,400.00
2	Construction Surveying	1	LS	\$ 15,000.00	\$ 15,000.00
3	Clearing and Grubbing (0.1 Acre)	1	LS	\$ 10,000.00	\$ 10,000.00
4	Unclassified Excavation	290	CY	\$ 20.00	\$ 5,800.00
5	Borrow Excavation	970	CY	\$ 60.00	\$ 58,200.00
6	Drainage Ditch Excavation	50	CY	\$ 15.00	\$ 750.00
7	Proof Rolling	1	HR	\$ 200.00	\$ 200.00
8	Fine Grading	1080	SY	\$ 7.25	\$ 7,830.00
9	Incidental Milling	210	SY	\$ 20.00	\$ 4,200.00
10	Milling Asphalt Pavement, 1.5"	1500	SY	\$ 20.00	\$ 30,000.00
	Milling Asphalt Pavement, 3"	0	SY	\$ 20.00	\$ -
11	Asphalt Concrete Intermediate Course - I19.0C	200	Tons	\$ 130.00	\$ 26,000.00
12	Asphalt Concrete Intermediate Course - S9.5B	610	Tons	\$ 130.00	\$ 79,300.00
13	Aggregate Base Course	380	Tons	\$ 100.00	\$ 38,000.00
14	Asphalt Binder for Plant Mix	50	Tons	\$ 740.00	\$ 37,000.00
15	ROW Markers	7	EA	\$ 360.00	\$ 2,520.00
16	Permanent Easement Markers	12	EA	\$ 360.00	\$ 4,320.00
17	2'-6" Concrete Curb and Gutter	610	LF	\$ 95.00	\$ 57,950.00
18	4" Concrete Sidewalk	350	SY	\$ 115.00	\$ 40,250.00
19	Concrete Curb Ramp	1	EA	\$ 4,570.00	\$ 4,570.00
20	Work Zone Signs (Stationary)	136	SF	\$ 50.00	\$ 6,800.00
21	Work Zone Signs (Portable)	176	SF	\$ 57.00	\$ 10,032.00
22	Drums	42	EA	\$ 165.00	\$ 6,930.00
23	Flagger	80	DAY	\$ 715.00	\$ 57,200.00
24	Paint Pavement Marking Lines (4")	7476	LF	\$ 2.00	\$ 14,952.00
25	Thermoplastic Pavement Marking Lines (4", 90 MILS)	2638	LF	\$ 1.50	\$ 3,957.00
26	Thermoplastic Pavement Marking Lines (12", 90 MILS)	64	LF	\$ 16.00	\$ 1,024.00
27	Thermoplastic Pavement Marking Lines (90 MILS)	7	EA	\$ 200.00	\$ 1,400.00
28	Pedestrian Channelizing Devices	24	LF	\$ 67.00	\$ 1,608.00
29	Foundation Conditioning Material, Minor Structures	70	Tons	\$ 100.00	\$ 7,000.00
30	Foundation Conditioning Geotextile	200	SY	\$ 10.00	\$ 2,000.00
31	15" RCP Class IV	128	LF	\$ 180.00	\$ 23,040.00
32	18" RCP Class IV	36	LF	\$ 165.00	\$ 5,940.00
33	24" RCP Class IV	232	LF	\$ 212.00	\$ 49,184.00
34	24" RCP Class III	144	LF	\$ 162.00	\$ 23,328.00
35	36" RCP Class IV	28	LF	\$ 360.00	\$ 10,080.00
36	Pipe Removal	54	LF	\$ 70.00	\$ 3,780.00
37	Masonry Drainage Structures	8	EA	\$ 4,000.00	\$ 32,000.00
38	Masonry Drainage Structures	1.3	LF	\$ 636.00	\$ 826.80
39	Endwall	3.4	CY	\$ 1,680.00	\$ 5,712.00
40	DI Frame and Grates, STD 940.16	1	EA	\$ 1,500.00	\$ 1,500.00
41	Frame with Grate & Hoop, STD 840.03, Type G	2	EA	\$ 2,000.00	\$ 4,000.00
42	Frame with Grate & Hoop, STD 840.03, Type F	3	EA	\$ 2,000.00	\$ 6,000.00
43	Frame with Grate & Hoop, STD 840.03, Type E	1	EA	\$ 2,000.00	\$ 2,000.00
44	Junction Box w/ Manhole	1	EA	\$ 1,500.00	\$ 1,500.00
45	Adjust Catch Basin	1	EA	\$ 1,600.00	\$ 1,600.00
46	Pipe Collar	0.76	EA	\$ 2,500.00	\$ 1,900.00
47	Rip Rap, Class I	124	Tons	\$ 125.00	\$ 15,500.00
48	Rip Rap, Class II	50	Tons	\$ 150.00	\$ 7,500.00
49	Rip Rap, Class B	35	Tons	\$ 115.00	\$ 4,025.00
50	Geotextile for Drainage	200	SY	\$ 5.00	\$ 1,000.00
51	#57 Stone	12	CY	\$ 100.00	\$ 1,200.00
52	Temporary Silt Fence	1985	LF	\$ 7.00	\$ 13,895.00
53	Erosion Control Stone, Class A	240	Tons	\$ 100.00	\$ 24,000.00
54	Erosion Control Stone, Class B	330	Tons	\$ 115.00	\$ 37,950.00
55	Temporary Mulching	0.5	ACR	\$ 5,000.00	\$ 2,500.00
56	Seed for Temporary Seeding	100	LB	\$ 35.00	\$ 3,500.00
57	Fertilizer for Temporary Seeding	0.5	Tons	\$ 2,000.00	\$ 1,000.00
58	Temporary Slope Drains	200	LF	\$ 23.00	\$ 4,600.00
59	Safety Fence	320	LF	\$ 10.00	\$ 3,200.00
60	Silt Excavation	700	CY	\$ 5.00	\$ 3,500.00
61	Matting for Erosion Control	140	SY	\$ 5.00	\$ 700.00
62	Cair Fiber Mat	100	SY	\$ 15.00	\$ 1,500.00
63	1/4" Hardware Cloth	765	LF	\$ 7.00	\$ 5,355.00
64	Special Stilling Basins	2	EA	\$ 1,500.00	\$ 3,000.00
65	Cair Fiber Wattle	240	LF	\$ 10.00	\$ 2,400.00
66	Flocculant	175	LB	\$ 10.00	\$ 1,750.00
67	Seeding and Mulching	0.5	ACR	\$ 5,000.00	\$ 2,500.00
68	Mowing	0.5	ACR	\$ 240.00	\$ 120.00
69	Seed for Repair Seeding	50	LB	\$ 8.00	\$ 400.00
70	Fertilizer for Repair Seeding	0.25	Tons	\$ 1,530.00	\$ 382.50
71	Seed for Supplemental Seeding	50	LB	\$ 8.00	\$ 400.00
72	Fertilizer Topdressing	0.25	Tons	\$ 1,230.00	\$ 307.50
73	Impervious Dike	26	LF	\$ 200.00	\$ 5,200.00
74	Specialized Hand Mowing	10	MHR	\$ 120.00	\$ 1,200.00
75	Response for Erosion Control	100	EA	\$ 225.00	\$ 22,500.00
76	Reforestation	0.1	ACR	\$ 4,100.00	\$ 410.00
77	Concrete Washout Structure	2	EA	\$ 1,600.00	\$ 3,200.00
78	Diversion Pump	2	EA	\$ 15,000.00	\$ 30,000.00
79	Culvert Extension 103" x 71" CMAP	21	LF	\$ 10,000.00	\$ 210,000.00
80	Reinforced Concrete Endwall for 103" x 71" CMAP	1	LS	\$ 49,000.00	\$ 49,000.00
81	Hydrant Leg	22	LF	\$ 200.00	\$ 4,400.00
82	Fire Hydrant	1	EA	\$ 8,500.00	\$ 8,500.00
83	Abandon 6" Utility Pipe	12	LF	\$ 20.00	\$ 240.00
84	Remove Fire Hydrant	1	EA	\$ 1,000.00	\$ 1,000.00
85	Sediment Control Stone	415	Tons	\$ 55.00	\$ 22,825.00

