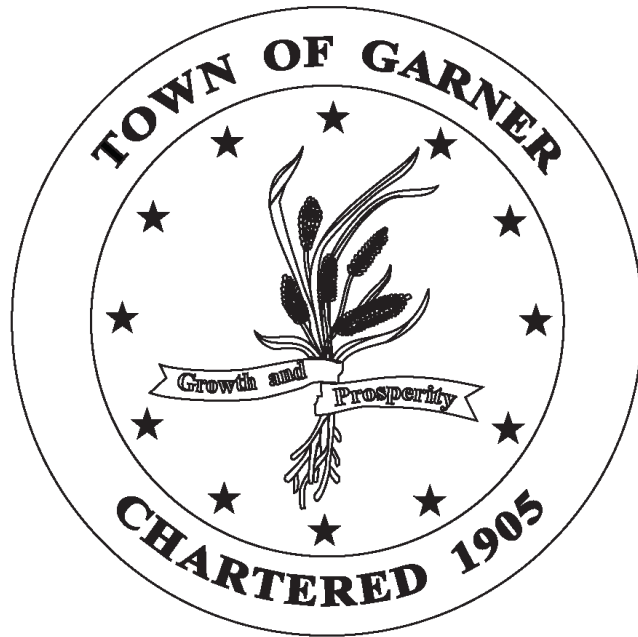


Town of Garner



Town Council Meeting May 16, 2023

Garner Town Hall
900 7th Avenue
Garner, NC 27529

Town of Garner
Town Council Regular Meeting Agenda
May 16, 2023

This regular meeting of the Council will be conducted at 6:00 p.m. in the Garner Town Hall located at 900 7th Avenue, Garner.

- A. CALL MEETING TO ORDER/ROLL CALL: Mayor Ken Marshburn
- B. PLEDGE OF ALLEGIANCE: Council Member Behringer
- C. INVOCATION: Council Member Behringer
- D. PETITIONS AND COMMENTS
- E. ADOPTION OF AGENDA
- F. PRESENTATIONS
 - 1. Recognition of 2023 Wake County Public School System Teacher of the Year Terry Hennings of Garner Magnet High School
 - 2. Recognition of National Public Works Week – May 21-27, 2023
 - 3. Recognition of National Police Week – May 14-20, 2023
- G. CONSENT
 - 1. Noise Amendments Page 13
Terri Jones, Town Attorney

The Legal and Police Departments recommend amendments to the Town's Noise Ordinance, Section 11-15 of the Town Code, to provide a civil penalty and private enforcement option.

Action: Consider adopting Ordinance (2023) 5200
 - 2. Meeting Rules and Procedures Page 15
Presenter: Terri Jones, Town Attorney

Revisions to the Town Code of Ordinances regarding meetings and the Garner Town Council Rules of Procedure as discussed at the March 28th, April 18th, and April 25th Council Meetings are recommended.

Action: Consider adopting Ordinance (2023) 5198 and Resolution (2023) 2528
 - 3. PRCR Grant Acceptance and Budget Amendment for NEA/Big Read Grant Page 37
Presenter: Maria Munoz-Blanco, PRCR Director

The Garner Performing Arts Center has been awarded a \$9,300 grant for the National

Endowment for the Arts (NEA) Big Read program. This program supports collaborative projects between arts organizations and libraries. GPAC will collaborate with the Southeast Regional Library on the grant.

Action: Consider approval of grant and approve budget amendment Ordinance (2023) 5201 and authorize the Manager to execute grant agreement.

4. Council Meeting Minutes Page 40
Presenter: Stella Gibson, Town Clerk

Minutes from the April 18, April 25, and May 2, 2023 Council Meetings

Action: Consider approving minutes

5. Notification of Reallocation of Salary and Benefits to Operating in
FY23 Budget Page 53
Presenter: Sara Warren, Budget Manager

As part of the end of year clean up, departments asked to reallocate dollars from Salary and Benefits to cover expenses in the operating budget in order to fund critical items that could not be covered in the operating budget. Per current policy, staff is required to notify Council of these actions.

Action: Consider approving Reallocation of Funds from Salary and Benefits to Operating

6. FY 23 Micro-Surfacing & Crack Sealing Contract Page 54
Presenter: Forrest Jones, Public Works Director

The Town of Garner formally advertised this project and received two bids in response to our RFP for the Micro-Surfacing & Crack Sealing Project. Micro surfacing and Crack Sealing are two means that the Town uses to recondition and prolong the lifespan of asphalt. Last year the Town engaged a consultant to evaluate Town streets and provide us with a “toolkit” of preservation methods in lieu of resurfacing.

Action: Consider authorizing the Manager to Execute the FY 23 Pavement Preservation Contract to Slurry Pavers.

7. Resolution and Agreement Authorizing Membership in the North Carolina
Health Insurance Pool (NCHIP) Page 57
Presenter: Sabrina McDonald, HR Director

This item is a follow-up to the presentation provided to Council by NCHIP during the April 25, 2023 work session. Authorizing membership will allow the Town to join NCHIP in FY24. Open enrollment for employees is scheduled to start the week of May 17th.

Action: Consider approving membership resolution and authorize the Town Manager to execute all documents required to join NCHIP.

8. Surplus Property Page 144
Presenter: David C. Beck, Finance Director

A 2021 Dodge Durango used by the Police Department has been declared a total loss by our insurance company after being involved in an accident. The request is to surplus the vehicle to release it to the insurance company.

Action: Consider adopting Resolution (2023) 2534

9. Authorization for Wake County to Levy and Collect Town of Garner
Property Tax Page 147
Presenter: David Beck, Finance Director

This resolution authorizes the Wake County Tax Administrator to levy and collect property taxes for the Town of Garner during the 2023-2024 fiscal year.

Action: Consider adopting Resolution (2023) 2533

10. FY 22 Pavement Preservation Program Page 149
Presenter: Forrest Jones, Public Works Director.

The Town of Garner Formally advertised this project and received two bids in response to our RFP for Micro-Surfacing & Crack Sealing Project.

Action: Consider authorizing the Manager to Execute the FY 22 Pavement Preservation Contract to Slurry Pavers

11. PRCR Sponsorships Page 153
Presenter: Sara Warren, Budget Manager

This item will appropriate \$6,809 for PRCR to support special events hosted by PRCR. This funding is available through various sponsorships and donations made to PRCR throughout the year.

Action: Consider authorizing budget amendment Ordinance (2023) 5202 in the amount of \$6,809 to support PRCR special events

H. PUBLIC HEARINGS

1. FY24 Budget Public Hearing Page 155
Presenter: Sara Warren, Budget Manager

The second of two public hearings for the proposed FY24 recommended budget. This public hearing provides an opportunity for residents to provide feedback and ideas for the Town's recommended budget. The FY24 Recommended Budget was presented during the May 2, 2023 Council meeting. In addition, Town Council held its budget work session on May 11, 2023. The FY24 Recommended Budget can be found on the Town's

website at : <https://www.garnernc.gov/departments/finance/fy-2023-24-budget-outreach>

Action: The Council is requested to hold a public hearing and receive public comment on the FY24 Recommended Budget.

2. Garner Forward Comprehensive Plan Page 156
Presenter: Matt Noonkester, CityExplained, Inc.

Comprehensive Plan Amendment request submitted by the Town of Garner Planning Department to update and replace the existing Garner Forward Comprehensive Plan originally adopted on June 19, 2018, and subsequently amended from time to time.

Action: Consider motion to refer to Planning Commission for review and recommendation.

I. NEW/OLD BUSINESS

1. Issuance of Series 2023 General Obligation Bonds Page 159
Presenter: David Beck, Finance Director

Resolution authorizing the issuance of \$21,620,000 general obligation bonds as part of the 2021 bond referendums approved by voters. This is the first of three planned bond sales. The bonds are slated to be sold on 5/31 with a closing date of 6/22.

Action: Consider adopting Resolution (2023) 2535

2. FY23 Audit Contract Page 177
Presenter: David Beck, Finance Director

The fiscal year 2022-23 audit will be the third year of a five year extension with our current firm of Mauldin & Jenkins. The contract for FY23 is presented for review and approval. The total price for the FY23 audit is \$40,500 which includes the basic audit fee as well as the cost for a Single Audit of ARP funds which is required.

Action: Consider approving contract with Mauldin & Jenkins to perform FY23 audit

J. COMMITTEE REPORTS

K. MANAGER REPORTS

1. Talk of the Town
2. The next Downtown Night Market is Thursday, May 18 from 5 to 9 p.m.
3. The Lake Benson Boathouse opens for the season on Friday, May 19.
4. Garner's Memorial Day Observance will be Monday, May 29, at 9:30 a.m. at the Garner Veterans Memorial at Lake Benson Park.
- 5.

L. ATTORNEY REPORTS

Pursuant to N.C. General Statutes Section 143.318.11(a)(3) to consult with the Town Attorney regarding litigation.

M. ADJOURN

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: May 16, 2023		
Subject: Teacher of the Year Recognition		
Location on Agenda: Presentations		
Department: Administration		
Contact: Rick Mercier		
Presenter: Mayor Marshburn		
Brief Summary: Mayor Marshburn will recognize Garner Magnet High teacher Terry Hennings for being named the 2023 Wake County Public School System Teacher of the Year.		
Recommended Motion and/or Requested Action: None		
Detailed Notes: Mayor Marshburn will read an official proclamation commending Garner Magnet High School teacher Terry Hennings for being named the 2023 Wake County Public School System Teacher of the Year. Mr. Hennings chose teaching as a second career after having served in the U.S. Air Force for 25 years. He has been Garner Magnet High's Civic Literacy and African American Studies teacher for grades 9-12 since July 2017.		
Funding Source: n/a		
Cost: n/a	One Time: <input type="radio"/>	Annual: <input type="radio"/> No Cost: <input checked="" type="radio"/>
Manager's Comments and Recommendations: 		
Attachments Yes: <input type="radio"/> No: <input checked="" type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:		
Finance Director:		
Town Attorney:		
Town Manager:	RD	
Town Clerk:		

Proclamation

WHEREAS, Mr. Terry Hennings has been a dedicated and highly respected Civic Literacy and African American Studies teacher at Garner Magnet High School for grades 9 through 12 since July 2017; and

WHEREAS, Mr. Hennings chose this challenging and rewarding second career following 25 years of service in our nation's Air Force; and

WHEREAS, Mr. Hennings strives as an educator to create a classroom environment in which students feel welcome, safe and at ease, and in which they can strengthen their confidence and communication skills; and

WHEREAS, Mr. Hennings serves on the Wake County Public School System Superintendent's Teacher Advisory Council and as Garner Magnet High's Black Student Union Club advisor; and

WHEREAS, Mr. Hennings also serves on Garner Magnet's Equity Team and as a Civic Literacy Professional Learning Community Leader; and

WHEREAS, Mr. Hennings' diligence and dedication have been widely recognized by his students, peers and, most recently, by the Wake County Public School System.

NOW, THEREFORE, I, Ken Marshburn, Mayor of the Town of Garner, do hereby proclaim May 16, 2023, as a day to celebrate Mr. Terry Hennings for being named the

2023 Wake County Public School System Teacher of the Year

and to urge residents, businesses and civic organizations to take every opportunity possible to support our educators and schools throughout Garner.



In Witness Whereof, I have hereunto set my hand and caused the Great Seal of the Town of Garner, North Carolina, to be affixed on the 16th day of May 2023.

Ken Marshburn
Ken Marshburn, Mayor

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: May 16, 2023 <input type="button" value="v"/>		
Subject: National Public Works Week		
Location on Agenda: Presentations		
Department: Public Works		
Contact: Forrest Jones , Public Works Director		
Presenter: Ken Marshburn, Mayor		
Brief Summary: Requesting a proclamation recognizing May 21-27, 2023 as National Public Works Week.		
Recommended Motion and/or Requested Action: N/A		
Detailed Notes: N/A		
Funding Source: N/A		
Cost: n/a	One Time: <input checked="" type="radio"/>	Annual: <input type="radio"/> No Cost: <input type="radio"/>
Manager's Comments and Recommendations:		
Attachments Yes: <input checked="" type="radio"/> No: <input type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	FJ	
Finance Director:		
Town Attorney:		
Town Manager:	RD	
Town Clerk:		

PROCLAMATION

WHEREAS, public works services provided in our community are an integral part of our citizens' everyday lives; and

WHEREAS, the support of an understanding and informed citizenry is vital to the efficient operation of public works systems and programs such as water, sewers, streets, public buildings, solid waste collection and snow removal; and

WHEREAS, the health, safety and comfort of this community greatly depend on these facilities and services; and

WHEREAS, the quality and effectiveness of these facilities, as well as their planning, design and construction are vitally dependent upon the efforts and skill of public works personnel; and

WHEREAS, the efficiency of the qualified and dedicated personnel who staff public works departments is materially influenced by the people's attitude and understanding of the importance of the work they perform.

NOW, THEREFORE, I, Ken Marshburn, Mayor of the Town of Garner, do hereby proclaim the week of May 21-27, 2023 as

NATIONAL PUBLIC WORKS WEEK

in the Town of Garner, and call upon all citizens and civic organizations to acquaint themselves with the issues involved in providing our public works services and to recognize the contributions which public works officials make every day to our health, safety, comfort, and quality of life.



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 16th day of May, 2023.

Ken Marshburn

Ken Marshburn, Mayor

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: May 16, 2023 <input type="button" value="v"/>		
Subject: National Police Week		
Location on Agenda: Presentations		
Department: Police		
Contact: Lorie Smith, Chief of Police		
Presenter: Ken Marshburn, Mayor		
Brief Summary: I am requesting a proclamation recognizing May 14-20, 2023 as National Police Week.		
Recommended Motion and/or Requested Action: N/A		
Detailed Notes: N/A		
Funding Source:		
Cost: n/a	One Time: <input checked="" type="radio"/>	Annual: <input type="radio"/> No Cost: <input type="radio"/>
Manager's Comments and Recommendations: 		
Attachments Yes: <input checked="" type="radio"/> No: <input type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	LAS	
Finance Director:		
Town Attorney:		
Town Manager:	RD	
Town Clerk:		

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, Ken Marshburn, 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 14-20, 2023, 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, 2023, 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 on the 16th day of May 2023.


Ken Marshburn, Mayor

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: May 16, 2023 ▼		
Subject: Noise Amendments		
Location on Agenda: Consent ▼		
Department: Legal and Police		
Contact: Terri Jones, Town Attorney		
Presenter: Terri Jones, Town Attorney		
Brief Summary: The Legal and Police Departments recommend amendments to the Town's Noise Ordinance, Section 11-15 of the Town Code, to provide a civil penalty and private enforcement option.		
Recommended Motion and/or Requested Action: Recommend adoption of Ordinance (2023) 5200		
Detailed Notes: Town Council has received several complaints from citizens regarding vehicle noise. Section 11-15 of the Town Code of Ordinances contains subjective standards for different types of noise violations, but is dependent on prosecution of criminal cases by the Wake County District Attorney. The Town Attorney and Police Chief have recommended converting the criminal penalty to a civil penalty and providing a private option for noise enforcement. Town Council considered the proposed amendments at the April 25, 2023 Work Session. If necessary, vehicle muffler modifications, which result in loud noise, can continue to be prosecuted criminally under State law, NCGS 20-128.		
Funding Source: N/A		
Cost: n/a	One Time: <input checked="" type="radio"/>	Annual: <input type="radio"/> No Cost: <input type="radio"/>
Manager's Comments and Recommendations: 		
Attachments Yes: <input checked="" type="radio"/> No: <input type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	LS	
Finance Director:		
Town Attorney:	TJ	
Town Manager:	RD	
Town Clerk:		

ORDINANCE NO. (2023) 5200

AN ORDINANCE AMENDING CHAPTER 11 OF THE TOWN CODE

WHEREAS, in response to citizen complaints regarding vehicle noise, the Town Council considered proposed amendments at the April 25, 2023, Work Session as recommended by the Legal and Police Departments to change the criminal penalty to a civil penalty and to add a private enforcement option.

BE IT ORDAINED by the Town Council of the Town of Garner as follows:

Section One. That Section 11-15 of Chapter 11, Offenses – Miscellaneous Provisions, of the Town Code of Ordinances shall be amended by deleting the language in strike-out and adding the language underlined below:

Sec. 11-15. Loud, disturbing and unnecessary noises.

* * * *

(c) Penalty. Violation of this section, or any part thereof, shall be punishable as a ~~misdemeanor by a fine of not more than one hundred dollars (\$100.00), or imprisonment for not more than thirty (30) days~~ civil penalty in accordance with section 1-8.

(d) Enforcement by Private Party.

(1) In recognition that excessive noise violations can occur at any time in any place within the town limits, and in recognition that police officers and other town personnel cannot be present for all excessive noise violations, it is the intent of the town council to create a private cause of action for relief from violations of this section.

(2) Any person who has been harmed by a violation of this section, committed on or after May 16, 2023, may file a civil complaint with the appropriate trial division of the General Court of Justice seeking damages or injunctive relief.

Section Two. This Ordinance shall become effective upon adoption.

Adopted this the 16th day of May, 2023.

Ken Marshburn, Mayor

ATTEST: _____
Stella Gibson, Town Clerk

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: May 16, 2023 ▼		
Subject: Meeting Rules and Procedures		
Location on Agenda: Consent ▼		
Department: Legal		
Contact: Terri Jones, Town Attorney		
Presenter: Terri Jones, Town Attorney		
Brief Summary: Revisions to the Town Code of Ordinances regarding meetings and the Garner Town Council Rules of Procedure as discussed at the March 28th, April 18th, and April 25th Council Meetings are recommended.		
Recommended Motion and/or Requested Action: Adopt Ordinance (2023) 5198 and Resolution (2023) 2528		
Detailed Notes: Ordinance provisions pertaining to Town Council meetings were adopted in 1959 and codified in Chapter 2 Article II of the Town Code of Ordinances. Many of these provisions are now superseded by State law - Chapter 160A and the Open Meetings Act. The proposed ordinance would adopt amendments to Chapter 2, Administration, of the Town Code of Ordinances. The Town of Garner Meeting Rules and Procedures were approved by Town Council in 2010 and last amended in 2015. The proposed resolution would adopt the new Garner Town Council Rules of Procedure which now track the Suggested Rules of Procedure for a City Council, Fourth Edition, published by the School of Government in 2017.		
Funding Source: n/a		
Cost:	One Time: <input type="radio"/>	Annual: <input type="radio"/> No Cost: <input checked="" type="radio"/>
Manager's Comments and Recommendations: 		
Attachments Yes: <input checked="" type="radio"/> No: <input type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:		
Finance Director:		
Town Attorney:	TJ	
Town Manager:	RD	
Town Clerk:		

RESOLUTION NO. (2023) 2528

RESOLUTION ADOPTING GARNER TOWN COUNCIL RULES OF PROCEDURE

WHEREAS, the Town of Garner Meeting Rules and Procedures were approved by the Garner Town Council on September 7, 2010, and amended on September 22, 2015.

WHEREAS, the Town Council considered a complete revision to the rules and procedures at the March 28, 2023 Work Session, and had further discussions at the April 18, 2023 Regular Meeting, and April 25, 2023 Work Session.

WHEREAS, the Town Council finds it beneficial to adopt a new version to govern meeting rules and procedures based on the Suggested Rules of Procedure for a City Council, Fourth Edition, published by the University of North Carolina School of Government in 2017.

NOW THEREFORE, BE IT RESOLVED by the Town Council of the Town of Garner, North Carolina that the attached Garner Town Council Rules of Procedure are adopted and all prior versions of meeting rules and procedures are repealed effective June 1, 2023.

Duly adopted this 16th day of May, 2023.

Ken Marshburn, Mayor

ATTEST:

Stella Gibson, Town Clerk

Garner Town Council Rules of Procedure

Part I. Applicability

Rule 1. Applicability of Rules

These rules apply to all meetings of the Garner Town Council. For purposes of these rules, a meeting of the council occurs whenever a majority of the council's members gather, whether in person or simultaneously by electronic means, to conduct hearings, deliberate, vote, or otherwise transact public business within the council's real or apparent jurisdiction. The term "majority" as used in these rules means, unless otherwise specified, a simple majority, that is, more than half.

Part II. Quorum

Rule 2. Quorum [G.S. 160A-74, Code 2-19]

The presence of a quorum is necessary for the council to conduct business. A majority of the council's actual membership plus the mayor, excluding vacant seats, constitutes a quorum. A member who withdraws from a meeting without being excused by majority vote of the remaining members in attendance is deemed present for quorum purposes.

Part III. Open Meetings

Rule 3. Remote Participation in Council Meetings [G.S. 166A-19.24]

Subject to any limitations of State law and provided a quorum is physically present, a member may participate in a meeting by electronic means, including participation in deliberations, making motions, and voting, if approved by the physically present members of the council. Any member intending to participate remotely shall inform the town manager as soon as practical before the meeting so that appropriate electronic means may be implemented. The presiding officer may not participate remotely.

Rule 4. Meetings to Be Open to the Public [G.S. 143-138.10]

Except as permitted by Rule 5, all meetings of the council shall be open to the public, and any person may attend its meetings.

Rule 5. Closed Sessions [G.S. 143-138.11]

(a) Motion to Enter Closed Session. The town council may enter a closed session from which the public is excluded only upon a motion duly made and adopted in open session. The motion to enter closed session must cite one or more of the permissible bases for closed session listed in paragraph (b) of this rule. A motion to enter closed session under subparagraph (b)(1) or (b)(2) must contain the additional information specified in those provisions.

(b) Bases for Closed Session. A closed session is permissible under the following circumstances and no others:

- (1) To prevent the disclosure of information that is privileged or confidential pursuant to the law of North Carolina or of the United States or that does not constitute a public record within the meaning of Chapter 132 of the General Statutes. The motion to enter closed

session must name or cite the law that renders the information confidential or privileged.

- (2) To consult with the town attorney or another attorney employed or retained by the town in order to preserve the attorney–client privilege. If the council expects to discuss a pending lawsuit with its attorney, the motion to enter closed session must include the names of the parties to the lawsuit.
- (3) To discuss matters relating to (a) the location or expansion of industries or other businesses in the area served by the town or (b) the closure or realignment of a military installation. The council may reach agreement in closed session on a tentative list of economic development incentives to be offered in negotiations, but the approval of the signing of any economic development contract or commitment and the authorization of the payment of economic development expenditures must take place in open session.
- (4) To establish or instruct staff or agents concerning the town’s position in negotiating the price or other material terms of an agreement for the acquisition of real property by purchase, exchange, or lease.
- (5) To establish or instruct staff or agents concerning the amount of compensation or other material terms of an employment contract.
- (6) To consider the qualifications, competence, performance, character, fitness, or conditions of appointment or employment of a public officer or employee or prospective public officer or employee, except when the individual in question is a member of the town council or other public body or is being considered to fill a vacancy on the town council or other public body. Final action to appoint or employ a public officer or employee must take place in open session.
- (7) To hear or investigate a charge or complaint by or against a public officer or employee. Final action discharging an employee or removing an officer must occur in open session.
- (8) To plan, conduct, or hear reports concerning investigations of alleged criminal misconduct.
- (9) To view a law enforcement recording released pursuant to G.S. 132-1.4A.
- (10) On any other basis permitted by law.

(c) Closed Session Participants. Unless the council directs otherwise, the town manager, assistant town managers, any necessary town employees, town attorney, and town clerk may attend closed sessions of the council. No other person may attend a closed session unless invited by consensus of the council.

(d) Motion to Return to Open Session. Upon completing its closed session business, the council shall end the closed session by adopting a duly made motion to return to open session.

(e) Confidentiality. No elected official or other person present at a closed session may disclose details about discussions held in closed session until such time as the purpose for the closed session would no longer be frustrated by the disclosure of information, except as required to comply with the Open Meetings Act or Public Records Law. Council members acknowledge the importance of a relationship of mutual trust and respect for one another, particularly as such applies to the fulfillment of their roles.

Rule 6. Meeting Minutes [G.S. 143-138.10, G.S. 160A-72, Code 2-20]

(a) Minutes Required for All Meetings. The council must keep full and accurate minutes of all of its meetings, including closed sessions. To be “full and accurate,” minutes must record all actions taken by the council. They should set out the precise wording of each motion and make it possible to determine the number of votes cast for and against each motion. The minutes need not record discussions of the council, though the council in its discretion may decide to incorporate such details into the minutes.

(b) Record of “Ayes” and “Noes.” At the request of any member of the council, the minutes shall list each member by name and record how each member voted on a particular matter.

(c) General Accounts of Closed Sessions. In addition to minutes, the council must keep a general account of each closed session. The general account must be sufficiently detailed to provide a person not in attendance with a reasonable understanding of what transpired. The council may combine the minutes and general account of a closed session into one document, so long as the document contains both a complete record of actions taken and the level of detail required for a general account.

(d) Sealing Closed Session Records. Minutes and general accounts of closed sessions shall be sealed until unsealed by order of the council or, if the council delegates the authority to unseal to one or more staff members, in accordance with guidelines adopted by the council. The sealed minutes and general account of any closed session may be withheld from public inspection so long as public inspection would frustrate the purpose(s) of the closed session.

Rule 7. Broadcasting and Recording Meetings [G.S. 143-138.14]

(a) Right to Broadcast and Record. Any person may photograph, film, tape-record, or otherwise reproduce any part of a council meeting that must take place in open session. Except as provided in paragraph (b) of this rule, any radio or television station may broadcast any such part of a council meeting.

(b) Equipment Placement. The town manager or the manager’s designee may regulate the placement and use of camera or recording equipment in order to prevent undue interference with a council meeting, so long as he or she allows the equipment to be placed where it can carry out its intended function. If the town manager or the manager’s designee determines in good faith that the equipment and personnel necessary to broadcast, photograph, or record the meeting cannot be accommodated without undue interference to the meeting, and an adequate alternative meeting room is not readily available, the town manager may require the pooling of the equipment and the personnel operating it.

(c) Alternative Meeting Site. If the news media request an alternative meeting site to accommodate news coverage, and the council grants the request, the news media making the request shall pay the costs incurred by the town in securing an alternative meeting site.

Part IV. Organization of the Council

Rule 8. Organizational Meeting; Selection of Mayor Pro Tempore [G.S. § 160A-68]

(a) Scheduling Organizational Meeting. The council must hold an organizational meeting following each general election in which council members are elected. The organizational meeting must be held either (1) on the date and at the time of the council's first regular meeting in December following the election or (2) at an earlier date, if any, set by the incumbent council. The organizational meeting may not be held before municipal election results are officially determined, certified, and published as required by law.

(b) Oath of Office. As the first order of business at the organizational meeting, all newly elected members of the council must take and subscribe the oath of office set out in Article VI, Section 7, of the North Carolina Constitution. Each member's oath must be filed with the town clerk. Although a member who is not present for the organizational meeting may take the oath of office at another time, every member must take, subscribe, and file the oath before he or she begins performing any of the duties of the member's office.

(c) Selection of Mayor Pro Tempore. As the second order of business at the organizational meeting, the council shall elect from among its members a mayor pro tempore using the procedures specified in Rule 38. The mayor pro tempore shall serve at the council's pleasure.

Part V. Types of Meetings

Rule 9. Regular Meetings [G.S. 160A-71, Charter 2.5, Code 2-16]

(a) Regular Meeting Schedule. The council shall adopt a meeting schedule each year for regular meetings and work sessions. A copy of the council's current meeting schedule shall be filed with the town clerk and posted on the town's website.

(b) Change to Meeting Schedule. The council may amend its regular meeting schedule to add or delete meetings or to change the date, time, or location of one or more meetings on the schedule. The amended schedule shall be filed with the town clerk at least seven (7) calendar days before the day of the first meeting held pursuant to the revised schedule and posted on the town's website.

Rule 10. Special Meetings [G.S. 160A-71, Charter 2.5, Code 2-17]

(a) Calling Special Meetings. A special meeting of the council may be called by the mayor, the mayor pro tempore, or any two council members. A special meeting may also be called by vote of the council in open session during a regular meeting or another duly called special meeting.

(b) Notice to the Public. At least forty-eight hours before a special meeting of the council, notice of the date, time, place, and purpose of the meeting shall be (1) posted on the council's principal bulletin board or, if the council has no such board, at the door of the council's usual meeting room and (2) delivered, e-mailed, or mailed to each newspaper, wire service, radio station, television station, and person who has filed a written request for notice with the town clerk. Furthermore, notice of the special meeting's date, time, place, and purpose shall be posted on the website in advance of the meeting.

(c) Notice to Members.

- (1) *Meeting called by the mayor, the mayor pro tempore, or any two council members.* At least forty-eight (48) hours before a special meeting called by the mayor, the mayor pro tempore, or any two council members, written notice of the meeting stating its date, time, and place, as well as the subjects to be considered, shall be delivered to the mayor and each council member or left at his or her usual dwelling place.
- (2) *Meeting called by vote of the council in open session.* When a special meeting is called by vote of the council in open session during a regular meeting or another duly called special meeting, the motion or resolution calling the special meeting shall state the meeting's date, time, place, and purpose. Written notice of the special meeting's date, time, place, and purpose shall be mailed or delivered at least forty-eight hours before the meeting to each council member not present for the meeting at which the special meeting was called, and to the mayor if he or she was not present at that meeting.

(d) Transacting Other Business. Unless all members are present or any absent member has signed a written waiver of notice, only those items of business specified in the notice to council members may be taken up at a special meeting. Even when all members are present or any absent member has signed a waiver, the council may take up an item of business not covered by the notice only if the council first determines in good faith that the item must be discussed or acted upon immediately.

Rule 11. Emergency Meetings [G.S. 143-318.12, Charter § 2.7]

(a) Grounds for Emergency Meeting. Emergency meetings of the town council may be called only to address generally unexpected circumstances demanding the council's immediate attention. An emergency measure, for the purposes of this rule, shall be defined as an ordinance or resolution to provide for the immediate preservation of the public peace, property, health, or safety, and one in which an emergency situation is set forth and defined in a preamble.

(b) Calling Emergency Meetings. There are two methods by which an emergency meeting of the council may be called.

- (1) The mayor, the mayor pro tempore, or any two members of the council may at any time call an emergency council meeting by signing a written notice stating the date, time, and place of the meeting and the subjects to be considered. The notice shall be delivered to the mayor and each council member or left at his or her usual dwelling place at least six hours before the meeting.
- (2) An emergency meeting may be held when the mayor and all members of the council are present and consent thereto, or when any absent member has signed a written waiver of notice.

(c) Notice to Media of Emergency Meetings. Notice of an emergency meeting shall be given to each local newspaper, local wire service, local radio station, and local television station that has filed a written request with the town clerk for notice of emergency meetings. To be valid, the request must include the newspaper's, wire service's, or station's telephone number. Notice may be given by telephone, e-mail, or the same method used to notify council members. Notice must be provided immediately after council members have been notified and at the expense of the

party notified.

(d) Transaction of Other Business Prohibited. Only business connected with the emergency may be considered at an emergency meeting. An affirmative vote of at least four-fifths (4/5) of the actual membership of the council shall be necessary to adopt any emergency measure.

Rule 12. Recessed Meetings [G.S. § 160A-71]

(a) Calling Recessed Meetings. When conducting a properly called regular, special, or emergency meeting, the council may recess the meeting to another date, time, or place by a procedural motion made and adopted, as provided in Rule 31, Motion 3, in open session. The motion must state the time (including the date, if the meeting will resume on a different day) and place at which the meeting will reconvene.

(b) Notice of Recessed Meetings. If the council has a website maintained by one or more town employees, notice of the recessed meeting's date, time, and place must appear on the webpage prior to the meeting. No further notice of a properly called recessed meeting is required.

Part VI. Agenda

Rule 13. Agenda

(a) Draft Agenda.

- (1) *Preparation*. The town manager and town clerk shall prepare a draft agenda in advance of each meeting of the town council.
- (2) *Requesting placement of items on draft agenda*. For a regular meeting, a request to have an item of business placed on the draft agenda must be received by the town manager at least seven (7) business days before the date of the meeting. Depending on complexity, staff may require more time to gather info. The town manager must place an item on the draft agenda in response to a council member's timely request, unless the requesting council member agrees to placing the item on a future meeting agenda.
- (3) *Supplemental information/materials*. If the council is expected to consider a proposed ordinance or ordinance amendment, a copy of the proposed ordinance or amendment shall be attached to the draft agenda. An agenda package shall be prepared that includes, for each item of business listed on the draft agenda, as much background information on the topic as is available and feasible to provide.
- (4) *Delivery to council members*. Each council member shall receive a hard or electronic copy of the draft agenda and the agenda package. Except in the case of an emergency meeting, the agenda and agenda package shall be furnished to each member at least three (3) business days before the meeting.
- (5) *Public inspection*. The draft agenda and agenda package shall be available to the public when the documents are ready to be, or have been, circulated to council.

(b) Adoption of the Agenda.

- (1) *Adoption*. As its first order of business at each meeting, the council shall review the draft agenda, make whatever revisions it deems appropriate, and adopt a formal agenda for the meeting.

- (2) *Amending the agenda.* Both before and after it adopts the agenda, the council may add or subtract agenda items by majority vote of the members present and voting, except that: the council may not add to the items stated in the notice of a special meeting unless the requirements in Rule 10(d) are satisfied and only business connected with the emergency may be considered at an emergency meeting.
- (3) *Designation of items "For Discussion and Possible Action."* The council may designate an agenda item "for discussion and possible action." The designation signifies that the council intends to discuss the item and may, if it so chooses, take action on the item following the discussion.

(c) Consent Agenda. The council may designate part of an agenda for a regular meeting as the *consent agenda*. Items may be placed on the consent agenda by the town manager if the items are judged to be noncontroversial and routine. Prior to the council's adoption of the meeting agenda under subparagraph (b)(1) of this rule, any member may remove an item from the consent agenda to be considered during another portion of the agenda. The request of any member to have an item removed from the consent agenda must be honored by the council; provided that the council member informed the town manager no later than 3:00 p.m. on the day of the meeting so that the manager will be able to arrange the attendance of necessary staff. All items on the consent agenda must be voted on and adopted by a single motion, with the minutes reflecting the motion and vote for each item.

(d) Informal Discussion of Agenda Items. The council may informally discuss an agenda item even when no motion regarding that item is pending.

Rule 14. Acting by Reference to Agenda or Other Document

The council shall not deliberate, vote, or otherwise take action on any matter by reference to the agenda or any other document with the intention of preventing persons in attendance from understanding what action is being considered or undertaken. The council may deliberate and vote by reference to the agenda or any item on the agenda, including the consent agenda, provided copies of the agenda are available for public inspection at the meeting and are sufficiently worded to enable the public to understand what is being deliberated or acted upon.

Rule 15. Agenda Items from Members of the Public [G.S. 160A-81.1, ~~Code § 2-21~~]

(a) If a member of the public wishes to request that the council include an item on its regular meeting agenda, he or she must submit the request to the town clerk by the deadline specified in Rule 13(a)(2). The council is not obligated to place an item on the agenda merely because such a request has been received.

(b) The public may provide comments on items not included on a meeting agenda regarding matters germane to Town policies or business during the petitions and comments period in accordance with Rule 37. An individual wishing to address the council during the petitions and comments period shall register with the town clerk prior to the opening of the meeting by providing their name, physical address, email address, phone number, and a short description of their topic.

(c) Depending on the number of individuals registered, the mayor may limit petitions and comments to three minutes per speaker. The council may, by majority vote of those present,

extend the time for petitions on any subject.

