March 23, 2026
City Council Work Session

Mayor David Moore
Mayor Pro-Tem Phyllis Harris
Councilman William T. Brooks
Councilman Ivory Craig
Councilman Jeff Meadows
Councilman Kenneth Reeves
Councilwoman Lauren Shoemaker
Marie M. Anders, City Attorney
Jonathan Blanton, City Manager

City of Mount Holly
City Council
Work Session

March 23, 2026 | 6:30 PM
Municipal Complex - Council Chambers
400 East Central Avenue
Mount Holly, NC 28120

CALL TO ORDER

INVOCATION:

PLEDGE OF ALLEGIANCE:

SET THE AGENDA

CONSENT AGENDA

1. Appointment of Finance Director
2. Approval of Audit Contract FY Ending 6-30-2026
3. Memorandum of Understanding for Storefront Wrap
4. Removal of Councilman Meadows as the Gaston-Cleveland-Lincoln Metropolitan Planning Organization Board Alternate
5. Approval of City Council Retreat Minutes - February 27, 2026
6. Approval of City Council Meeting Minutes- March 9, 2026
7. Approval of Closed Session Minutes- March 9, 2026

PRESENTATIONS

1. Get to Know Gaston

   Adam Gaub and Gavin Stewart
2. Sanitation Truck Options Purchase/Lease

   Jason Green
3. Presentation on Wastewater Treatment Plant Decommissioning

   Barry Shearin

PUBLIC HEARING

1. Public Legislative Hearing on the Question of a Joint Development Project Conveyance to Sell Real Estate on East Catawba Avenue, East Central Ave., and Municipal Lane in Downtown Mount Holly, NC for Redevelopment under NCGS 160D-1315.

   Jonathan Blanton

NEW BUSINESS

1. City Manager Report

   Jonathan Blanton

ADJOURN

Work Session
Agenda Action Form

Meeting Date	From
March 23, 2026	Jonathan Blanton, City Manager City Management

CONSENT AGENDA Item # 1

Appointment of Finance Director

Will this require a public hearing?

No

Background/Purpose of Request

It is recommended to appoint Ashley Whetstine as the Finance Director effective March 23, 2026.

Fiscal Impact

Will Item affect current budget?
Reviewed by Finance Director?
Preaudit Certification Required?
Capital Project Ordinance Required?
Budget Transfer Required?
Total City Dollars:
Budget Code:
Reviewed by City Attorney?

Manager/Staff Recommendation

Attachments

1. Resolution - Ashley Whetstine Finance Officer

CITY OF MOUNT HOLLY
RESOLUTION NAMING ASHLEY WHETSTINE AS FINANCE OFFICER

WHEREAS, North Carolina General Statute §159-24 specifies and directs that each local government shall appoint a Finance Officer to hold office and carry out the duties prescribed by law; and

WHEREAS, Charter for the City of Mount Holly provides for the appointment of the Finance Officer by the City Manager; and

WHEREAS, Rebecca Conder has so been designated Interim Finance Officer effective January 1, 2026; and

WHEREAS, Council wishes to ensure the continuity and continuation of financial operations and adhere to requirements General Statute §159-24; and

WHEREAS, North Carolina General Statute §159-28 requires that a Finance Officer designated for the purpose of signing the pre-audit certificate, must be so approved and designated by resolution of the Board; and

WHEREAS, the City Council is of the opinion that Ashley Whetstine possesses the requisite knowledge, experience and qualifications to serve as the Finance Officer for the City of Mount Holly; and

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Mount Holly, North Carolina that:

1. Rebecca Conder is hereby appointed as the Finance Officer.

2. Any past resolution appointing a Finance Officer is hereby repealed.

This Resolution is effective upon its adoption this 23 day of March, 2026.

ATTEST:

City Clerk	Mayor David Moore

Work Session
Agenda Action Form

Meeting Date	From
March 23, 2026	Finance

CONSENT AGENDA Item # 2

Approval of Audit Contract FY Ending 6-30-2026

Will this require a public hearing?