\$ 1,254,243.80

Price	Amount
Fred Smith Construction	
\$ 145,000.00	\$ 145,000.00
\$ 15,000.00	\$ 15,000.00
\$ 149,000.00	\$ 149,000.00
\$ 40.00	\$ 11,600.00
\$ 40.00	\$ 38,800.00
\$ 50.00	\$ 2,500.00
\$ 300.00	\$ 300.00
\$ 10.00	\$ 10,800.00
\$ 40.00	\$ 8,400.00
\$ 9.50	\$ 14,250.00
\$ -	\$ -
\$ 135.00	\$ 27,000.00
\$ 135.00	\$ 82,350.00
\$ 95.00	\$ 36,100.00
\$ 775.00	\$ 38,750.00
\$ 450.00	\$ 3,150.00
\$ 450.00	\$ 5,400.00
\$ 30.00	\$ 18,300.00
\$ 50.00	\$ 17,500.00
\$ 2,525.00	\$ 2,525.00
\$ 10.00	\$ 1,360.00
\$ 20.00	\$ 3,520.00
\$ 55.00	\$ 2,310.00
\$ 700.00	\$ 56,000.00
\$ 0.60	\$ 4,485.60
\$ 1.50	\$ 3,957.00
\$ 4.50	\$ 288.00
\$ 195.00	\$ 1,365.00
\$ 35.00	\$ 840.00
\$ 30.00	\$ 2,100.00
\$ 4.00	\$ 800.00
\$ 120.00	\$ 15,360.00
\$ 155.00	\$ 5,580.00
\$ 178.00	\$ 41,296.00
\$ 165.00	\$ 23,760.00
\$ 380.00	\$ 10,640.00
\$ 50.00	\$ 2,700.00
\$ 4,000.00	\$ 32,000.00
\$ 400.00	\$ 520.00
\$ 1,750.00	\$ 5,950.00
\$ 1,300.00	\$ 1,300.00
\$ 1,450.00	\$ 2,900.00
\$ 1,450.00	\$ 4,350.00
\$ 1,380.00	\$ 1,380.00
\$ 6,000.00	\$ 6,000.00
\$ 900.00	\$ 900.00
\$ 2,500.00	\$ 1,900.00
\$ 90.00	\$ 11,600.00
\$ 130.00	\$ 6,500.00
\$ 160.00	\$ 5,600.00
\$ 5.00	\$ 1,000.00
\$ 115.00	\$ 1,380.00
\$ 2.00	\$ 3,970.00
\$ 20.00	\$ 4,800.00
\$ 20.00	\$ 6,600.00
\$ 2,100.00	\$ 1,050.00
\$ 3.45	\$ 345.00
\$ 1,200.00	\$ 600.00
\$ 3.00	\$ 600.00
\$ 2.00	\$ 640.00
\$ 1.00	\$ 700.00
\$ 4.00	\$ 560.00
\$ 6.50	\$ 650.00
\$ 4.00	\$ 3,060.00
\$ 1,500.00	\$ 3,000.00
\$ 8.00	\$ 1,920.00
\$ 3.00	\$ 525.00
\$ 2,495.00	\$ 1,247.50
\$ 225.00	\$ 112.50
\$ 3.45	\$ 172.50
\$ 1,200.00	\$ 300.00
\$ 3.45	\$ 172.50
\$ 1,200.00	\$ 300.00
\$ 300.00	\$ 7,800.00
\$ 95.00	\$ 950.00
\$ 1.00	\$ 100.00
\$ 2,504.00	\$ 250.40
\$ 1,700.00	\$ 3,400.00
\$ 10,000.00	\$ 20,000.00
\$ 1,200.00	\$ 25,200.00
\$ 49,513.00	\$ 49,513.00
\$ 140.00	\$ 3,080.00
\$ 11,750.00	\$ 11,750.00
\$ 90.00	\$ 1,080.00
\$ 2,500.00	\$ 2,500.00
\$ 15.00	\$ 6,225.00