(d) If time allows, the mayor may allow individuals who failed to register before the meeting to speak during the petitions and comments period. Individuals shall raise their hand to be recognized by the mayor, come to the podium, and state their name and address.

(e) In lieu of publicly addressing the council during the petitions and comments period, an individual or group may submit written comments by completing the "Citizen Comment" form. "Citizen Comment" forms are available to the public at any time by contacting the town clerk's office or accessing the Town of Garner website. Receipt of written comments will be acknowledged and written comments will be distributed to all council members.

(f) After hearing a petition or comment, council may refer the issue to the town manager or town attorney for investigation and report, refer the issue to another governmental entity, or request the item be placed on a future agenda.

Rule 16. Order of Business

Items shall be placed on a regular meeting agenda according to the order of business. The usual order of business for each regular meeting shall be as follows:

- call to order and roll call [by the presiding officer and clerk]
- invocation and pledge of allegiance [by a council member or designee]
- petitions and comments by the public
- adoption of the agenda
- presentations
- approval of the consent agenda
- public hearings
- new/old business
- committee reports
- manager reports
- attorney reports
- council reports
- closed sessions
- adjournment

Without objection, the mayor may call agenda items in any order most convenient for the dispatch of business. The council by majority vote may add items to the agenda, may delete items for which action is no longer required, or continue items to a future meeting.

Part VII. Role of the Presiding Officer

Rule 17. The Mayor [G.S. 160A-69, Charter 2.2]

(a) Presiding Officer. When present, the mayor shall preside at meetings of the council.

(b) Right to Vote. The mayor may vote only when an equal number of affirmative and negative votes have been cast, that is, only when there is a tie.

(c) Recognition of Members. A member must be recognized by the mayor (or other presiding

officer) in order to address the council, but recognition is not necessary for an appeal pursuant to Rule 31, Motion 1.

(d) Powers as Presiding Officer. As presiding officer, the mayor is to enforce these rules and maintain order and decorum during council meetings. To that end, the mayor may:

- (1) rule on points of parliamentary procedure, to include ruling out of order any motion clearly offered for obstructive or dilatory purposes;
- (2) determine whether a member or other speaker has gone beyond reasonable standards of courtesy in his or her remarks and entertain and rule on objections from other members on this ground;
- (3) entertain and answer questions of parliamentary procedure;
- (4) call a brief recess at any time; and
- (5) adjourn in an emergency.

(e) Appeals of Procedural Rulings. A member may appeal a decision made or answer given by the mayor under subparagraph (d)(1), (2), or (3) in accordance with Rule 31, Motion 1.

Rule 18. The Mayor Pro Tempore [G.S. 160A-70, Charter 2.4]

(a) Presiding in Mayor's Absence. When present, the mayor pro tempore shall preside over council meetings in the mayor's absence with all the powers specified in Rule 17(d).

(b) Delegation of Mayor's Powers/Duties. In the mayor's absence, the council may confer on the mayor pro tempore any of the mayor's powers and duties. Likewise, if the mayor becomes physically or mentally unable to perform the duties of his or her office, the council may by unanimous vote declare the mayor incapacitated and confer any of the mayor's powers and duties on the mayor pro tempore. When the mayor announces that he or she is no longer incapacitated, and a majority of the council concurs, the mayor shall resume the exercise of his or her powers and duties.

(c) Duty to Vote. Even when presiding over a council meeting, the mayor pro tempore has the same duty as other members to vote on all questions unless he or she has been excused from voting on a matter in accordance with Rule 28.

Rule 19. Other Presiding Officer [Code § 2-18]

If both the mayor and mayor pro tempore are absent, the council may elect from among its members a temporary presiding officer to chair the meeting. While serving as temporary presiding officer, a member has the powers listed in Rule 17(d). Service as a temporary presiding officer does not relieve a member of the duty to vote on all questions unless excused from voting pursuant to Rule 28.

Rule 20. When the Presiding Officer Is Active in Debate

If the mayor becomes active in debate on a particular proposal, he or she may have the mayor pro tempore preside during the council's consideration of the matter. If the mayor pro tempore is absent or is also actively debating the matter, the mayor may designate another member to preside until the matter is concluded. Similarly, if the mayor pro tempore or a temporary presiding officer is presiding and takes an active part in debating a topic, he or she may designate

another council member to preside temporarily.

Part VIII. Motions and Voting

Rule 21. Action by the Council

Except as otherwise provided in these rules, the council shall act by motion. Any member may make a motion, not including the mayor.

Rule 22. Second Required

A second is required on any motion.

Rule 23. One Motion at a Time

A member may make only one motion at a time.

Rule 24. Withdrawal of Motion

The member who introduces a motion may withdraw the motion unless the motion has been amended or the presiding officer has put the motion to a vote.

Rule 25. Debate

The presiding officer shall state the motion and then open the floor to debate, presiding over the debate according to the principles listed below.

- The maker of the motion is entitled to speak first.
- A member who has not spoken on the issue shall be recognized before a member who has already spoken.
- To the extent practicable, the debate shall alternate between proponents and opponents of the measure.
- The presiding officer may limit debate, subject to an extension of debate approved by a majority of those members present.

Rule 26. Adoption by Majority Vote

A motion is adopted if supported by a simple majority of the votes cast, a quorum being present, except when a larger majority is required by these rules or state law.

Rule 27. Changing a Vote

A member may change his or her vote on a motion at any time before the presiding officer announces whether the motion has passed or failed. Once the presiding officer announces the result, a member may not change his or her vote without the unanimous consent of the remaining members present. A member's request for unanimous consent to change a vote is not in order unless made immediately following the presiding officer's announcement of the result.

Rule 28. Duty to Vote [G.S. 160A-75, Charter 2.7]

(a) Duty to Vote. Every council member must vote except when excused from voting as provided by this rule.

(b) Grounds for Recusal/Excusal. A member may be excused from voting on a matter involving

the member's own financial interest or official conduct, though not if the proposal in question is one to alter the compensation or allowances paid to council members. Members may also be excused from voting when prohibited from voting under G.S. 14-234 (contract providing direct benefit to member), G.S. 14-234.3 (contract benefiting associated nonprofits), G.S. 160D-109(a) (legislative zoning decision likely to have a direct, substantial, and readily identifiable financial impact on member), or G.S. 160D-109(d) (member's participation in quasi-judicial decision would violate affected person's right to an impartial decision maker). Questions about whether a basis for recusal/excusal exists should be directed to the town attorney.

(c) Procedure for Recusal/Excusal.

- (1) *At member's request.* Upon being recognized at a duly called meeting of the council, a member who wishes to be excused from voting shall so inform the presiding officer, who must then submit the matter to a vote of the remaining members present. If a majority of the remaining members present vote to excuse the member, the member is excused from voting on the matter.
- (2) *On council's initiative.* Even when a member has not asked to be excused from voting on a matter, a majority of the remaining council members present may by motion and vote excuse the member from voting if grounds for doing so exist under paragraph (b).

(d) Consequence of Non-Excused Failure to Vote. Except as specified in paragraph (e), if a member who has not been excused from voting fails to vote on a matter, the member's failure to vote shall be recorded as an affirmative vote, provided

- (1) the member is physically present in the council chamber or
- (2) the member has physically withdrawn from the meeting without being excused by majority vote of the remaining members present.

(e) Failure to Vote on Certain Zoning Matters. A member's unexcused failure to vote shall not be recorded as an affirmative vote if the motion concerns a proposal to amend, supplement, or repeal a zoning ordinance. Instead, the member's unexcused failure to vote shall be recorded as an abstention.

Rule 29. Voting by Written Ballot

(a) Secret Ballots Prohibited. The council may not vote by secret ballot.

(b) Rules for Written Ballots. The council may decide by majority vote or unanimous consent to vote on a motion by written ballot. Each member must sign his or her ballot, and the minutes must record how each member voted by name. The ballots must be made available for public inspection in the town clerk's office immediately following the meeting at which the vote took place and remain there until the minutes of that meeting are approved, at which time the ballots may be destroyed.

Rule 30. Substantive Motions

A substantive motion is not in order if made while another motion is pending. Once the council disposes of a substantive motion, it may not take up a motion that presents essentially the same issue at the same meeting, unless it first adopts a motion to reconsider pursuant to Rule 31,

Motion 14.

Rule 31. Procedural Motions

(a) Certain Motions Allowed. The council may consider only those procedural motions listed in this rule. Unless otherwise noted, each procedural motion may be debated and amended and requires a majority of votes cast, a quorum being present, for adoption.

(b) Priority of Motions. The procedural motions set out in this paragraph are listed in order of priority. A procedural motion is not in order so long as another procedural motion of higher priority is pending, except that

- any procedural motion other than an appeal under Motion 1 is subject to amendment as provided in Motion 12, and
- a motion to call the question (end debate) may be made with regard to any procedural motion in accordance with Motion 9.

When several procedural motions are pending, voting must begin with the procedural motion highest in priority, provided that a motion to amend or end debate on the highest priority motion must be voted on first.

Motion 1. To Appeal a Ruling of the Presiding Officer. Any member may appeal the presiding officer's ruling on whether a motion is in order or on whether a speaker has violated reasonable standards of courtesy. The presiding officer's response to a question of parliamentary procedure may also be appealed by any member. An appeal is in order immediately after the disputed ruling or parliamentary response and at no other time. The member who moves to appeal need not be recognized by the presiding officer, and if timely made, the motion may not be ruled out of order.

Motion 2. To Adjourn. This motion may be used to close a meeting. It is not in order if the council is in closed session.

Motion 3. To Recess to a Time and Place Certain. This motion may be used to call a recessed meeting as permitted under Rule 12. The motion must state the time (including the date, if the meeting will reconvene on a different day) and place at which the meeting will resume. The motion is not in order if the council is in closed session.

Motion 4. To Take a Brief Recess.

Motion 5. To Follow the Agenda. This motion must be made at the time an item of business that deviates from the agenda is proposed; otherwise, the motion is out of order as to that item.

Motion 6. To Suspend the Rules. To be adopted, a motion to suspend the rules must receive affirmative votes equal to at least two-thirds of the council's actual membership, excluding vacant seats and not counting the mayor if the mayor votes only in case of a tie. The council may not suspend provisions in these rules that are required under state law.

Motion 7. To Divide a Complex Motion. This motion is in order whenever a member wishes to consider and vote on parts of a complex motion separately. The member who makes this motion must specify how the complex motion will be divided.

Motion 8. To Defer Consideration. The council may defer its consideration of a substantive motion, and any proposed amendments thereto, to an unspecified time. A motion that has been deferred expires unless the council votes to revive it pursuant to Motion 13 within 90 days of deferral. A new motion having the same effect as a deferred motion may not be introduced until the latter has expired.

Motion 9. To End Debate (Call the Previous Question). If adopted, this motion terminates debate on a pending motion, thereby bringing it to an immediate vote. This motion is not in order until every member has had an opportunity to speak once on the pending motion.

Motion 10. To Postpone to a Certain Time. This motion may be employed to delay the council's consideration of a substantive motion, and any proposed amendments thereto, until a designated day, meeting, or hour. During the period of postponement, the council may not take up a new motion raising essentially the same issue without first suspending its rules pursuant to Motion 6.

Motion 11. To Refer a Motion to a Committee. The council may vote to refer a substantive motion to a committee for study and recommendations. While the substantive motion is pending before the committee, the council may not take up a new motion raising essentially the same issue without first suspending its rules pursuant to Motion 6. If the committee fails to report on the motion within 60 days of the referral date, the council must take up the motion if asked to do so by the member who introduced it.

Motion 12. To Amend.

(a) Germaneness. A motion to amend must concern the same subject matter as the motion it seeks to alter.

(b) Limit on Number of Motions to Amend. When a motion to amend is under consideration, a motion to amend the amendment may be made; however, no more than one motion to amend and one motion to amend the amendment may be pending at the same time.

(c) Amendments to Ordinances. Any amendment to a proposed ordinance must be reduced to writing before the vote on the amendment.

Motion 13. To Revive Consideration. The council may vote to revive consideration of any substantive motion that has been deferred pursuant to Motion 8, provided it does so within 90 days of its vote to defer consideration.

Motion 14. To Reconsider. The council may vote to reconsider its action on a matter, provided the motion to reconsider is made (a) at the same meeting during which the action to be reconsidered was taken and (b) by a member who voted with the prevailing side. For purposes of this motion, "the same meeting" includes any continuation of a meeting through a motion to recess to a certain time and place (Motion 3). The motion is not in order if it interrupts the council's deliberation on a pending matter.

Motion 15. To Rescind. The council may vote to rescind an action taken at a prior meeting provided rescission is not forbidden by law.

Motion 16. To Prevent Reintroduction for Six Months. This motion may be used to prevent

the reintroduction of a failed substantive motion for a time, but it is in order only when made immediately following the substantive motion's defeat. To be adopted, this motion must receive votes equal to at least two-thirds of the council's actual membership, excluding vacant seats and not counting the mayor, unless the mayor may vote on all questions. If this motion is adopted, the ban on reintroduction remains in effect for six months or until the council's next organizational meeting, whichever occurs first.

Part IX. Ordinances and Contracts

Rule 32. Introduction of Ordinances [G.S. 160A-75, Code 2-25]

For purposes of these rules, the "date of introduction" for a proposed ordinance is the date on which the council first votes on the proposed ordinance's subject matter. The council votes on the subject matter of a proposed ordinance when it votes on whether to adopt or make changes to the proposed ordinance.

Rule 33. Adoption, Amendment, and Repeal of Ordinances [G.S. 160A-75]

(a) Adoption of Ordinances.

- (1) *Proposed ordinances to be in writing.* No proposed ordinance shall be adopted unless it has been reduced to writing and distributed to members before a vote on adoption is taken.
- (2) *Adoption on date of introduction.* To be approved on the date of introduction, a proposed ordinance or any action having the effect of an ordinance must receive affirmative votes equal to at least two-thirds of the council's actual membership, excluding vacant seats and not counting the mayor (at least four members).
- (3) *Adoption after date of introduction.* To be approved after the date of introduction, a proposed ordinance or any action having the effect of an ordinance must receive affirmative votes equal to at least a majority of all council members not excused from voting on the matter. The mayor's vote counts only if there is an equal division.

(b) Amendment and Repeal of Ordinances. The same voting requirements that govern the adoption of proposed ordinances also apply to the amendment or repeal of an ordinance.

Rule 34. Adoption of the Budget Ordinance [G.S. 159-17]

(a) Special Rules for the Adoption or Amendment of the Budget Ordinance. Notwithstanding any provision in the town charter, general law, or local act,

- (1) the council may adopt or amend the budget ordinance at a regular or special meeting of the council by a simple majority of those members present and voting, a quorum being present;
- (2) no action taken with respect to the adoption or amendment of the budget ordinance need be published or is subject to any other procedural requirement governing the adoption of ordinances or resolutions by the council; and
- (3) the adoption or amendment of the budget ordinance and the levy of taxes in the budget ordinance are not subject to the provisions of any town charter or local act concerning initiative or referendum.

(b) Notice Requirements for Budget Meetings. During the period beginning with the submission of the budget to the council and ending with the adoption of the budget ordinance, the council may hold any special meetings that may be necessary to complete its work on the budget ordinance. Except for the notice requirements of the open meetings law, which continue to apply, no provision of law concerning the call of special meetings applies during that period so long as

- each member of the board has actual notice of each special meeting called for the purpose of considering the budget and
- no business other than consideration of the budget is taken up.

(c) No Authority for Closed Sessions. This rule shall not be construed to authorize the council to hold closed sessions on any basis other than the grounds set out in Rule 5.

Rule 35. Approval of Contracts and Authorization of Expenditures [G.S. 160A-16, 160A-20.1]

(a) Contracts to be in Writing. No contract shall be approved or ratified by the town council unless it has been reduced to writing at the time of the council's vote.

(b) Approval of Contracts. To be approved or ratified, a contract must receive affirmative votes equal to at least a majority of all council members not excused from voting on the contract, including the mayor's vote in the event of a tie.

(c) Authorization of Expenditure of Public Funds. The same vote necessary to approve or ratify a contract is required for the council to authorize the expenditure of public funds, except when the expenditure is authorized pursuant to Rule 34.

Part X. Public Hearings and Comment Periods

Rule 36. Public Hearings

(a) Calling Public Hearings. In addition to holding public hearings required by law, the council may hold any public hearings it deems advisable.

(b) Public Hearing Locations. Public hearings may be held anywhere within the town or within Wake County.

(c) Rules for Public Hearings.

1. Speakers shall register with the town clerk and provide their names and addresses and other contact information.
2. Twelve copies of any written materials must be provided.
3. Reasonable time limits may be imposed on each speaker or group in accordance with Rule 15.
4. The presiding officer may require the designation of spokespersons for groups of persons supporting or opposing the same positions.
5. The presiding officer may provide for the selection of delegates from groups of persons supporting or opposing the same positions when the number of persons wishing to attend the hearing exceeds the capacity of the meeting room (so long as arrangements are made, in the case of a hearing subject to the open meetings law, for

those excluded from the hall to listen to the hearing).

6. The presiding officer may impose additional rules as necessary to provide for the maintenance of order and decorum in the conduct of the hearing.

(d) Notice of Public Hearings. Any public hearing at which a majority of the council is present shall be considered part of a regular or special meeting. Consequently, the relevant notice and related requirements of the Open Meetings Act, as set out in Rules 9 through 12, apply to such hearings. Some statutes mandate additional notice for particular types of hearings, and such notice must be provided together with notice of the meeting during which the hearing will take place.

(e) Continuing Public Hearings. The council may continue any public hearing without further advertisement to a time and place certain, provided the time (including the date, if the hearing will resume on a different day) and place of the continued hearing are announced in open session. Except for hearings conducted pursuant to paragraph (g), if a quorum of the council is not present for a properly scheduled public hearing, the hearing must be continued until the council's next regular meeting without further advertisement.

(f) Conduct of Public Hearings. At the time appointed for the hearing, the mayor shall call the hearing to order and proceed to allow public input in accordance with any rules adopted by the council for the hearing. Unless the council extends the hearing, when the time allotted for the hearing expires, or when no one wishes to speak who has not done so, the mayor shall declare the hearing closed, and the council shall resume the regular order of business.

(g) Public Hearings by Less Than a Majority of Council Members. Nothing in this rule prevents the council from appointing a member or members to hold a public hearing on the council's behalf, except when state law requires that the council itself conduct the hearing.

(h) Quasi-Judicial Hearings. Quasi-judicial hearings shall be conducted in accordance with G.S. 160D-406, 160D-705, and 160D-1402 after council members make any disclosures required by G.S. 160D-109. Witnesses desiring to give evidence shall provide testimony under oath which is to be administered by the town clerk. Parties with standing may cross-examine witnesses.

Rule 37. Public Comment Periods

(a) Frequency of Public Comment Periods. The council must provide at least one opportunity for public comment each month at a regular meeting, except that the council need not offer a public comment period during any month in which it does not hold a regular meeting.

(b) Rules for Public Comment Periods. The council may adopt reasonable rules for public comment periods that, among other things,

- fix the maximum time allotted to each speaker,
- provide for the designation of spokespersons for groups supporting or opposing the same positions,
- provide for the selection of delegates from groups supporting or opposing the same positions when the number of persons wishing to attend the public comment period exceeds the capacity of the meeting room (so long as arrangements are made for those excluded from the hall to listen to the hearing), and

- provide for the maintenance of order and decorum in the conduct of the hearing.

(c) Content-Based Restrictions Generally Prohibited. The council may not restrict speakers based on subject matter, as long as their comments pertain to subjects within the council's real or apparent jurisdiction.

Part XI. Appointments and Appointed Bodies

Rule 38. Appointments [G.S. 160A-63]

(a) Appointments in Open Session. The council must consider and make any appointment to another body or, in the event of a vacancy on the council, to its own membership in open session.

(b) Nomination and Voting Procedure.

(1) The council shall use the following procedure to fill a vacancy of a council seat. Council may not fill a vacancy among its own membership except in open session. The clerk shall cause a public advertisement of the vacancy and shall receive applications from individuals interested in serving on or before the deadline set by council. The council may interview candidates; however, if a quorum of council is present then the interview shall occur in open session. At a regular or special meeting, the mayor shall open the floor for nominations, whereupon council members may put forward and debate nominees. When debate ends, the mayor shall call the roll of the members, and each member shall cast a vote for his or her preferred nominee. The voting shall continue until a nominee receives a majority of votes cast during a single balloting.

(2) The council shall use the following procedure to fill a vacancy in any other body over which it has the power of appointment by Town ordinance or State law. The clerk shall cause a public advertisement of committee and board vacancies on an annual basis and shall at any time receive applications from individuals interested in serving. When positions are scheduled for appointment, a nominations committee (Human Resources) shall be formed of two members of council. The nominations committee may seek advice from staff in the appropriate department regarding qualifications of an applicant. The nominations committee shall review the applications, seek interested and qualified candidates, make a report on nominations received and reviewed, and make its recommendations for appointment(s), if any.

(c) Mayor. The mayor may not vote on appointments except in the event of a tie.

(d) Multiple Appointments. The nominating committee may submit a slate containing as many nominees as there are vacancies to be filled on a particular board. Each council member then votes for or against the slate as presented.

(e) Duty to Vote. It is the duty of each member to vote for as many appointees as there are appointments to be made, but failure to do so shall not invalidate a member's ballot.

(f) Vote by Written Ballot. The council may vote on proposed appointments by written ballot in accordance with Rule 29.

Rule 39. Committees and Boards

(a) Establishment and Appointment. The council may establish temporary and standing committees, boards, and other bodies to help carry on the work of town government. Unless otherwise provided by law or the council, the power of appointment to such bodies lies with the council.

(b) Open Meetings Law. The requirements of the open meetings law apply whenever a majority of an appointed body's members gather in person or simultaneously by electronic means to discuss or conduct official business, except that the Human Resources Committee, the Law and Finance Committee, and the Public Works Committee shall comply with the open meetings law. The requirements of the open meetings law do not apply to meetings solely among the town's professional staff.

(c) Procedural Rules. The council may prescribe the procedures by which the town's appointed bodies operate, subject to any statutory provisions applicable to particular bodies. In the absence of rules adopted by the council, an appointed body may promulgate its own procedural rules, so long as they are in keeping with any relevant statutory provisions and generally accepted principles of parliamentary procedure.

Part XII. Miscellaneous

Rule 40. Amendment of the Rules

These rules may be amended at any regular meeting or at any properly called special meeting for which amendment of the rules is one of the meeting's stated purposes. Any amendment to these rules must be consistent with the town charter, any relevant statutes, and generally accepted principles of parliamentary procedure. To be adopted, a motion to amend these rules must be approved by a majority of the council's members, excluding vacant seats.

Rule 41. Reference to Suggested Rules of Procedure for a City Council

The council shall refer to *Suggested Rules of Procedure for a City Council, 4th edition, 2017* and may refer to *Robert's Rules of Order Newly Revised* for guidance when confronted with a procedural issue not covered by these rules or state law. Having consulted these sources, the mayor shall make a ruling on the issue subject to appeal to the council under Rule 31, Motion 1.

Rule 42. Decorum

During the course of public meetings, elected officials should conduct themselves with professionalism and show courtesy to fellow elected officials, other Town representatives, and the public. Elected officials should approach disagreements in a positive fashion. After a decision is made by a majority of Town Council, the minority should respect and honor the decision. Elected officials should avoid public acts or comments that impugn the Town, the Town staff, or its processes.

Rule 43. Absences

From time to time, elected officials may need to be absent. An absence is defined as any time an elected official is not able to attend a duty or responsibility of their elected position.

Absences may be for planned, unplanned, or extended periods. As soon as it is known, a planned absence shall be communicated to the mayor/mayor pro tempore either publicly or privately. As soon as practical, an unplanned absence shall be communicated to the mayor/mayor pro tempore by the individual official or designee either publicly or privately. For any type of absence, all available information regarding the expected absence date or dates, duration and planned return shall be provided. If the absence will extend for more than one week, periodic weekly updates shall be provided by the individual or designee to the mayor/mayor pro tempore. If the absence is health related, specific health information is not required. Information regarding the current circumstances or condition, progress towards return and expected return date is required. As appropriate to the circumstances or condition, the mayor/mayor pro tempore shall communicate with other elected officials, the town manager, the town clerk, and other town staff.

Rule 44. Special Recognitions

Recognitions during the presentations portion of the meeting agenda shall include recognition of staff or the public for special accomplishments or achievements and presentations of proclamations or resolutions that are requested to be presented at a council meeting and will be limited to three per meeting. The meeting when the James R. Stevens Award is presented will have no other recognitions on that agenda.

Rule 45. Time Limits

Exclusive of matters to be discussed in closed session, the Council will not begin discussion of an agenda item after 10:15 p.m. without the affirmative vote of two-thirds of those members present.

Rule 46. Adoption, Effective Date

These rules are adopted by the Garner Town Council on April 18, 2023, and effective May 1, 2023.

TOWN OF GARNER LIAISON POLICY

(adopted August 1, 2022 by Resolution (2022) 2499)

1. The Mayor may assign the Mayor or one or more Councilmembers to serve as liaison to any Town board or committee or any external organization, board, or committee as requested, including State, County, and regional bodies.
2. The Mayor shall make the liaison assignments during the organizational meeting of the Council or at such later time as required by resignation of Councilmembers or requests by external organizations.
3. The term of the liaison assignment will be from the date of the assignment until the next organizational meeting.
4. The duty of the liaison shall be to attend the assigned board or committee meetings and to report back to the full Council. The role of the liaison is to be a representative of the Town and a point of contact for the committee or organization and the public with respect to the purposes and actions of the board or committee.
5. The liaison is not a member of the board or committee and shall have no voting rights, but shall serve in an ex officio capacity.
6. If an external organization, board, or committee requests that the liaison serves as a member of the board or committee, then Town Council shall appoint the Mayor or a Councilmember as an ex officio member of the board or committee in accordance with the Appointments rules and procedures.
7. In order to confirm that Town elected officials are in compliance with State laws regarding dual office holding and transparency, the Mayor and all Councilmembers shall provide the Town Clerk and/or Town Attorney with a list of all appointed positions held by the individual and all organizations for which the individual is an officer or director, and a copy of the bylaws or applicable statutory provisions pertaining to the organization, board, committee, or appointed body.

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: May 16, 2023		
Subject: NEA Big Read Grant for GPAC		
Location on Agenda: Consent		
Department: Parks, Recreation & Cultural Resources		
Contact: Maria Munoz-Blanco, PRCR Director		
Presenter: Maria Munoz-Blanco, PRCR Director		
<p>Brief Summary: The Garner Performing Arts Center has been awarded a \$9,300 grant for the National Endowment for the Arts (NEA) Big Read program. This program supports collaborative projects between arts organizations and libraries. GPAC will collaborate with the Southeast Regional Library on the grant.</p>		
<p>Recommended Motion and/or Requested Action: Consider approval Ordinance (2023) 5201 and authorize the Manager to execute grant agreement.</p>		
<p>Detailed Notes: The Big Read is a national initiative established in 2006 by the NEA. Since then, more than 1,700 NEA Big Read programs around the country have been funded, reaching every Congressional district in the country. The NEA is a federal agency that supports arts and cultural activities nationwide. Its regional affiliate, Arts Midwest, manages the distribution of NEA Big Read grants. This is the first time that Garner will participate in the NEA Big Read. Project activities will include reading discussions and workshops at the library, Garner Senior Center, and GPAC.</p>		
Funding Source:		
Cost:	One Time: <input type="radio"/>	Annual: <input type="radio"/> No Cost: <input checked="" type="radio"/>
Manager's Comments and Recommendations:		
Attachments Yes: <input checked="" type="radio"/> No: <input type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	MMB	
Finance Director:		
Town Attorney:		
Town Manager:	RD	
Town Clerk:		

ORDINANCE NO. (2023) 5201

ORDINANCE AMENDING ORDINANCE NO. (2022) 5130 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	REVISED BUDGET
10303500 - 443155	Contributions - Concert Series		\$ -	\$ 9,300	\$ 9,300

TOTAL REVENUE INCREASE (DECREASE) \$ 9,300.00

Expenditure Amendment Request

ACCOUNT NUMBER	DESCRIPTION	PROJECT	CURRENT BUDGET	EXPENDITURE CHANGE	REVISED BUDGET
10572000-524300	Contract Services		\$ 5,300	\$ 5,200	\$ 10,500
10572000-523300	Department Supplies		\$ 24,586	\$ 4,100	\$ 28,686

TOTAL EXPENDITURE INCREASE (DECREASE) \$ 9,300.00

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 16th day of May 2023.

Ken Marshburn, Mayor

ATTEST:

Stella L. Gibson , Town Clerk



Garner Parks, Recreation and Cultural Resources

900 7th Avenue • Garner, NC 27529

Phone: 919-773-4442 • Email: garnerprcr@garnernc.gov

May 4, 2023

To: Jodi Miller, Assistant Town Manager

From: Maria Munoz-Blanco, Director of Parks, Recreation & Cultural Resources (PRCR)

Re: GPAC Grant NEA/Arts Midwest Big Read and Budget Amendment

The Garner Performing Arts Center has been awarded a \$9,300 grant for the National Endowment for the Arts (NEA) Big Read program. This program supports collaborative projects between arts organizations and libraries related to one of the books in a pre-selected list. GPAC will partner with the Wake County Southeast Regional Library focusing on the book *Can't We Talk About Something More Pleasant* by author Roz Chast. The book tells the story of Chast's parents' final years through cartoons, family photos, found documents, and narrative prose. The book was a finalist for the National Book Award and is winner of the Kirkus Prize, the National Book Critics Circle Award, and the Books for a Better Life Award. Chast is a long-time cartoonist for *The New Yorker* magazine.

Project activities will include book discussions at the library; a caregivers course at the Garner Senior Center; a presentation by illustrator and author Anna Totten about visual storytelling and graphic novels; a decoupage keepsake workshop with Backyard Arts; and other community activities. This is a matching grant and it allows for the cost of staff time to be used as the match, so no new funds are required.

The Big Read is a national initiative established in 2006 by the NEA. Since then, more than 1,700 NEA Big Read programs around the country have been funded, reaching every Congressional district in the country. Over the past 15 years, more than 5.7 million Americans have attended an NEA Big Read event and over 40,000 community organizations have partnered to make NEA Big Read activities possible. The NEA is a federal agency that supports arts and cultural activities nationwide. Its regional affiliate, Arts Midwest, manages the distribution of Big Read grants.

A budget amendment is required to appropriate the funds.

Staff Recommendation

That the Town Council approve the acceptance of the grant and budget amendment and authorize the Town Manager to execute the grant agreement.

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: May 16, 2023		
Subject: Council Meeting Minutes		
Location on Agenda: Consent		
Department: Administration		
Contact: Stella Gibson, Town Clerk		
Presenter: Stella Gibson, Town Clerk		
Brief Summary: Minutes from the April 18, April 25, and May 2, 2023 Council Meetings		
Recommended Motion and/or Requested Action: Consider approving minutes		
Detailed Notes:		
Funding Source:		
Cost: n/a	One Time: <input checked="" type="radio"/>	Annual: <input type="radio"/> No Cost: <input type="radio"/>
Manager's Comments and Recommendations:		
Attachments Yes: <input checked="" type="radio"/> No: <input type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	SG	
Finance Director:		
Town Attorney:		
Town Manager:	RD	
Town Clerk:		

Town of Garner
Town Council Regular Meeting Minutes
April 18, 2023

The Council met at 6:00 p.m. in the Ronnie S. Williams Council Chambers at Town Hall, located at 900 7th Avenue, Garner.

CALL MEETING TO ORDER/ROLL CALL: Mayor Ken Marshburn

Present: Mayor Ken Marshburn, Mayor ProTem Elmo Vance, Council Members Gra Singleton, Kathy Behringer, Phil Matthews and Demian Dellinger

Staff Present: Rodney Dickerson-Town Manager, John Hodges-Asst. Town Manager, Jodi Miller-Asst. Town Manager, David Beck-Finance Director, Paul Padgett-Inspections Director, Maria Munoz-Blanco-PRCR Director, Ashley Harris-Planner, Lorie Smith-Police Chief, Mike McIver-Deputy Police Chief, Katie Lockhart- Parks and Nature Superintendent, Terri Jones-Town Attorney, and Stella Gibson-Town Clerk

PLEDGE OF ALLEGIANCE: Council Member Gra Singleton

INVOCATION: Council Member Gra Singleton

PETITIONS AND COMMENTS

No petitions or comments.

ADOPTION OF AGENDA

Motion: Matthews
Second: Behringer
Vote: 5:0

PRESENTATIONS

Civilian Award Presentation

Presenter: Lorie Smith, Police Chief

Chief Smith recognized community members with a Civilian Citation for assisting police during a crisis situation.

Building Safety Month 2023

Presenter: Ken Marshburn, Mayor

Council Member Matthews read the Building Safety Month Proclamation which aims to raise awareness about the importance of building codes so that the public has all the necessary information needed to ensure the safety of their homes and businesses.

CONSENT

Resolution in Support of Application for NC PARTF Grant

Presenter: Katie Lockhart, Parks & Nature Superintendent

The North Carolina Department of Natural and Cultural Resources has an annual matching grant program (NC Parks and Recreation Trust Fund or PARTF) which provides financial aid to municipalities to build or develop recreational facilities for public use. PRCR plans to apply for a 2023 PARTF grant to support improvements at White Deer Park. A Town Resolution in support of the grant application is a required component in order to be eligible for funding.

Action: Adopt Resolution (2023) 2529

Triangle J Senior Center Grant

Presenter: Maria Munoz-Blanco, PRCR Director

Garner Senior Center is eligible to receive a \$10,901 grant from the Triangle J Area Agency on Aging. Funds are allocated by the General Assembly through the regional aging agencies to support senior centers across the state. The GSC has received this grant in prior years as it is formula based. A local match of 25% is required and will be met with existing FY23 approved operating budget. A budget amendment is included to incorporate the grant funds into the FY23 budget.

Action: Approve acceptance of \$10,901 grant funds and adopt Ordinance (2023) 5199

Council Meeting Minutes

Presenter: Stella Gibson, Town Clerk

Minutes from the March 21 and March 28 and April 4, 2023 Council meetings.

Action: Approve Minutes

White Oak RAB Design Amendment #4

Presenter: Leah Harrison, Town Engineer

Amendment to design contract with Arcadis for White Oak RAB to address NCDOT review comments, accommodate utility coordination, and provide construction phase services. There are funds in the existing project budget that can be used for this amendment.

Action: Approve and authorize the Town Manager to execute Amendment #4 with Arcadis.

Council Member Dellinger requested to move discussion of the Council's Meeting Rules and Procedures to Old/New Business for further discussion.

Action: Approve all other Consent items.

Motion: Singleton

Second: Matthews

Vote: 5:0

PUBLIC HEARINGS

Tier 2 Conditional Rezoning #CZ-MP-22-04, Swift Creek Apartments

Presenter: Ashley Harris, Planner

Tier 2 conditional rezoning request (CZ-MP-22-04) submitted by Swift Creek Apartments, LLC, to rezone approximately 40.85 +/- acres from Commercial Mixed Use (CMX) and Residential 4 (PD TND C2) Conditional, to Commercial Mixed Use (CMX C261) Conditional and Multifamily B (MF-B C261) Conditional. The site is located on the east side of US 401 north of Brookwood Drive and may further be identified as Wake County Pin(s) 0790655225, 0790559818, 0790559977.