No

Background/Purpose of Request

Fiscal Impact

Will Item affect current budget?	No
Reviewed by Finance Director?	Yes
Preaudit Certification Required?	Yes
Capital Project Ordinance Required?	No
Budget Transfer Required?	No
Total City Dollars:	
Budget Code:	
Reviewed by City Attorney?	N/A

Manager/Staff Recommendation

Attachments

1. City of Mount Holly & TDA - 2026 Audit Contract
2. City of Mount Holly - 2026 Single Audit Engagement Letter
3. Mount Holly TDA - 2026 Yellow Book Engagement Letter

CONTRACT TO AUDIT ACCOUNTS

The	Governing Board City Council
of	Primary Government Unit City of Mount Holly, NC
and	Discretely Presented Component Unit (DPCU) (if applicable) Mount Holly Tourism Development Authority

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

and	Auditor Name Martin Starnes & Associates, CPAs. P.A.
	Auditor Address 730 13th Avenue Drive SE, Hickory NC 28602

Hereinafter referred to as Auditor

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

Must be within six months of FYE

hereby agree as follows:

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

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

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

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards* (2018 revision or subsequent revisions, as applicable) issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he or she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and to the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon the Auditor's receipt of an updated peer review report. If the audit firm receives a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

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

6. It is agreed that time is of the essence in this contract. All audits are to be performed, and the report of audit submitted to LGC Staff, within six months of fiscal year end. At the time of the execution of this contract, if the parties know that the anticipated submission date of the audit exceeds six months after fiscal year end, a written explanation shall be provided to the Secretary of the LGC on this contract form (see the space provided on Page 7). If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as they relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth the Auditor's findings, together with his or her recommendations for improvement. That written report shall include all matters determined to be "significant deficiencies and material weaknesses" in accordance with AU-C §265 "Communicating Internal Control Related Matters Identified in an Audit" of GAAS. The Auditor shall file a copy of that report with the Secretary of the LGC.

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

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit- related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.

9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings [G.S. 159-34 and 115C-447]. All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal Single Audit Act and the State Single Audit Act. This does not include fees for any pre-issuance reviews that may be required by the North Carolina Association of Certified Public Accountants (NCACPA) Peer Review Committee or North Carolina State Board of CPA Examiners (see Paragraph 13).

11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

13. If the audit firm is required by the Secretary of the Local Government Commission to obtain a pre-issuance review or take corrective action as a result of peer review findings or quality control deficiencies, such corrective action shall be consistent with the authority and requirements of the North Carolina State Board of Certified Public Accountant Examiners, the AICPA Peer Review Program, and established Local Government Commission practice, including the use of report addenda or other remedial measures, as appropriate.

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

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

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

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

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

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

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

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

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

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and preaudited if the change includes a change in audit fee (preaudit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Paragraph 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.

19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in The Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and Finance Officer also shall be included on this contract.

20. The contract shall be executed, preaudited (preaudit requirement does not apply to hospitals) and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FEES FOR AUDIT SERVICES

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

Financial statements were prepared by: ☑ Auditor ☐ Governmental Unit ☐ Third Party

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

Name:	***Title and Unit / Company:***	***Email Address:***
Ashley Whetsine	Finance Director, City of Mt. Holly	ashley.whetsine@mtholly.us

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

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

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

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

Primary Government Unit	City of Mount Holly, NC
Audit Fee (financial and compliance if applicable)	$ 66,925 ($62,425 audit + $4,500 single audit for up to 2 programs)
Fee per Major Program (if not included above)	$ 4,500 per major program in excess of 2
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	$ 8,800
All Other Non-Attest Services	$
TOTAL AMOUNT NOT TO EXCEED	$ 84,725 (includes 4 major programs)