\$ 1,049,100.00

Price	Amount
Lanier Construction	
\$ 50,000.00	\$ 50,000.00
\$ 25,000.00	\$ 25,000.00
\$ 60,000.00	\$ 60,000.00
\$ 85.00	\$ 24,650.00
\$ 75.00	\$ 72,750.00
\$ 65.00	\$ 2,250.00
\$ 150.00	\$ 150.00
\$ 20.00	\$ 21,600.00
\$ 35.00	\$ 7,350.00
\$ 18.00	\$ 27,000.00
\$ -	\$ -
\$ 150.00	\$ 30,000.00
\$ 145.00	\$ 88,450.00
\$ 55.00	\$ 20,900.00
\$ 1,030.00	\$ 51,500.00
\$ 450.00	\$ 3,150.00
\$ 450.00	\$ 5,400.00
\$ 40.00	\$ 24,400.00
\$ 65.00	\$ 22,750.00
\$ 4,500.00	\$ 4,500.00
\$ 12.00	\$ 1,632.00
\$ 20.00	\$ 3,520.00
\$ 50.00	\$ 2,100.00
\$ 625.00	\$ 50,000.00
\$ 1.05	\$ 7,849.80
\$ 2.75	\$ 7,254.50
\$ 5.45	\$ 348.80
\$ 585.00	\$ 4,095.00
\$ 60.00	\$ 1,440.00
\$ 65.00	\$ 4,950.00
\$ 8.00	\$ 1,614.00
\$ 95.00	\$ 12,160.00
\$ 110.00	\$ 3,960.00
\$ 135.00	\$ 31,320.00
\$ 125.00	\$ 18,000.00
\$ 550.00	\$ 15,400.00
\$ 35.00	\$ 1,890.00
\$ 5,500.00	\$ 44,000.00
\$ 1,185.00	\$ 1,540.50
\$ 2,275.00	\$ 7,735.00
\$ 1,100.00	\$ 1,100.00
\$ 1,215.00	\$ 2,430.00
\$ 1,215.00	\$ 3,645.00
\$ 1,200.00	\$ 1,200.00
\$ 7,800.00	\$ 7,800.00
\$ 3,500.00	\$ 3,500.00
\$ 1,700.00	\$ 1,855.76
\$ 125.00	\$ 15,500.00
\$ 175.00	\$ 8,750.00
\$ 90.00	\$ 3,150.00
\$ 5.00	\$ 1,000.00
\$ 90.00	\$ 1,080.00
\$ 4.50	\$ 8,932.50
\$ 90.00	\$ 21,600.00
\$ 2,000.00	\$ 1,042.77
\$ 1.25	\$ 125.00
\$ 1,075.00	\$ 537.50
\$ 30.00	\$ 6,000.00
\$ 3.00	\$ 960.00
\$ 12.00	\$ 8,400.00
\$ 5.00	\$ 700.00
\$ 8.00	\$ 800.00
\$ 12.00	\$ 9,180.00
\$ 65.00	\$ 1,300.00
\$ 18.00	\$ 4,320.00
\$ 10.50	\$ 1,837.50
\$ 6,500.00	\$ 3,250.00
\$ 400.00	\$ 200.00
\$ 5.00	\$ 250.00
\$ 500.00	\$ 125.00
\$ 150.00	\$ 3,900.00
\$ 75.00	\$ 750.00
\$ 25.00	\$ 2,500.00
\$ 40,000.00	\$ 4,000.00
\$ 1,200.00	\$ 2,400.00
\$ 10,000.00	\$ 20,000.00
\$ 1,575.00	\$ 33,075.00
\$ 35,000.00	\$ 35,000.00
\$ 100.00	\$ 2,200.00
\$ 12,000.00	\$ 12,000.00
\$ 60.00	\$ 720.00

April 17, 2026

Mr. Branyun Bullard
Engineering Project Manager
Engineering – Town of Garner
900 7th Avenue
Garner, NC 27529

Reference: Bryan Road Sidewalk Improvements - Bid Summary and Recommendation

Dear Mr. Bullard:

On April 14, 2026, at 12:00 p.m., bids were assembled and opened for the construction of the Bryan Road Sidewalk Improvements project. The project consists of construction of approximately 0.1 miles of improvements to Bryan Road to enhance mobility and connectivity for pedestrians, bicycle, and vehicular traffic.

The project was bid as a Single Prime contract. Seven (7) bids were received. All bids were opened and distributed internally within the Town and to the Engineer.

Bid Analysis:

The project was bid as a Single Prime contract with a lump sum base bid. There were no bid alternates. The apparent low bidder was Fred Smith Company, with the following Total Lump Sum bid of: \$1,049,100.00

The remaining bidders were:

Bidder:	Base Bid
Browe Construction	\$1,656,167.11
Cardinal Civil Contracting	\$1,221,276.85
Lanier Construction	\$1,057,555.10
Morgan Trucking & General Construction	\$1,254,558.66
Narron Construction	\$1,146,743.75
Triangle Grading & Paving Inc.	\$1,496,640.60

Conclusion/Recommendation

There were no mathematical errors in any of the bids reviewed. We recommend the Town award the project to Fred Smith Construction in the amount of \$1,049,100.00. The Town will also review the bid internally for compliance with the Contract Documents and applicable regulations.

If you have any questions please contact me at 919-878-9560.