Council asked for clarification on several areas of the plan and expressed concern regarding the density of the project with only one actual point of access, the connection to the Vandora Springs Extension, as well as how the project would impact the Swift Creek Land Management Plan.

Mayor Marshburn closed the hearing.

Action: Refer to Planning Commission for plan consistency review and recommendation

Motion: Singleton
Second: Matthews
Vote: 4:1

Council Member Dellinger voted nay stating he would like more discussion on stormwater and access.

Tier 2 Conditional Rezoning #CZ-MP-22-09, US 70 Guy Road Commercial

Presenter: Ashley Harris, Planner

Tier 2 conditional rezoning request (CZ-MP-22-09) submitted by Circle K Stores, Inc. to rezone 3.53 +/- acres from Single Family Residential (R-40) to Community Retail (CR C269) Conditional for the development of a convenience store with fuel sales. The site is located at northwest corner of US 70 Hwy E and Guy Road and may be further identified as Wake County PIN(s) 1740116945, 1740128037, 1740118968, and 1740119930.

Toby Coleman and Rick Baker provided an overview of the project.

Mayor Marshburn closed the hearing.

Action: Refer to Planning Commission for plan consistency review and recommendation.

Motion: Vance
Second: Behringer
Vote: 5:0

NEW/OLD BUSINESS

Updated Garner Forward Comprehensive Plan Public Hearing Draft Discussion

Presenter: Matt Noonkester, City Explained Inc.

Mr. Noonkester provided an update of the revisions made to the Plan as well as next steps.

Action: Schedule Public Hearing for May 16, 2023

Motion: Singleton
Second: Behringer

Vote: 5:0

Meeting Rules and Procedures

Presenter: Terri Jones, Town Attorney

Council discussed the recommended revisions to the Town Code of Ordinances and the Garner Town Council Rules of Procedure and decided further discussion was needed.

Action: Place on Work Session Agenda for further discussion

Motion: Singleton
Second: Behringer
Vote: 5:0

COMMITTEE REPORTS

No Committee Reports

MANAGER REPORTS

- Quarterly Financial Report
- Talk of the Town
- Downtown Night Markets get underway on Thursday, April 20th and run from 5:00 p.m. to 9:00 p.m. along Main Street and around the Recreation Center.
- The Garner Relay for Life is Saturday, April 29th at Lake Benson Park. There will be a survivor reception starting at noon. The opening ceremony is at 1:00 p.m., with a luminaria ceremony at 8:00 p.m. and closing ceremony at 9:00 p.m.
- The Neuse River Big Band returns to GPAC on Saturday, April 29th at 7:30 p.m.
- Annual Special Pick-Up program is complete
- Wake County approved the Town's two million dollar request for a grant for Yeargan Park Phase One. We also have earmark funds pending that's being considered by Congressman Nickel.

ATTORNEY REPORTS

Regarding the Jones Sausage Road demo – Once the final costs are received, a Resolution to place a lien on property to cover cost of the demo will be prepared and Wake County will foreclose on taxes and collect that lien.

COUNCIL REPORTS

Dellinger

- Reported there are potholes and shoulder deterioration on Hwy 70 and Mechanical and asked if staff could investigate.
- Reported the Optimist Club provided rehearsal space for the Big River Band.

Behringer

- Asked if we heard back from the railroad regarding the graffiti on the utility box. Staff will follow-up with Norfolk Southern.
- Stated the segment of Saint Mary's Street that runs from West Garner Road over to Main Street and crosses the railroad track is in bad shape. She asked if the Town or the railroad was responsible to maintain that area. Staff responded that road was maintained by the Town but as you get closer to

the railroad track, the railroad handles. Staff will investigate.

Singleton

- Stated that at the budget presentation there was discussion regarding the \$20M funding for Jones Sausage Road and the letting of the Town's resurfacing contract and asked if information regarding the roads that were planned to be resurfaced be provided.
- Commented that he uses the Garner Info app regularly and that it was a good tool and very easy to use to report issues.

Matthews

- Stopped by the post office today adding that because of the large hole in the asphalt, drivers are going around and facing into on-coming traffic to avoid it.

Vance

- Reported that the HR Committee is working to fill vacancies on the various committees/boards.

ADJOURN: 9:05 p.m.

DRAFT

**Town of Garner
Town Council Work Session Minutes
April 25, 2023**

The Council met at 6:00 p.m. in the Ronnie S. Williams Council Chambers at Town Hall, located at 900 7th Avenue, Garner.

CALL MEETING TO ORDER/ROLL CALL: Mayor Ken Marshburn

Present: Mayor Ken Marshburn, Mayor ProTem Elmo Vance, Council Members, Gra Singleton, Kathy Behringer and Phil Matthews and Demian Dellinger

Staff Present: Rodney Dickerson-Town Manager, John Hodges-Asst. Town Manager, Jodi Miller-Asst. Town Manager, David Beck-Finance Director, Lorie Smith-Police Chief, Terri Jones-Town Attorney, and Stella Gibson-Town Clerk

ADOPTION OF AGENDA

Motion: Vance
Second: Matthews
Vote: 5:0

PRESENTATIONS

Fire Chief Matt Poole presented the Garner-Fire Rescue Annual Report.

DISCUSSION/REPORTS

North Carolina Health Insurance Pool (NCHIP)

Presenter: Wes Grigston, Public Sector Practice Leader

Mr. Grigston presented information regarding the Town joining North Carolina Health Insurance Pool. Council felt this was a good opportunity to expand the Town's network and open to all employees; however, Council Member Dellinger said he felt additional information was needed. Mr. Dickerson offered to meet with Council Member Dellinger to provide further information.

Action: Move forward with process to join NCHIP in FY24.

Motion: Singleton
Second: Matthews
Vote: 4:1

Council Member Dellinger voted nay.

Railroad Safety and Hazardous Materials

Presenter: Terri Jones, Town Attorney

Due to recent train derailments around the nation which involved exposure of nearby residents to toxic and hazardous chemicals, Council requested information on options for regulating railroad safety.

Under the Federal Railroad Safety Act and the Fair Federal Hazardous Materials Transportation Act, local governments are preempted from regulating the railroads and their cargo. There are provisions for emergency response plans and notification regarding hazardous materials that are on freight trains that travel through Town, however, the data is not received in a real-time setting. An emergency training exercise will be conducted on May 2nd.

Action: For discussion purposes

Vehicle Noise Enforcement

Presenter: Terri Jones, Town Attorney, and Lorie Smith, Police Chief

Town Council has received several complaints from citizens regarding vehicle noise. The Town's current Noise Ordinance contains subjective standards for different types of noise violations. Several Ordinance revisions were proposed.

Council consensus to update the Noise Ordinance and place on future Consent Agenda

Triangle J Council of Government Charter

Presenter: Rodney Dickerson, Town Manager

The TJCOG Board of Delegates approved changes to the organization's Charter to reflect a change in name from Triangle J Council of Governments to Central Pines Regional Council. They will need 2/3 of the local government members to approve the amended charter for the name change to become official.

Council consensus to place on future Consent Agenda

Meeting Rules and Procedures

Presenter: Terri Jones, Town Attorney

Revisions to the Town Code of Ordinances and the Town of Garner Meeting Rules and Procedures were recommended. Council continued to discuss additional changes to Rules 36, 38, and 42 which addressed public hearings, appointments, and decorum.

Consensus to place the Resolution and Ordinance Changes on a future Consent Agenda

MANAGER REPORTS

- May 2023 Pending Agenda Report
- The Pedestrian Plan will not be coming forward.

COUNCIL REPORTS

Vance

- Will be attending the CityVision Conference in Concord.
- The HR Committee will start interviewing applicants to serve on the various Town boards and commissions in the upcoming weeks.
- Asked if there had been any response from NC DOT regarding the traffic light timing at the various intersections. Staff responded that no response had been received at this time, but will follow-up on.

Behringer

- Thanked Public Works and the Engineering Department for the road repairs made to the area of St. Mary's Street between Garner Road and Main Street.
- Reported tall grass at 104 and 106 West Garner Road. Mr. Dickerson responded that he would work with Public Works to get the grass cut as soon as possible if they do not comply by Thursday. Council Member Behringer added that she would like staff develop a list of properties that are routinely out of compliance and Mr. Dickerson assured Council Member Behringer that staff maintains such a list.

Marshburn

- Thanked Ms. Jones for her work on Council's Rules and Procedures as well as updates on legislative bills.

Mayor ProTem Vance and Council Member Singleton had nothing to report.

CLOSED SESSION

Pursuant to N.C. General Statutes Section 143.318.11(a)(5) to discuss possible real estate acquisition and the Town's negotiating position regarding such real estate.

Council provided direction to staff on the acquisition of two different properties. Council authorized the adoption of Resolution No. (2023) 2530 which is a Resolution of Intent to acquire easements needed for storm drain improvements on Forest Ridge Road by negotiated purchase if possible or by eminent domain where required. With respect to another property acquisition, Council provided direction to staff on a negotiating position but is not ready to exercise or it would thwart the purpose of the closed session to identify that action at this time.

Ms. Miller advised the FY23/24 budget book would be delivered to Council on April 27th and the Manager will be delivering his budget message at the May 2nd Council meeting.

ADJOURN: 9:10 p.m.

**Town of Garner
Town Council Regular Meeting Minutes
May 2, 2023**

The Council met at 6:00 p.m. in the Ronnie S. Williams Council Chambers at Town Hall, located at 900 7th Avenue, Garner.

CALL MEETING TO ORDER/ROLL CALL: Mayor Ken Marshburn

Present: Mayor Ken Marshburn, Mayor ProTem Elmo Vance, Council Members, Gra Singleton, Kathy Behringer and Phil Matthews and Demian Dellinger

Staff Present: Rodney Dickerson-Town Manager, John Hodges-Asst. Town Manager, Jodi Miller-Asst. Town Manager, David Beck-Finance Director, Lorie Smith-Police Chief, Jeff Triezenberg-Planning Director, Ashley Harris-Planner, David Bamford-Asst. Planning Director, Leah Harrison-Town Engineer, Terri Jones-Town Attorney, and Stella Gibson-Town Clerk

PLEDGE OF ALLEGIANCE: Mayor ProTem Vance

INVOCATION: Mayor ProTem Vance invited Beth Porter from the Poole Family YMCA in Garner to deliver the invocation.

PETITIONS AND COMMENTS

None

ADOPTION OF AGENDA

The public hearing for 401 Crossing was removed from the agenda.

Motion: Singleton
Second: Phil
Vote: 5:0

PRESENTATIONS

FY2024 Recommended Budget Presentation

Presenter: Rodney Dickerson, Town Manager

Mr. Dickerson presented the FY2023-2024 Recommended Budget to Council.

CONSENT

Resolution Supporting Triangle J Council of Government Charter Changes

Presenter: Rodney Dickerson, Town Manager

At the beginning of this budget year, the TJCOG governing board authorized staff to move forward with a rebranding effort which included a potential change to the organization's name and logo. They have completed this work and in late March, the TJCOG Board of Delegates unanimously approved changes to

the organization's Charter to reflect a change in name from Triangle J Council of Governments to Central Pines Regional Council. They will need 2/3 of the local government members to approve the amended charter for the name change to become official. Their hope is that this can be completed by July 1, 2023.

Action: Adopt Resolution (2023) 2532

Annexation Petition # ANX-23-05, VA Clinic

Presenter: David Bamford, Assistant Planning Director

Voluntary satellite annexation petition (ANX-23-05) submitted by 900 Rand Road LLC to bring 16.66 +/- acres at 2700 Benson Road into the Town of Garner's corporate limits. The site may also be identified as Wake County PIN 1619434742.

Action: Adopt Resolution (2023) 2531 to set public hearing for June 20, 2023.

Stub Completion Policy Waiver

Presenter: Jeff Triezenberg, Planning Director

Formal request for a waiver to the stub completion policy for Curtiss Drive within the Buffaloe Townhome project boundary. The developer has asked for the waiver pursuant to: Policy Section IV - 4. Other. The Town Council may also issue a waiver for stub completion citing safety, quality of life, or other circumstances related to public interested and/or evaluate and recommend appropriate traffic calming measures.

Action: Grant waiver pursuant to subsection 4. "Other."

Action: Approve Consent Agenda

Motion: Vance

Second: Singleton

Vote: 5:0

PUBLIC HEARINGS

Mayor Marshburn explained the procedures to be followed during the following hearings and asked Council to disclose any bias, exparte communications, any close familial, business or other associational relationships with an affected person, or have a financial interest in the outcome. Hearing none, the Clerk administered the Oath to Leah Harrison, Alison Jones, Jeff Triezenberg, and Daniel Gunter.

Mayor Marshburn opened the hearing.

Special Use Permit # SUP-SP-22-09, Garner V US 70 Industrial

Presenter: Alison Jones, Planner II

Special use permit request submitted by Al Neyer, LLC to construct a light industrial/flex space building 225,000 square feet on 57.1 +/- acres of land zoned Heavy Industrial (HI) located at 4839 Green Garden Road. The site may be further identified as Wake County PIN 1730842632.

Mayor Marshburn closed the hearing.

Action: I find that application SUP-SP-22-09 meets the Town's eight (8) criteria for special use permits as identified in Article 3.9.2.D.; therefore, I move that the Town Council approve SUP-SP-22-09, Garner V US 70 Industrial with six (6) site specific conditions to be listed on the permit that will be prepared by staff.

Motion: Singleton
Second: Behringer
Vote: 5:0

NEW/OLD BUSINESS

None

COMMITTEE REPORTS

Council Member Vance reported that the HR Committee has begun scheduling interviews to fill vacant positions on the Town's boards and committees.

Mayor Marshburn advised information regarding the James R. Stevens Service to Garner Award will be sent to the Committee soon. The Award will be presented in mid-August.

MANAGER REPORTS

- On Saturday, May 6, Garner Fire-Rescue and the American Red Cross will be teaming up with community partners and individual volunteers for the Red Cross "Sound the Alarm" event. Organizers hope to have teams fan out and install 250 smoke alarms in the community. For more information and to sign up, contact Capt. Don Johnson, Garner Fire-Rescue's community risk reduction manager, at djohnson@garnerfire.com.
- Friday Family Flicks starts its season May 12 at 8:30 p.m. on the lawn of Garner Recreation Center. The movie will be "Thor: Love & Thunder".
- The duo Larry and Joe play at Garner Performing Arts Center on Saturday, May 13. Larry and Joe offer a fusion of Venezuelan and Appalachian folk music. This is a "pay what you can" event and starts at 1 p.m. with a workshop on traditional Venezuelan music.
- The next Downtown Night Market is Thursday, May 18, from 5 to 9 p.m.

ATTORNEY REPORTS

Ms. Jones reminded Council of the Transparency Act Compliance; State law prohibits Town Council Members from voting on certain contracts and appropriations which may be authorized in the annual budget. In order to ensure compliance, Council Members must disclose to the Town Clerk and/or Town Attorney any nonprofit or other organization for which the Town Council Member is currently an officer or director, or anticipated to be an officer or director during the 2023-2024 Fiscal Year.

Ms. Jones also made Council aware of House Bill 409, entitled Regulation of Accessory Dwelling Units. The Bill would essentially allow a second residence or accessory dwelling unit to be built on most single-family lots in the State. The League of Municipalities requested local officials contact their Senators to express their opposition to this Bill. Council consensus to provide this information to the Town's lobbyist.

COUNCIL REPORTS

Singleton

- Reported receiving a letter from a resident regarding the rezoning of the 401 Crossings project and expressing concerns about flooding from the project onto their property.

Behringer

- Attended the opening of the Banks House Bed & Breakfast.
- Reported tall grass at the corner of Jones Sausage Road and East Garner Road.
- Asked to be excused from the May Work Session.

Vance

- Attended the NC League of Municipalities City Vision Annual Conference.
- Asked for an update on the Pulte Development Agreement.
- Expressed appreciation for staff's rapid response in cleaning up graffiti.

Matthews

- The Veterans Advisory Committee is working to organize the Memorial Day event with Tim Stevens being the keynote speaker.

Marshburn

- Also attended the opening of the Banks House Bed and Breakfast.
- Asked staff to contact Mr. Hennings and invite him to a Council meeting to be recognized for receiving the Wake County Teacher of the Year Award.
- The Relay for Life event was held this past Saturday.

Council Member Dellinger had nothing to report.

ADJOURN: 7:26 p.m.

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: May 16, 2023		
Subject: Notification of Reallocation of Salary and Benefits to Operating in FY23 Budget		
Location on Agenda: Consent		
Department: Administration		
Contact: Sara Warren, Budget Manager		
Presenter: Sara Warren, Budget Manager		
<p>Brief Summary: As part of the end of year clean up, departments asked to reallocate FY23 budget dollars from Salary and Benefits to fund critical items that could not be covered in the FY23 operating budget. Per current Town policy, staff is required to notify Council of these actions.</p>		
<p>Recommended Motion and/or Requested Action: Acknowledge reallocation of funds from salary and benefits to operating as required by the Town's financial policies.</p>		
<p>Detailed Notes: As part of the end of year clean up, departments asked to reallocate dollars from Salary and Benefits to fund critical items that could not be covered in the operating budget. This includes: contract increase in Finance for audit services of \$15,000; replacement canine for a retired canine in Police for \$22,105; and to replace deteriorated equipment at various facilities as well as new inclusive sports equipment for athletics totaling \$42,000.</p>		
<p>Funding Source: Operating Budget</p>		
Cost: n/a	One Time: <input checked="" type="radio"/>	Annual: <input type="radio"/> No Cost: <input type="radio"/>
<p>Manager's Comments and Recommendations:</p>		
<p>Attachments Yes: <input checked="" type="radio"/> No: <input type="radio"/></p>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	SA	
Finance Director:		
Town Attorney:		
Town Manager:	RD	
Town Clerk:		

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: May 16, 2023 <input type="button" value="v"/>		
Subject: FY 23 Micro-Surfacing & Crack Sealing Contract		
Location on Agenda: Consent <input type="button" value="v"/>		
Department: Public Works		
Contact: Forrest Jones, Public Works Director		
Presenter: Forrest Jones, Public Works Director		
<p>Brief Summary:</p> <p>The Town of Garner Formally advertised this project and received two bids in response to our RFP for the FY23 Micro Surfacing & Crack Sealing Project. Micro-surfacing and crack sealing are two treatments that the Town uses to recondition and prolong the lifespan of asphalt. Last year the Town engaged a consultant to evaluate Town streets and provide us with a "toolkit" of preservation methods in lieu of resurfacing.</p>		
<p>Recommended Motion and/or Requested Action:</p> <p>Authorize the Manager to Execute the FY 23 Pavement Preservation Contract to Slurry Pavers.</p>		
<p>Detailed Notes:</p> <p>See attached lists of Streets and Certified Bid Tab.</p> <p>This is an annual budget process and contract varies based on contractor bids.</p>		
Funding Source:		
Cost: \$328,508.73	One Time: <input type="radio"/>	Annual: <input checked="" type="radio"/> No Cost: <input type="radio"/>
Manager's Comments and Recommendations:		
Attachments Yes: <input checked="" type="radio"/> No: <input type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	FJ	
Finance Director:		
Town Attorney:		
Town Manager:	RD	
Town Clerk:		

**TOWN OF GARNER
2023 MICRO-SURFACING CRACK SEALING PROJECT
BID TABULATION SHEET**

		Contractors Name		Slurry Pavers, Inc		Boxley Materials Co.	
BASE BID							
	Item	Unit	Quantity	Unit Price	Extended Price	Unit Price	Extended Price
1	Crack Seal (NCDOT) Approved	Lbs.	10,200	\$2.98	\$30,396.00	\$3.35	\$34,170.00
2	Latex Modified Micro-Surfacing Type II	SY	72,845	\$3.21	\$233,833.73	\$3.35	\$244,032.09
3	Mobilization	LS	1	\$37,500.00	\$37,500.00	\$45,000.00	\$45,000.00
TOTAL BID AMOUNT					\$301,729.73		\$323,202.09

EXTRA WORK							
	Item	Unit	Quantity	Unit Price	Extended Price	Unit Price	Extended Price
1	Directional Symbols (NCDOT)	EA	8	\$1,000.00	\$8,000.00	\$900.00	\$7,200.00
2	4" Painted Lines (NCDOT)	LF	3,714	\$4.50	\$16,713.00	\$4.55	\$16,898.70
3	8" Painted Lines (NCDOT)	LF	1	\$28.00	\$28.00	\$25.00	\$25.00
4	24" Painted Lines (NCDOT)	LF	1	\$33.00	\$33.00	\$30.00	\$30.00
5	Sweeper (Removal of residual or loosened Micro-Material 2 to 4 weeks after completion)	Hour	10	\$200.00	\$1,600.00	\$250.00	\$2,500.00

Please Note: The extended price for line #5 (highlighted in yellow) under EXTRA WORK for Slurry Pavers is incorrect. The correct extended price should be \$2,000.00.

2023 Street Micro-Surface Street List

Year ID	Treatment	Street Name	From Street	To Street	Length	Width	Sq. Ft.
2023	Micro-Surfacing with Crack Seal	HIDDEN FOX PATH	ACKERMAN RD	TWIN CT	457.9661	27	12365.08
2023	Micro-Surfacing with Crack Seal	HEATHER PARK DRIVE	SOUTHERBY BLUFFS CT	SAVANNAH CHASE CI	343.2981	35	12015.43
2023	Micro-Surfacing with Crack Seal	BENTPINE DRIVE	CROSS PINES DR	AUTUMN PINE CT	526.1422	30	15784.27
2023	Micro-Surfacing with Crack Seal	SEASTONE STREET	CHALLENGE RD	ACENTALA CT	638.7347	30	19162.04
2023	Micro-Surfacing with Crack Seal	OLD BUCKHORN ROAD	WALDEN CT	FORDGATES DR	1480.139	30	44404.17
2023	Micro-Surfacing with Crack Seal	BUCKHORN ROAD	SPRING DR	FORDGATES DR	421.3587	30	12640.76
2023	Micro-Surfacing with Crack Seal	BURNHAM COURT	ATCHISON ST	CDS	684.1181	30	20523.54
2023	Micro-Surfacing with Crack Seal	OLINDA COURT	NOVEMBER ST	CDS	512.1029	30	15363.09
2023	Micro-Surfacing with Crack Seal	NOVEMBER STREET	ATCHISON ST	OLINDA CT	636.0557	30	19081.67
2023	Micro-Surfacing with Crack Seal	FLANDERS STREET	MARGO CI	CABOT ST	209.999	30	6299.97
2023	Micro-Surfacing with Crack Seal	BENTPINE DRIVE	AUTUMN PINE CT	OAK TOP CT	384.1564	30	11524.69
2023	Micro-Surfacing with Crack Seal	SPACEWAY COURT	RAYNOR RD	CDS	620.3899	24	14889.36
2023	Micro-Surfacing with Crack Seal	MACHOST DRIVE	BRIMS WY	CLUNY PL	543.709	30	16311.27
2023	Micro-Surfacing with Crack Seal	WESTWOOD DRIVE	KIMBERWOOD CT	CDS	697.4482	30	20923.45
2023	Micro-Surfacing with Crack Seal	HEATHERWOOD DRIVE	BUCKINGHAM RD	CLAYMORE DR	1270.407	30	38112.21
2023	Micro-Surfacing with Crack Seal	CULLEN PLACE	BRIMS WY	CDS	354.4493	30	10633.48
2023	Micro-Surfacing with Crack Seal	CREEKBANK COURT	SKIPPING ROCK LN	WHITE CAP LN	442.0246	30	13260.74
2023	Micro-Surfacing with Crack Seal	CREEKBANK COURT	WHITE CAP LN	CDS	147.4551	30	4423.65
2023	Micro-Surfacing with Crack Seal	DREYFUS COURT	CUSHENDUN LN	CIRCLE	1089.597	22	23971.13
2023	Micro-Surfacing with Crack Seal	ARBOR GREENE DRIVE	CLIMBING LATTICE CT	GARDEN RETREAT DR	345.6105	30	10368.32
2023	Micro-Surfacing with Crack Seal	NELLANE DRIVE	VANDORA AV	POPLAR DR	724.2621	26	18830.81
2023	Micro-Surfacing with Crack Seal	LAKESIDE DRIVE	NC 50	GREENFIELD DR	314.5838	37	11639.60
2023	Micro-Surfacing with Crack Seal	FLANDERS STREET	AINSWORTH ST	BINFORD CT	825.9746	30	24779.24
2023	Micro-Surfacing with Crack Seal	KELLY ROAD	FOWLER DR	DEAD END	394.0416	20	7880.83
2023	Micro-Surfacing with Crack Seal	NOVEMBER STREET	CASHIERS ST	MERCER CT	259.1858	30	7775.57
2023	Micro-Surfacing with Crack Seal	ST MARY'S STREET	HILLTOP AV	FOREST DR	361.4281	30	10842.84
2023	Micro-Surfacing with Crack Seal	FLANDERS STREET	BINFORD CT	LEARY DR	896.0859	30	26882.58
2023	Micro-Surfacing with Crack Seal	McNAUGHTON COURT	KIMLOCH DR	CDS	336.3934	30	10091.80
2023	Micro-Surfacing with Crack Seal	LAKESIDE DRIVE	PARK AV	FRANCES DR	350.3125	44	15413.75
2023	Micro-Surfacing with Crack Seal	BELLHAVEN STREET	AVERY ST	DEAD END	446.3019	23	10264.94
2023	Micro-Surfacing with Crack Seal	SHOALS LANE	ATCHISON ST	MUNNSEE CT	503.0211	30	15090.63
2023	Micro-Surfacing with Crack Seal	WARE COURT	ATCHISON ST	CDS	294.2159	30	8826.48
2023	Micro-Surfacing with Crack Seal	WHITHORNE DRIVE	TYSER PL	WOODSCREEK DR	2287.061	30	68611.83
2023	Micro-Surfacing with Crack Seal	SKIPPING ROCK LANE	ROCK FISH LN	CREEKBANK CT	720.9079	30	21627.24
2023	Micro-Surfacing with Crack Seal	FULL MOON COURT	GARDEN RETREAT DR	CDS	191.6411	24	4599.39
2023	Micro-Surfacing with Crack Seal	LAKESIDE DRIVE	HIGHLAND RD	WADE AV	457.0261	44	20109.15
2023	Micro-Surfacing with Crack Seal	CASTLE MANOR COURT	BUCKINGHAM RD	CDS	415.321	30	12459.63
2023	Micro-Surfacing with Crack Seal	DELBRIDGE STREET	BUTLER DR	AVERSBORO RD	636.5578	28	17823.62
					Total Sq.Ft.		655608.3
					Toal Sq. Yd.		72845.36

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: May 16, 2023 ▼		
Subject: Resolution and Agreement Authorizing Membership in the North Carolina Health Insurance Pool (NCHIP)		
Location on Agenda: Consent ▼		
Department: Human Resources		
Contact: Sabrina McDonald, HR Director, Jodi Miller, Assist. Town Manager		
Presenter: Sabrina McDonald, HR Director		
Brief Summary: This item is a follow-up to the presentation provided to Council by NCHIP during the April 25, 2023 work session. Authorizing membership will allow the Town to join NCHIP in FY24. Open enrollment for employees is scheduled to start the week of May 17th.		
Recommended Motion and/or Requested Action: Approve membership resolution and authorize the Town Manager to execute all documents required to join NCHIP.		
Detailed Notes: A copy of the authorizing membership resolution, NCHIP Bylaws, NCHIP Trust Agreement, and NCHIP Garner proposal have been provided. All documents have been reviewed and approved by the Town Attorney.		
Funding Source: FY24 Operating Budget		
Cost: n/a	One Time: <input checked="" type="radio"/>	Annual: <input type="radio"/> No Cost: <input type="radio"/>
Manager's Comments and Recommendations: Over the past 5 years, NCHIP has increased from 7 to 27 participants, covering over 13,000 lives throughout North Carolina. Wake County participants include Wake Forest, Morrisville, and Holly Springs with other nearby communities including Hillsborough and Orange County. NCHIP has performed well since 2018, averaging 2% renewal over the past 5 years. This is especially attractive considering our current health insurance carrier, Aetna is estimating a 5.9% renewal for the Town for FY24. NCHIP has also maintained 100%-member retention, 20% year to year participant growth, and have accumulated \$17 million in reserves across participants. With NCHIP, we expect level funding for the coming year and based on previous renewals less than 5% increases throughout the lifetime of the Town's membership. Additionally, NCHIP will provide a broader network of providers to include UNC.		
Attachments Yes: <input checked="" type="radio"/> No: <input type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:		
Finance Director:		
Town Attorney:		
Town Manager:	RD	
Town Clerk:		

RESOLUTION (2023) 2536

**RESOLUTION AUTHORIZING THE TOWN OF GARNER'S
PARTICIPATION IN THE
NORTH CAROLINA HEALTH INSURANCE POOL**

WHEREAS, North Carolina local governments, including any North Carolina county, city, or housing authority, may enter into contracts or agreements under Article 23 of Chapter 58 of the North Carolina General Statutes (the "Local Government Risk Pool Act") to establish pools providing for life or accident and health insurance for their employees on a cooperative or contract basis with one another;

WHEREAS, the North Carolina Health Insurance Pool (NCHIP) is a pool providing for accident and health insurance for employees of North Carolina local governments in accordance with the Local Government Risk Pool Act; and

WHEREAS, this local government wishes to become a member of the NCHIP;

NOW, THEREFORE, BE IT RESOLVED BY TOWN COUNCIL OF THE TOWN OF GARNER, as follows:

SECTION 1 As of July 1, 2023, this local government will become a Member of the North Carolina Health Insurance Pool (NCHIP), an intergovernmental cooperative to pool health insurance risks with other North Carolina local governments. The terms and conditions of membership in NCHIP will be such terms and conditions as are imposed by the board of trustees of NCHIP and pursuant the terms of applicable contracts and by-laws of NCHIP, as such may be amended from time to time.

SECTION 2 In accordance with N.C.G.S. § 58-23-5(e), the Town Manager of this local government, or such other officer, as shall be authorized, is directed to give notice (or cause notice to be given) to the North Carolina Commissioner of Insurance no later than June 1, 2023,

in a form prescribed by the Commissioner that this local government intends to participate in NCHIP as of July 1, 2023.

SECTION 3 The Town Manager of this local government, or such other officer, as shall be authorized, is directed to execute any documents necessary to complete the membership of the local government in NCHIP.

SECTION 4 This Resolution shall be in full force and effect upon its passage, approval and publication in pamphlet form, if required by law.

PASSED this 16th day of May, 2023

AYES:

NAYS:

ABSENT:

Ken Marshburn, Mayor

ATTEST:

Stella Gibson, Town Clerk

**INTERLOCAL AGREEMENT FOR A GROUP SELF-INSURANCE POOL
FOR BENEFIT RISK SHARING**

This Interlocal Agreement for a Group Self-Insurance Pool for Benefit Risk Sharing (“Agreement”), made and entered into in duplicate originals this day of April 24, 2018 by and between all the parties who are now, or may hereafter become, members of the North Carolina Health Insurance Pool (hereinafter “Trust”):

WITNESSETH:

WHEREAS, certain municipalities and other units of local government of the State of North Carolina have agreed to pool the risks associated with the provision of benefits for their designated benefit plan participants (hereinafter “participants”) pursuant to, and to be governed by, the provisions of North Carolina General Statutes § 160A-460 *et seq.* (Part 1 of Article 20 of Chapter 160A), § 153A-445, and § 58-23; and

WHEREAS, the members of the Trust have agreed upon designation of a Board of Trustees, in accordance with North Carolina General Statutes § 58-23-10 and pursuant to Article V of the Bylaws of the North Carolina Health Insurance Pool dated as of the date hereof (the “Bylaws”), to direct the affairs of the Trust; to adopt rules, regulations, and policies, and maintain Bylaws for implementing and administering the Trust; and to pass upon the admissibility of future members of the Trust; and

WHEREAS, by this Agreement the Trust will undertake to discharge, solely from the assets of this Trust, by payment, any claims for benefits covered by the Trust’s plan of insurance and benefits, which awards shall have been authorized by the rules of the Trust, and when claims are otherwise determined to be due as a result of a court judgment or settlement agreement; and

WHEREAS, the members of the Trust agree to pay premiums and/or contributions based upon appropriate classifications, rates, loss experience, and other criteria adopted by the Board of Trustees in accordance with the Bylaws, out of a portion of which the Trust will establish and maintain a fund for the payment of the claims of participants of members, and further, that the members covenant and agree there will be no disbursements out of this fund by way of dividends or distribution of accumulated reserves to the respective members, except at the discretion of the Board of Trustees or as otherwise expressly permitted by the Bylaws.

WHEREAS, the members of the Trust, through action of their respective governing bodies, have elected to comply with the conditions of this Agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants, promises, and obligations herein contained, which are given to and accepted by each member hereof to the other, the parties hereto agree as follows:

SECTION I. PURPOSE OF AGREEMENT; COMPOSITION OF BOARD OF TRUSTEES

The purpose of the Trust established by the signatories hereto is to allow members to jointly provide health benefits, including but not limited to life, medical, accident, and other related insurance benefits, for their participants and to provide for the risk sharing associated therewith. To this end, the Trust shall be governed by a Board of Trustees which shall be elected and act in accordance with Article V of the Bylaws.

SECTION II. TRUSTEES' POWERS, DUTIES, LIABILITY AND INDEMNITY

The Trustees shall have the following powers and duties, in addition to those set forth elsewhere in this Agreement and in the Bylaws:

1. To establish guidelines for membership in the Trust;
2. To establish the terms and conditions of coverage, including underwriting criteria and exclusions from coverage;
3. To ensure that all valid claims are promptly paid;
4. To take all necessary precautions to safeguard the assets of the pool;
5. Maintain minutes of its meeting and make those minutes available to the Commissioner;
6. To establish, operate, and enforce rules, regulations, policies, and bylaws as between the individual members of the Trust and the Trust;
7. To enter into agreements with such persons, firms, or corporations as it deems appropriate to adjust claims; promote membership in the Trust; provide actuarial and underwriting services; defend against claims and lawsuits; provide accounting services; effect stop-loss coverage in such aggregate and specific amounts as is deemed appropriate; invest the assets of the Trust; provide wellness services and other risk management services for the Trust and member units; maintain records and accounts; and provide any other service necessary or desirable for the sound operation of the Trust;
8. To lease or rent real and personal property it deems to be necessary;
9. To borrow or raise monies for the purpose of the Trust and in the ordinary course of operation of the Trust (or otherwise in accordance with North Carolina General Statutes § 58-23-10(b)) to the extent that the Trustees shall deem desirable upon such terms and conditions as the Trustees in their absolute discretion may deem desirable or proper, and for any sum so borrowed to issue their promissory note as Trustees and to secure the repayment thereof by pledging all or any part of the pool; and no person or entity lending money to the Trustees shall be bound to see to the application of the money lent or to inquire into the validity, expediency, or propriety of any such borrowing;
10. To rate individually any member unit with rates different from the group rates when the loss experience of the unit warrants such individual rating, in the discretion of the Trustees;
11. To take measures to maintain claim reserves equal to known incurred losses and loss adjustment expenses and to maintain an estimate of incurred but not reported losses; and
12. To take all necessary precautions to safeguard the assets of the Trust.