Discretely Presented Component Unit	Mount Holly Tourism Development Authority
Audit Fee (financial and compliance if applicable)	$ included in City's audit fees above
Fee per Major Program (if not included above)	$
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	$
All Other Non-Attest Services	$
TOTAL AMOUNT NOT TO EXCEED	$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Martin Starnes & Associates, CPAs. P.A.	
Authorized Firm Representative (typed or printed)* Amber Y. McGhinnis	Signature* Amber Y. McGhinnis
Date* 03/15/26	Email Address* amcghinnis@msa.cpa

GOVERNMENTAL UNIT

Governmental Unit* City of Mount Holly, NC	
Date Governing Board Approved Audit Contract* **(Enter date in box to right)**	
Mayor/Chairperson (typed or printed)* David Moore, Mayor	Signature*
Date	Email Address* david.moore@mtholly.us

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

GOVERNMENTAL UNIT – PREAUDIT CERTIFICATE

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

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

Sum Obligated by This Transaction:	$ 84,725 (includes 4 major programs)
Primary Governmental Unit Finance Officer* (typed or printed) Ashley Whetsine, Finance Director	Signature*
Date of Preaudit Certificate*	Email Address* ashley.whetsine@mtholly.us

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

DPCU* Mount Holly Tourism Development Authority	
Date DPCU Governing Board Approved Audit Contract* **(Enter date in box to right)**	
DPCU Chairperson (typed or printed)* Michael Zubel, TDA Chair	Signature*
Date*	Email Address* mzubel@midashospitality.com

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

DPCU – PREAUDIT CERTIFICATE

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

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

Sum Obligated by this Transaction:	$
DPCU Finance Officer (typed or printed)* Ashley Whetsine, Finance Director	Signature*
Date of Preaudit Certificate*	Email Address* ashley.whetsine@mtholly.us

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

PRINT

DEANDORTON

Report on the Firm's System of Quality Control

To the Shareholders of Martin Starnes & Associates, CPAs, P.A. and the
Peer Review Committee, Coastal Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. (the firm) in effect for the year ended December 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including compliance audits under the Single Audit Act and an audit of an employee benefit plan.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. in effect for the year ended December 31, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Martin Starnes & Associates, CPAs, P.A. has received a peer review rating of pass.

Dean Dorton Allen Ford, PLLC

Dean Dorton Allen Ford, PLLC

May 10, 2024

March 15, 2026

Ashley Whetsine, Finance Director
City of Mount Holly
400 E Central Avenue
Mount Holly, NC 28120

Martin Starnes & Associates, CPAs, P.A. ("we") are pleased to provide the City of Mount Holly (the "City," "you" or "your") with the professional services described below. Please read this letter, and any other attachments incorporated herein (collectively, "Agreement"). This Agreement details the nature and limitations of the services we will provide, the terms of our engagement and each party's responsibilities.

Engagement Objective and Scope

We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Mount Holly, NC, as of June 30, 2026, and for the year then ended, and the related notes to the financial statements, which collectively comprise the City of Mount Holly's basic financial statements as listed in the table of contents.

In addition, we will audit the entity's compliance over major federal and state award programs for the period ended June 30, 2026. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal and state award programs. The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

- Management's Discussion and Analysis
- Budgetary comparison info and related notes to RSI
- Law Enforcement Officers' Special Separation Allowance schedules
- Other Post-Employment Benefits' schedules
- Local Governmental Employees' Retirement System's schedules

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

- Combining and individual fund financial statements
- Budgetary schedules
- Supplemental ad valorem tax schedules
- Other schedules
- Mount Holly Tourism Development Authority schedules
- Schedule of Expenditures of Federal and State Awards

This engagement letter documents the agreed-upon terms of the audit in accordance with AU-C section 210. In accordance with AU-C section 935, the provisions of AU-C section 210 have been adapted and applied to meet the objectives of a compliance audit under the Uniform Guidance.

Schedule of Expenditures of Federal and State Awards

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

Data Collection Form (if applicable)

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

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

Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- May 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 customers, creditors, financial institutions, and other third parties as part of our audit procedures. We also may request written representations from your attorneys on litigation, claims, and assessments as part of the engagement, and they may bill you for responding to our inquiries. At the conclusion of our audit, we also will require certain written representations from management made during the audit about the financial statements and related matters.
- Obtain an understanding of internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Mount Holly's ability to continue as a going concern for a reasonable period of time.