Sincerely,
RUMMEL • KLEPPER & KAHL, LLP

Jeffrey W. Meador, PE
Director

Enclosure JWM / jhh

R:\Z-misc\Submittals\S-012 Bid Certification

ORDINANCE NO. (2025) 5341E

ORDINANCE AMENDING ORDINANCE NO. (2025) 5341 WHICH ESTABLISHED THE PROJECT BUDGET

BE IT ORDAINED by the Town Council of the Town of Garner, North Carolina for the Bryan Road Improvements Project:

Section One. That the CAPITAL FUND be amended as follows:

Revenue Amendment Request

ACCOUNT NUMBER	DESCRIPTION	PROJECT	CURRENT BUDGET	REVENUE CHANGE	REVISED BUDGET
64561000-454010	Premiums on Bonds Issued	99930	\$ -	\$ 242,271	\$ 242,271

TOTAL REVENUE INCREASE (DECREASE) \$ 242,271.00

Expenditure Amendment Request

ACCOUNT NUMBER	DESCRIPTION	PROJECT	CURRENT BUDGET	EXPENDITURE CHANGE	REVISED BUDGET
64561000-537600	Construction	99930	\$ 977,000	\$ 242,271	\$ 1,219,271

TOTAL EXPENDITURE INCREASE (DECREASE) \$ 242,271.00

Section Two. Copies of this ordinance shall be furnished to the Finance Director and the Town Clerk for their direction in the disbursement of the Town's funds and for public inspection.

Duly adopted this 5th day of May 2026.

Buddy Gupton, Mayor

Approved as to Form

Terri Jones, Town Attorney

ATTEST:

Stella L. Gibson, Town Clerk

TOWN OF GARNER

Town Council Meeting - Agenda Form

Item Title	Voluntary Annexation Petition # ANX-26-002, Gregory Poole Equipment HQ2
Meeting Date	May 5, 2026
Department	Planning
Staff Contact	Alex Bone, GIS Analyst, Jeff Triezenberg, Planning Director
Presenters	Jeff Triezenberg, Planning Director
Total Cost	
Funding Source	

Agenda Summary

Voluntary contiguous annexation petition (ANX-26-002) submitted by Rick Baker, Timmons Group, to bring 140.961 +/- acres into the corporate limits of the Town of Garner (127.981-acre parcel along with 12.98 +/- acres of intervening right-of-way). The property is generally located at 5100 Raynor Road; and may be otherwise identified as Wake County PIN #(s) 1730148232.

Proposed Action

Adopt Resolution (2026) 2695 to set public hearing for May 19, 2026.

Executive Summary

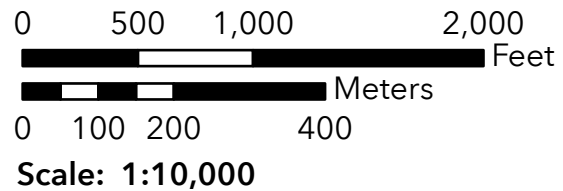
This petition accompanies the conditional rezoning case, CZ-25-001, Project Cougar, which was approved by the Town Council on September 16, 2025. Per the Raleigh-Garner Merger Agreement, an annexation petition is required for the extension of service.

Attachments

Manager's Comments & Recommendations



Owner(s): NCTH HOLDINGS LLC
Project: Gregory Poole Equipment HQ2
Location: 5100 Raynor Road
PIN(s): 1730148232
Area: 127.981 +/- plus an additional 12.98 +/- in right-of-way



RESOLUTION NO. (2026) 2695

**RESOLUTION FIXING DATE OF PUBLIC HEARING ON QUESTION OF ANNEXATION
PURSUANT TO G.S. 160A-31, AS AMENDED**

WHEREAS, a petition requesting annexation of the area described herein has been received; and

WHEREAS, the Town Council has by resolution directed the Town Clerk to investigate the sufficiency thereof; and

WHEREAS, certification by the Town Clerk as to the sufficiency of said petition has been made;

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Garner, North Carolina:

Section 1. That a public hearing on the question of annexation of the area described herein will be held at the Town Hall at 6:00 p.m. on the 19th day of May 2026.

Section 2. The area proposed for annexation is described as follows:

Case # ANX-26-002, Gregory Poole Equipment HQ2 (Contiguous)
127.981 +/- acres, plus an additional 12.98 +/- acres in public right-of-way,
generally located at 5100 Raynor Road and may be otherwise identified as Wake
County PIN 1730-14-8232.

Section 3. Notice of said public hearings shall be published at least ten (10) days prior to the date of said public hearings.

Duly adopted this 5th day of May 2026.

ATTEST:

Buddy Gupton, Mayor

Stella L. Gibson, Town Clerk

APPROVED AS TO FORM:

Terri A. Jones, Town Attorney

TOWN OF GARNER

Town Council Meeting - Agenda Form

Item Title	Audit Contract for Fiscal Year 2025-2026
Meeting Date	May 5, 2026
Department	Finance
Staff Contact	David Beck, Finance Director
Presenters	David Beck, Finance Director
Total Cost	\$59,000
Funding Source	Budgeted funds

Agenda Summary

The FY 2025-2026 audit contract proposal has been received from Mauldin & Jenkins. The proposal includes the basic audit fee, a required federal Single Audit, and financial statement preparation services.

Proposed Action

Award contract to Mauldin & Jenkins to perform the FY 2025-2026 audit and authorize the Town Manager to execute the contract.

Executive Summary

Attachments

Manager's Comments & Recommendations



April 9, 2026

Honorable Mayor and Members of the
Town Council
Town of Garner, North Carolina
900 Seventh Avenue
Garner, NC 27529

Attn: Jodi Miller, Town Manager and David Beck, Finance Director

The following represents our understanding of the services we will provide Town of Garner, North Carolina (the Town).

You have requested that we audit the financial statements of the governmental activities and each major fund of Town of Garner, North Carolina, as of June 30, 2026, and for the year then ended and the related notes to the financial statements, which collectively comprise Town of Garner, North Carolina's basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

In addition, we will audit the Town's compliance over major federal and state award programs for the period ended June 30, 2026. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the Town's major federal award programs. The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 auditing standards generally accepted in the United States of America (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 made by a reasonable user based on the financial statements.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the entity complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and *Government Auditing Standards*, if any, and perform procedures to address those requirements.