The Trustees shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties hereunder. The members agree that the Trustees shall not be liable for any mistake of judgment or other action made, taken, or omitted by any employee, agent, contractor, subcontractor, or independent contractor selected with ordinary care and reasonable diligence; nor for loss incurred through investment of Trust money or failure to invest. No Trustee shall be liable for any action

taken or omitted by any other Trustee. The Trustees shall not be required to give a bond or other security to guarantee the faithful performance of their duties hereunder.

The members of the Trust agree that, for the payment of any claim against the Trust or the performance of any obligation of the pool hereunder, resort shall be had solely to the assets of the Trust, and the Trustees shall not be liable therefor. Further, the Trust shall indemnify and hold harmless the Trustees against any and all claims, suits, actions, debts, damages, costs, charges, and expenses (including but not limited to court costs and attorneys' fees) and against all liability, losses, and damages of any nature whatever, that the Trustees shall or may at any time sustain, or be put to, by reason of the exercise of their power and in the performance of their duties hereunder, or by reason of any mistake of judgment or other action made, taken, or omitted by any employee, agent, contractor, subcontractor, or independent contractor, or for loss incurred through investment of Trust money or failure to invest.

SECTION III. PAYMENT OF CLAIMS

The members of the Trust agree that, for the payment of any claim against the Trust or the performance of any obligation arising hereunder, resort shall be had solely to the assets of the Trust, and the Trustees shall not be liable therefor. Accordingly, lawful claims will be paid from the assets of the Trust pursuant to the types and levels of coverage established by the Board of Trustees. The Board of Trustees shall establish a schedule of types and monetary levels of coverages for which the Trust shall be responsible on behalf of its members, including provisions for levels of coverage for which the members shall be individually responsible. Such types and levels of coverage may vary according to population classifications of members, mutual agreement of the Trust and a member, or such other criteria as may be established by the Trustees. The types and level of coverage shall be shown on a plan of insurance and benefits provided to each member. The Trust shall pay all claims (less the applicable co-pays or co-insurance) for which each member incurs liability during each member's period of membership except where a member has individually retained the risk or where the risk is not covered, and except for amount of claims above the coverage provided by the Trust. The schedule so established may, from time to time, be amended by the Trustees (but not during any coverage period) to sustain the financial integrity of the Trust or to reflect the desires of the members as determined by the Trustees.

SECTION IV. MUTUAL COVENANT OF RISK SHARING

The members intend this Agreement as a mutual covenant of risk sharing and not as a partnership. No member by reason of being a member of the Trust and contributing to the pool shall be liable to the Trust, to any other member, or to any claimant, except for the payment of the premiums and/or contributions provided for in its application for membership and joinder in this Trust and for any necessary additional assessments levied by the Trustees to offset a claims fund deficiency.

SECTION V. ADMINISTRATOR

The Executive Committee of the North Carolina Health Insurance Pool shall oversee day-to-day management of the Trust and shall have the authority to contract with third parties for provision of services to carry out the functions of the Trust. The Executive Committee may establish offices where necessary within the State of North Carolina and employ staff to carry out the Trust's purpose. The Executive Committee or its delegate shall deposit to the account of the Trust at any financial institution or financial institutions designated by the Trustees all premiums and/or contributions as collected and such monies shall be disbursed and/or invested only as provided by the rules, regulations, policies, and bylaws of the Trust. The Executive Committee may enter into financial services agreements with financial institutions and issue checks in the name of the Trust.

SECTION VI. ADMISSION TO MEMBERSHIP; EXPULSION

All members of the Trust hereby agree that the Trustees may admit as members of this Trust only the units of local government set forth in North Carolina General Statutes 160A-460 *et seq.* (Part 1 of Article 20 of Chapter 160A). The Board of Trustees or Executive Committee shall determine whether or not an applicant shall be admitted to membership, in accordance with Article V of the Bylaws. Except as otherwise provided in Section VII(g) of this Agreement and in accordance with Article XVII of the Bylaws, a member may be expelled by the Trustees from the Trust only with the concurrence of at least two-thirds (2/3) of the entire membership of the Board of Trustees.

SECTION VII. RULES, REGULATIONS, POLICIES, AND BYLAWS; MEMBERS' RESPONSIBILITIES

The rules, regulations, policies, and bylaws for the administering of the Trust and the admission and expulsion of members shall be promulgated by the Board of Trustees. In addition, each member of the Trust agrees as follows:

- a) To make prompt payment of all premiums and/or contributions as required by the Board of Trustees pursuant to this Agreement, the Bylaws and any rules or policies of the Board of Trustees adopted in accordance therewith;
- b) To (and they do hereby) appoint the Board of Trustees and the Executive Committee as its agent and attorney-in-fact, to act in its behalf and to execute all contracts, reports, waivers, agreements, stop-loss contracts, and service contracts; to make or arrange for payment of claims and all other things required or necessary, as covered by the terms of this Agreement and the rules, regulations, policies, and bylaws as now provided or as hereafter promulgated by the Trustees;
- c) To permit the Trust to defend in the name of and on the behalf of the members any suits or other proceedings which may at any time be instituted against them for which the Trust may be obligated to make payment. It is agreed that the Trust shall make all final decisions regarding the legal defense of claims, and shall have absolute and conclusive authority with regard to defense, settlement, and payment of claims. It is agreed that the independent settlement or payment of any claim by or on behalf of a member without approval of the Trust shall be grounds for expulsion of the member from the Trust;
- d) To cooperate in all respects with the Trust, the Board of Trustees, the Executive Committee, and any contractors of the Trust in carrying out the purposes of this Agreement;
- e) To pay any assessment duly levied by the Board of Trustees under the terms of this Agreement. If a member cancels or withdraws from the Trust, the member shall pay its pro rata share of any assessment relating to the member's period of enrollment;
- f) In the event of the payment of any loss by the Trust under this Agreement, the Trust shall be subrogated to the extent of such payment to all the rights of the member against any person or other entity legally responsible for damages for such loss, and in such event the member agrees to render all reasonable assistance to affect recovery;
- g) Risk sharing by the Trust under the terms of this Agreement shall begin upon payment of the premium and/or contributions by the member to the Trust. Risk sharing and insurance purchased from this Trust under the terms of this Agreement shall expire and be cancelled

automatically for nonpayment of premiums and/or contributions, and a member may be expelled from the Trust following the expiration of a fifteen (15) day cure period and written notice by the Board of Trustees, the Executive Committee, or their designee delivered to the member in accordance with Section XVI of this Agreement and Article XVII of the Bylaws specifying the date that cancellation shall be effective. In accordance with Article XIX of the Bylaws, no payment shall be required of the Trust as a result of any covered loss of a participant of the expelled member occurring after the date of expulsion; and

- h) In order that an adequate reserve may be maintained, the members further agree that the Board of Trustees shall have the right to assess the members pro-rata in such amounts as will be sufficient to maintain at all times a minimum reserve, equal to at least twice the monthly premium and/or contributions for the insurance and benefits provided by the plan. Should a member fail to pay any assessment as provided for in this Section within thirty (30) days of the assessment date, all interest and claim of such defaulting member in and to the Trust shall automatically cease.

SECTION VIII. ALLOCATION OF MONIES

The Board of Trustees is authorized to set aside from the contributions collected from members a reasonable sum for the operating and administrative expenses of the Trust. Monies in excess of those required to fulfill the purposes, costs, and other obligations of the Trust will be accumulated in the Trust or distributed to the members at the discretion of and in the manner provided by the Board of Trustees.

SECTION IX. FISCAL YEAR; CONTINUING CONTRACT; WITHDRAWAL OF MEMBERS SUBJECT TO PROVISION OF 90 DAYS' WRITTEN NOTICE

The Trust shall operate on a fiscal year from 12:01 a.m., July 1st to midnight on June 30 of the succeeding year (the "Trust Year"). Application for membership, when approved in writing by the Trustees or their designee, shall constitute a continuing contract for each succeeding Trust Year unless cancelled by the Board of Trustees, or unless the member shall have resigned or withdrawn from the Trust by having written notice delivered to the Executive Committee or its designee on or before March 31 (i.e., the written notice must be delivered to the Chair of the Trust in accordance with Article XVIII of the Bylaws, at least ninety (90) days prior to the last day, June 30, of the Trust Year).

SECTION X. MEMBERS BOUND BY AGREEMENT; TERMINATION PERMITTED ONLY AT END OF FISCAL YEAR; FINAL ACCOUNTING

Any member who formally applies for membership in this Trust and is accepted by the Board of Trustees shall thereupon become a party to this Agreement and be bound by all of the terms and conditions hereof, and such application shall constitute a counterpart of this Agreement. Cancellation of the Agreement on the part of any member, or withdrawal from membership, shall be permitted only at the end of a fiscal or Trust Year except as specifically permitted by the Bylaws. A terminating member is entitled to a final accounting when all incurred claims are concluded, settled, or paid.

SECTION XI. EXTENT OF INSURANCE BENEFIT TO PARTICIPANTS

No participant of a member or any person claiming by or through or under such participant shall have any right, title, or interest in or to the Trust or any part thereof: provided, however, that any participant who shall be actually covered by the policies of insurance of any person claiming by or through such participant shall, subject to the terms and conditions of the plan of insurance and benefits under which the coverage is afforded, be entitled to the insurance benefits in the amount and to the extent provided.

SECTION XII. INTENTION OF INDEFINITE OPERATION; RESERVATION OF RIGHT TO TERMINATE TRUST; REVERSION OF MONIES OR OTHER ASSETS UPON TERMINATION

This Trust has been established with the bona fide intention that it shall be continued in operation indefinitely and that the premiums and/or contributions to the pool shall continue for an indefinite period. However, the Board of Trustees reserves the right at any time to terminate the Trust by a written instrument to that effect executed by the Board of Trustees. In the event of such termination, member premiums and/or contributions (other than duly authorized assessments) shall cease as of the date of termination and the assets then remaining in the pool shall continue to be used and applied, to the extent available, for the:

- a) payment of benefits to participants with respect to claims arising prior to such termination and administrative and other expenses and obligations arising prior to such termination; and
- b) payment of reasonable and necessary expenses incurred in such termination.

Any monies or other assets thereafter remaining in the pool shall revert to the members of the Trust as of the date of termination pro-rata to the annual premiums and/or contributions of said members paid in the year of termination. Upon such termination, the Board of Trustees shall continue to serve for such period of time and to the extent necessary to effectuate termination of the Trust.

SECTION XIII. AMENDMENT OF AGREEMENT

This Agreement may be amended by the concurrence of at least two-thirds (2/3) of the entire membership of the Board of Trustees. Written notice of any amendment proposed for adoption by the Board of Trustees shall be delivered to each member in accordance with Section XVI of this Agreement not less than 30 days in advance. Written notice of amendments finally adopted by the Board of Trustees shall be delivered to each member in accordance with Section XVI of this Agreement not more than 30 days after adoption.

SECTION XIV. HEADINGS

The headings of various sections and subsections of this Agreement have been inserted for the convenience of reference only and shall not be construed as modifying, amending, or affecting in any way the express terms and provisions of this Agreement.

SECTION XV. INTERPRETATION

This Agreement shall be governed and interpreted under the laws of the State of North Carolina. This Agreement is intended to serve as an interlocal agreement, for purposes of executing the undertaking described in the preceding sections and paragraphs, under North Carolina General Statutes 160A-460 *et seq.* (Part 1 of Article 20 of Chapter 160A). The terms of this Agreement do not constitute a coverage document or form applicable to any specific claim. The liability of the Trust to the participants of any member is specifically limited to such obligations as are imposed by the plan of insurance and benefits as approved by the Trustees.

Should any clause, sentence, provision, paragraph, or other part of this Agreement be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Agreement. Each of the parties declares that it would have entered into this Agreement irrespective of the fact that any one or more of this Agreement's clauses, sentences, provisions, paragraphs, or other parts have been so declared invalid. Accordingly, it is the intention of the parties that the remaining

portions of this Agreement shall remain in full force and effect without regard to the clause(s), sentence(s), provision(s), paragraph(s), or other part(s) invalidated.

Failure of the Board of Trustees, the Executive Committee, or their designees to insist in any one or more instances upon the performance of any of the covenants, agreements, and/or conditions of this Agreement, or to exercise any right or privilege herein conferred, shall not be construed as a waiver of any such covenant or condition.

This Agreement together with the Bylaws (as the same may be amended from time to time) contains the entire agreement between the parties, whom shall not be bound by any verbal statement or agreement made heretofore.

SECTION XVI. MEMBER REPRESENTATIVES; NOTICES

There shall be a Member Representative for each member of the Trust who shall be the agent of the member for purposes of giving and receiving notices required or permitted pursuant to this Agreement. Each member shall designate a Member Representative and provide the member's postal mailing address and, if applicable, a facsimile number and electronic mail address to which the Executive Committee may provide notices hereunder. The Executive Committee shall provide forms, as needed, for use by the member in designating its Member Representative and providing its address information. Such information may be updated at any time there is a change in the information provided thereon. Until such time as different information is provided, the Member Representative shall be the member's chief administrative official as shown on the records of the Trust, and the member's postal mailing address, facsimile number and electronic mail address also shall be that as shown on the records of the Trust. For purposes of illustration and not limitation, a chief administrative official shall be considered to be a manager, administrator, clerk or executive director as may apply with respect to a particular member.

Any notices required or permitted by this Agreement shall be in writing and may be given: in person, by United States Postal Service, by facsimile, or by electronic mail. Notices shall be deemed delivered: (a) when received if delivered in person, (b) three business days after being deposited with the United States Postal Service, postage prepaid, properly addressed to the party to whom such notice is intended to be given at the address established under this Section, (c) on the date sent if given by facsimile, provided that an electronic confirmation of delivery has been received by the sender and that a copy of such notice was also sent on such date by mailing, or (d) on the date sent if given by electronic mail, provided a copy of such notice was also sent on such date by mailing and receipt of the electronic mail is acknowledged by the receiving party by return electronic mail. Notices provided to the Trust shall be delivered, addressed or directed as follows, or to such other address as designated by the Executive Committee in written notice to the member provided in accordance with this paragraph:

North Carolina Health Insurance Pool
Attention: Chair of Board of Trustees
C/o: Kelsey Mayo, Esq.
301 S. College Street, Suite 2900
Charlotte, NC 28202

EXECUTION

IN WITNESS WHEREOF, the municipal entities listed below, each having already authorized its membership in the Trust by an authority duly authorized in such municipality, acknowledge the creation of and their membership in the Trust and their acceptance of obligations hereunder, by the due execution hereof by its duly authorized official.

ALLEGHANY COUNTY

BRUNSWICK COUNTY

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

CATAWBA COUNTY

HILLSBOROUGH, TOWN OF

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

MORRISVILLE, TOWN OF

ORANGE COUNTY

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

WAKE FOREST, TOWN OF

By: _____

Name: _____

Title: _____

**NORTH CAROLINA HEALTH INSURANCE
JOINDER OF MEMBER**

IN WITNESS WHEREOF, the municipal entity listed below certifies that its membership in the Trust has been approved by an authority duly authorized in such municipality, acknowledges its membership in the Trust, and accepts all obligations of a member hereunder, by the due execution hereof by its duly authorized official.

Town of Garner
(NAME OF PARTICIPATING ENTITY)

Signature: _____

Name: _____

Title: _____

Date: _____, 2023

ACCEPTED BY:

North Carolina Health Insurance Pool

BY: _____

Name: _____

Title: _____

(Executive Committee Member)



Together, we can do *more*.

March 22, 2023

Presented by:

Wes Grigston & Dave Costa



NCHIP

In association with



Page 69

Today's Agenda



What Is
NCHIP?



The
Model



NCHIP
Proposal



New Member
Evaluation



Q&A

About Gallagher & Your Team

Garner & Gallagher

About Gallagher

A Global Snapshot.

Founded in
1927

850+
Offices in
68 countries

\$6.9B
Total Adjusted
Brokerage & Risk
Management
Revenues (2021)



130
Countries
served

**Global Reach
Local Presence**
Shared values
Passion of excellence
Promises delivered

2022 WORLD'S MOST
ETHICAL
COMPANIES
WWW.ETHISPHERE.COM

39,000+
Employees worldwide



*World's Most Ethical Companies™ and *Ethisphere™ names and marks are registered trademarks of Ethisphere LLC. Arthur J. Gallagher & Co. named one of the World's Most Ethical Companies® since 2012.

NCHIP | Gallagher Team

Your Core Consulting Team



Wes Grigston, Area VP
Lead Consultant

- 15 years of experience
- 11 years with Gallagher



Dave Costa, UW
Benefit Consultant

- 12 years of experience
- 12 years with Gallagher



Terri Bowden
Sr. Client Manager

- 12 years of experience
- 3 years with Gallagher



Allison Shambro
Client Manager

- 2 years of experience
- 2 years with Gallagher

Your Specialty Consulting Team



John Tournet, CEO—U.S.
Executive Sponsor

- 25 years of experience
- 20 years with Gallagher



Michael Nelson
HR Technology Practice Leader

- 10+ years of experience
- 1 year with Gallagher



Rani Collins
Wellbeing & Engagement

- 20+ years of experience
- 5 years with Gallagher



Matt Cadle
SE Region, Voluntary Benefits
Practice Leader

- 15 years of experience
- 3 years with Gallagher



Bob Jordan
Senior Healthcare Actuary

- 25+ years of experience
- 8 years with Gallagher



Danielle Chant
Compliance Consultant

- 18 years of experience
- 18 years with Gallagher



Matt Patella
Pharmacy Consulting Practice

- 25+ years of experience
- 4 years with Gallagher



Pete Luca, Area Senior VP
P&C Lead

- 25+ years of experience
- 16 years with Gallagher

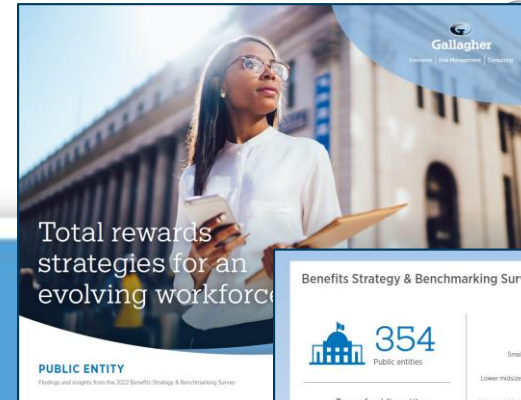
Thought Leadership - Public Sector in NC & National

Benchmarking & Industry Trends

NCHIP

In association with

Gallagher



Total rewards strategies for an evolving workforce

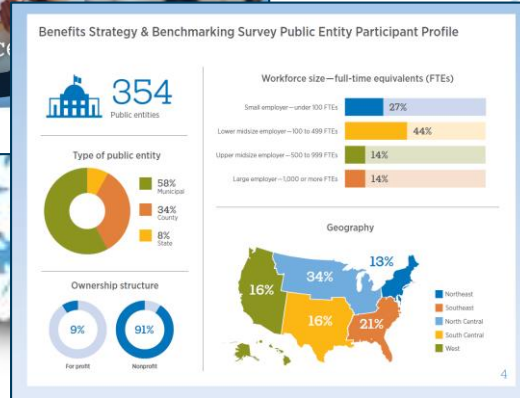
PUBLIC ENTITY

Providence and Insights Member 2022 Benefits Strategy & Benchmarking Survey



NCHIP MEMBER	15	16	17	18	19	20
Actual Value	79.10%	91.80%	78.30%	83.60%	88.10%	80.00%
TOTAL PREMIUM	City of Knoxville	Portland Trust	City of Newton	City of Boston	Town of Boone	Northampton County
Employee Only	\$705.53	\$1,050.00	\$660.00	\$917.44	\$794.13	\$150.00
Employee + Spouse	\$1,481.71	\$1,835.00	\$1,338.04	\$1,902.90	\$1,380.89	\$1,376.00
Employee + Child	n/a	n/a	\$913.18	\$1,302.15	n/a	n/a
Employee + Children	\$1,420.83	\$1,542.00	\$1,188.32	\$1,538.83	\$1,228.34	\$1,132.00
Employee + Family	\$1,237.38	\$1,212.00	\$1,202.34	\$1,315.90	\$1,072.31	\$1,200.00
Employee Contributions	City of Knoxville	Portland Trust	City of Newton	City of Boston	Town of Boone	Northampton County
Employee Only	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Employee + Spouse	\$776.18	\$805.00	\$854.84	\$347.12	\$608.76	\$710.00
Employee + Child	n/a	n/a	\$153.18	\$153.18	\$0.00	\$0.00
Employee + Children	\$761.90	\$551.00	\$306.12	\$154.44	\$154.44	\$154.44
Employee + Family	\$1,151.61	\$1,310.00	\$1,160.34	\$1,160.34	\$1,160.34	\$1,160.34
% EC Costs	City of Knoxville	Portland Trust	City of Newton	City of Boston	Town of Boone	Northampton County
Employee Only	0%	0%	0%	0%	0%	0%
Employee + Spouse	52%	77%	63%	38%	77%	50%
Employee + Child	n/a	n/a	17%	23%	7%	7%
Employee + Children	90%	90%	47%	47%	20%	20%
Employee + Family	89%	52%	69%	10%	13%	13%

NCHIP MEMBER	15	16	17	18	19	20
Actual Value	79.10%	91.80%	78.30%	83.60%	88.10%	80.00%
Medical	City of Knoxville	Portland Trust	City of Newton	City of Boston	Town of Boone	Northampton County
Annual Deductible for Self-Coverage	\$2,500	\$1,000	\$1,500	\$1,500	\$900	\$1,000
Annual Deductible for Family Coverage	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$6,000
U.S.A. Annual Employer Contribution	ET: 100% of First \$500/\$1,000	ET: 100%	ET: 100%	ET: 100%	ET: 100%	ET: 100%
U.S.A. Annual Employer Reimbursement Limit	n/a	n/a	n/a	n/a	n/a	n/a
Out-of-Pocket Maximum for EE-Only Coverage	\$1,000	Met: \$6,800 R: \$1,000	\$4,500	\$1,500	\$2,500	\$4,500
Out-of-Pocket Maximum for Family Coverage	\$10,000	Met: \$13,200 R: \$3,000	\$9,000	\$6,000	\$5,000	\$9,000
Physician Office Visit	\$25	\$30	\$25	\$20	\$20	\$30
Specialist Office Visit	\$50	\$60	\$50	\$40	\$50	\$55
Emergency Room Visit	\$100 (copy waived if admitted)	\$250	\$300	\$100 (copy waived if admitted)	\$100 (copy waived if admitted)	\$100 (copy plus 20% co-insurance)
Urgent Care	\$50	\$100	\$50	\$40	\$30	20% after deductible
Inpatient Hospital	20% after deductible	30% after deductible	20% after deductible	30% after deductible	10% after deductible	20% after deductible
Outpatient Hospital	20% after deductible	30% after deductible	20% after deductible	30% after deductible	10% after deductible	20% after deductible
Prescription Copays	\$10/\$35/\$60/25%	\$10/\$50/\$35/\$60/ after deductible	\$10/50%/20%/20% after deductible	\$5/\$20/\$40/25%	\$10/\$25/\$40/\$50/ 25%	\$0/\$30/\$50/\$75
Preventive Care	Covered at 100%	Covered at 100%	Covered at 100%	Covered at 100%	Covered at 100%	Covered at 100%
Toothbrush	\$10	\$10	\$10	\$0	\$10	\$10

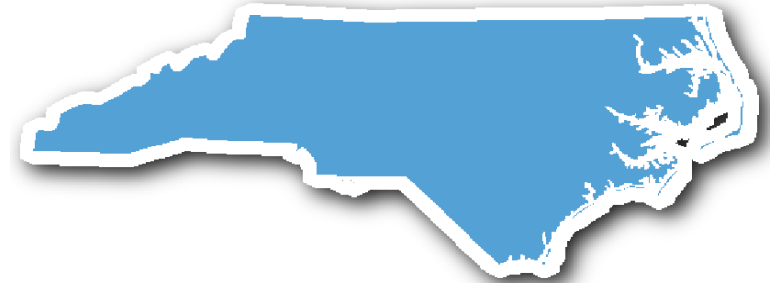




What is NCHIP?

What is NCHIP?

- Intergovernmental agreement
- Allowed by the State, Regulated by the North Carolina DOI
- Member Driven
- Financial vehicle
- Preserve plan design freedom
- Conservatively funded and reserved
- Managed by the State's preeminent public sector vendors
- Fully-transparent
- **Stable, Budgetable, and Predictable**



History, Membership and Governance

History

**Established
July 1, 2018**

25 Governments

Membership

**Open to Counties, Cities
and Towns with 75+
enrolled on Health Plan**

**1 year membership term
(July 1 Renewal)**

**New members admitted
by recommendation of
Board of Trustees**

Governance

Members own the Trust

**Each government
appoints a member to
the Board of Trustees**

**The Board consists of a
Chair, Vice Chair,
Treasurer and Secretary**

NCHIP Today

5

Years in Operation

25

of Governments

9,000+

**Total Covered
Employees**

13,000+

**Total Covered
Members**

Who's In?

7.1.2018

7.1.2019

7.1.2020

7.1.2021

7.1.2022



105 employees



1,035 employees



1,050 employees



1,205 employees



195 employees



TOWN of
WAKE FOREST
340 employees



95 employees



250 employees



290 employees



420 employees



275 employees



330 employees



550 employees



330 employees



130 employees



NEWTON
BRILLIANT LEGACY + BRIGHT FUTURE

200 employees



210 employees



265 employees



PIEDMONT TRIAD
REGIONAL COUNCIL

76 employees



180 employees



200 employees



150 employees



330 employees

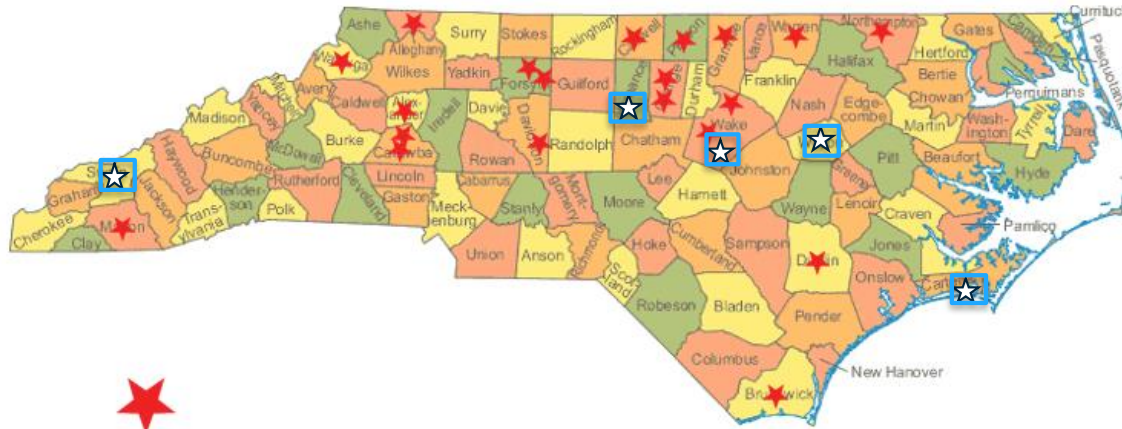


750 employees

Membership Growth



NCHIP Footprint – July 1, 2022



Current Member

- Alleghany County (7/18)
- Brunswick County (7/18)
- Catawba County (7/18)
- Orange County (7/18)
- Town of Hillsborough (7/18)
- Town of Wake Forest (7/18)
- Town of Morrisville (7/18)
- Town of Kernersville (7/19)
- Macon County (7/19)
- City of Oxford (7/19)
- Caswell County (7/19)
- Alexander County (7/20)
- Duplin County (7/20)
- Warren County (7/20)
- City of Thomasville (5/21)
- City of Roxboro (7/21)
- City of Newton (8/21)
- Town of Boone (7/21)
- Piedmont Triad (7/21)
- Northampton County (7/21)

- Swain County (6/22)
- City of Graham (7/22)
- Town of Holly Springs (7/22)
- Wilson County (8/22)
- Morehead City (7/22)

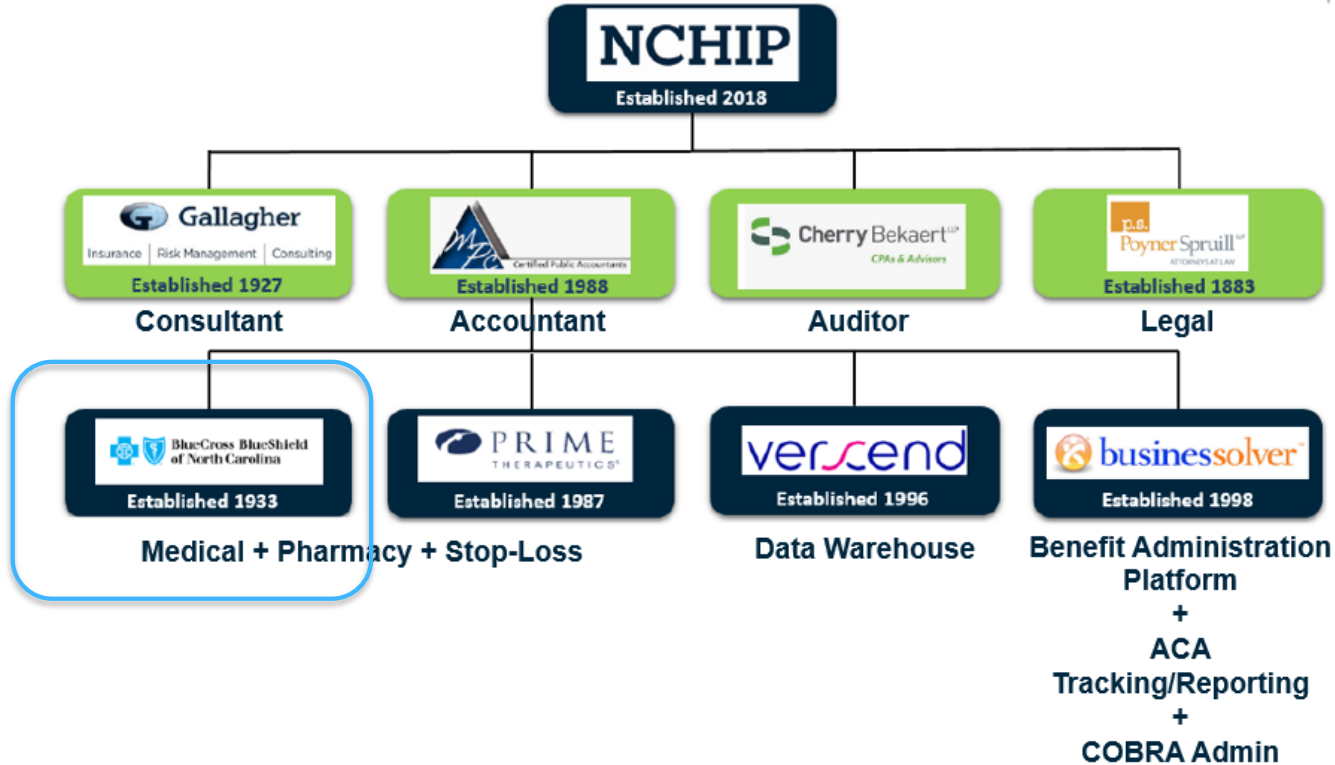
NCHIP Membership:

9,000+ Employees
 13,000+ Members
 25 governments



The Model

NCHIP Partners





Public Sector Expertise



600+
Public Sector Entities

650K
Members

Public Sector Advisory Board

- 2-way forum
- Groups representing towns, cities and counties
- Exchange ideas, networking, roundtable discussion, input on programs, services, benefits

Making The Unpredictable...Predictable

\$200K Stop-Loss | BCBS-NC



We're all in this together

Member responsibility

Why It Works

NCHIP Members share risk in all claims over \$40,000.

No one high claimant will disproportionately impact any NCHIP Member.