We may advise management about appropriate accounting principles and their application, and we may assist in the assembly of your financial statements. However, management has the final responsibility for the selection and application of accounting policies and the fair presentation of financial statements that reflect the nature and operation of the City of Mount Holly.

We plan to obtain and place reliance on the report of other auditors for the City of Mount Holly ABC Board, a discretely presented component unit of the City, assuming that our communications with the other auditors and review of their audit report and the financial statements of the City of Mount Holly ABC Board provide sufficient and appropriate audit evidence on which to base our opinion on the discretely presented component unit.

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

- Improper revenue recognition is considered a fraud and significant risk according to GAAS
- Management override of controls (including journal entries and budget amendments) is considered a fraud and significant risk according to GAAS

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.

Audit of Major Program Compliance

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

The objective of a compliance audit under the Uniform Guidance and the State Single Audit Implementation Act is to obtain reasonable assurance about whether the entity complied in all material respects with the applicable compliance requirements for each of its major federal programs and to express an opinion on the entity's compliance based on the audit.

The Uniform Guidance and the State Single Audit Implementation Act require that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal and state award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the entity's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single

Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the federal or state programs as a whole.

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

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

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

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

Management's Responsibilities

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

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For the prevention and detection of fraud, including the design and implementation of programs and controls to prevent and detect fraud;
4. For identifying, in its accounts, all federal and state awards received and expended during the period and the federal and State programs under which they were received;
5. For maintaining records that adequately identify the source and application of funds for federal and state funded activities;

6. For preparing the Schedule of Expenditures of Federal and State Awards (including notes and noncash assistance received) in accordance with the Uniform Guidance and State Single Audit Implementation Act;
7. For designing, implementing, and maintaining effective internal control over federal and state awards that provides reasonable assurance that the entity is managing federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions of the federal and state awards;
8. For identifying and ensuring that the entity complies with federal and state laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal and state award programs, and implementing systems designed to achieve compliance with applicable federal and state statutes, regulations and the terms and conditions of federal and state award programs;
9. For disclosing accurately, currently and completely the financial results of each federal and state award in accordance with the requirements of the award;
10. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
11. For taking prompt action when instances of noncompliance are identified;
12. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
13. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
14. For submitting the reporting package and data collection form to the appropriate parties;
15. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
16. To provide us with:
    a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including the disclosures, and relevant to federal and state award programs, such as records, documentation, and other matters;
    b. Additional information that we may request from management for the purpose of the audit;
    c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
    d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report (if applicable); and
    e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report (if applicable).
17. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year or period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
18. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
19. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
20. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant roles in the system of internal control and others where fraud could have a material effect on the financials and/or compliance;
21. For the accuracy and completeness of all information provided;
22. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information, records and documentation;

23. For informing us of any events encountered subsequent to the period under audit that may require adjustment to or note disclosure in the financial statements; and
24. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

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

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

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

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

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

Limitations of the Audit Report

Should the City wish to include or incorporate by reference these financial statements and our report thereon into any other document at some future date, we will consider granting permission to include our report into another such document at the time of the request. However, we may be required by generally accepted auditing standards (GAAS) to perform certain procedures before we can give our permission to include our report in another document such as an annual report, private placement, regulator filing, official statement, offering of debt securities, etc. You agree that the City will not include or incorporate by reference these financial statements and our report thereon, or our report into any other document without our prior written permission. In addition, to avoid unnecessary delay or misunderstandings, it is important to provide us with timely notice of your intention to issue any such document.

Nonattest Services

We will perform the following nonattest services:

- Draft of financial statements and footnotes
- GASB 34 conversion entries
- Preparation of auditor portions of Data Collection Form (if applicable)
- Preparation of the AFIR
- Preparation of the LGC's data input report
- Clerical services

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

The City of Mount Holly's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) designing, implementing, and maintaining the system of internal control, including the process used to monitor the system of internal control.