Town of Garner, North Carolina - 2026 Engagement Letter

April 9, 2026

Page 2

Accounting standards generally accepted in the United States of America (US GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's Discussion and Analysis (MD&A).
2. Budgetary comparisons for the General Fund and other major special revenue funds.
3. Schedule of Changes in the Total Pension Liability for the Law Enforcement Officers' Special Separation Allowance (LEOSSA).
4. Schedule of Total Pension Liability as a Percentage of Covered Payroll - LEOSSA.
5. Schedule of Changes in the Total OPEB Liability and Related Ratios.
6. Schedule of the Town's Proportionate Share of the Net Pension Liability (Asset) for the Local Governmental Employees' Retirement System (LGERS).
7. Schedule of Town Contributions - Pension Plan (LGERS).

Supplementary information other than RSI will accompany the Town's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the basic financial statements as a whole:

1. Schedule of expenditures of federal and state awards.
2. Individual Fund Schedules
3. Schedule of Ad Valorem Taxes Receivable.
4. Analysis of Current Tax Levy.
5. Detailed Analysis of Current Tax Levy.

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In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report:

1. Introductory section.
2. Statistical section.

Schedule of Expenditures of Federal and State Awards

We will subject the schedule of expenditures of federal and state awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of federal and state awards is presented fairly in all material respects in relation to the financial statements as a whole.

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Audit of the Financial Statements

We will conduct our audits in accordance GAAS, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State of North Carolina Single Audit Implementation Act (State Single Audit Act). As part of an audit of financial statements in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Act we exercise professional judgment and maintain professional skepticism throughout the audit.

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We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.² However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

Although we are currently in the planning stage of our audit, we have identified the following significant risk during our audit to date that require special audit consideration:

- Management override of controls is considered an inherent risk according to GAAS.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. Furthermore, the determination of waste and abuse is subjective and *Government Auditing Standards* does not require auditors to perform specific procedures to detect waste or abuse nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

Audit of Major Program Compliance

Our audit of the Town's major federal and state award programs compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; the Uniform Guidance; and the State of North Carolina Single Audit Implementation Act, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and State Single Audit Act and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

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The Uniform Guidance and State Single Audit Act require that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal and state award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the entity's compliance based on the audit. 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, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the federal programs as a whole.

As part of a compliance audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal and state programs and, performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors* in North Carolina for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs, and performing such other procedures as we considers necessary in the circumstances. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and the State Single Audit Act.

Also, as required by the Uniform Guidance and the State Single Audit Act, we will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal and state award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

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Management's Responsibilities

Our audit will be conducted on the basis that management and those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal and state awards received and expended during the period and the federal and state programs under which they were received;
4. For maintaining records that adequately identify the source and application of funds for federally funded activities;
5. For maintaining records that adequately identify the source and application of funds for state funded activities;
6. For preparing the schedule of expenditures of federal and state awards (including notes and noncash assistance received) in accordance with the Uniform Guidance and the State Single Audit Act;
7. For designing, implementing, and maintaining effective internal control over federal and state awards that provides reasonable assurance that the entity is managing federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions of the federal and state awards;
8. For identifying and ensuring that the entity complies with federal laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal award programs, and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs;
9. For identifying and ensuring that the entity complies with state laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of state award programs, and implementing systems designed to achieve compliance with applicable state statutes, regulations, and the terms and conditions of state award programs;
10. For disclosing accurately, currently, and completely the financial results of each federal and state award in accordance with the requirements of the award;
11. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
12. For taking prompt action when instances of noncompliance are identified;
13. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
14. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
15. For submitting the reporting package and data collection form to the appropriate parties;
16. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;

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17. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including the disclosures, and relevant to federal award programs, such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit;
 - c. Unrestricted access to persons within the entity and others from whom we determine it necessary to obtain audit evidence;
 - d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
 - e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
18. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
19. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
20. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
21. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
22. For the accuracy and completeness of all information provided;
23. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
24. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the schedule of expenditures of federal and state awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the schedule of expenditures of federal and state awards in accordance with the Uniform Guidance and the State Single Audit Act, (b) to provide us with the appropriate written representations regarding the schedule of expenditures of federal and state awards, (c) to include our report on the schedule of expenditures of federal and state awards in any document that contains the schedule of expenditures of federal and state awards and that indicates that we have reported on such schedule, and (d) to present the schedule of expenditures of federal and state awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the schedule of expenditures of federal and state awards no later than the date of issuance by you of the schedule and our report thereon.

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With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

Nonattest Services

With respect to any nonattest services we perform, including the following:

- Assistance with preparation of the financial statements and related notes.
- Assistance with preparation of the schedule of expenditures of federal and state awards and related notes.

We will not assume management responsibilities on behalf of the Town. However, we will provide advice and recommendations to assist management of the Town in performing its responsibilities.

The Town's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) designing, implementing, and maintaining the system of internal control, including the process used to monitor the system of internal control. Furthermore, you acknowledge that the working digital files used to prepare your financial statements constitute proprietary information to us, and we reserve all rights to these files.

Our responsibilities and limitations of the nonattest services are as follows:

- The nonattest services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.
- The nonattest services are limited to the preparation of the financial statements and related notes; and preparation of the schedule of expenditures of federal and state awards and related notes previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

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Reporting

We will issue a written report upon completion of our audit of the Town's basic financial statements. Our report will be addressed to the Members of Town Council. 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 an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the 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 state (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 report will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Town 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 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.