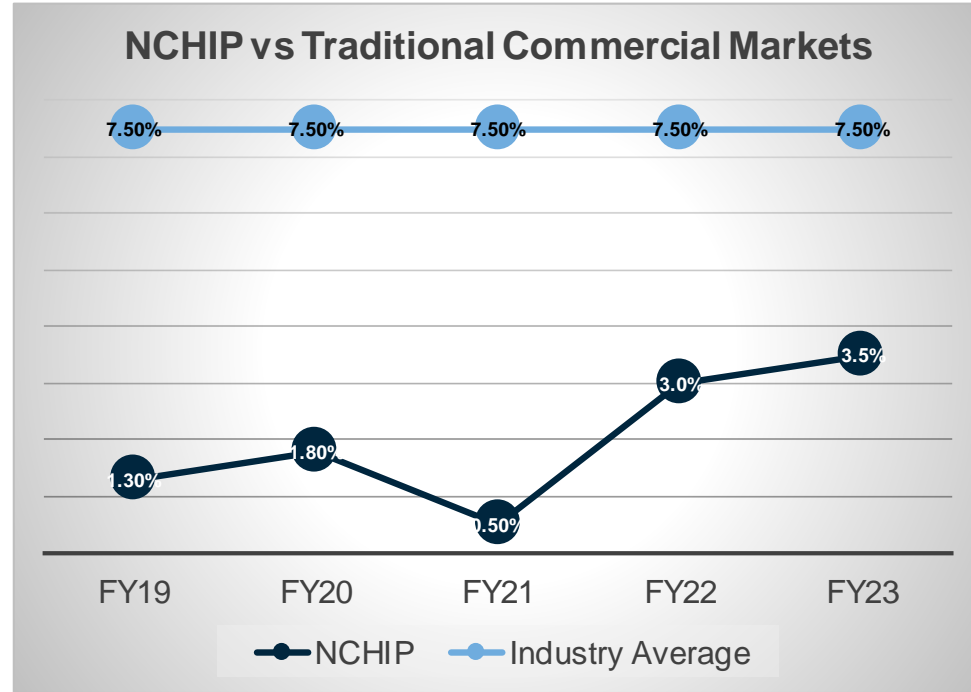
Making The Unpredictable...Predictable

Actual vs Reallocated Claims PMPM



NCHIP Renewal History

	ALL NCHIP
Plan Year	Average Renewal
FY19 (7)	1.3%
FY20 (11)	1.8%
FY21 (14)	0.5%
FY22 (20)	3.0%
FY23 (25)	3.5%
5-Year Average	2.0%



Other Gallagher Pools

	NCHIP	EBC	WMHIP
Plan Year	North Carolina Health Insurance Pool	Education Benefits Cooperative (Illinois)	Western Michigan Health Insurance Pool
FY19	1.3%	-0.1%	2.5%
FY20	1.8%	2.8%	2.9%
FY21	0.5%	5.7%	4.9%
FY22	3.0%	-0.1%	1.9%
FY23	3.5%	7.5%	4.9%
5-Year Average:	2.0%	3.2%	3.4%
Notes:	5 years operating, 25 members, 13K+ lives covered	39 years operating, 123 members, 20K+ lives covered	18 years operating, 124 members, 30K+ lives covered

Key Statistics



Member Retention



Year-to-Year Pool Growth (Enrollment)



Average Annual Renewal Increases



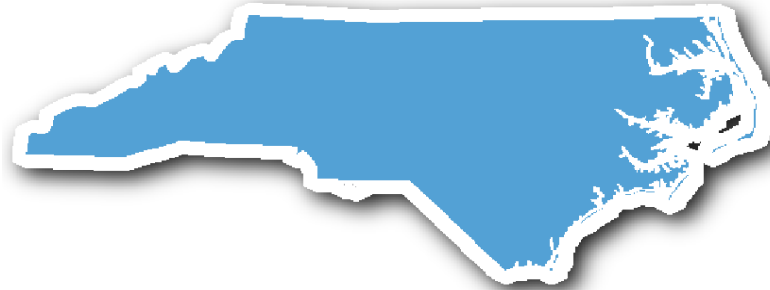
Stop Loss Dividend Returns



Return of Surplus



Current Reserves



NCHIP Board of Trustees

	Member Government	Primary Delegate	Secondary Delegate	NCHIP Board Role	Position	Class of:
1	Town of Wake Forest	Aileen Staples	Angela McCray	Delegate	HR Director	2018
2	Orange County	Brenda Bartholomew*	Tanya Parker	Chair	HR Director	2018
3	Town of Morrisville	Martha Paige*	Lauri Shedlick	Treasurer	Town Manager	2018
4	Catawba County	Cynthia Eades	Amy McDonald	Delegate	HR Director	2018
5	Brunswick County	Melanie Turrise	Lisa Cooper	Delegate	Benefits Manager	2018
6	Town of Hillsborough	Haley Bizzell	Eli Valsing	Delegate	Interim HR Director	2018
7	Alleghany County	April Hamm	N/A	Delegate	HR Director	2018
8	Town of Kernersville	Crystal Tanner*	Angie Whitley	Vice Chair	HR Director	2019
9	Macon County	Lori Hall	Derek Roland	Delegate	Finance Director	2019
10	City of Oxford	Alan Thornton	Melissa Labar	Delegate	City Manager	2019
11	Caswell County	Bryan Miller	Mindy Satterfield	Delegate	County Manager	2019
12	Alexander County	Sylvia Turnmire	Brandi Jones	Delegate	HR Director	2020
13	Duplin County	Davis Brinson	Semeka Perry	Delegate	County Manager	2020
14	Warren County	Vincent Jones*	Beverly Foster	Secretary	County Manager	2020
15	City of Thomasville	Alisa Quick	Thomas Avant	Delegate	HR Director	2021
16	City of Roxboro	Pamela Rodgers	Brooks Lockhart	Delegate	HR Director	2021
17	City of Newton	Brandon Elrod	Kim Robinson	Delegate	HR Director	2021
18	Piedmont Triad Regional Council	Matthew Dolge	Matt Reece	Delegate	Executive Director	2021
19	Northampton County	Sheila Watford	Karen Garris	Delegate	HR Director	2021
20	Town of Boone	Amy Davis	Dale Presnell	Delegate	Finance Director	2021
21	Wilson County	Tim Bilderback	Ron Hunt	Delegate	HR Director	2022
22	Town of Morehead City	Susan Nixon	N/A	Delegate	HR Director	2022
23	City of Graham	Lorrie Andrews	Megan Garner	Delegate	HR Director	2022
24	Town of Holly Springs	Jaime Joyner	Antwan Morrison	Delegate	Asst Town Manager	2022
25	Swain County	Lottie Barker	Kevin King	Delegate	HR Director	2022

*Executive Board Member

Duties of the NCHIP Board

- Review financials
- Evaluate vendor relationships
- Discuss trends and innovative strategies
- Plan for the future
- Evaluate new member/partners

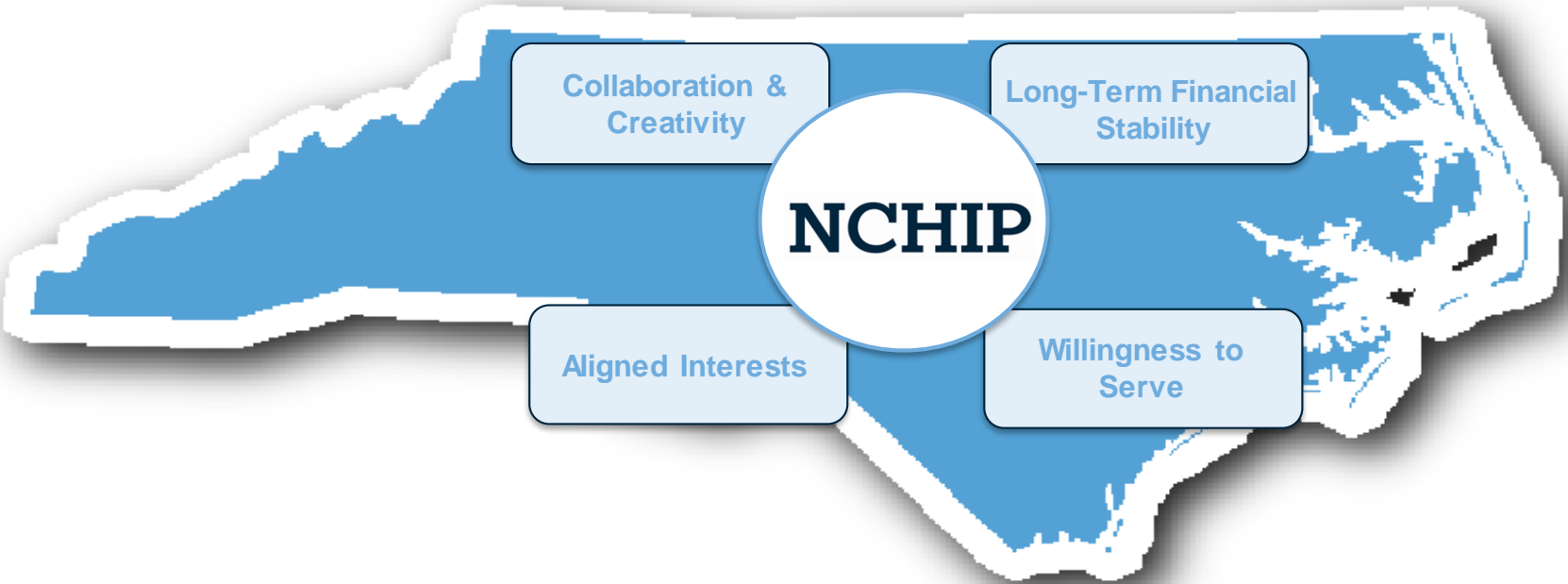


We're in it together!

Shared Values

NCHIP

In association with



Together, We Can Do More

'22 NCHIP Summit

NCHIP

In association with



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Town of Garner

Health Insurance | FY19 to FY23 (Garner)



FY19

In the current budget, this has been exacerbated by **challenges such as significant increases in health care costs**. Of this total, \$277,692 is due to a **15 percent increase in the Town's group insurance rates**. The Town continues to take steps to mitigate increases such as transitioning to the Aetna Accountable Care Organization (ACO) last fiscal year and incentivizing employees to take an online health assessment to identify treatable health issues as early as possible. Unfortunately, rising health care costs are anticipated to be an issue moving forward despite these efforts.

FY20

In-depth review and analysis of alternative health care options to reduce overall healthcare costs. The FY 2019 – 2020 Recommended Budget includes an increase in Personnel costs of \$732,472, or 4.45 percent, over the FY 2018 – 2019 Adopted Budget. A significant portion of this total is based on an increase of \$553,151, or 5.37 percent, in Salaries. Of the increase in Salaries, \$250,999 is associated with merit-based salary adjustments for existing employees.

FY21

A decrease of \$500 would require the Town to reduce wellness related activities such as flu shot clinics, lunch and learns and the Hope Health Newsletter. Cross functional teams actively participated in the Aetna "fit and festive" challenge. In-depth review and analysis of alternative health care options to reduce overall health care costs. Maintain/Enhance our pay and benefits programs to achieve our attraction and retention goals.

FY22

The FY 2021-2022 Recommended Budget includes an increase in Personnel costs of \$961,669, or 5.26 percent, over the FY 2020 – 2021 Adopted Budget. A significant portion of this total is based on an increase of \$603,471, or 5.10 percent, in Salaries. In-depth review and analysis of alternative health care options to reduce overall healthcare costs.

FY23

Paired with **slightly higher increases in healthcare costs** and the Town's retirement contribution, the increase becomes significant. In-depth review and analysis of alternative health care options to reduce overall health care costs. The recruitment of over **60 new staff members**. **Partial use of a health insurance rebate received in FY22 to offset increase in employee dependent health care coverage (\$4,403)**

Health Insurance | Vol Fire Department

Voluntary Fire Department – Updates

- In final steps of bringing them on board (~120 FTEs)
- Sharing 50% of Operating cost with Wake County
- Operate in Town-owned building (\$7 mil budget for VFD)
- Health plan with Cigna – Runs well; more robust and less expensive

Medical At-A-Glance

Town of Wake Forest
Fire Department
Medical Plan Options

A Message From The Town



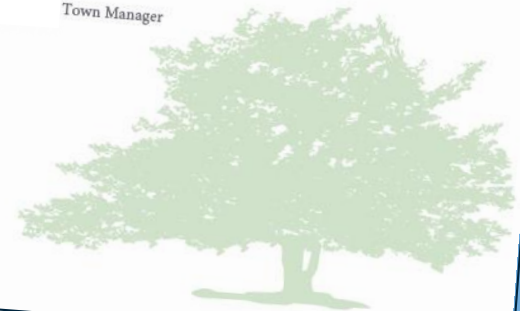
Welcome to the Town of Wake Forest team! We are excited to have you join us. On behalf of our directors, supervisors, and staff, we welcome you to our team. I want to share our mission with you:

The Town of Wake Forest is committed to improving the quality of life in our community by preserving our character, fostering economic opportunities, strengthening our neighborhoods, delivering superior services and embracing the diversity of our citizens.

Your role in helping the Town carry out its mission is already clear. Thank you for assuming this responsibility. We are very pleased to welcome you and we look forward to working with you.

Sincerely,

Town Manager



Health Insurance | Vol Fire Dept



Medical

Current Plans

BCBS of NC Medical Plans	VALUE PPO		BUY UP PPO		SPONSORED PPO	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Deductible (Ded.) Individual / Family	\$2,500/\$5,000	\$5,000/\$10,000	\$500/\$1,000	\$1,000/\$2,000	\$1,000/\$2,000	\$2,000/\$4,000
Coinurance (Member Pays)	30% after Ded.	60% after Ded.	20% after Ded.	50% after Ded.	30% after Ded.	50% after Ded.
Out-of-Pocket Limit Individual / Family	\$6,000/\$12,000	\$12,000/\$24,000	\$2,500/\$5,000	\$5,000/\$10,000	\$5,000/\$10,000	\$10,000/\$20,000
Primary Care Office Visits	\$25 copay	60% after Ded.	\$25 copay	50% after Ded.	\$25 copay	50% after Ded.
Specialist Office Visits	\$50 copay	60% after Ded.	\$50 copay	50% after Ded.	\$50 copay	50% after Ded.
Telehealth	\$25 copay	N/A	\$25 copay	N/A	\$25 copay	N/A
Preventive Services	Covered at 100%	30% after Ded.	Covered at 100%	30% after Ded.	100%, no Ded.	30% after Ded.
Hospital Inpatient Services	30% after Ded.	60% after Ded.	20% after Ded.	50% after Ded.	30% after Ded.	50% after Ded.
Hospital Outpatient Services	30% after Ded.	60% after Ded.	20% after Ded.	50% after Ded.	30% after Ded.	50% after Ded.
Emergency Room	\$300 copay (waived if admitted)		\$500 copay (waived if admitted)		\$300 copay (waived if admitted)	
Urgent Care	\$75 copay	\$75 copay	\$50 copay	\$50 copay	\$50 copay	\$50 copay
Lab Tests	100%, no Ded.	30% after Ded.	100%, no Ded.	30% after Ded.	100%, no Ded.	70% after Ded.
X-rays, CT scans, MRIs, MRA's, PET scans	30% after Ded.	60% after Ded.	20% after Ded.	50% after Ded.	30% after Ded.	50% after Ded.
Prescription Drugs**						
Retail Pharmacy (30-Day)	Tier 1: \$10 Tier 2: \$25 Tier 3: \$40 Tier 4: \$80 Tier 5: 75%*	Tier 1: \$10 Tier 2: \$25 Tier 3: \$40 Tier 4: \$80 Tier 5: 75%*	Tier 1: \$10 Tier 2: \$25 Tier 3: \$40 Tier 4: \$80 Tier 5: 75%*	Tier 1: \$10 Tier 2: \$25 Tier 3: \$40 Tier 4: \$80 Tier 5: 75%*	Tier 1: \$10 Tier 2: \$25 Tier 3: \$40 Tier 4: \$80 Tier 5: 75%*	Tier 1: \$10 Tier 2: \$25 Tier 3: \$40 Tier 4: \$80 Tier 5: 75%*

* There is a \$100 per prescription minimum and a \$200 per prescription maximum for Tier 5 drugs. 31-60 day supply is two copayments and 61-90 day supply is three copayments.

** You are responsible for charges over the allowed amount received from an Out-of-Network pharmacy.

Medical

Town of Wake Forest Plans

BCBS of NC Medical Plans	BASE PLAN		BUY-UP PLAN	
	In-Network	Out of Network	In-Network	Out of Network
Deductible (Ded.) Individual / Family	\$3,000/\$6,000	\$6,000/\$12,000	\$1,750/\$3,500	\$3,500/\$7,000
Coinurance (Member Pays)	20% after Ded.	50% after Ded.	20% after Ded.	50% after Ded.
Out-of-Pocket Limit Individual / Family	\$5,000/\$10,000	\$10,000/\$20,000	\$3,750/\$7,500	\$7,500/\$15,000
Primary Care Office Visits	\$25 copay	50% after Ded.	\$25 copay	50% after Ded.
Specialist Office Visits	\$50 copay	50% after Ded.	\$50 copay	50% after Ded.
Telehealth	\$25 copay	N/A	\$25 copay	N/A
Preventive Services	100%, no Ded.	Not Covered	100%, no Ded.	Not Covered
Hospital Inpatient Services	20% after Ded.	50% after Ded.	20% after Ded.	50% after Ded.
Hospital Outpatient Services	20% after Ded.	50% after Ded.	20% after Ded.	50% after Ded.
Emergency Room	\$500 copay (waived if admitted)		\$500 copay (waived if admitted)	
Urgent Care	\$50 copay	50% after Ded.	\$50 copay	50% after Ded.
Lab Tests	20% after Ded.	50% after Ded.	20% after Ded.	50% after Ded.
X-rays, CT scans, MRIs, MRA's, PET scans	20% after Ded.	50% after Ded.	20% after Ded.	50% after Ded.
Prescription Drugs**				
Retail Pharmacy (30-Day)	Tier 1: \$4 Tier 2: \$40 Tier 3: \$55 Tier 4: 25%*	Tier 1: \$4 Tier 2: \$25 Tier 3: \$55 Tier 4: 25%*	Tier 1: \$4 Tier 2: \$40 Tier 3: \$55 Tier 4: 25%*	Tier 1: \$4 Tier 2: \$40 Tier 3: \$55 Tier 4: 25%*
Mail Order (90-Day)	Tier 1: \$12 Tier 2: \$120 Tier 3: \$95 Tier 4: 25%*	Tier 1: \$12 Tier 2: \$120 Tier 3: \$95 Tier 4: 25%*	Tier 1: \$12 Tier 2: \$120 Tier 3: \$95 Tier 4: 25%*	Tier 1: \$12 Tier 2: \$120 Tier 3: \$95 Tier 4: 25%*

* There is a \$50 per prescription minimum and a \$100 per prescription maximum for Tier 4 drugs.

** You are responsible for charges over the allowed amount received from an Out-of-Network pharmacy.

Medical Contributions

Town of Wake Forest Plans

Important Note: Town of Wake Forest takes a total of twenty-four (24) payroll deductions for benefits annually. For months with three (3) pay periods, there is no payroll deduction taken on the third or last pay day.

Employee	Per Pay Period Cost
	\$0.00
	\$189.64
	\$138.12
	\$344.18
	\$17.42
	\$264.10
	\$202.43
	\$449.10
	\$0.00
	\$225.78
	\$169.32
	\$395.10

	Total Cost	Town Cost	Town Percentage	Employee Monthly Cost	Employee Per Pay Period Cost
BASE PLAN					
Employee Only	\$777.14	\$777.14	100%	\$9.00	\$9.00
Employee + Spouse	\$1,243.42	\$777.14	63%	\$466.28	\$233.14
Employee + Child(ren)	\$1,088.00	\$777.14	71%	\$310.86	\$155.43
Family	\$1,709.71	\$777.14	45%	\$932.57	\$466.28
BUY-UP PLAN					
Employee Only	\$854.00	\$854.00	100%	\$9.00	\$9.00
Employee + Spouse	\$1,366.40	\$854.00	63%	\$512.40	\$256.20
Employee + Child(ren)	\$1,195.60	\$854.00	71%	\$341.60	\$170.80
Family	\$1,878.80	\$854.00	45%	\$1,024.80	\$512.40

Frequently Asked Questions (FAQs)

Will I still be able to see the same doctors and pharmacy?

Yes. You will have access to the same BCBS network of providers with the Town of Wake Forest Plan.

Will I receive a new ID card?

Yes. You will receive a new card with a new ID number. Be sure to provide this new information to your doctors, providers and pharmacy (both retail & mail order), to avoid any delay in claims processing.

Can I still utilize Telehealth?

Yes. The Town of Wake Forest offers Telehealth through MDLIVE.

Do I still have access to Blue Connect?

Yes. Beginning July 1, 2020, you will have access to your benefit information for the Town of Wake Forest.



Health Insurance | Questions

- How do you handle retiree health insurance coverage? We currently have 27 retirees on our plan. That could reduce to 26 due to one individual being eligible for Medicare.
- We understand that we would share risk with the other municipalities beyond \$40,000, but is there a limit to how high the claim can be (what if it's \$100K or higher)?
- There was a clause in your previous information provided that spoke about a liability fee to cover "run-out" expenses if an organization withdraws from the pool. Is this still in place and if so, please provide clarity on how it is calculated.
- Have any organizations withdrawn over the lifetime of the program (5 years)? If so, can you tell us which ones and why?
- Please help us understand what the required workload would be like for a small HR team to administer this program.
- We still have the projections that you provided when this was presented before. How do they compare to your current projections for the Town?
- Do you host health insurance pools similar to this one in other states? If so, which ones and can you provide any data related to their progress?





2023-24 NCHIP Proposal

NCHIP Proposal | 7/1/23 – 6/30/24

Town of Garner
Illustrative NCHIP Rates
 7/1/2023 - 6/30/2024

Rate Tier	Enrollment	Current		NCHIP - Current Plan Designs	
		Monthly Premium Rates 7/1/22 - 6/30/23	Monthly Premium @ Current Rates	NCHIP Funding Rates 7/1/23 - 6/30/24	Monthly Funding @ NCHIP Rates
<u>AWH DUKE - Traditional</u>					
Single	179	\$839.11	\$150,201	\$824.81	\$147,641
Single + Sp.	1	\$1,755.60	\$1,756	\$1,725.68	\$1,726
Single + Ch	18	\$1,453.37	\$26,161	\$1,428.60	\$25,715
Family	3	\$2,607.89	\$7,824	\$2,563.44	\$7,690
<u>AWH DUKE - Choice</u>					
Single	4	\$747.46	\$2,990	\$734.72	\$2,939
Single + Sp.	1	\$1,970.88	\$1,971	\$1,937.29	\$1,937
Single + Ch	14	\$1,294.61	\$18,125	\$1,272.54	\$17,816
Family	5	\$2,323.02	\$11,615	\$2,283.43	\$11,417
Total PPO					
Total Monthly	225		\$220,641		\$216,881
Total Annual			\$2,647,692		\$2,602,568
% Change from Current					-1.7%

FY20 Projection
 \$235K per month
 192 Enrolled
 = PEPM of \$1,226

FY24 Projection
 \$216K per month
 225 Enrolled
 = PEPM of \$964
 (decrease of 20%)

This analysis is for illustrative purposes only, and is not a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.

NCHIP Proposal | Underwriting

**Town of Garner
NCHIP Projection
7/1/2023 through 6/30/2024**

	11/1/2020 through 10/31/2021	11/1/2021 through 10/31/2022	Total
A Total Paid Claims	\$1,175,122	\$1,848,199	\$3,023,321
B Claims over \$200,000 stop loss level	\$0	-\$279,891	-\$279,891
C <u>Net Paid Claims</u>	\$1,175,122	\$1,568,308	\$2,743,430
D Claims under \$40,000	\$1,165,020	\$1,275,774	\$2,440,794
E Claims \$40,000 - \$200,000	\$10,102	\$292,534	\$302,636
F Total Projected PEPM Claims			\$758.48
G Total Fixed Costs			\$138.18
H Total PEPM Cost			\$896.66
I Projected Lives			225
J Months to Project			12
K Projected Plan Cost			\$2,420,990
L <u>Risk Charge</u>			7.5%
M Total Projected Plan Cost			\$2,602,564
N Monthly Cost			\$216,880

†This analysis is for illustrative purposes only, and is not a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.

Claims over \$40K	2	3
Claims over \$200K	0	1

NCHIP Proposal | Underwriting for Most Recent 12 Months

TOWN OF GARNER - 000000095306793

Current Data For Claims Incurred November 01, 2021 - October 31, 2022

Premium and Claims Experience by Completed Claims

Month	Employees	Members	Premium	72% Medical Amount	28% Pharmacy Amount	Total Amount
November 2021	214	296	\$198,905	\$61,027	\$29,948	\$90,975
December 2021	221	301	\$209,496	\$42,232	\$30,622	\$72,854
January 2022	219	298	\$210,086	\$62,361	\$47,567	\$109,928
February 2022	222	306	\$210,373	\$75,710	\$27,105	\$102,815
March 2022	223	307	\$214,012	\$131,898	\$46,060	\$177,958
April 2022	224	308	\$213,656	\$72,023	\$44,118	\$116,141
May 2022	227	310	\$216,089	\$94,420	\$42,500	\$136,920
June 2022	228	310	\$217,449	\$203,134	\$45,163	\$248,297
July 2022	225	305	\$217,362	\$194,545	\$48,336	\$242,881
August 2022	224	304	\$216,364	\$170,313	\$47,217	\$217,530
September 2022	227	309	\$219,670	\$117,975	\$44,467	\$162,442
October 2022	231	315	\$222,259	\$115,228	\$54,231	\$169,459
Total	2,685	3,669	\$2,565,721	\$1,340,866	\$507,333	\$1,848,199

High Cost Claimants

#	Medical Paid Amount	Category
1	\$479,891	Oncologic
2	\$145,488	Oncologic
3	\$67,046	Skin
4	\$29,227	Musculoskeletal
5	\$20,481	Rheumatologic

$\$2.57M - \$1.85M = \$720K$

NCHIP Proposal | Underwriting for Prior 12 Months

TOWN OF GARNER - 0000000095306793

Current Data For Claims Incurred October 01, 2020 - September 30, 2021

Premium and Claims Experience by Completed Claims

Month	Employees	Members	Premium	54% Medical Amount	46% Pharmacy Amount	Total Amount
October 2020	202	288	\$207,548	\$45,838	\$46,064	\$91,902
November 2020	200	284	\$203,425	\$18,567	\$56,947	\$75,514
December 2020	200	290	\$206,714	\$54,512	\$49,668	\$104,180
January 2021	207	298	\$213,733	\$44,239	\$39,203	\$83,442
February 2021	204	290	\$209,678	\$58,863	\$40,735	\$99,598
March 2021	202	282	\$205,788	\$79,627	\$50,765	\$130,392
April 2021	202	281	\$206,356	\$45,987	\$37,597	\$83,584
May 2021	209	292	\$206,356	\$75,284	\$47,109	\$122,394
June 2021	211	295	\$213,421	\$42,628	\$54,100	\$96,729
July 2021	211	291	\$5,884	\$35,404	\$40,801	\$76,204
August 2021	208	289	\$201,517	\$59,425	\$40,492	\$99,917
September 2021	211	291	\$204,060	\$77,713	\$33,554	\$111,267
Total	2,467	3,471	\$2,284,480	\$638,087	\$537,036	\$1,175,123

High Cost Claimants

#	Medical Paid Amount	Category
1	\$45,872	Cardiac
2	\$44,230	Oncologic
3	\$30,296	Skin
4	\$29,769	Respiratory
5	\$27,893	Oncologic

\$2.28M - \$1.18M = \$1.1M

NCHIP Proposal | Monthly Premium

Annual Funding = \$2.60M

Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
\$216,881	\$216,881	\$216,881	\$216,881	\$216,881	\$216,881

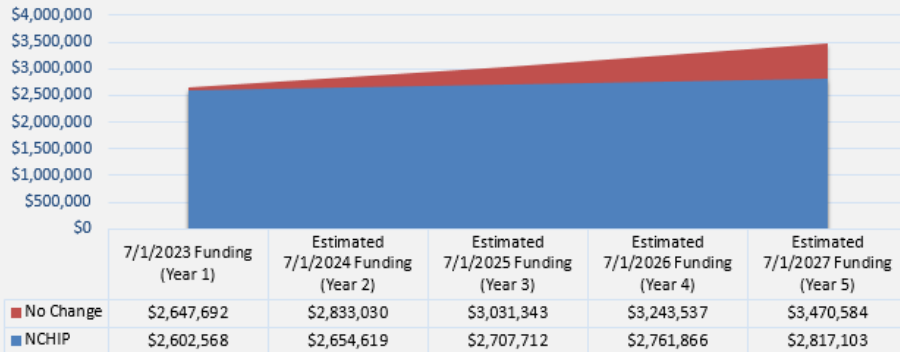
Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
\$216,881	\$216,881	\$216,881	\$216,881	\$216,881	\$216,881

NCHIP Proposal | 5-Year Funding

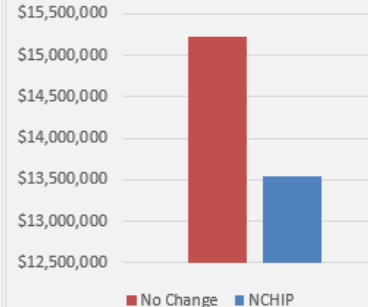
	Town of Garner	NCHIP	Estimated Savings
5 Year Trend	7.0%	2.0%	5.0%
7/1/2023 Funding (Year 1)	\$2,647,692	\$2,602,568	\$45,124
Estimated 7/1/2024 Funding (Year 2)	\$2,833,030	\$2,654,619	\$178,411
Estimated 7/1/2025 Funding (Year 3)	\$3,031,343	\$2,707,712	\$323,631
Estimated 7/1/2026 Funding (Year 4)	\$3,243,537	\$2,761,866	\$481,671
Estimated 7/1/2027 Funding (Year 5)	\$3,470,584	\$2,817,103	\$653,481
Total	\$15,226,186	\$13,543,868	\$1,682,317

TOTAL ESTIMATED SAVINGS

Cumulative Funding - Traditional vs NCHIP

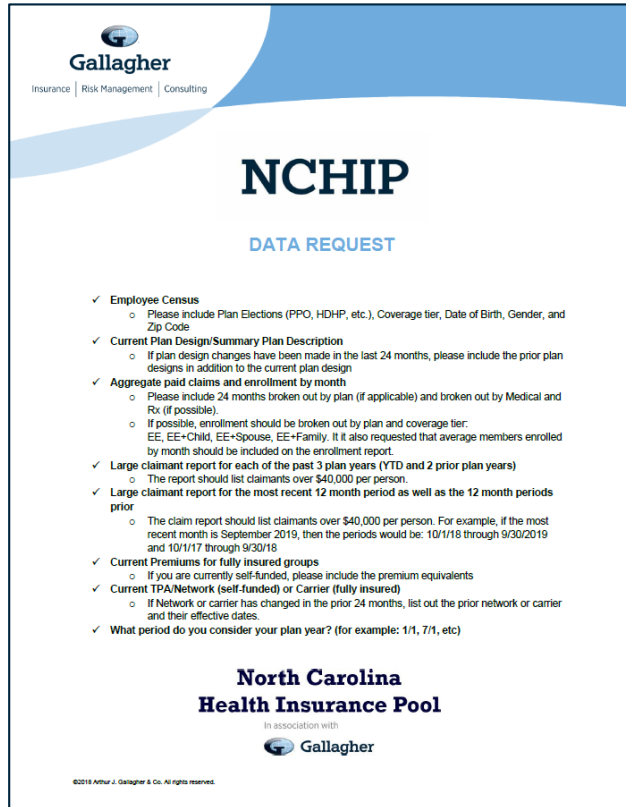


5 Year Total Cost Estimate





New Member Evaluation



PHASE 1

- Data Request
- Risk Analysis

PHASE 2

- NCHIP Proposal
- 5-Year Projection

PHASE 3

- NCHIP Board Review

PHASE 4

- Bylaws / Resolution / Trust Agreement
- Audit Reports
- On-Boarding Procedures

Next Steps

Gallagher
Insurance | Risk Management | Consulting

NCHIP

DATA REQUEST

- Employee Census
 - Please include Plan Elections (PFD, HNDP, etc.), Coverage tier, Date of Birth, Gender, and Zip Code
- Current Plan Design/Summary Plan Description
 - If plan design changes have been made in the last 24 months, please include the prior plan design in addition to the current plan design
- Aggregate paid claims and enrollment by month
 - Please break 24 months broken out by plan (if applicable) and broken out by Medical and Rx (if possible)
 - If possible, enrollment should be broken out by plan and coverage tier
 - EE, EE+COB, EE+Depends, EE+Family
- Large claimant report for each of the past 3 plan years (YTD and 2 prior plan years)
 - The report should list claimants over \$60,000 per person.
- Large claimant report for the most recent 12 month period as well as the 12 month periods prior
 - The claim report should list claimants over \$40,000 per person. For example, if the most recent month is June 2018, then the periods would be: 7/1/17 through 6/30/2018 and 7/1/16 through 6/30/17
- Current Premiums for fully insured groups
 - If you are currently self-funded, please include the premium equivalents
- Current TPAM/network (self funded) or Carrier (fully insured)
 - If network or carrier has changed in the prior 24 months, list out the prior network or carrier and their effective dates.
- What period do you consider your plan year? (for example: 1/1, 7/1, etc)

North Carolina Health Insurance Pool
In association with
Gallagher

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Data Request



Risk Assess

CONFIDENTIAL INFO

Number of employees: 264
 Current Funding Type: Fully insured
 Current Carrier: NCHP
 NCHIP Insured Activities: Wake Forest, NC
 NCHIP Insured Location: Wake Forest
 County/Town Manager: Wake Forest
 MS Number: Wake Forest

Current & Proposed Rates

Rate Tier	Enrollment	Current		NCHIP - Current Plan Design	
		Monthly Premium (Rate 7/1/18)	Current Rate (\$/Yr)	Monthly Premium (Rate 7/1/17)	Monthly Premium (Rate 7/1/16)
Single	158	\$203.05	\$100,176	\$194.01	\$194,448
Single + Sp	16	\$1,386.06	\$22,177	\$1,369.82	\$22,309
Single + L	0	\$0.00	\$0	\$0.00	\$0
Single + Ch	11	\$1,187.05	\$13,060	\$1,124.62	\$12,360
Family	88	\$4,931.60	\$79,218	\$4,841.46	\$80,976

NCHIP Accounting Illustration

Year	2018	2019	2020
Self-Insured Retention	\$14,477,497	\$14,477,497	\$14,477,497
Estimated NCHIP Claims and Fund Costs	\$2,232,374	\$2,232,374	\$2,232,374
Estimated Funding - Current System (NCHIP Change)	\$1,200,000	\$1,200,000	\$1,200,000
Estimated 2018 F.F. (NCHIP)	\$2,232,374	\$2,232,374	\$2,232,374
Total Estimated Fund - Available	\$0	\$0	\$0

NCHIP Year 1 Funding

Estimated Total Funded: \$14,477,497
 Estimated Total Funded: \$14,477,497
 Estimated Total Funded: \$14,477,497

Rated Layer Analysis

Category	Amount	Rate	Rate	Rate
Estimated Total Funded Layer - Without Retention	\$17,710,000	\$17.71	\$17.71	\$17.71
Estimated Retention/Retained Layer	\$14,477,497	\$14.48	\$14.48	\$14.48
Estimated Total Funded Layer - With Retention	\$32,187,497	\$32.19	\$32.19	\$32.19
Estimated Impact to Current NCHIP Member's Rated Layer (2018)	\$0.00	\$0.00	\$0.00	\$0.00

Board Review

North Carolina Health Insurance Pool

To: Town of Kernersville
 From: NCHIP Executive Board
 Date: February 20, 2018
 RE: Letter of Approval

Mr. Swisher and Ms. Turner,
 On behalf of the NCHIP Board of Trustees, we are excited to extend this letter of approval to Town of Kernersville for entry into NCHIP effective July 1, 2018.

After a thorough review of Town of Kernersville's risk analysis prepared and presented by Arthur J. Gallagher, the NCHIP Board voted to approve Town of Kernersville's request to join our current membership in our common mission of providing long-term stability and greater predictability to our health insurance programs.

We thank you for your interest in NCHIP, and we look forward to working with you in the years to come. Please reach out to me with any questions.

Sincerely,

 Virginia Jones

NCHIP Chair
 Town of Wake Forest
 303 S. Beulah Street
 Wake Forest, NC 27587
 vjones@wakeforestnc.gov
 (319) 435-9491

CC: Martha Page (Town of Morrisville), NCHIP Vice Chair
 Bob Mirarchi (Catawba County), NCHIP Treasurer
 Brenda Bartholomew (Orange County), NCHIP Secretary

NCHIP
 In association with

Next meeting date is
4.19.23

2023 Onboarding Timeline

Project Milestones		Apr		May		June		July		Status
		1st - 15th	16th - 30th	1st - 15th	16th - 31st	1st - 15th	16th - 30th	1st - 15th	16th - 31st	
On-Boarding	NCHIP Board Approves (4/19)									●
	Town accepts invitation to join NCHIP									
	AJG and NCHIP "On-boarding Paperwork"									
Consulting	Finalize plan design and contributions									
	Implementation call with BCBS									
Marketing	Non-medical marketing Dental, Vision, EAP, etc. (TBD)									
	Present non-medical proposals									
Open Enrollment	Communication: Customized benefits enrollment guide complete and open enrollment presentation									
	Distribute Open Enrollment materials									
	Open Enrollment 7-15 day window									
	Confirm EE elections to all vendors									
	New Plan Year Effective Date - July 1, 2023									

● Step Pending

● Step Complete

Why Consider NCHIP?

NCHIP

In association with



STABLE. BUDGETABLE. PREDICTABLE.

- Owner / Partner
- **Keep Your Plan Design**
- Flat Monthly Premiums
- **Access To Data**
- Group Purchasing Power
- **Access To “Big Company” Programs**
- One Monthly Invoice
- **Long-Term Financial Stability**
- Best-In-Class Carrier Partners
- **Partner With Your Peers**

Final Thoughts & Appendix

Why Gallagher & What Makes Gallagher Different?



Local Experts

Charlotte NC Based Team



Public Sector Focus & Market Leverage

Dave & Wes work with over 30+ NC governments



Long Term Partnership

12+ year partnership / Dave & Wes not going anywhere



Tools & Resources

Benefit Technology, Medical + Pharmacy Analytics, Benchmarking



Vision & Passion

We come to work everyday looking to provide the highest level of service and create tools & programs that our clients need to better manage risk & employee satisfaction

Thank you!

Gallagher Contact Information

NCHIP

In association with



Wes Grigston

AVP/Public Sector Practice Lead-NC
Health & Welfare

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704-971-2561



David Costa

AVP/Benefit Consultant
Health & Welfare

David_Costa@ajg.com

704-971-2555

FINAL VERSION

BYLAWS
of
NORTH CAROLINA HEALTH INSURANCE POOL
7-1, 2018

FINAL VERSION

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BYLAWS
NORTH CAROLINA HEALTH INSURANCE POOL

ARTICLE I. DEFINITIONS AND PURPOSE.

(a) **Definitions.** As used in these Bylaws, the following terms shall have the meanings hereinafter set out:

(i) **“Account”** - A fund of monies established by the Members of the Trust to pay the joint administrative expenses of the Trust and fund certain benefits granted by the individual Members to their respective employees and employees’ dependents and to purchase excess, aggregate, or other insurance.

(ii) **“Benefits”** - Non-salary payments made to employees or officers, including but not limited to payments or reimbursements of expenses arising out of life or accident and health insurance proceeds. The units of local government which participate in the Trust have determined not to purchase insurance coverage for benefit payments below certain high limits but rather to rely upon their pooled financial capabilities to pay benefits within the financial obligations of the Trust and to purchase some insurance to protect against catastrophic and certain other benefit claims.

(iii) **“Executive Committee”** – A committee composed of no more than five (5) members, which is responsible for implementing the policy decisions of the Board of Trustees and carrying out duties specified in these Bylaws or assigned by the Board of Trustees.

(iv) **“Members”** - The units of local government or intergovernmental agencies composed of units of local government (subpool) which initially or later enter into the Trust Agreement for the benefit of their employees. Whenever in this agreement the phrase “units of local government,” “municipality” or similar phrase is used, it shall also refer to any

intergovernmental agency established pursuant to an intergovernmental agreement composed of units of local government.

(v) **“Plan Administrator”** - An independent contractor of the Trust employed by the Board of Trustees to administer the personnel benefit programs of the various Members of the Trust.

(vi) **“Terminal Reserves”** - A fund of monies retained by the North Carolina Health Insurance Pool on behalf of Members whose fund balances may be in excess of all financial requirements for that Member.

(vii) **“Trust”** – The trust for the North Carolina Health Insurance Pool established pursuant to the Trust Agreement, the Constitution and the statutes of this State.

(viii) **“Trust Agreement”** – That certain Interlocal Agreement for a Group Self-Insurance Pool for Benefit Risk Sharing dated as of the date hereof, as the same may be amended from time to time.

(b) **Purpose.**

The Trust is a trust voluntarily established by contracting units of local government as permitted by Article 20 of Chapter 160A and Article 23 of Chapter 58 of the North Carolina General Statutes (the “Local Government Risk Pool Act”) to establish pools providing for life or accident and health insurance for their employees.

To the extent provided for in these Bylaws, and as approved by the Board of Trustees, the Trust shall provide benefit coverage to the officers or employees of its Members. The Trust shall also carry out such claim reduction and educational programs as shall be authorized by its Board of Trustees. The creation of the account established in these Bylaws are not intended by the Members to constitute the transaction of an insurance business within the State of North Carolina.

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The intent of the Members is to separately establish benefit programs and to utilize the Trust to achieve reduced costs of administration and insurance purchases by providing similar services to all Members and to require Members to pay for the costs of such benefits or to share such costs in the manner from time-to-time established by the Board of Trustees.

ARTICLE II. POWERS AND DUTIES.

The powers of the Trust to perform and accomplish the purposes set forth above, within the budgetary limits and procedures set forth in these Bylaws, shall be the following:

- (a) To employ agents, employees, and independent contractors, including: legal counsel, actuaries, claims adjusters, auditors, engineers, private consultants, and advisors, and other persons as the board of trustees or the administrator deem to be necessary.
- (b) To establish offices where necessary in North Carolina, lease real property, and purchase or lease equipment, machinery, or personal property necessary for the carrying out of the purpose of the Trust,
- (c) To carry out educational and other programs relating to health, accident and other claims reductions,
- (d) To cause the creation of, see to the collection of funds necessary for the administration and operation of the Trust and to enter into financial services agreements with financial institutions to hold such funds and permit the Trust to issue checks in its own name,
- (e) To purchase such types of insurance as are approved by the Board of Trustees,
- (f) Solely within the budgetary limits established by the Members to carry out such other activities as are necessarily implied or required to carry out the purposes of the Trust specified in Article I or the specific powers enumerated in Article II, and in conjunction with the obligation of Members specified in Article XII.

ARTICLE III. PARTICIPATION.

The membership of the Trust shall consist of the inaugural Members and those subsequently admitted to membership and continuing as Members. New Members shall be added to the Trust only after the concurrence of at least two-thirds (2/3) of the entire membership of the Board of Trustees, execution of a joinder signature page to the Trust Agreement, and subject to the payment of such sums and under such conditions as the Board of Trustees shall in each case or from time-to-time establish. The Board of Trustees may establish standards for admission and assign the power to admit Members to the Executive Committee.

ARTICLE IV. TERM OF THE TRUST.

The North Carolina Health Insurance Pool shall operate with fiscal years beginning on July 1st, of each calendar year, and the Trust shall continue in existence from year-to-year as an intergovernmental agreement with the membership of those governmental bodies which do not provide a notice of withdrawal. The ability of an individual Member of the Trust to withdraw shall be as provided in Article XVIII.

ARTICLE V. BOARD OF TRUSTEES.

(a) **Establishment of Board.** There is hereby established a Board of Trustees of the Trust. The Board of Trustees shall determine the general policy of the Trust which policy shall be followed by all officers, agents, employees and independent contractors working for the Trust. It shall have the responsibility for (1) Hiring of Trust agents, staff, vendors, and independent contractors; (2) Setting of compensation for all persons, firms and corporations employed by the Trust; (3) Program approval; (4) Vendor approval; (5) Setting of fidelity bonding requirements for employees or other persons; (6) Approval of amendments to the Bylaws; (7) The acceptance of new Members, provided, however, that the Board of Trustees may assign, in whole or in part, this

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authority to the Executive Committee and it may choose to do so under stated criteria and process mandated by the Board of Trustees; (8) Approval of educational and other programs relating to Trust programs; (9) Establishing and recommending monthly and supplementary payments to the Account, including that portion of the cost of insurance attributable to each Member; (10) Creation of an Investment Policy if the Trust possess assets not immediately required to meet the Trust's needs and that the Board desires to invest in securities; (11) Any other matters not assigned to another committee, officer, independent contractor, or agent, as are necessarily implied or required to carry out the purposes of the Trust, including all powers described in Section II of the Trust Agreement; and (12) Expulsion of Members.

(b) **Membership of Board.**

(i) Each Member shall choose in the manner applicable to that governmental body one (1) person to represent that body on the Board of Trustees, who shall be called a Trustee, and shall promptly notify the Trust of such selection. Such representative must be an elected official or employee of a local government within this State and possess authority to bind the Member with respect to matters involving the Trust. The Member may also select an alternate representative, who shall be called an Alternate Representative, to serve when the Trustee is unable to carry out his duties. The person and alternate selected need not be an elected official of the Member, but must be an employee of a local government within this State.

(ii) The representative selected by the Member shall serve for a one fiscal year term commencing at the beginning of each fiscal year of the Trust and until a successor has been selected. The representative chosen by the Member may be removed by the Member during the period of his or her term. A Trustee or Alternate Representative will be

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automatically removed upon the individual's termination of employment from or removal from elected office of the Member, and each Member is obligated to give the Board of Trustees prompt notice of such occurrence. If a Trustee is removed, the Alternate Representative for the Member will automatically become the Trustee for such Member until the Member appoints a new Trustee. In the event that a vacancy occurs in the Trustee or Alternate Representative, that Member shall appoint a successor. The failure of a Member to select a representative or his or her failure to participate shall not affect the responsibilities or duties of a Member under these Bylaws.

(c) Voting.

(i) Each Trustee shall be entitled to one (1) vote. Such vote may be cast only by the Trustee or in the Trustee's absence by the Alternate Representative for the same Member. No proxy votes or absentee votes shall be permitted. Trustees and Alternate Representatives may, however, participate in a meeting by electronic means in accordance with law. Voting shall be conducted by voice vote unless one (1) or more Members of the Board of Trustees shall request a roll call vote; provided, however, that any vote to authorize the payment of bills or which requires a greater than a majority vote for passage, shall be by roll call.

(ii) Except as provided in Section V(c)(iii), or elsewhere in these Bylaws, a simple majority of a quorum or the Board of Trustees or Executive Committee, as applicable, shall be sufficient to pass upon all matters. A quorum shall consist of a majority of the Members of the Board of Trustees or the Executive Committee, as applicable.

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(iii) A greater vote than a majority of a quorum shall be required to approve the following matters:

A. Such matters as the Board of Trustees shall establish within its rules as requiring for passage a vote greater than a majority of a quorum; provided, however, that such a rule can only be established by a greater than majority vote at least equal to the greater than majority percentage within the proposed rule,

B. The expulsion of a Member shall require at least the concurrence of two-thirds (2/3) of the entire membership of the Board of Trustees,

C. Any amendment of these Bylaws shall require the concurrence of at least two-thirds (2/3) of the entire membership of the Board of Trustees,

D. The payment of a contested employee benefit to a Member by the Trust in a manner contrary to that reported by the Plan Administrator, which is brought to the Board of Trustees, shall require the concurrence of at least two-thirds (2/3) of a quorum at a Board of Trustees meeting.

E. The approval of the benefit programs being offered, annual payments of all kinds, and the allocation of those payments among Members, shall require the concurrence of at least two-thirds (2/3) of a quorum at a Board of Trustees meeting.

(d) The Board of Trustees, the Executive Committee and any authorized committees may establish rules governing their own conduct and procedure consistent with the Bylaws. All notices required in these Bylaws shall be in writing.

(e) Except as provided herein, no one serving on the Board of Trustees shall receive any salary or other payment from the Trust and any salary, compensation, payment or expenses

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for such representative, shall be paid by each Member separate from these Bylaws. The officers of the Trust may submit to the Executive Committee for its approval, reimbursement of expenses incurred in the pursuit of their position as officers of the Trust. The reimbursement for such expenses, which shall be reported to the Board of Trustees in the same manner as other approved payments, may include amounts advanced on behalf of the Trust either by the officer or by a Member of the Trust.

ARTICLE VI. BOARD OF TRUSTEES MEETINGS.

(a) Regular meetings of the Board of Trustees shall be held as often as necessary to carry out the purposes of the Trust, but no less than two times during each fiscal year. The dates of regular meetings of the Board of Trustees shall be established at the beginning of each fiscal year. Any item of business may be considered at a regular meeting. A failure to hold these meetings, as required, shall not invalidate acts otherwise taken.

(b) Special meetings of the Board of Trustees generally may be called by the Chair, or by any two (2) Trustees. However a special meeting of the Board of Trustees for the purpose of removal of a member or members of the Executive Committee may be called only by the Chair or upon the request of the lesser of (i) 50% of the Members or (ii) ten (10) Members.

(c) Five (5) days written notice of regular or special meetings of the Board of Trustees shall be given to the official representatives of each Member and an agenda specifying the subject of any special meeting shall accompany such notice. Business conducted at special meetings shall be limited to those items specified in the agenda. Advanced notice of the meeting and agenda items may be waived by action of the Board of Trustees.

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(d) The Secretary shall take or cause to be taken minutes of each meeting of the Board of Trustees to be taken, which minutes will be made available to the Commissioner of Insurance of the State of North Carolina upon request.

(e) The time, date and location of regular and special meetings of the Board of Trustees shall be determined by the Chair of the Board of Trustees or by the convening authority.

(f) To the extent consistent with these Bylaws, and except as modified by procedural rules established, Roberts Rules of Order, latest edition, shall govern all meetings of the Trust. Minutes of all regular and special meetings of the Board of Trustees and the Executive Committee shall be sent to all Members.

ARTICLE VII. TRUST OFFICERS.

(a) In addition to such other officers as may be established from time-to-time by the Board of Trustees, the officers of the Trust shall be the following: Chair, Vice-Chair, Treasurer, and Secretary. The Chair, Vice-Chair, Treasurer, and Secretary shall be chosen by the Board of Trustees. The Board of Trustees shall, in each calendar year that is an even number, select from among the Trustees the officers of the Trust who will serve for the next two (2) year term commencing on the first day of the fiscal year occurring in such year. The election of officers can take place one hundred and twenty (120) days prior to or after the start of a new fiscal year. Officers shall serve until their successors have been chosen and begin their terms. No person may serve in the same officer role for more than two (2) consecutive two-year terms, except upon the vote of at least the two-thirds (2/3) of a quorum of the Board of Trustees. Individuals may, however, be selected to a different position without such supermajority.

(b) The Chair is the chief elected officer of the Trust and directs the overall affairs and operations of the Executive Committee; presides over all meetings of the Executive Committee

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and the Board of Trustees; and performs all other duties as are authorized in the Bylaws, or as the Executive Committee or Board of Trustees may authorize and as may be defined in the policies of the Trust. The Chair, when authorized, shall execute documents on behalf of the Trust and shall perform those duties normally associated with the Chair of an intergovernmental agency. In the absence or inability of the Chair to perform these duties, the Vice-Chair shall temporarily provide those services. If the Chair shall resign or permanently be unable to perform such duties, the Vice-Chair shall succeed to the position of Chair. In the case of vacancies, in all other offices of the Trust other than the Treasurer, the Chair shall appoint individuals with the required qualifications to fill any vacancies until the end of the term of the person leaving the office.

(c) The Vice-Chair assists the Chair in directing the affairs and operations of the Executive Committee and the Board of Trustees and acts as presiding officer at meetings in the absence of the Chair.

(d) The Treasurer is the chief financial officer of the Trust. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Trust; receive and give all receipts for monies due and payable to the Trust from any source whatsoever; deposit all such monies in the name of the Trust in such banks, savings and loan associations or other depositories as shall be selected by the Board of Trustees; keep the financial records of the Trust; and invest the funds of the Trust as are not immediately required in accordance with the Trust Investment Policy. The Treasurer shall perform all the duties incident to the office of Treasurer and such other duties as from time-to-time may be assigned to the Treasurer by the Board of Trustees. In the absence of the Treasurer, or in the event of the inability or refusal of such officers to act, the Chair of the Board of Trustees may temporarily perform the duties of the Treasurer and, when so acting, shall have all of the powers of and be subject to all of the restrictions upon the Treasurer. A new

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Treasurer shall be selected at the next regular or special meeting of the Board of Trustees, but the Chair may act, in any case, until the selection is made.

(e) The Secretary keeps the records of the Trust, including actions of the Board and Executive Committee. The Secretary assists the chair in maintaining proper governance of the Board, in accordance with proper rules of order and in compliance with applicable North Carolina open meetings laws.

(f) The Board of Trustees may, by at least a two-thirds (2/3) vote of the Members remove the Chair, Vice-Chair, Treasurer, or Secretary. Such removal shall be within the total discretion of the Board of Trustees. In the event that the Chair is removed by the Board of Trustees, the Vice-Chair shall take over that position and, as the new Chair, will select the Vice-Chair to fill out the remainder of that term.

(g) The Trust shall purchase a blanket fidelity bond in an amount to be established by the Board of Trustees to assure the fidelity of all officers, Trustees, and employees of the Trust who shall have the authority to receive or authorize by their signature or order the payment of Trust funds. Additional fidelity and similar coverages may be procured by the Trust from time-to-time.

(h) The Board of Trustees may select a financial institution to carry out some or all of the functions which would otherwise be assigned to a Treasurer and may select a management company or agent to carry out some or all of the functions which would otherwise be assigned to a Plan Administrator.

ARTICLE VIII. COMMITTEES OF THE BOARD

(a) Executive Committee

(i) There is hereby created an Executive Committee of the Board. The Executive Committee shall at a minimum consist of the officers of the Trust. The Board may also elect to appoint up to two (2) at-large members to the Executive Committee, who will be selected from the Trustees who are not officers of the Trust. If so appointed, the at-large member(s) will serve for two (2) year terms, and such terms will be staggered with the election of the officers of the Trust, and such at large member of the Executive Committee will continue in office until his or her successor is elected or they otherwise resign. Vacancies in at-large Executive Committee members may be filled by the Chair until the end of the predecessor's term.

(ii) All Members of the Executive Committee are expected to conscientiously prepare for, attend, and actively participate in all Board of Trustees and Executive Committee meetings.

(iii) The Executive Committee shall be responsible for implementing the policy directions of the Board of Trustees and shall be responsible for the regular activities of the Trust, including but not limited to: the approval of warrants and bills; preparation and review of annual budget; review of Trust audit; recommending programs and vendors to Board of Trustees and reviewing contracts regarding the same; performing service level assessments; and recommending goals and policy changes to Board of Trustees. The Executive Committee may expend funds, employ consultants, authorize a settlement of claims and suits, admit new Members and take other action as shall be specifically delegated to it by the Board of Trustees.

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(b) **Other Committees.** The Board of Trustees or the Executive Committee may establish on a permanent or ad hoc basis other committees to serve the Trust.

(c) **Resignation, Removal of Committee Members.** Any Trustee may resign from a committee position by providing written notice to the Chair or to the chair of such committee. The Board may, by majority vote and within its total discretion, remove a committee member, except for the Chair, Vice-Chair, Treasurer, or Secretary (each of whom may be removed only in accordance with the provisions regarding removal of officers).

ARTICLE IX. FINANCES.

(a) **Administration.**

The cost of the administration of the Trust shall be borne by each of its Members in direct proportion to the number of employees of the Member whose benefit programs are to be administered by the Trust as compared to the total number of such persons served by the Trust. The Account will contain a sufficient amount at all times to pay all of the Benefits of the Plans and the administrative expenses of the Trust.

(b) **Benefits.**

Payments into the Account with respect to anticipated benefits will be developed and administered in the following manner:

(i) Before the start of each fiscal year, the Plan Administrator will determine, on the basis of financial data, the amount of total payments from all Members necessary to fund anticipated benefit payments, the cost of insurance, the maintenance of sufficient claim reserves equal to known incurred losses and loss adjustment expenses and to an estimate of incurred but not reported losses, and the maintenance of any desired Terminal Reserves for a Member.

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1. The Plan Administrator will also recommend how this total amount of anticipated expenses should be divided among the Members. The charges to be made to the Members shall be determined by a vote of the Board of Trustees which shall, in establishing such sums due, treat all similarly situated Members in an equal manner. Such a vote must receive at least the concurrence of two-thirds (2/3) of a quorum at a Board of Trustees meeting.

2. The Board of Trustees may, each fiscal year, choose an allocation of the payments into the Account whereby some or all of the costs are divided among the Members based upon general increases or decreases in the total costs of the Trust without regard to the claims made against individual Members or it may elect to grant debits or credits based upon the individual plans offered by the Members or the level of claims. Debits or credits may be expressed through the use of a banding formula. (Also see Article X.)

3. In the event that the Board of Trustees shall fail to approve the charges or allocations by the requisite vote, the charges and allocations for the next year shall, until and unless modified, be based upon the prior year's allocations with charges increased by ten percent (10%) and additionally subject to the obligation to make Supplementary Payments.

4. The Trust will purchase such other insurance coverage as may be approved by the Board of Trustees.

(c) **General Fiscal Matters.**

The Board of Trustees will cause the Trust to comply with all requirements of North Carolina General Statutes § 58-23-26. The Board of Trustees shall provide to the Members an

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annual audit of the financial affairs of the Trust to be made by an independent certified public accountant at the end of each fiscal year in accordance with generally accepted auditing principals. The annual audit will report the financial position of the Trust in conformity with statutory accounting practices prescribed or permitted by the Commissioner of Department of Insurance of North Carolina. A copy of the audit will be made available to the governing body or chief executive officer of each Member, and a copy of the audit will be filed with the Commissioner of Department of Insurance of North Carolina within 130 days after the end of the pool's fiscal year, unless that time is extended by the Commissioner.

The Trust will also have an actuarial evaluation of its loss and loss adjustment expense reserves, including reserves for loss and loss adjustment expenses incurred but not reported, performed annually by a qualified actuary. A copy of the evaluation will be filed with the Commissioner of Department of Insurance of North Carolina along with the annual audit.

(d) Supplementary Payments.

If, during any year, the funds on hand are not sufficient to pay benefits or administrative expenses or to maintain claim reserves required by law that are the responsibility of the Trust and not through a failure of insurance coverage or other causes, the Board of Trustees shall require Supplementary Payments. The increased payments shall be computed utilizing the same method under which payments were made for the year in question and, except for payments into the Account where payments shall be made by all Members, they shall only be due from Members which were entitled to receive benefits from the account which requires Supplementary Payments. If a Member transfers employees from a fund where Supplementary Payments are due to another fund, a determination shall be made by the Board of Trustees as to the amount of Supplementary Payments due from that Member arising from its prior participation in that fund.

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In addition, if the Trust is determined, in accordance with North Carolina General Statutes § 58-23-30, to be insolvent, financially impaired, or is otherwise found to be unable to discharge its legal liabilities and other obligations, the Members shall be assessed on a pro rata basis as calculated by the amount of each member's average annual contribution in order to satisfy the amount of deficiency.

(e) Terminal Reserves.

During any fiscal year, and with the approval of the Treasurer, a Member may withdraw from the Trust any amount of Terminal Reserves provided that such withdrawal does not reduce the Terminal Reserve below the known incurred losses and loss adjustment expenses plus an estimate of incurred but not reported losses. In addition, there shall be deducted from that payment any amounts owed by the Member or reasonably anticipated to be owed by the Member to the Trust either being then due and payable or estimated to be due based upon tentative figures or preliminary audits, or any other amounts due from the Member to the Trust. The Treasurer may always deduct from a Member's Terminal Reserves any amounts necessary to pay for that Member's obligations to the Trust. Within thirty (30) days after a final audit, approved by the Board of Trustees, the amounts then determined to be owed to the Trust shall be deducted from the Terminal Reserves. Thereafter, the Member shall receive a determination of the Treasurer within sixty (60) days of a written request. The Treasurer shall provide a written report to the Executive Committee of any approved requests for withdrawals from Terminal Reserves within sixty (60) days after the withdrawal. If the Trust shall have advanced funds on behalf of a Member such that the Member is expected to have a deficit balance in its Terminal Reserves, then, within sixty (60) days after written notice, the Member shall be required to pay to the Trust at least sufficient funds so as to remove the deficit in its Terminal Reserves.

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(i) **Suspension or Termination of Claim or Other Payments.**

In any situation, where the Executive Committee should determine that a Member has not promptly paid to the Trust any financial obligation then due, which is in excess of the amount of \$50,000.00, or is more than one-half of one month's contribution, whichever is less, it may direct that the payment of the Member's claims or other sums sought shall be suspended or terminated for a specified period of time or until certain specified actions have taken place. If the decision is made by the Executive Committee, the suspension may be for a period of time up to and including the date at which the Board of Trustees considers and takes action relating to a proposed termination of membership or other action. The Executive Committee shall notify the Members of the Board of Trustees of its decision. The Board of Trustees may also vote to suspend or terminate the payment of claims in the situations provided for above.

As is provided in the PURPOSE section, the Trust is to "jointly administer some or all of the personnel benefit programs offered by its Members to their officers and employees...." The Trust has determined that the funding of those administrative acts is dependent upon the prompt and full payment by Members of their obligations. A defaulting Member, rather than the Trust, shall be fully responsible for any claims, demands or suits, or any increased costs allegedly caused by a suspension or termination of claim payment on behalf of a Member in financial default. In case such a claim, demand, suit or increased cost is made or incurred by the Trust, the defaulting Member shall hold harmless, defend and indemnify the Trust, its other Members and their officers and employees against such claim, demand, suit or cost.

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(ii) **Payments in Error.**

If the Trust should in error pay any benefit claims, administrative fees or other charges on behalf of a Member, which it was not obligated to pay, the Member shall, upon thirty (30) days' written notice, reimburse the Trust for the amounts improperly paid.

ARTICLE X. PLAN OF BENEFITS AND REDUCTIONS IN COVERAGE.

Members may change the Plan of Benefits provided at any time, but shall notify the Plan Administrator at least ninety (90) days prior to the intended effective date of such change; and such change shall be subject to a redetermination on the underwriting basis of the payments due the Trust. The Plan Administrator shall make a determination as to the amount of the increased or reduced payment required as a result of the change. If the Member should dispute the amount of the redetermination, an initial decision regarding such amount shall be made by the Executive Committee with an appeal to the Board of Trustees. In the event that the Plan Administrator should determine that the proposed change provides a level or type of coverage, the cost of which cannot be determined on an underwriting basis or which would provide an excessive risk to the Trust, or is inconsistent with the insurance purchased by the Trust or would otherwise not be in the best interest of the Trust, the Plan Administrator shall present that opinion and the reasons supporting that opinion in writing to the Member requesting the change and to the Chair. The change shall not come into effect within the Trust's plan of benefits except in the manner recommended by the Plan Administrator unless the decision of the Plan Administrator is overturned or modified by the Executive Committee or the Board of Trustees. The Member may institute the change, but shall be individually financially responsible for the administration and payment of such benefits as are not eventually authorized to be provided within the Trust. The Plan Administrator shall as

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promptly as possible re-price covered benefits. No claim may be made against the Trust for the unauthorized change.

Where the Trust establishes set rates, under the following two (2) circumstances and upon a report of the Plan Administrator, the Board of Trustees may individually rate a Member or Members: (i) where the actual paid claims, incurred by a Member during any two (2) or more years of a three (3) year period, were both in the highest or both in the lowest bands, or (ii) where it is discovered that claim history material submitted by a Member was improperly stated, that Member or Members may be individually rated and may be required to contribute to the appropriate fund a sum no more than 100% greater or lesser than the amount which would be payable had that Member or Members been rated with the group as a whole. Such individual rating shall carry into another cycle until such time as the paid claims of the Member have declined for a year so that the Member would be entitled to be rated with the group as a whole.

If the number of employees of the Members eligible to receive some portion of any of the Trust's benefits should decline or where for some other reason the Plan Administrator is concerned about the ability to cover potential claims, the matter shall be brought to the attention of the Executive Committee and the Board of Trustees. The Board of Trustees may determine that the coverage shall no longer be offered or its scope or amount of coverage shall be prospectively reduced. A decision to make such a reduction shall not become effective for at least sixty (60) days after the vote of the Board of Trustees.

ARTICLE XI. INSURANCE AND OTHER COVERAGES.

The Trust may purchase insurance from a company permitted to write such coverage in North Carolina. The Trust may also join with other intergovernmental entities to provide collective self-insurance. The obligation of any Member of the Trust shall be limited to funding those

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benefits collectively self-insured by the Trust. No Member shall be responsible for the benefit claims of another Member which were to be paid by insurance but were not paid or at levels above the insurance purchased for Members.

ARTICLE XII. OBLIGATIONS OF MEMBERS.

The obligations of Members of the Trust shall be as follows:

(a) To appropriate or budget for, where necessary to levy for, and to promptly pay all monthly and supplementary or other payments to the Trust at such times and in such amounts as shall be established by the Board of Trustees within the scope of these Bylaws and the Trust Agreement. Any delinquent payments shall be paid with a penalty which shall, for the period of non-payment, be equal to interest on the delinquent payment(s) calculated using the highest interest rate allowed by statute to be paid by the Member under North Carolina laws, or if there is no such limit then the prime rate of interest on the date of delinquency charged by the bank in North Carolina with the largest assets. In the event that the Trust shall be required to expend funds for administrative, legal or other costs brought about by the failure of a Member to pay sums owed the Trust or to otherwise comply with its obligations, such amounts expended shall be added to the sums due the Trust and shall be payable by the Member. In the event there is a dispute regarding an interpretation of these Bylaws or the Trust Agreement, an action taken by the Board of Trustees or officers, or any other matter arising out of its membership in the Trust, the parties to the dispute shall first attempt to resolve such dispute through mediation before filing a lawsuit with respect to such dispute.

(b) During its entire membership in the Trust, a Member shall only exclusively provide to its employees, except independent contractors, or those in union-sponsored programs, the health and accident benefits coverage of the Trust.

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(c) In entering into the Trust Agreement, each Member, acknowledges, recognizes and accepts that intergovernmental agreements are voluntary associations where the Members can determine, by contract and by authorized actions of the Board of Trustees and the Executive Committee, the identity of the Members, how Members and those otherwise bound can be admitted, dealt with during membership and expelled.

(d) To select a person to serve on the Board of Trustees and to select an alternate representative.

(e) To allow the Trust reasonable access to all facilities of the Member and all records including but not limited to financial records which relate to the purpose and powers of the Trust.

(f) To furnish full cooperation with the Trust's Committees, attorneys, claims adjusters, the Plan Administrator and any Board or committee, agent, employee, officer or independent contractor of the Trust relating to the purpose and powers of the Trust.

(g) To furnish the Trust with a copy of revisions to its written benefit program at least ninety (90) days prior to the effective date of such change.

(h) To maintain written eligibility standards for participation of the Member's employees and their dependents in its benefit program, and to interpret, administer, and make all eligibility determinations in accordance with such written eligibility standards.

(i) To report to the Trust as promptly as possible all claims made to it within its benefit program as administered by the Trust.

(j) To follow those procedures regarding the administration of and application for benefits adopted by the Board of Trustees that do not reduce the level of benefits contained within any Member's individual benefit program, which are to be paid for by funds of or through the Trust. For example, large case management, frequency and amount of claim submissions and

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wellness programs. The adoption of such procedures shall require at least the concurrence of at least the votes of two-thirds (2/3) of the entire membership of the Board of Trustees.

(k) These Bylaws and the Trust Agreement are not intended to create or provide any rights in third-parties, including, but not limited to the individuals to whom the Members provide benefits.

ARTICLE XIII. LIABILITY OF BOARD OF TRUSTEES OR OFFICERS.

The Members of the Board of Trustees or officers of the Trust should use ordinary care and reasonable diligence in the exercise of their power and in the performance of their duties hereunder; they shall not be liable for any mistake of judgment or other action made, taken or omitted by them in good faith; nor for any action taken or omitted by any agent, employee or independent contractor selected with reasonable care; nor for loss incurred through investment of Trust funds, or failure to invest. No Trustee shall be liable for any action taken or omitted by any other Trustee. No Trustee shall be required to give a bond or other security to guarantee the faithful performance of their duties hereunder. The Account shall be used to defend and hold harmless any Trustee or officer for actions taken by the Board of Trustees, the Executive Committee, Committee members, or performed by the Trustee within the scope of his or her authority. The Trust may purchase insurance providing similar coverage for such Trustees or officers.

ARTICLE XIV. ADDITIONAL INSURANCE.

The Plan Administrator, through the distribution of the minutes of the Board of Trustees or through other means, shall inform all Members of the scope and amount of insurance in force from time-to-time. Membership in the Trust shall not preclude any Member from purchasing any insurance coverage above those amounts or in addition to that purchased by the Trust.

ARTICLE XV. DISPUTES OVER COVERAGE.

In the event that a Member should question whether its employee (or a dependent of such an employee) is eligible under for coverage under its policies relating to coverage provided by the Trust, that Member shall, in writing, direct the Trust not to pay any further amounts arising from such claim after the date of the receipt of the written direction. When so directed, the Trust shall not pay such claim unless the Member's order is withdrawn. Provided, however, that the Member shall defend and hold harmless the Trust against all costs, including defense costs, or damages which the Trust shall incur in acting on the direction of the Member. The Trust may require the Member to advance funds to support this obligation and on a failure of the Member to do so, it may choose to make the payment.

In the event that an employee or other person claims benefits from the Trust, such claimant shall exhaust the claims procedure established from time to time by the Plan Administrator. If, upon exhaustion of the claims procedure, the claimant or a Member believes additional benefits are owed from the Trust, the claimant or Member may file a final appeal with the Executive Committee no later than sixty (60) days after the date of the final decision under the claims procedure. The Executive Committee will consider the appeal within 90 days of receipt of the appeal (or such longer time as the Executive Committee reasonably determines is needed for the proper administration of such appeal). If the Executive Committee determines that such claim is a proper expense of the Trust and the Trust's stop loss carrier approves coverage of such claim, the Executive Committee may approve payment of the claim. The decision of the Executive Committee shall be final in the absence of fraud.

The Trust shall have no financial responsibility if a company which provides insurance for benefit claims refuses or is unable to pay such claims. In the absence of action by the Board of

FINAL VERSION

Trustees to recover such funds from such company, the Member affected by such refusal or inability to pay may pursue the matter at its expense.

ARTICLE XVI. CONTRACTUAL OBLIGATION.

The obligations and responsibilities of the Members set forth herein, including the obligation to take no action inconsistent with these Bylaws as originally written or validly amended, shall remain a continuing obligation and responsibility of the Member. The terms of these Bylaws may be enforced in a court of law either by the Trust itself or by any of its Members. The consideration for the duties herewith imposed upon the Members to take certain actions and to refrain from certain other actions shall be based upon the mutual promises and agreements of the Members set forth in the Trust Agreement and the advantage gained by Members in anticipated reduction of administrative costs for the processing of personnel benefits. Provided, however, that the financial obligations of a Member are limited to that agreed to herein or such additional obligations as may come about through amendments to these Bylaws. The Scope of Coverage of the Trust shall extend only to the Members. These Bylaws are not intended to, nor does it grant, any rights, including but not limited to, the right to an interpretation of its provisions or benefits to any third-parties.

ARTICLE XVII. EXPULSION OF MEMBERS.

(a) **Action to Expel Members.** By at least the concurrence of the vote of at least two-thirds (2/3) of the entire remaining membership of the Board of Trustees, any Member may be expelled. Such expulsion, which shall take effect in the manner set out below, may be carried out for one or more of the following reasons:

- (i) Failure to make any payments due to the Trust,

FINAL VERSION

(ii) Failure to exclusively provide to its employees, except independent contractors, or those in union-sponsored programs, the health and accident benefits coverage of the Trust,

(iii) Failure to furnish full cooperation with the Trust's attorneys, Plan Administrator, and any agent, employee, officer or independent contractor of the Trust relating to the purpose and powers of the Trust, or

(iv) Failure to carry out any obligation of a Member which impairs the ability of the Trust to carry out its purpose and powers.

(b) **Right to Notice, Cure, and Hearing.** No Member may be expelled, except after notice from the Trust, of the alleged failure along with a reasonable opportunity of not less than fifteen (15) days to cure the alleged failure. The Member, within that 15 day period, may request a hearing before the Board of Trustees before any decision is made as to whether the expulsion shall take place. The Board of Trustees shall set the date for a hearing which shall not be less than fifteen (15) days after the expiration of the time to cure has passed. The Board of Trustees may appoint a hearing officer to conduct such hearing and make a recommendation to the Board of Trustees based upon findings of fact. If the Board conducts the hearing itself, it may make a decision at the close of the hearing. A decision by the Board of Trustees to expel a Member after notice and hearing and a failure to cure the alleged defect shall be final unless the Board of Trustees shall be found by a court to have committed a gross abuse of discretion. After expulsion, the former Member shall continue to be fully obligated for any payments due to the Trust which were created during the term of its membership along with any other unfulfilled obligation as if it were still a Member of the Trust.

ARTICLE XVIII. WITHDRAWAL OF A MEMBER

(a) Withdrawal; Mid-Year Withdrawal.

(i) Generally a Member is obligated to continue for the entire fiscal year participation of all classes of its employees and such employee's dependents who were established as being entitled to benefits at the commencement of each fiscal year. Members shall have the right to withdraw from membership at the end of any fiscal year if proper notice of withdrawal is given in the manner provided in this Article.