Other

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select 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 reasons, 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 our engagement, resulting in an increase in fees over our original estimate. It may also significantly change original timelines for estimated completion of the audit.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

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With regard to an exempt offering document with which Mauldin & Jenkins is not involved, you agree to clearly indicate in the exempt offering document that Mauldin & Jenkins is not involved with the contents of such offering document. In the event that Mauldin & Jenkins is requested to be involved with an exempt offering document, you agree that the aforementioned auditor's report or reference to Mauldin & Jenkins will not be included without our prior permission or consent. Furthermore, any agreement to perform work in connection with an exempt offering document, including an agreement to provide permission or consent, will be a separate engagement.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete, including as it pertains to any information shared with Mauldin & Jenkins through SuraLink or any other file sharing service, portal, etc. used during the conduct of the audit.

Provisions of Engagement Administration, Timing and Fees

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

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

We expect to begin our audit on approximately May 1, 2026 and to issue our reports no later than December 31, 2026. LeAnn Bagasala is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Tim Lyons will be the Quality Control review partner. Our fee for these services will be \$59,000 for the year ended June 30, 2026. The fee includes the provision for the performance of Single Audit procedures on one major federal or state program. If the composition of the Town's federal and/or state awards require additional programs to be audited as major, our fee will be \$7,500 for each additional major program. Our hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Invoices are payable

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on presentation; a service charge of 1.5% per month (18% annually) will be added onto any balances not paid within 30 days.

The above fees are based on anticipated cooperation from your personnel (including complete and timely receipt by us of the information on the respective client participation listings) and the assumption that unexpected circumstances (including scope changes) will not be encountered during the audit. If significant additional time is necessary or if there are significant delays in receiving the information needed to complete our audit procedures, the above fee estimate may need to be revised.

As a result of our prior or future services to you, we might be requested or required to provide information or documents to you or a third party in a legal, administrative, arbitration, or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be deemed billable to you as a separate engagement. We shall be entitled to compensation for our time and reasonable reimbursement for our expenses (including legal fees) in complying with the request. For all requests we will observe the confidentiality requirements of our profession and will notify you promptly of the request.

During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to the Members of the Town Council the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

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The audit documentation for this engagement is the property of Mauldin & Jenkins and constitutes confidential information. However, we may be requested to make certain audit documentation available to *North Carolina Local Government Commission* or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Mauldin & Jenkins’s 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 of information contained therein to others, including other governmental agencies.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements compliance over major federal award programs including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

MAULDIN & JENKINS, PLLC



LeAnn Bagasala

RESPONSE:

This letter correctly sets forth the understanding of the Town of Garner, North Carolina.

By: _____

Title: _____

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

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

and	Auditor Name
	Auditor Address

Hereinafter referred to as Auditor

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

FEEES FOR AUDIT SERVICES

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

Financial statements were prepared by: Auditor Governmental Unit Third Party

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

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

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

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

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

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

Primary Government Unit	
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	\$

Discretely Presented Component Unit	
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*	
Authorized Firm Representative (typed or printed)*	Signature* <i>J. Bagasala</i>
Date*	Email Address*

GOVERNMENTAL UNIT

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

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

GOVERNMENTAL UNIT – PREAUDIT CERTIFICATE

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

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

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

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

DISCRETELY PRESENTED COMPONENT UNIT

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

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

DPCU – PREAUDIT CERTIFICATE

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

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

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

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

TOWN OF GARNER

Town Council Meeting - Agenda Form

Item Title	Preserving Home Additional Funding
Meeting Date	May 5, 2026
Department	Town Manager's Office
Staff Contact	Jodi Miller, Town Manager
Presenters	Jodi Miller, Town Manager
Total Cost	\$75,000
Funding Source	General Fund

Agenda Summary

Provide additional funding to Preserving Home for Garner home rehabilitation in FY26.

Proposed Action

Adopt Budget Amendment Ordinance (2026) 5340M

Executive Summary

Preserving Home, Garner’s partner for home rehabilitation, has completed 8 preservation projects utilizing our FY26 funding. Additional funding in the amount of \$75,000 could be utilized during the current fiscal year to complete three additional houses and begin work on other projects.

Attachments

Budget Amendment

Manager’s Comments & Recommendations

Town Manger recommends providing additional funding in the amount of \$75,000 to allow Preserving Home to continue home rehabilitation projects in Garner. This investment aligns with Council’s goal to support home rehabilitation as a part of its housing affordability program.

ORDINANCE NO. (2026)

ORDINANCE AMENDING ORDINANCE NO. (2025) 5340 WHICH ESTABLISHED THE OPERATING BUDGET

BE IT ORDAINED by the Town Council of the Town of Garner, North Carolina:

Section One. That the GENERAL FUND be amended as follows:

Revenue Amendment Request

ACCOUNT NUMBER	DESCRIPTION	PROJECT	CURRENT BUDGET	REVENUE CHANGE
10309000-496900	Appropriated Fund Balance		\$ 1,877,252	\$ 75,000

TOTAL REVENUE INCREASE (DECREASE) \$ 75,000.00

Expenditure Amendment Request

ACCOUNT NUMBER	DESCRIPTION	PROJECT	CURRENT BUDGET	EXPENDITURE CHANGE
10603000-521455	Development Assistance		\$ 100,000	\$ 75,000

TOTAL EXPENDITURE INCREASE (DECREASE) \$ 75,000.00

Section Two. Copies of this ordinance shall be furnished to the Finance Director and the Town Clerk for their direction in the the Town's funds and for public inspection.

Duly adopted this 5th day of May 2026.

Buddy Gupton, Mayor

Approved as to Form

Terri Jones, Town Attorney

ATTEST:

Stella L. Gibson , Town Clerk

REVISED BUDGET	
\$	1,952,252

REVISED BUDGET	
\$	175,000

disbursement of

TOWN OF GARNER

Town Council Meeting - Agenda Form

Item Title	Tryon Station Conversion to Income Averaging
Meeting Date	May 5, 2026
Department	Town Manager's Office
Staff Contact	John Hodges, Assistant Town Manager
Presenters	John Hodges, Assistant Town Manager
Total Cost	NA
Funding Source	NA

Agenda Summary

The Tryon Station affordable housing project, in which the Town holds a funding position, has a unique opportunity to convert the project funding structure to serve a broader range of incomes. The developers of the project have also agreed not to seek property tax exemption for this development.