(ii) A Member may, however, choose to end participation before the end of the fiscal year for any class of its officers and employees who are to be provided health coverage in a union-sponsored program, and the Trust shall permit such withdrawal, but it may re-price the costs of benefits to the continuing employees or officers based upon the same underwriting criteria used by that Trust in the normal course of its business. If officers or employees are withdrawn from the Trust into a union-sponsored program, they may subsequently be returned to coverage, but only on an underwriting basis. In addition, when the withdrawal is into a union-sponsored program, no Member shall be expelled from the Trust if the continuing employees and such employee's dependents meet the general criteria required from time-to-time for other Members of the Trust.

(iii) Upon at least a two-thirds (2/3) affirmative vote of the entire membership of the Board of Trustees, any Member may be relieved of continuing participation with regard to a particular class of its officers and employees during a fiscal year. Following such an affirmative vote, the Trust shall permit such withdrawal, but it may re-price the costs of benefits to the continuing employees or officers based upon the same underwriting criteria used by that Trust in the normal course of its business.

FINAL VERSION

(iv) In addition, a Member shall only be required to provide continuing participation for those persons within such classes of officers and employees as are actually employed or working for the Member.

(b) **Notice of Withdrawal.** Any Member of the Trust may withdraw from the Trust at the end of a fiscal year of the Trust upon the giving of at least ninety (90) days prior written notice of withdrawal. Such notice shall be addressed to the Chairman of the Trust and the Plan Administrator, and shall be accompanied by a resolution of the Corporate Authorities of the Member electing to withdraw from the Trust.

ARTICLE XIX. ADMINISTRATION FOLLOWING EXPLUSION OR WITHDRAWAL

(a) **Administration of Claims.** The Trust will not pay any benefits with respect to expenses incurred by a Member's employees or their dependents after the date of the Member's expulsion or withdrawal. Following a Member's expulsion or withdrawal from the Trust, so long as the Member is not in financial arrears to the Trust, the Trust will administer the claims filed under the benefit program of the expelled or withdrawing Member until the earlier of (a) twelve (12) months following the effective date of withdrawal/expulsion or (b) the last date to file claims with the Trust's claims administrator relating to expenses incurred prior to withdrawal/expulsion of the Member. If a withdrawing/expelled Member is in financial arrears to the Trust, including estimated deficits, the administration of claims shall cease immediately upon the later of (a) withdrawal/expulsion or (b) exhaustion of the Member's Terminal Reserve (or the earliest date permitted under North Carolina General Statutes § 58-23-20 if immediate termination is prohibited). No benefit claims of the Member shall be processed or paid by the Trust after the date set forth above, unless the withdrawing/expelled Member shall enter into a contract with the Trust

FINAL VERSION

or the Plan Administrator to provide such services using funds furnished by the withdrawing/expelled Member.

Pending claims and other records relating to the withdrawing Member shall, in the absence of such a contract, be turned over to that Member in a prompt manner and at that Member's cost.

(b) **Accounting and Payments Following Withdrawal/Expulsion.** Within one-hundred twenty (120) days after approval of the Trust audit for the fiscal year that includes the last date on which the Trust will administer claims for a withdrawing/expelled Member, a final accounting of funds owed or owing shall take place. Such accounting shall include all funds of the Trust. If the amount owed to or owing from the withdrawing/expelled Member shall be \$25,000 or less, the party owing such funds shall make payment within ninety (90) days after the final accounting. If the amount owed to or owing from the withdrawing/expelled Member shall be over \$25,000, the party owing such funds may, if the Commissioner of the Department of Insurance for the State of North Carolina approves a payment plan for the Member, pay such funds owed in no more than 13 equal monthly payments with interest at the using the highest interest rate allowed by statute to be paid by the Member under North Carolina laws, or if there is no such limit then the prime rate of interest on the date of delinquency charged by the bank in North Carolina with the largest assets, with the first payment to commence within ninety (90) days after the final accounting is established. All withdrawing and expelled Members shall remain fully obligated for their portion of all expenses of and claims against the Trust incurred during the period of their membership.

ARTICLE XX. CONTINUATION OF TRUST

If the withdrawal and/or expulsion of Members prior to the start of the next fiscal year shall reduce the number of covered employees of the remaining Members when added to the employees

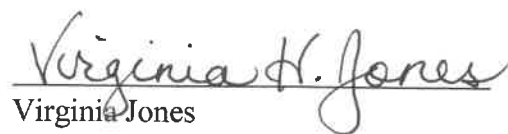
FINAL VERSION

of any new Members legally committed to membership for the next fiscal year to fewer than 2,000 covered lives, the Trust shall, except for winding up its affairs, cease its operations at the end of the then-concluding fiscal year. In that case, the Board of Trustees shall continue to meet on such a schedule as shall be necessary to carry out the winding up of the affairs of the Trust. If, during any fiscal year, the number of covered employees should, through the withdrawal or expulsion of Members or attrition, be reduced to below 2,000 covered lives, any Member may call a special meeting to discuss the feasibility of continuing the Trust in operation until the close of that fiscal year.

ARTICLE XXI. SUITS BY MEMBERS

If any Member should file a suit against the Trust questioning the validity of the Bylaws, or should raise the validity of this document in a suit by the Trust and the validity of these Bylaws is sustained, that Member shall pay for the full legal and defense costs of the Trust in that suit.

THIS IS TO CERTIFY that the above Bylaws were duly adopted by the Board of Trustees, effective as of the date first set forth above.


Virginia Jones
NCHIP Chair

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: May 16, 2023		
Subject: Surplus Property		
Location on Agenda: Consent		
Department: Finance		
Contact: David C. Beck, Finance Director		
Presenter: David C. Beck, Finance Director		
Brief Summary: A 2021 Dodge Durango used by the Police Department has been declared a total loss by our insurance company after being involved in an accident. The request is to surplus the vehicle to release it to the insurance company.		
Recommended Motion and/or Requested Action: Consider adopting Resolution (2023) 2534		
Detailed Notes:		
Funding Source: N/A		
Cost:	One Time: <input type="radio"/>	Annual: <input type="radio"/> No Cost: <input checked="" type="radio"/>
Manager's Comments and Recommendations:		
Attachments Yes: <input checked="" type="radio"/> No: <input type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	DCB	
Finance Director:	DCB	
Town Attorney:		
Town Manager:	RD	
Town Clerk:		

RESOLUTION NO. (2023) 2534

RESOLUTION AUTHORIZING DISPOSITION OF SURPLUS PERSONAL PROPERTY

WHEREAS, pursuant to N.C.G.S. 160A-265 municipalities are authorized to dispose of personal property.

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

That the Town Manager is hereby authorized to sell the following items as provided by G.S. 160A-266:

Asset Tag #	Year	Make/Model	Vin/Serial #
1195	2021	Dodge Durango Pursuit AWD	1C4SDJFT9MC662362

AND BE IT FURTHER RESOLVED by the Garner Town Council that the Town Manager is hereby authorized to sell these items by private sale at a negotiated price as provided for by G.S. 160A-267.

Duly adopted this the 16th day of May 2023.

Ken Marshburn, Mayor

ATTEST: _____
Stella L. Gibson, Town Clerk

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: May 16, 2023		
Subject: Authorization for Wake County to Levy and Collect Town of Garner Property Tax		
Location on Agenda: Consent		
Department: Finance		
Contact: David Beck, Finance Director		
Presenter: David Beck, Finance Director		
Brief Summary: This resolution authorizes the Wake County Tax Administrator to levy and collect property taxes for the Town of Garner during the 2023-2024 fiscal year.		
Recommended Motion and/or Requested Action: Consider adopting Resolution (2023) 2533		
Detailed Notes:		
Funding Source: n/a		
Cost:	One Time: <input type="radio"/>	Annual: <input type="radio"/> No Cost: <input checked="" type="radio"/>
Manager's Comments and Recommendations:		
Attachments Yes: <input checked="" type="radio"/> No: <input type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	DCB	
Finance Director:	DCB	
Town Attorney:		
Town Manager:	RD	
Town Clerk:		

RESOLUTION NO. (2023) 2533

**A RESOLUTION OF THE GARNER TOWN COUNCIL
AUTHORIZING THE WAKE COUNTY TAX ADMINISTRATOR
TO LEVY AND COLLECT PROPERTY TAXES FOR THE TOWN OF GARNER**

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

Pursuant to NCGS § 105-349, the Wake County Tax Administrator is hereby authorized, empowered, and commanded to levy and collect taxes set forth in the tax records filed in the Office of the Wake County Tax Administrator in the amounts and from the taxpayers likewise therein set forth.

This resolution bestows the Wake County Tax Administrator with full and sufficient authority to levy and collect any real or personal property taxes on behalf of the town of Garner, North Carolina, for a term of the 2023-2024 Fiscal Year and until a successor has been appointed and qualified.

The Wake County Tax Administrator and any deputy tax collectors designated by the Tax Administrator shall furnish the appropriate bond and take the oath as required by NCGS § 105-349 and file a copy of the oath with the Town Clerk.

Witness my hand and official seal, this 16th day of May 2023.

Ken Marshburn, Mayor

ATTEST:

Stella L. Gibson, Town Clerk

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: May 16, 2023		
Subject: FY 22 Pavement Preservation Program		
Location on Agenda: Consent		
Department: Public Works		
Contact: Forrest Jones, Public Works Director		
Presenter: Forrest Jones, Public Works Director		
Brief Summary: The Town of Garner Formally advertised this project and received one bid in response to our RFP for Micro-Surfacing & Crack Sealing Project.		
Recommended Motion and/or Requested Action: Authorize the Manager to Execute the FY 22 Pavement Preservation Contract to Slurry Pavers		
Detailed Notes: See attached list of Streets and Certified Bid Tab.		
Funding Source:		
Cost: \$610,563.69	One Time: <input checked="" type="radio"/>	Annual: <input type="radio"/> No Cost: <input type="radio"/>
Manager's Comments and Recommendations: 		
Attachments Yes: <input checked="" type="radio"/> No: <input type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	FJ	
Finance Director:		
Town Attorney:		
Town Manager:	RD	
Town Clerk:		

2023 STREET PRESERVATION BID TABULATION SHEET

Pavement Technology, Inc. Bid Submission

Line	Description	Qty	Units	Unit Price	Total
1	Asphalt Rejuvenation Agent (NCDOT APPROVED)	69,396.43	SY	\$1.18	\$81,887.79
2	Mobilization	1	LS	\$1,000.00	\$1,000.00
TOTAL BID					\$ 82,887.79

Units are based on Town of Garner estimates. Actual quantities may differ; payment will be based on Unit Prices. Traffic control is considered incidental to the work.

Only one bid was received for this project from Pavement Technology, Inc.

2023 Street Rejuvenation List

Year Id	Street Name	From Street	To Street	Width	Length	Sq. Ft.
2023	JUNCTION BOULEVARD	TRYON RD	GARNER STATION BV	35	3005.80	105203.16
2023	McCORMICK STREET	MECHANICAL BV	DREXMERE ST	48	463.39	22242.62
2023	BEICHLER ROAD	ADRIAN DR	VIRGINIA AV	25	1030.37	25759.24
2023	CIRCLE DRIVE	ST. MARYS ST	NC 50	24	137.83	3308.02
2023	MUNNSEE COURT	SHOALS LN	CDS	30	286.62	8598.54
2023	SOUTHERBY DRIVE	CHAPWITH RD	DUNNSBEE DR	35	380.58	13320.18
2023	LAKESIDE DRIVE	FRANCES DR	HIGHLAND RD	44	320.18	14087.91
2023	LAKESIDE DRIVE	NC 50	LAWNDALE ST	26	1181.62	30722.12
2023	STOCKETT COURT	POOLE DR	CIRCLE	30	477.42	14322.59
2023	STAPLETON DRIVE	FOLEY DR	ROSINTON CT	30	342.17	10265.02
2023	STEELWOOD COURT	FOLEY DR	CDS	30	177.20	5315.86
2023	McCORMICK STREET	DREXMERE ST	US 70	48	546.88	26250.08
2023	BRIDGEWOOD COURT	FOLEY DR	CDS	30	174.75	5242.46
2023	VANDORA AVENUE	LAKESIDE DR	VANDORA SPRINGS RD	35	1018.52	35648.31
2023	MAIN STREET	EMORY ST	BAGWELL ST	32	403.56	12913.79
2023	GLENN BRYAN COURT	VILLA DR	CDS	23	285.06	6556.27
2023	MAIN STREET	GRIFFIN ST	EMORY ST	32	394.82	12634.22
2023	PINEVIEW DRIVE	WOODLAND RD	MAPLEWOOD DR	23	1521.53	34995.28
2023	PHILLIP STREET	AVERSBORO RD	BARBARA DR	26	671.63	17462.48
2023	LAKESIDE DRIVE	BARBARA DR	PHILLIP ST	29	633.20	18362.82
2023	LAKESIDE DRIVE	LORRAINE DR	VANDORA SPRINGS RD	44	758.21	33361.07
2023	DUNNSBEE DRIVE	SOUTHERBY DR	CDS	35	187.01	6545.26
2023	LAKESIDE DRIVE	VANDORA AV	LORRAINE DR	44	432.57	19033.20
2023	LISBURN COURT	CDS	MISTY MEADOW LN	22	434.32	9555.11
2023	ARTESIAN DRIVE	OAK HOLLOW CT	FARNHAM CT	30	141.99	4259.65
2023	SOUTHERBY DRIVE	OWENSBY DR	DEAD END	30	131.27	3938.23
2023	FOREST DRIVE	ST. MARYS ST	BAREFOOT ST	24	204.07	4897.73
2023	ELKHORN ROAD	FORDGATES DR	OLD BUCKHORN RD	35	580.73	20325.61
2023	OWENSBY DRIVE	DEAD END	SOUTHERBY DR	30	157.51	4725.43
2023	MAIN STREET	RAND MILL RD	GRIFFIN ST	32	405.13	12964.05
2023	SUNSET AVENUE	ST. MARYS ST	HILLTOP AV	23	535.83	12324.12
2023	MAIN STREET	BAGWELL ST	CARROLL DR	32	223.02	7136.78
2023	CIRCLE DRIVE	HILLTOP AV	ST. MARYS ST	18	601.95	10835.16
2023	COVINGTON CHASE CT	VANDORA HILLS PL	CDS	24	322.59	7742.19
2023	VANDORA HILLS PLACE	BENNING HILLS PL	CURTISS DR	27	748.03	20196.81
2023	CURTISS DRIVE	VANDORA HILLS PL	DEAD END	27	201.10	5429.61

2023 MISTY PIKE	AMBER ACORN AV	INDIGO DUSK WY	24	532.52	12780.36
2023 CASHMERE	AUBURN VILLAGE BV	CDS	24	661.27	15870.55
2023 JUNGLE GREEN	IVORY LN	CANARY CT	24	383.63	9207.19
2023 MAGENTA ROSE	AUBURN-KNIGHTDALE RD	OLIVINE DR	27	264.63	7145.04
2023 GARNER BUSINESS PARK DR	US 70	DEAD END	36	1092.26	39321.37
2023 THROWER LANE	ACKERMAN RD	ANTON WY	24	1023.71	24569.09
2023 TAWNY SLOPE COURT	MISTY PIKE DR	CDS	24	1209.81	29035.56
2023 IVORY LANE	SEA FOAM DR	JUNGLE GREEN DR	27	1189.06	32104.52
2023 WILMONT LANE	MINGLEWOOD DR	GOSFORD LN	24	213.33	5119.87
2023 BUFFALOE GROVE LANE	OLD ROSE PA	BISON PARK DR	26	361.09	9388.44
2023 BISON PARK DRIVE	OLD ROSE PA	ORCHARD PEACH RD	24	386.00	9264.06
2023 DURIE WAY	BRYAN RD	ATTAVAR WY	24	522.77	12546.40
2023 ENGLISH VIOLET LANE	MAROON CT	BLUSH CT	26	1149.33	29882.63
2023 MISTY PIKE DRIVE	AMBER ACORN AVE	AMBER ACORN AVE	24	624.72	14993.38
2023 MISTY PIKE DRIVE	TAWNY SLOPE CT	AMBER ACORN AVE	24	864.43	20746.40
2023 GILDER WOODS DRIVE	KINETON WOODS WY	CDS	24	138.23	3317.52
2023 GOSFORD LANE	KINETON WOODS WY	WILMONT LN	24	220.87	5300.81
2023 WHITE OAK RIDGE DRIVE	EARLY TIMES AVE	CDS	27	88.51	2389.86
2023 ATTAVAR WAY	ACKMERMAN RD	DIMMER GARDEN LN	24	268.72	6449.17
				Total Sq. Ft.	895913.22

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: May 16, 2023		
Subject: PRCR Sponsorships		
Location on Agenda: Consent		
Department: Administration		
Contact: Sara Warren, Budget Manager		
Presenter: Sara Warren, Budget Manager		
Brief Summary: This item will appropriate \$6,809 for PRCR to support special events hosted by PRCR. This funding is available through various sponsorships and donations made to PRCR throughout the year.		
Recommended Motion and/or Requested Action: Authorize a budget amendment Ordinance (2023) 5202 in the amount of \$6,809 to support PRCR special events		
Detailed Notes:		
Funding Source: Sponsorships		
Cost: \$6,809	One Time: <input type="radio"/>	Annual: <input type="radio"/> No Cost: <input checked="" type="radio"/>
Manager's Comments and Recommendations: 		
Attachments Yes: <input type="radio"/> No: <input checked="" type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	SA	
Finance Director:		
Town Attorney:		
Town Manager:	RD	
Town Clerk:		

ORDINANCE NO. (2023) 5202

ORDINANCE AMENDING ORDINANCE NO. (2022) 5130 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	REVISED BUDGET
10303500-443120	Sponsorships	60120	\$ 7,000	\$ 3,250	\$ 10,250
10303500-443120	Sponsorships	65710	\$ -	\$ 2,620	\$ 2,620
10305000-465045	Brick Sales	40545	\$ 2,500	\$ 939	\$ 3,439

TOTAL REVENUE INCREASE (DECREASE) \$ 6,809.00

Expenditure Amendment Request

ACCOUNT NUMBER	DESCRIPTION	PROJECT	CURRENT BUDGET	EXPENDITURE CHANGE	REVISED BUDGET
10572000-523300	Departmental Supplies	60120	\$ 10,400	\$ 3,250	\$ 13,650
10572000-523300	Departmental Supplies		\$ 24,586	\$ 2,620	\$ 27,206
10574200-523300	Departmental Supplies	40545	\$ 2,500	\$ 939	\$ 3,439

TOTAL EXPENDITURE INCREASE (DECREASE) \$ 6,809.00

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 16th day of May 2023.

Ken Marshburn, Mayor

ATTEST:

Stella L. Gibson , Town Clerk

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: May 16, 2023		
Subject: FY24 Budget Public Hearing		
Location on Agenda: Public Hearings		
Department: Administration		
Contact: Sara Warren, Budget Manager		
Presenter: Sara Warren, Budget Manager		
<p>Brief Summary:</p> <p>The second of two public hearings for the proposed FY24 recommended budget. This public hearing provides an opportunity for residents to provide feedback and ideas for the Town's recommended budget.</p> <p>The FY24 Recommended Budget was presented during the May 2, 2023 Council meeting. In addition, Town Council held its budget worksession on May 11, 2023. The FY24 Recommended Budget can be found on the Town's website at : https://www.garnernc.gov/departments/finance/fy-2023-24-budget-outreach</p>		
<p>Recommended Motion and/or Requested Action:</p> <p>The Council is requested to hold a public hearing and receive public comment on the FY24 Recommended Budget.</p>		
<p>Detailed Notes:</p> 		
<p>Funding Source: n/a</p>		
Cost: n/a	One Time: <input type="radio"/>	Annual: <input type="radio"/> No Cost: <input checked="" type="radio"/>
<p>Manager's Comments and Recommendations:</p> 		
<p>Attachments Yes: <input type="radio"/> No: <input checked="" type="radio"/></p>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	SA	
Finance Director:		
Town Attorney:		
Town Manager:	RD	
Town Clerk:		

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: May 16, 2023		
Subject: Garner Forward Comprehensive Plan		
Location on Agenda: Public Hearings		
Department: Planning		
Contact: Jeff Triezenberg, AICP, GISP; Planning Director		
Presenter: Matt Noonkester, CityExplained, Inc.		
Brief Summary: Comprehensive Plan Amendment request submitted by the Town of Garner Planning Department to update and replace the existing Garner Forward Comprehensive Plan originally adopted on June 19, 2018, and subsequently amended from time to time.		
Recommended Motion and/or Requested Action: Consider motion to refer to Planning Commission for review and recommendation.		
Detailed Notes: Full public hearing draft of the proposed/updated Garner Forward Comprehensive Plan available at: https://www.garnerforward.com/the-clue-update .		
Funding Source:		
Cost: n/a	One Time: <input type="radio"/>	Annual: <input type="radio"/> No Cost: <input checked="" type="radio"/>
Manager's Comments and Recommendations: 		
Attachments Yes: <input checked="" type="radio"/> No: <input type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	JST	
Finance Director:		
Town Attorney:		
Town Manager:	RD	
Town Clerk:		

Planning Department Memorandum

TO: Honorable Mayor Marshburn and Town Council Members

FROM: Jeff Triezenberg, AICP, GISP; Planning Director

SUBJECT: *Garner Forward Comprehensive Plan*

DATE: May 16, 2023

Town staff and the project consulting team led by CityExplained, Inc., are pleased to formally present the Public Hearing Draft of the new Garner Forward Comprehensive Plan to the citizens of Garner.

The project, known as the Character and Land Use Elements (CLUE) update, began in earnest in July of 2022, with the consulting team committing to 172 +/- hours of face-to-face engagement with the community as well as producing a project website and online engagement tools for broader outreach. A Steering Committee made up of the entire Garner Town Council and Planning Commission memberships met five (5) times over the course of the project, and select members also participated (along with interested citizens and Town staff) in more focused discussions as part of three (3) strategic advisory groups. Those groups provided specific input and assistance related to public outreach, community character and future land use scenario planning.

A draft of the full plan was first released on February 27, 2023, as the consultant's draft. Since that time, additional feedback from citizens, officials and staff has resulted in the public hearing draft being presented tonight and found here - <https://www.garnerforward.com/plan-adoption>. Additional feedback is expected following this public hearing and review by the Planning Commission. As a result, the draft may change between now and final adoption. Changes will be tracked and reported out throughout the remaining review and adoption timeline.

Borrowing from the plan's introduction:

The document builds upon the vision, guiding principles, and recommendations presented in the 2018 Garner Forward Comprehensive Plan, and provides more focus and clarity related to expectations for community character, land use mix, and quality development expected in the planning area. Important and relevant items from the 2018 plan are presented again in this version of the document. The new document also

contemplates a future where Garner is a major center of economic activity in eastern Wake County.

The ability to look across many topics at once is an asset for the comprehensive plan. It allows the opportunity to both prioritize outcomes and balance needs within the community in a single document. It moves the community to “intended outcomes” and “coordinated efforts” for the future. The plan is a visionary document, a blueprint for the future, and one of the few times the community dreams big and really challenges itself to think about its long-term future.

The emphasis on physical form and design considerations over simple land use and density criteria (demand) and available infrastructure capacity (supply) for determining the town’s best path forward is a significant change from past comprehensive plans. ... Ideas about community character extend to all chapters of the comprehensive plan, and together reinforce a unified vision for community character and a positive community image that create functional, aesthetically-appealing, and people-oriented places. ... Collectively, the comprehensive plan and the documents incorporated by reference ensure a comprehensive and coordinated plan for future growth, conservation, character, and development topics in the Town of Garner.

Any additional feedback should be addressed via email to Mr. Matt Noonkester, CityExplained, Inc.; matt.noonkester@city-explained.com; and copied to Mr. Jeff Triezenberg, Planning Director; jtriezenberg@garnernc.gov.

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: May 16, 2023		
Subject: Issuance of Series 2023 General Obligation Bonds		
Location on Agenda: Old/New Business		
Department: Finance		
Contact: David Beck, Finance Director		
Presenter: David Beck, Finance Director		
Brief Summary: Resolution authorizing the issuance of \$21,620,000 general obligation bonds as part of the 2021 bond referendums approved by voters. This is the first of three planned bond sales. The bonds are slated to be sold on 5/31 with a closing date of 6/22.		
Recommended Motion and/or Requested Action: Adopt Resolution (2023) 2535		
Detailed Notes:		
Funding Source: Budgeted funds		
Cost: N/A	One Time: <input type="radio"/>	Annual: <input type="radio"/> No Cost: <input checked="" type="radio"/>
Manager's Comments and Recommendations:		
Attachments Yes: <input checked="" type="radio"/> No: <input type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	DCB	
Finance Director:	DCB	
Town Attorney:		
Town Manager:	RD	
Town Clerk:		

The Town Council of the Town of Garner, North Carolina met in a regular meeting in the Town Hall located at 900 7th Avenue in Garner, North Carolina, the regular place of meeting, at 6:00 p.m. on May 16, 2023.

Present: Mayor Ken Marshburn, presiding, and Council Members

Absent: Council Members

Also Present: _____

* * * * *

_____ introduced the following resolution the title of which was read and a copy of which had been previously distributed to each Council Member:

RESOLUTION PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$21,620,000 GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2023

BE IT RESOLVED by the Town Council (the “Town Council”) of the Town of Garner, North Carolina (the “Town”):

Section 1. The Town Council has determined and does hereby find and declare as follows:

(a) An order authorizing \$24,050,000 Street and Sidewalk Improvement Bonds (the “Street and Sidewalk Improvement Bonds”) was adopted by the Town Council of the Town on August 2, 2021, which order was approved by the vote of a majority of the qualified voters of the Town who voted thereon at a referendum duly called and held on November 2, 2021. None of the Street and Sidewalk Improvement Bonds have heretofore been issued by the Town.

(b) An order authorizing \$35,500,000 Parks and Recreational Bonds (the “Parks and Recreational Bonds”) was adopted by the Town Council of the Town on August 2, 2021, which order was approved by the vote of a majority of the qualified voters of the Town who voted thereon at a referendum duly called and held on November 2, 2021. None of the Parks and Recreational Bonds have heretofore been issued by the Town.

(c) An order authorizing \$6,500,000 Public Safety and Services Facilities Bonds (the “Public Safety and Services Facilities Bonds”) was adopted by the Town Council of the Town on August 2, 2021, which order was approved by the vote of a majority of the qualified voters of the Town who voted thereon at a referendum duly called and held on November 2, 2021. None of the Public Safety and Services Facilities Bonds have heretofore been issued by the Town.

(d) An order authorizing \$2,950,000 Stormwater Bonds (the “Stormwater Bonds”) was adopted by the Town Council of the Town on August 2, 2021, which order was approved by the vote of a majority of the qualified voters of the Town who voted thereon at a referendum duly called and held on November 2, 2021. None of the Stormwater Bonds have heretofore been issued by the Town.

(e) No notes have been issued in anticipation of the receipt of the proceeds of the sale of said bonds, and it is necessary to issue \$11,490,000 of the Street and Sidewalk Improvement Bonds, \$3,570,000 of the Parks and Recreational Bonds, \$6,500,000 of the Public Safety and Services Facilities Bonds and \$60,000 of the Stormwater Bonds at this time.

(f) (i) The maximum period of usefulness of the public improvements to be provided with the proceeds of said bonds for parks and recreational facilities, public safety and services facilities, and stormwater improvements is estimated as a period of forty (40) years from June 21, 2023, the date of the bonds for such parks and recreational facilities, public safety and services facilities, and stormwater improvements authorized hereby, and that such period expires on June 21, 2063; and (ii) the maximum period of usefulness of the public improvements to be provided with the proceeds of said bonds for street and sidewalk improvements is estimated as a period of twenty (20) years from June 21, 2023, the date of the bonds for such street and sidewalk improvements authorized hereby, and that such period expires on June 21, 2043.

(g) It is in the best interest of the Town to consolidate said bonds for the purposes of sale into a single issue of bonds designated “General Obligation Public Improvement Bonds, Series 2023.”

Section 2. Pursuant to said orders, there shall be issued bonds of the Town in the aggregate principal amount of \$21,620,000 (subject to adjustment pursuant to the provisions set forth below) designated “General Obligation Public Improvement Bonds, Series 2023” and dated the date of delivery thereof (the “Bonds”). The Bonds shall be stated to mature annually (subject to adjustment pursuant to the provisions set forth below), February 1, \$1,085,000, 2024 to 2027, inclusive, and \$1,080,000, 2028 to 2043, inclusive; and shall bear interest at a rate or rates to be determined by the Local Government Commission of North Carolina at the time the Bonds are sold, which interest to the respective maturities thereof shall be payable semiannually on each February 1 and August 1, beginning February 1, 2024, until payment of such principal sum.

The Town reserves the right to decrease the aggregate principal amount of the Bonds, adjust the amount of bonds issued from each bond order referenced in Section 1, adjust the principal and interest payment dates for the Bonds and adjust the principal amount of each maturity of the Bonds in the manner set forth in the Notice of Sale relating to the Bonds, subject to the limitations set forth in Section 159-65 of the General Statutes of North Carolina, as amended, and provided that the aggregate principal amount of the Bonds shall not exceed \$21,620,000. The final aggregate principal amount of the Bonds, the final allocation among each bond order referenced in Section 1, the final principal and interest payment dates and the final principal amount of each maturity of the Bonds shall be as set forth in the Final Official Statement (hereinafter defined).

In the event that the Finance Director of the Town determines, in consultation with the Local Government Commission, that it is in the best interests of the Town to do so, the Finance Director may direct, prior to or on the date of sale of the Bonds as hereinafter provided, that any consecutive maturities of the Bonds may be combined into a term bond maturing on one date, subject to mandatory sinking fund redemption on the February 1 otherwise specified above as a maturity date. If the Finance Director so determines, the Finance Director shall file a certificate among the official records of the Town specifying the revised maturity schedule for the Bonds and setting forth the mandatory redemption provisions for the Bonds that are subject to mandatory sinking fund redemption.

Each Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated, unless it is (a) authenticated upon an interest payment date, in which event it shall bear interest from such interest payment date or (b) authenticated prior to the first interest payment date, in which event it shall bear interest from its date; provided, however, that if at the time of authentication interest is in default, such Bond shall bear interest from the date to which interest has been paid.

The principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

The Bonds shall be issued by means of a book-entry system with no physical distribution of Bond certificates to be made except as hereinafter provided. One Bond certificate with respect to each date on which the Bonds are stated to mature, in the aggregate principal amount of the Bonds stated to mature on such date and registered in the name of Cede & Co., a nominee of The Depository Trust Company ("DTC"), shall be issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in the principal amount of \$5,000 or any whole multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The principal of each Bond shall be payable to Cede & Co. or any other person appearing on the registration books of the Town hereinafter provided for as the registered owner of such Bond or his registered assigns or legal representative at such office of the Bond Registrar mentioned hereinafter or such other place as the Town may determine upon the presentation and surrender thereof as the same shall become due and payable. Payment of the interest on each Bond shall be made by said Bond Registrar on each interest payment date to the registered owner of such Bond (or the previous Bond or Bonds evidencing the same debt as that evidenced by such Bond) at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed to such person at his address as it appears on such registration books; provided, however, that for so long as the Bonds are deposited with DTC, the payment of the principal of and interest on the Bonds shall be made to DTC in same-day funds by 2:30 p.m. or otherwise as determined by the rules and procedures established by DTC. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The Town shall not be responsible or liable for such

transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the Finance Director of the Town determines that continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the Town will discontinue the book-entry system with DTC. If the Town identifies another qualified securities depository to replace DTC, the Town will make arrangements with DTC and such other depository to effect such replacement and deliver replacement Bonds registered in the name of such other depository or its nominee in exchange for the outstanding Bonds, and the references to DTC or Cede & Co. in this resolution shall thereupon be deemed to mean such other depository or its nominee. If the Town fails to identify another qualified securities depository to replace DTC, the Town shall deliver replacement Bonds in the form of fully-registered certificates in denominations of \$5,000 or any whole multiple thereof ("Certificated Bonds") in exchange for the outstanding Bonds as required by DTC and others. Upon the request of DTC, the Town may also deliver one or more Certificated Bonds to any participant of DTC in exchange for Bonds credited to its account with DTC.

Unless indicated otherwise, the provisions of this resolution that follow shall apply to all Bonds issued or issuable hereunder, whether initially or in replacement thereof.

Section 3. The Bonds shall bear the manual or facsimile signatures of the Mayor or the Mayor Pro Tem and the Town Clerk or any deputy or assistant Town Clerk of the Town and the official seal or a facsimile of the official seal of the Town shall be impressed or imprinted, as the case may be, on the Bonds.

The certificate of the Local Government Commission of North Carolina to be endorsed on all Bonds shall bear the manual or facsimile signature of the Secretary of said Commission and the certificate of authentication of the Bond Registrar to be endorsed on all Bonds shall be executed as provided hereinafter.

In case any officer of the Town or the Local Government Commission of North Carolina whose manual or facsimile signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery, and any Bond may bear the manual or facsimile signatures of such persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

No Bond shall be valid or become obligatory for any purpose or be entitled to any benefit or security under this resolution until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed thereon.

The Bonds to be registered in the name of Cede & Co. and the endorsements thereon shall be in substantially the following form:

Unless this bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Town of Garner, North Carolina or its agent for registration or transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-_____

\$_____

United States of America
State of North Carolina
County of Wake

TOWN OF GARNER
GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND, SERIES 2023

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
February 1, 20__	_____%	_____

The Town of Garner, a municipal corporation in the State of North Carolina, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above, upon the presentation and surrender hereof, at the office of the Finance Director of said Town (the "Bond Registrar"), in Garner, North Carolina, the principal sum of

_____ DOLLARS

and to pay interest on such principal sum from the date hereof or from February 1 or August 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is February 1 or August 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable semiannually on each February 1 and August 1, beginning February 1, 2024, at the rate per annum specified above, until payment of such principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed to such person at his address as it appears on the bond registration books of said Town; provided, however, that for so long as the Bonds (hereinafter defined) are deposited with The Depository Trust Company ("DTC"), the payment of the principal of and interest on the Bonds shall be made to DTC in same day funds by 2:30 p.m. or otherwise as determined by the rules and procedures established by DTC. Both the principal of and the interest on this bond shall be paid in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the

respective dates of payment thereof. For the prompt payment hereof, both principal and interest as the same shall become due, the faith and credit of said Town are hereby irrevocably pledged.

This bond is one of an issue of bonds designated "General Obligation Public Improvement Bonds, Series 2023" (the "Bonds") and issued by said Town for the purpose of providing funds, with any other available funds, for street and sidewalk improvements, parks and recreational facilities improvements, public safety and services facilities improvements and stormwater improvements, and this bond is issued under and pursuant to The Local Government Bond Act, as amended, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina, orders adopted by the Town Council of said Town, which orders were approved by the vote of a majority of qualified voters who voted thereon at a referendum duly called and held, and a resolution duly adopted by said Town Council (the "Resolution").

The Bonds maturing on or prior to February 1, 2033 are not subject to redemption prior to maturity. The Bonds maturing on February 1, 2034 and thereafter may be redeemed, at the option of said Town, from any moneys that may be made available for such purpose, in whole or in part on any date not earlier than February 1, 2033, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption.

[Insert any mandatory sinking fund redemption provisions.]

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot of said Town in such manner as said Town in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. So long as a book-entry system with The Depository Trust Company ("DTC"), is used for determining beneficial ownership of Bonds, if less than all of the Bonds within the maturity are to be redeemed, DTC and its participants shall determine which of the Bonds within a maturity are to be redeemed by lot. If less than all of the Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called in such manner as the Town may determine.

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any Bonds to be redeemed, whether such redemption be in whole or in part, said Town shall cause a notice of such redemption to be filed with the Bond Registrar and to be mailed, postage prepaid, to the registered owner of each Bond to be redeemed in whole or in part to his address appearing upon the registration books of said Town, provided that such notice to Cede & Co. shall be given by certified or registered mail. On the date fixed for redemption, notice having been given as aforesaid, the Bonds or portions thereof so called for redemption shall be due and payable at the redemption price provided for the redemption of such Bonds or portions thereof on such date and, if moneys for payment of such redemption price and the accrued interest are held by the Bond Registrar as provided in the Resolution, interest on the Bonds or the portions thereof so called for redemption shall cease to accrue. If a portion of this Bond shall be called for

redemption, a new Bond or Bonds in principal amount equal to the unredeemed portion hereof will be issued to Cede & Co. or its legal representative upon the surrender hereof.

Any notice of redemption [other than a notice of mandatory sinking fund redemption] may state that the redemption to be effected is conditioned upon the receipt by the Bond Registrar on or prior to the redemption date of moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed and that if such moneys are not so received such notice shall be of no force or effect and such Bond shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the principal of and premium, if any, and interest are not received by the Bond Registrar on or prior to the redemption date, the redemption shall not be made and the Bond Registrar shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Resolution. One bond certificate with respect to each date on which the Bonds are stated to mature, in the aggregate principal amount of the Bonds stated to mature on such date and registered in the name of Cede & Co., a nominee of DTC, is being issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in the principal amount of \$5,000 or any whole multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. Said Town will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In certain events, said Town will be authorized to deliver replacement Bonds in the form of fully-registered certificates in the denomination of \$5,000 or any whole multiple thereof in exchange for the outstanding Bonds as provided in the Resolution.

At the office of the Bond Registrar, in the manner and subject to the conditions provided in the Resolution, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of authorized denominations and bearing interest at the same rate.

The Bond Registrar shall keep at his office the books of said Town for the registration of transfer of Bonds. The transfer of this bond may be registered only upon such books and as otherwise provided in the Resolution upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall deliver in exchange for this bond a new Bond or Bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the unredeemed principal amount of this bond, of the same maturity and bearing interest at the same rate.

The Bond Registrar shall not be required to exchange or register the transfer of any Bond during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of Bonds or any portion thereof and ending at the close of business on the day of such mailing or of any Bond called for redemption in whole or in part pursuant to the Resolution.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of North Carolina to happen, exist and be performed precedent to and in the issuance of this bond have happened, exist and have been performed in regular and due form and time as so required; that provision has been made for the levy and collection of a direct annual tax upon all taxable property within said Town sufficient to pay the principal of and the interest on this bond as the same shall become due; and that the total indebtedness of said Town, including this bond, does not exceed any constitutional or statutory limitation thereon.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Resolution until this bond shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the Town of Garner, North Carolina, by resolution duly adopted by its Town Council, has caused this bond to be manually signed by the [Mayor] [Mayor Pro Tem] of said Town and the [Deputy] Town Clerk and its official seal to be impressed hereon, all as of the ____ day of June, 2023.

[Do Not Sign] _____
[Mayor] [Mayor Pro Tem]

[SEAL]

[Do Not Sign] _____
[Deputy] Town Clerk

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The issuance of the within bond has been approved under the provisions of The Local Government Bond Act of North Carolina.

[Do Not Sign] _____
Secretary, Local Government Commission

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds of the series designated herein and issued under the provisions of the within-mentioned Resolution.

[Do Not Sign] _____

Finance Director, as Bond Registrar

Date of authentication: _____

ASSIGNMENT

FOR VALUE RECEIVED the undersigned registered owner thereof hereby sells, assigns and transfers unto _____

the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____

attorney to register the transfer of said bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

In the presence of:

NOTICE: The signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

The signature to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration of enlargement or any change whatever.

Certificated Bonds issuable hereunder shall be in substantially the form of the Bonds registered in the name of Cede & Co. with such changes as are necessary to reflect the provisions of this resolution that are applicable to Certificated Bonds.

Section 4. The Bonds maturing on or prior to February 1, 2033 are not subject to redemption prior to maturity. The Bonds maturing on February 1, 2034 and thereafter may be redeemed, at the option of said Town, from any moneys that may be made available for such purpose, in whole or in part on any date not earlier than February 1, 2033, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption.

If, on or before the date of sale of the Bonds, the Finance Director of the Town shall determine that it is in the best economic interests of the Town to modify the redemption provisions set forth herein, the Finance Director is hereby authorized to take all necessary action to achieve such modification, including, but not limited to the modification of the form of the Bonds included herein. Such modification of the redemption provisions will be evidenced by the Town's execution and delivery of the Bonds.

If the Finance Director determines that it is in the best interests of the Town that any of the Bonds be designated as a term bond subject to mandatory sinking fund redemption as provided in Section 2, the Bonds so designated shall be subject to mandatory sinking fund

redemption on each February 1 as designated by the Finance Director. Upon such an occurrence, the mandatory redemption provisions for the Bonds that are subject to mandatory sinking fund redemption shall be set forth in the certificate of the Finance Director filed among the official records of the Town pursuant to Section 2.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot of the Town in such manner as the Town may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. So long as a book-entry system with DTC is used for determining beneficial ownership of Bonds, if less than all of the Bonds within the maturity are to be redeemed, DTC and its participants shall determine which of the Bonds within a maturity are to be redeemed by lot. If less than all of the Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called in such manner as the Town may determine.

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any Bonds to be redeemed, whether such redemption be in whole or in part, the Town shall cause a notice of such redemption to be filed with the Bond Registrar and to be mailed, postage prepaid, to the registered owner of each Bond to be redeemed in whole or in part to his address appearing upon the registration books of the Town, provided that such notice to Cede & Co. shall be given by certified or registered mail. Failure to mail such notice or any defect therein shall not affect the validity of the redemption as regards registered owners to whom such notice was given as required hereby. Each such notice shall set forth the date designated for redemption, the redemption price to be paid and the maturities of the Bonds to be redeemed. In the event that Certificated Bonds are outstanding, each such notice to the registered owners thereof shall also set forth, if less than all of the Bonds of any maturity then outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such Bonds to be redeemed and, in the case of any Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds in principal amount equal to the unredeemed portion of such Bond will be issued.

On or before the date fixed for redemption, moneys shall be deposited with the Bond Registrar to pay the principal of and the redemption premium, if any, on the Bonds or portions thereof called for redemption as well as the interest accruing thereon to the redemption date thereof.

On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date. If moneys sufficient to pay the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest thereon to the date fixed for redemption, are held by the Bond Registrar in trust for the registered owners of Bonds or portions thereof to be redeemed, interest on the Bonds or portions thereof called for redemption shall cease to accrue, such Bonds or portions thereof

shall cease to be entitled to any benefits or security under this resolution or to be deemed outstanding, and the registered owners of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption.

Any notice of redemption, other than any notice of a mandatory sinking fund redemption, may state that the redemption to be effected is conditioned upon the receipt by the Bond Registrar on or prior to the redemption date of moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed and that if such moneys are not so received such notice shall be of no force or effect and such Bond shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the principal of and premium, if any, and interest are not received by the Bond Registrar on or prior to the redemption date, the redemption shall not be made and the Bond Registrar shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

If a portion of a Bond shall be selected for redemption, the registered owner thereof or his attorney or legal representative shall present and surrender such Bond to the Bond Registrar for payment of the principal amount thereof so called for redemption and the redemption premium, if any, on such principal amount, and the Bond Registrar shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

Section 5. Bonds, upon surrender thereof at the office of the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

The transfer of any Bond may be registered only upon the registration books of the Town upon the surrender thereof to the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by this resolution, in an aggregate principal amount equal to the unredeemed principal amount of such Bond so surrendered, of the same maturity and bearing interest at the same rate.

In all cases in which Bonds shall be exchanged or the transfer of Bonds shall be registered hereunder, the Bond Registrar shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this resolution. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Bond Registrar. The Town or the Bond Registrar may make a charge for shipping and out-of-pocket costs for every such exchange or registration of transfer of Bonds sufficient to reimburse it for any tax or other

governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made by the Town or the Bond Registrar for exchanging or registering the transfer of Bonds under this resolution. The Bond Registrar shall not be required to exchange or register the transfer of any Bond during a period beginning at the opening of business fifteen (15) days before the date of the mailing of a notice of redemption of Bonds or any portion thereof and ending at the close of business on the day of such mailing or of any Bond called for redemption in whole or in part pursuant to Section 4 of this resolution.

As to any Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or redemption price of any such Bond and the interest on any such Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon, to the extent of the sum or sums so paid.

The Town shall appoint such registrars, transfer agents, depositaries or other agents as may be necessary for the registration, registration of transfer and exchange of Bonds within a reasonable time according to then current commercial standards and for the timely payment of principal, interest and any redemption premium with respect to the Bonds. The Finance Director of the Town, or any person at any time acting in such capacity, is hereby appointed the registrar, transfer agent and paying agent for the Bonds (collectively the "Bond Registrar"), subject to the right of the Town Council of the Town to appoint another Bond Registrar, and as such shall keep at his office in the Town, the books of the Town for the registration, registration of transfer, exchange and payment of the Bonds as provided in this resolution.

Section 6. The Town covenants that, to the extent permitted by the Constitution and laws of the State of North Carolina, it will comply with the requirements of the Internal Revenue Code of 1986 (the "Code"), as amended or as may be amended from time to time, and any Treasury regulations now or hereafter promulgated thereunder, to the extent necessary so that interest on the bond will not be included in gross income of the owners of the bonds for purposes of federal income tax.

Section 7. The action of the Mayor, the Town Manager, the Finance Director and the Town Clerk of the Town in applying to the Local Government Commission of North Carolina to advertise and sell the Bonds is hereby approved, ratified and confirmed, and the Local Government Commission of North Carolina is hereby requested to ask for sealed bids for the Bonds by publishing notices and printing and distributing a Preliminary Official Statement relating to the sale of the Bonds. The Town Manager, the Finance Director, the Town Attorney and the finance department staff are hereby authorized and directed to cooperate with and assist the Local Government Commission in the preparation of such a Preliminary Official Statement regarding the Town, its finances, the Bonds and other matters relevant to potential purchasers of the Bonds, such Preliminary Official Statement to be in a form customary to bond offerings such as the offering proposed. The Finance Director is hereby authorized to approve the form of such a Preliminary Official Statement on behalf of the Town, and to deem the Preliminary Official Statement "final" on behalf of the Town, except for pricing and other information that will not be available until the time of sale of the Bonds.

The preparation of a final Official Statement (the “Final Official Statement”), which will be in the form of the Preliminary Official Statement, but will include certain pricing and other information to be made available to the successful bidder for the Bonds by the Local Government Commission of North Carolina, is hereby approved, and the Mayor, the Town Manager and the Finance Director of the Town are hereby authorized to execute and deliver the Final Official Statement for and on the behalf of the Town, and such execution shall be conclusive evidence of the approval of the Town Council of the Final Official Statement.

Section 8. The Town hereby undertakes, for the benefit of the beneficial owners of the Bonds, to provide to the Municipal Securities Rulemaking Board (the “MSRB”):

(a) by not later than seven months from the end of each fiscal year of the Town, beginning with the fiscal year ending June 30, 2023, audited financial statements of the Town for such fiscal year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or, if such audited financial statements of the Town are not available by seven months from the end of such fiscal year, unaudited financial statements of the Town for such fiscal year to be replaced subsequently by audited financial statements of the Town to be delivered within fifteen (15) days after such audited financial statements become available for distribution;

(b) by not later than seven months from the end of each fiscal year of the Town, beginning with the fiscal year ending June 30, 2023, (i) the financial and statistical data as of a date not earlier than the end of the preceding fiscal year for the type of information to be included under the headings “THE TOWN - Debt Information and - Tax Information” (excluding any information on underlying units) in the Final Official Statement and (ii) the combined budget of the Town for the current fiscal year, to the extent such items are not included in the audited financial statements referred to in (a) above.

(c) in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- (7) modification to the rights of the beneficial owners of the Bonds, if material;

(8) bond calls, except for a mandatory sinking fund redemption, if material, and tender offers;

(9) defeasances;

(10) release, substitution or sale of any property securing repayment of the Bonds, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the Town;

(13) the consummation of a merger, consolidation or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) appointment of a trustee or a successor or additional trustee or the change of name of a trustee, if material;

(15) incurrence of a financial obligation (as defined below) of the Town, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation of the Town, any of which affect beneficial owners of the Bonds, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties;

(d) in a timely manner, notice of a failure of the Town to provide required annual financial information described in (a) or (b) above on or before the date specified.

All information provided to the MSRB as described in this Section shall be provided in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

The Town may meet the continuing disclosure filing requirement described above by complying with any other procedure that may be authorized or required by the United States Securities and Exchange Commission.

For the purposes of this Section, “financial obligation” means (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of either clause (a) or (b). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12 issued under the Securities Exchange Act of 1934 (“Rule 15c2-12”).

If the Town fails to comply with the undertaking described above, any beneficial owner of the Bonds may take action to protect and enforce the rights of all beneficial owners with respect to such undertaking, including an action for specific performance; provided, however, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of the Bonds. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all beneficial owners of the Bonds.

The Town reserves the right to modify from time to time the information to be provided to the extent necessary or appropriate in the judgment of the Town, provided that:

(a) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Town;

(b) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 as of the date of the Final Official Statement, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and

(c) any such modification does not materially impair the interests of the beneficial owners of the Bonds, as determined either by parties unaffiliated with the Town (such as bond counsel), or by the approving vote of the registered owners of a majority in principal amount of the Bonds pursuant to the terms of this resolution, as this resolution may be amended from time to time, at the time of such amendment.

In the event that the Town makes such a modification, the annual financial information containing the modified operating data or financial information shall explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The provisions of this Section shall terminate upon payment, or provision having been made for payment in a manner consistent with Rule 15c2-12, in full of the principal of and interest on all of the Bonds.

Section 9. The Mayor, the Mayor Pro Tem, the Town Manager, the Finance Director and the Town Clerk or any deputy or assistant Town Clerk of the Town are hereby authorized and directed to execute and delivery such closing and other documents and take such other actions as may be necessary or appropriate for the purpose of facilitating the sale and issuance of the Bonds in a manner consistent with the terms of this resolution.

Section 10. This resolution shall take effect upon its passage.

Upon motion of Council Member _____, seconded by Council Member _____, the foregoing resolution entitled "RESOLUTION PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$21,620,000 GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2023" was adopted by the following vote:

Ayes: _____

Noes: _____

* * * * *

I, Stella L. Gibson, Town Clerk of the Town of Garner, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of the Town Council of said Town at a regular meeting held on May 16, 2023, as relates in any way to the adoption of a resolution providing for the issuance of general obligation public improvement bonds of said Town.

I DO HEREBY FURTHER CERTIFY that proper notice of such regular meeting was given as required by North Carolina law.

WITNESS my hand and the official seal of said Town this 16th day of May, 2023.

Town Clerk

[SEAL]

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: May 16, 2023		
Subject: FY23 Audit Contract		
Location on Agenda: Old/New Business		
Department: Finance		
Contact: David Beck, Finance Director		
Presenter: David Beck, Finance Director		
Brief Summary: The fiscal year 2022-23 audit will be the third year of a five year extension with our current firm of Mauldin & Jenkins. The contract for FY23 is presented for review and approval. The total price for the FY23 audit is \$40,500 which includes the basic audit fee as well as the cost for a Single Audit of ARP funds which is required.		
Recommended Motion and/or Requested Action: Approve contract with Mauldin & Jenkins to perform FY23 audit		
Detailed Notes:		
Funding Source: Budgeted funds		
Cost: \$40,500	One Time: <input checked="" type="radio"/>	Annual: <input type="radio"/> No Cost: <input type="radio"/>
Manager's Comments and Recommendations:		
Attachments Yes: <input checked="" type="radio"/> No: <input type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	DCB	
Finance Director:	DCB	
Town Attorney:		
Town Manager:	RD	
Town Clerk:		

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 four months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. 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). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.
2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards (GAGAS)* if the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F* (Uniform Guidance) or the State Single Audit Implementation Act. 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 staffs 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), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

Effective for audits of fiscal years beginning after June 30, 2023, the LGC will allow auditors to consider whether a unit qualifies as a State low-risk auditee based upon federal criteria in the Uniform Guidance §200.520(a), and (b) through (e) as it applies to State awards. In addition to the federal criteria in the Uniform Guidance, audits must have been submitted timely to the LGC. If in the reporting year, or in either of the two previous years, the unit reported a Financial Performance Indicator of Concern that the audit was late, then

the report was not submitted timely for State low-risk auditee status. Please refer to "Discussion of Single Audits in North Carolina" on the LGC's website for more information.

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, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/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 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 auditor's receipt of an updated peer review report. If the audit firm received 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 four months of fiscal year end. 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 same 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 his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. 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, commonly referred to as "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 §260.12 - .14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious reviewed with those charged with governance, and other significant matters.

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 and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 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 NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. 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 pre-audited if the change includes a change in audit fee (pre-audit 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, the Governing Board, and the Auditor.

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 Item 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, pre-audited (pre-audit 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. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.
27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** 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 Revision* (as applicable). Financial statement preparation assistance 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, s/he must document and include in the audit workpapers how he/she 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 body 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. The auditor's presentation to the government unit's governing body 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 set by the Accounting Standards Board or its successor;
 - 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 body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.
29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(c)(6).

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 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. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

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 Item 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: Individual at 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 Items 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 form 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 20 NCAC .0503 shall be submitted to the Commission 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 FEES

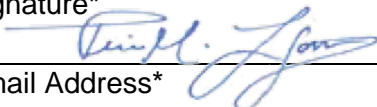
Primary Government Unit	
Audit Fee	\$
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$

DPCU FEES (if applicable)

Discretely Presented Component Unit	
Audit Fee	\$
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm*	
Authorized Firm Representative (typed or printed)*	Signature* 
Date*	Email Address*

GOVERNMENTAL UNIT

Governmental Unit*	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S.159-34(a) or G.S.115C-447(a))	
Mayor/Chairperson (typed or printed)*	Signature*
Date	Email Address

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

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

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

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

Primary Governmental Unit Finance Officer* (typed or printed)	Signature*
Date of Pre-Audit Certificate*	Email Address*

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

DISCRETELY PRESENTED COMPONENT UNIT

DPCU*	
Date DPCU Governing Board Approved Audit Contract* (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

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

DPCU – PRE-AUDIT CERTIFICATE

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

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

DPCU Finance Officer (typed or printed)*	Signature*
Date of Pre-Audit Certificate*	Email Address*

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



April 26, 2023

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

Attn: Mr. David Beck, Finance Director and Mr. Rodney Dickerson, Town Manager

We are pleased to confirm our understanding of the services we are to provide the Town of Garner, North Carolina (the Town) for the year ended June 30, 2023.

Audit Scope and Objectives

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

1. Management’s Discussion and Analysis (MD&A).
2. Schedule of Changes in the Total Pension Liability for the Law Enforcement Officers’ Special Separation Allowance (LEOSSA).
3. Schedule of Total Pension Liability as a Percentage of Covered Payroll – LEOSSA.

4. Schedule of Changes in the Total OPEB Liability and Related Ratios.
5. Schedule of the Town's Proportionate Share of the Net Pension Liability (Asset) for the Local Governmental Employees' Retirement System (LGERS).
6. Schedule of Town of Garner's Contributions (LGERS).

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

1. Schedule of Expenditures of Federal and State Awards.
2. General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances (Budget and Actual).
3. Capital Projects Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance (Budget and Actual Non-GAAP).
4. Schedule of Ad Valorem Taxes Receivable.
5. Analysis of Current Tax Levy.
6. Detailed Analysis of Current Tax Levy.

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

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

The objectives also include reporting on -

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

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

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

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

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

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

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

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

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

1. Management's override of internal controls.

Audit Procedures—Internal Control

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

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

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal

control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

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

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

Other Services

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

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also

responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal and state awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

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

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

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

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.

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

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

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits

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

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your 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.

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

You acknowledge the Town of Garner, North Carolina will not utilize Mauldin & Jenkins, LLC to store documents, data, or records on behalf of the Town in accordance with the "Hosting Services" (see ET section 1.295.143) interpretation of the AICPA Code of Professional Conduct. The Town is solely responsible for maintaining its own data and records. In that regard, SuraLink is used solely as a method of transferring data to Mauldin & Jenkins, LLC and is not intended for the storage of the Town's information. All information you will provide through SuraLink is a copy and you will maintain original documents and data as part of your records.

Engagement Administration, Fees, and Other

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

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

We will provide copies of our reports to the Town; however, management is responsible for distribution of the reports and financial statements. Unless restricted by law or regulation, or

containing privileged and confidential information, copies of our reports are to be made available for public inspection.

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

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

We expect to begin our audit on approximately June 1, 2023 and to issue our reports no later than October 31, 2023. Timothy M. Lyons is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be \$40,500 for the year ended June 30, 2023. This fee is comprised of the following: the base audit fee of \$34,000 (which includes one major program for the Single Audit), and the fee for the Single Audit on the second major program (\$6,500). If additional major programs are required, additional fees will be billed at our standard hourly rates. Our hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered as work progresses and are payable upon presentation. 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, we will discuss it with management and arrive at a new fee estimate before we incur the additional costs.

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.

Reporting

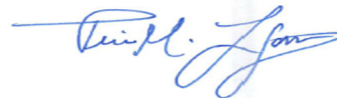
We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Members of the Town Council for the Town of Garner, North Carolina. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs to our auditor’s report, or if necessary, withdraw from this engagement. If our opinions on the financial statements or the Single Audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue reports, or may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting 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 or 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 Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

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

Sincerely,

MAULDIN & JENKINS, LLC



Timothy M. Lyons

RESPONSE:

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

By: _____

Title: _____

Reports



Talk of the TOWN

Council Requests & Updates

May 16, 2023

This monthly report provides an update on Council requests, items submitted on the Garner Info app, and quarterly development statistics.

2023 Spring Clean-Up (Marshburn)

Public Works has provided the following data for the 2023 Spring Clean-Up:

- Yard Waste- 110 loads, Total Cost \$10,980
- Trash- 62 loads, Total Cost \$8,080
- Mattresses- 9, Total Cost \$265
- Staff Hours- 877, Total Cost \$20,119
- Rental Equipment- Total Cost \$8,802
- Days Worked- 14 days

Potholes Update (All)

Town Manager Dickerson sent a letter to the property manager of the Timber Crossing Shopping Center regarding the condition of the shopping center parking lot on May 2nd. The property manager indicated that they have made arrangements with their paving contractor to patch the potholes within the next two weeks. The longer repair plan which includes overlay to a large portion of the lot, seal coat to any areas not being overlaid, and restriping the entire lot is targeted for July 2023.

Public Works patched the potholes on Saint Mary Street on April 24 and NCDOT has patched the holes on Mechanical and Hwy 70 last week.

Tall Grass Concerns (All)

The lot at the corner of Penny Street and W. Garner Road was mowed by Public Works on April 28th. The owner will be assessed. The lots on E. Garner Road near Jones Sausage Road were mowed by the owner on May 5th.

Traffic Light Timing (Vance)

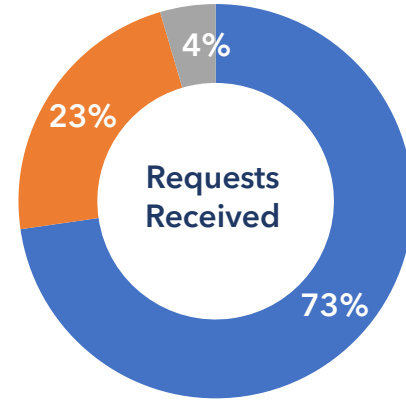
Engineering has not received a response to the Hwy 70 and New Rand Road traffic light timing and other traffic light timing inquiries. Staff has scheduled a meeting with NCDOT on May 15th to discuss.

Garner Info Monthly Analytics

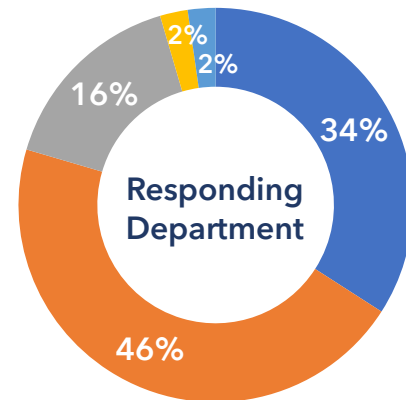
April 11 – May 9, 2023 – 44 Total Requests

Request by Type

Tall Grass/Weeds (Private Property)	15	34.1%
Pothole/ Pavement Repair	3	6.8%
Roadway Obstruction	2	4.5%
Rollout Container	2	4.5%
Sign Violation	2	4.5%
Dead Animal Pickup	2	4.5%
Grounds/ Trail Maintenance	2	4.5%
Temporary Sign Violation	2	4.5%
Neighborhood Speeding	2	4.5%
Misc. - Parks / Town Property	2	4.5%
Misc. - Streets	1	2.3%
Graffiti	1	2.3%
Commercial Vehicles	1	2.3%
Buildings/ Shelter Maintenance	1	2.3%
Litter Pickup	1	2.3%
Anonymous Tip	1	2.3%
Sidewalk Repair	1	2.3%
Street Sign Maintenance	1	2.3%
Streetlight Problem	1	2.3%
Trim Vegetation	1	2.3%



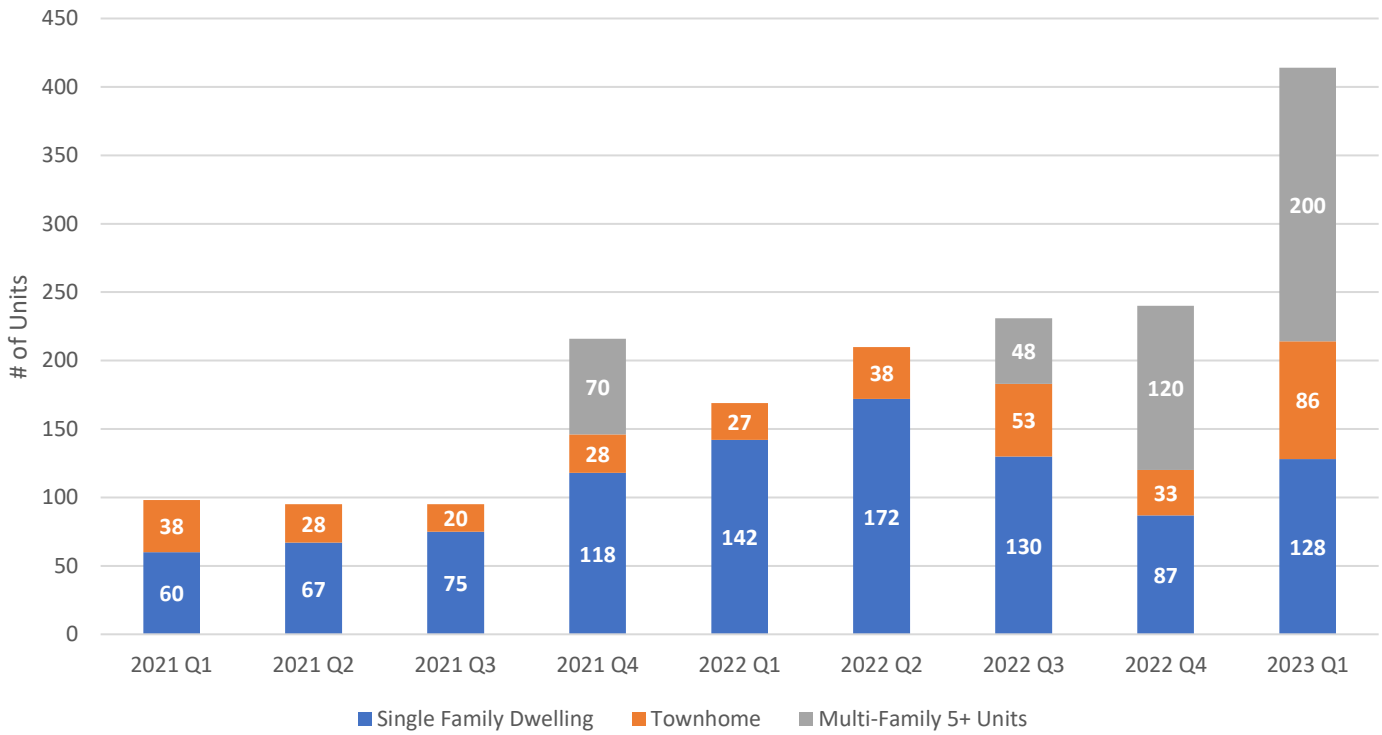
■ Completed ■ In Progress ■ Received



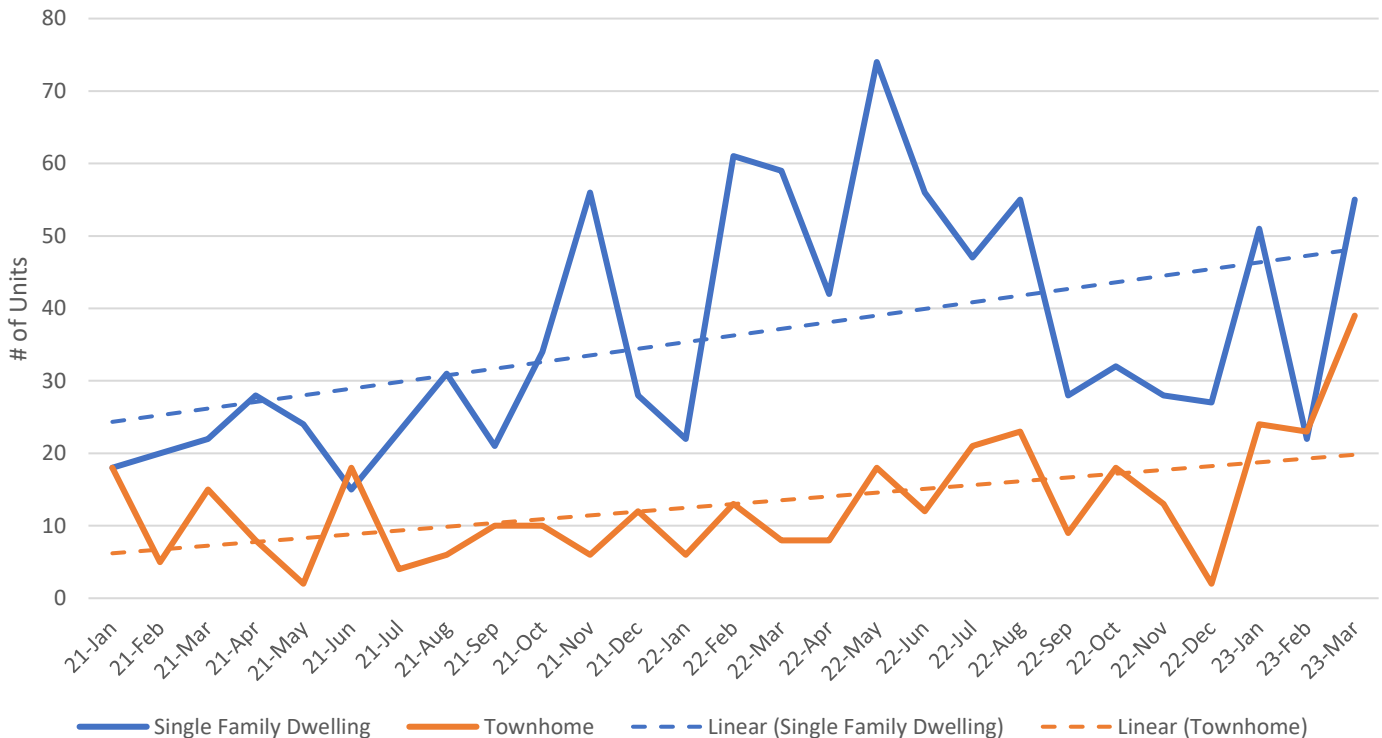
■ PW ■ Inspections ■ Police ■ Engineering ■ Planning

Quarterly Development Statistics

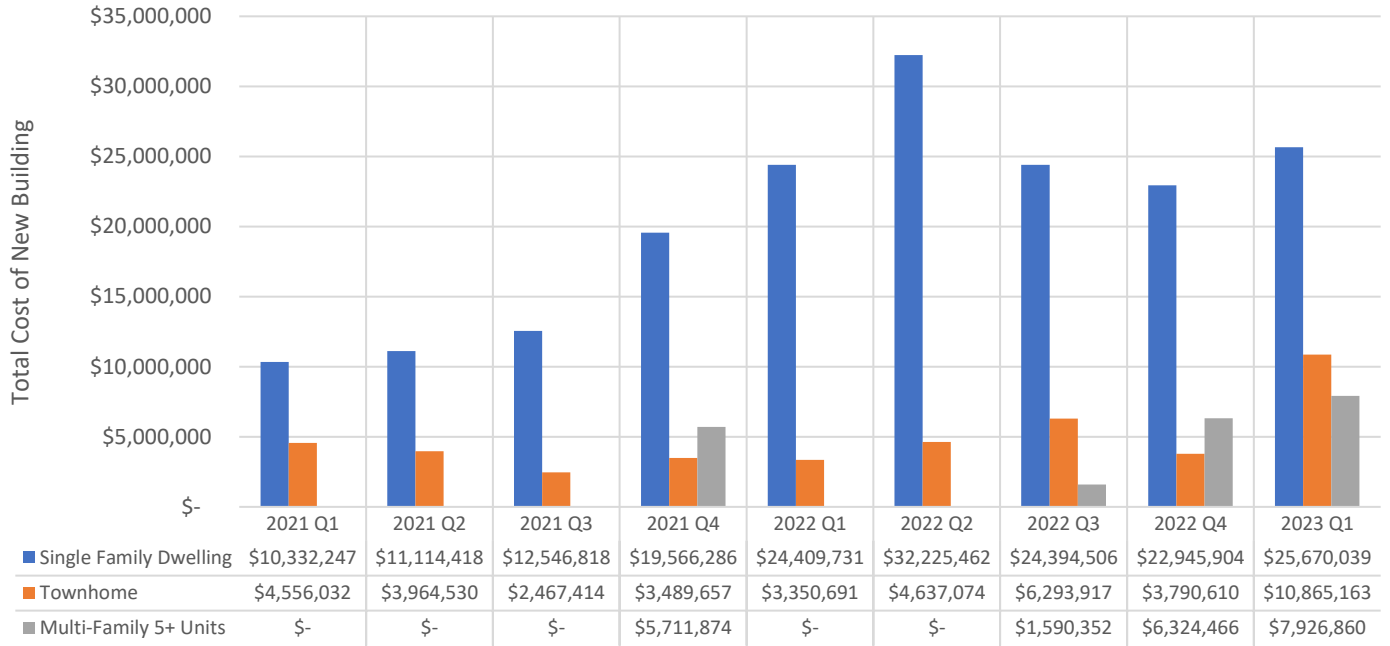
Quarterly COs Issued for New Residential Building



Residential CO Trend by Month



Total Cost of New Residential Construction by CO Date



Inspections Conducted per Quarter, by Trade