Proposed Action

Approve conversion of the Tryon Station affordable housing project to income averaging methodology and authorize the Town Manager to execute amended closing documents.

Executive Summary

The project, as approved by Council, will serve households earning up to 60% AMI. There is an opportunity to convert the project to the originally proposed Income Averaging model that would serve a broader range of incomes. Currently, all 176 units will serve households up to 60% AMI. The proposed conversion to the Income Averaging model would provide 47 units at 50% AMI, 108 units at 60% AMI, 16 units at 70% AMI and 5 units at 80% AMI. This broader income range aligns with Council goals on both ends – providing more opportunities for families between 50-80% AMI and providing opportunities for Town of Garner employees who may earn a bit more but still need affordable housing. (We understand that some Town employees may be eligible at 70-80% AMI but are not at 60%.) Housing and Community Development Specialist Lewis Hurd has reviewed the proposed conversion and believes the proposal better meets Council’s housing goals.

Attachments

Tryon Station Income Averaging Memo

Tryon Station Memo – Modifications to Town of Garner Loan Documents

Manager’s Comments & Recommendations

Town Manager supports the conversion to the income averaging methodology.

Tryon Station

Garner, North Carolina

176 Units | 4% Low-Income Housing Tax Credit (LIHTC) Project

Overview of Proposed Unit Mix Modification

Purpose of This Overview

This document provides the Town of Garner with a summary of a proposed modification to the income-level designations at Tryon Station, a 176-unit affordable housing community currently completing construction. The modification involves adopting an IRS-approved method called Income Averaging, which allows the project to serve a broader range of income levels while maintaining its affordability commitments. This change has already been reviewed and approved by the North Carolina Housing Finance Agency (NCHFA).

Because the Town's \$750,000 subordinate loan documents reference the project's unit mix, we are seeking the Town's consent to update that reference accordingly. The change does not affect the total number of units, the physical project, or the Town's loan terms in any way.

Background: How Affordable Housing Income Limits Work

Tryon Station was financed using 4% Low-Income Housing Tax Credits (LIHTC), a federal program that provides tax incentives in exchange for renting units to households earning below certain income thresholds. These thresholds are expressed as a percentage of the Area Median Income (AMI) for Wake County.

For example, a household at **60% AMI** in Wake County can earn no more than approximately \$59,880 per year (for a family of four, based on 2025 limits). A household at **50% AMI** would have a lower income ceiling, and a household at **80% AMI** a somewhat higher one. In all cases, these are well below market-rate thresholds, and every unit at Tryon Station will remain affordable housing restricted to income-qualified households.

What Is Income Averaging?

Income Averaging is an option created by Congress in 2018 (as part of the Consolidated Appropriations Act) that gives LIHTC projects more flexibility in how they structure their income tiers. Under traditional LIHTC rules, projects typically restrict all of their units to a single income level (e.g., all units at 60% AMI).

With Income Averaging, a project can designate units at different AMI levels (ranging from 20% to 80% AMI) **as long as the average across all units does not exceed 60% AMI**. This is not a loosening of affordability requirements—it is simply a rebalancing that allows the project to serve both lower-income and moderate-income households within the same community.

History of the Tryon Station Unit Mix

The unit mix at Tryon Station has evolved during the development process, which is common for LIHTC projects as underwriting is refined between initial application and construction completion:

Original Application (2023): The project was originally structured with a mix of 50%, 60%, and 70% AMI units.

At Financial Closing (2024): Like many affordable housing projects during this period, Tryon Station faced significant headwinds from rising interest rates and construction costs. To ensure the project could be financed and built, the unit mix was simplified to 100% at 60% AMI. This maximized the project’s rental income and borrowing capacity at a time when the deal needed every dollar to close.

Proposed Modification (2026): Since closing, Area Median Income levels have risen, which has created enough room in the project’s rent structure to reintroduce the income diversity the project was originally designed around. Equally important, offering units across multiple AMI tiers broadens the pool of households that can qualify at Tryon Station, which reduces lease-up risk and supports long-term occupancy. We are proposing to adopt Income Averaging with a mix of 50%, 60%, 70%, and 80% AMI units—a structure that closely mirrors the original vision for the project and, we believe, makes for a genuinely better community.

Unit Mix Comparison

The following table compares the income-level designations across all three stages. Note that the total number of units (176) and the bedroom mix (20 one-bedrooms, 92 two-bedrooms, and 64 three-bedrooms) are unchanged in every scenario.

AMI Level	Original (2023)	At Closing (2024)	Proposed (2026)
30% AMI	0	0	0
40% AMI	0	0	0
50% AMI	42 units (23.9%)	0 units (0%)	47 units (26.7%)
60% AMI	108 units (61.4%)	176 units (100%)	108 units (61.4%)
70% AMI	26 units (14.8%)	0 units (0%)	16 units (9.1%)
80% AMI	0	0	5 units (2.8%)

	Original (2023)	At Closing (2024)	Proposed (2026)
Total Units	176	176	176
Avg. AMI Designation	59.1%	60.0%	58.8%

Why This Change Benefits the Garner Community

More units for lower-income households. The proposed mix includes 47 units at 50% AMI—compared to zero under the current all-60% structure. These units will serve households earning roughly \$50,000 or less (family of four), providing housing options for residents who may otherwise be priced out of the Garner market.

A mixed-income community. Income Averaging allows Tryon Station to house families across a wider income spectrum. Research consistently shows that mixed-income communities are more stable, better integrated into the broader neighborhood, and more resilient over time than single-tier projects.

Access for workforce housing residents. While many local workforce members—Town of Garner employees, Wake County teachers, first responders, and others—qualify at 60% AMI, some earn just above that threshold and would be unable to qualify under an all-60% structure. The 70% and 80% AMI units created through Income Averaging ensure that these households are not excluded simply because their income is slightly over the line, giving a broader cross-section of Garner’s workforce access to quality affordable housing in the community they serve.

Better lease-up and long-term operations. Having the flexibility to serve multiple income tiers improves the project’s ability to fill units efficiently and maintain high occupancy. This is good for the project’s financial health, which in turn protects the Town’s loan investment.

The overall affordability is the same or deeper. The average AMI designation across all 176 units under the proposed mix is 58.8%—which is below the 60% AMI average that the program requires, and comparable to the original application’s 59.1% average.

Impact on the Town of Garner’s Loan

The proposed change has no impact on the Town’s \$750,000 subordinate loan to the project. Specifically:

No change to loan amount, terms, interest rate, or repayment schedule. The financial structure of the Town’s loan is entirely unaffected.

No change to the physical project. The number of units (176), the unit sizes, the bedroom configuration, and the building design are all identical.

Continued full affordability. Every unit at Tryon Station remains restricted to income-qualified households. No units are being converted to market rate.

State housing agency approval already obtained. NCHFA, which administers the LIHTC program in North Carolina, has reviewed and approved the Income Averaging election for Tryon Station.

Request

This proposed unit mix is completely in keeping with the affordable housing project the Town of Garner originally approved and provided gap financing to support. The total number of units, the bedroom mix, the physical project, and the Town's loan terms are all unchanged. What has improved is the project's ability to serve a wider range of Garner's residents—making Tryon Station a stronger, more inclusive community asset than a single-tier approach would allow.

Because the Town's loan documents reference the project's unit mix, we do need the Town's formal consent to update that reference. We respectfully ask for the Town's sign-off so we can finalize the Income Averaging election and keep the project's documentation current.

We are happy to answer any questions or provide additional information as needed. We appreciate the Town's continued support of Tryon Station and its commitment to expanding affordable housing options for Garner residents.



MEMORANDUM

TO: KB Garner, LLC and the Town of Garner

FROM: James F. Goodwin

RE: Proposed Modifications to Town of Garner Loan Documents for Tryon Station

DATE: April 15, 2026

This firm is counsel to KB Garner, LLC (“Borrower”), the owner of the Tryon Station Apartments affordable housing property (“Tryon Station”) located in the Town of Garner, North Carolina (the “Town”). The Town lent the sum of \$750,000.00 to Borrower to assist in financing the construction of Tryon Station, as evidenced by a Promissory Note dated March 5, 2024, and associated loan documents (the “Loan Documents”).

As a project financed by the federal Low-Income Housing Tax Credit program, the Project is required to make a long-term affordability election in its tax filings with the IRS. In simplest terms, either (a) the units at the Project must be restricted to households whose income does not exceed 60% of the area median income, adjusted for family size (the “40/60 Test”), or (b) the units must be rented such that the average income of all units does not exceed 60% AMI, and no single household’s income exceeds 80% AMI (the “Average Income Test”).

When Borrower obtained the loan from the Town, it was contemplated that Borrower would elect the 40/60 Test, and the Loan Documents were drafted and executed accordingly. Borrower has since determined that electing the Average Income Test is in the best interest of the Project. To accommodate this election, certain terms of the Loan Documents must therefore be amended.

We propose the following modification to Section 4.2(b) of the Town Loan Agreement:

The use will not change from the proposed use as multifamily apartments affordable to qualified tenants whose income is ~~whose income is~~ at or below ~~60~~80% of the area median income of Wake County (“AMI”) determined by the U.S. Department of Housing and Urban Development (“HUD”) or if unavailable, as determined by the County; provided, the collective average income limit of all residential units at the Project shall not exceed 60% of AMI. In addition, eighteen (18) of the units will be reserved for Wake County Housing Permanent Supporting Housing Voucher clients (“County Permanent Supportive Housing Units”) and eighteen (18) units will be reserved for other non- County housing clients, including those eligible under North Carolina Housing Finance Agency’s Key Program.

And the following corresponding modification to Section 21 of the Town Deed of Trust:

Affordability. The Grantor shall develop Tryon Station Apartments, a one hundred seventy-six (176) unit multifamily apartment complex, as per the plans submitted to and approved by the Town and to be located at 1509 Creech Road, Garner, Wake County, North Carolina. During the Period of Affordability, which for this loan shall be defined as thirty (30) years from: i) the last date that a Certificate of Occupancy is issued for the Project; or ii) the date that this Town Deed of Trust is recorded, whichever is later. All one hundred seventy-six (176) residential apartment units will be located on the Property (“Apartments”) and made available to qualifying tenants whose income is at or below ~~60~~80% of the area median income of Wake County (“~~AMI~~”) ~~as established~~determined by the U.S. Department of Housing and Urban Development (“HUD”) or if unavailable, as determined by the County; provided, the collective average income limit of all residential units at the Project shall not exceed 60% of AMI. Eighteen (18) units will be reserved for Wake County Housing Permanent Supportive Housing Voucher clients (“County Permanent Supportive Units”) and eighteen (18) units will be reserved for other County or non-County supporting housing clients, including those eligible under the North Carolina Housing Finance Agency’s Key Program.

As a condition to making the above modifications, the Town has requested, and Borrower has agreed, to modify the Loan Documents to waive Borrower’s right to admit a non-profit managing member and thereby claim an exemption from real property taxation. Accordingly, we propose adding the following new Section 4.15 to the Town Loan Agreement:

Tax Status of Project. For so long as the Town Loan remains outstanding, Borrower covenants and agrees that it shall not, without the Town’s prior written consent, apply for an exemption from real property taxation under N.C.G.S. § 105-278.6(a)(8) based on nonprofit ownership interests in the Borrower as established by the so-called “Blue Ridge” doctrine; *In Re Blue Ridge Housing of Bakersville LLC*, 738 S.E. 2d 802 (N.C. App. 2013).