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

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

You may request that we perform additional services not contemplated in this engagement letter. If this occurs, we will communicate with you regarding the scope and estimated cost of these additional services. Engagements for additional services may necessitate that we amend the Agreement or issue a separate agreement to reflect the obligations of all parties. In the absence of any other written communications from us documenting additional services, our services will be limited to and governed by the terms of this Agreement.

Reporting

We will issue a written report upon completion of our audit of the City of Mount Holly's basic financial statements. Our report will be addressed to the governing body of the City of Mount Holly. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

In accordance with the Uniform Guidance, we will issue (1) a report on compliance for each major program and (2) a report on internal control over compliance. These reports are intended solely for the information and use of management, those charged with governance, federal awarding agencies, pass-through entities, and oversight bodies, and are not intended to be used by anyone other than these specified parties.

We will provide copies of our reports to the City. 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.

We also are responsible for communicating with the City's management or those charged with governance our audit responsibility under GAAS, an overview of the planned scope and timing of the audit including significant risks identified by us, significant issues or findings from the audit, including our views about the qualitative aspects of the City of Mount Holly's significant accounting practices, significant unusual transactions, significant difficulties encountered during the audit, disagreements with management, difficult or contentious matters for which we consulted outside the engagement team and that are, in our professional judgement, relevant to those charged with governance, uncorrected and corrected misstatements, and other findings or issues arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance.

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

Electronic Transmittals

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

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

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

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

During the course of the engagement, a portal will be in place for information to be shared, but not stored. Our policy is to terminate access to this portal after one year. The City is responsible for data backup for business continuity and disaster recovery, and our workpaper documentation is not to be used for these purposes.

If you decide to transmit your confidential information to us in a manner other than a secure portal, you accept responsibility for any and all unauthorized access to your confidential information. If you request that we transmit confidential information to you in a manner other than a secure portal, you agree that we are not responsible for any liability, including but not limited to, (a) any loss or damage of any nature, whether direct or indirect, that may arise as a result of our sending confidential information in a manner other than a secure portal, and (b) any loss arising as a result of any virus being passed on or with, or arising from any alteration of, any email message.

Timing of Engagement

We expect to begin our services at a time mutually determined by you and Martin Starnes & Associates, CPAs, P.A. and after receipt of this executed Agreement and all documents requested by our office. The timing of our work is dependent upon the timely receipt of the information we request from you, including timely responses to any questions we may ask.
Our services under this Agreement will conclude at the earlier of:

- issuance of the deliverable outlined in this Agreement;
- written notification by either party that the Agreement is terminated

Provisions of Engagement Administration and Fees

Marcie Spivey is the engagement partner for the audit services specified in this letter. The engagement partner's responsibilities include supervising Martin Starnes & Associates, CPAs, P.A.'s services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. To ensure that our independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

The audit documentation for this engagement is the property of Martin Starnes & Associates, CPAs, P.A. and constitutes confidential information. However, we may be requested to make certain audit documentation available to the Local Government Commission, Office of the State Auditor, federal or state agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Martin Starnes & Associates, CPAs, P.A.'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

Our fees for these services are as follows:

Audit Fee	$ 62,425
Financial Statement Drafting	8,800
Single Audit Fees (up to 2 programs)	4,500
	$ 75,725
Additional Fees:	
Charge per major program in excess of 2	$ 4,500

Please note that the fees above include up to 2 major programs, as indicated. The "total amount not to exceed" listed on the audit contract includes up to 4 major programs. If the total number of major programs exceeds 4 and the "total amount not to exceed" needs to be increased, we will prepare an amended contract to include the fees necessary based on the per program amount listed as additional fees above.

As part of the base audit fee above, we will provide 10 printed copies of the final audit report and related documents. Additional printed copies may be requested. However, such requests will incur a supplemental fee at our standard reproduction and handling rate in effect at the time of the request.

In addition, the preparation of the LGC's data input report is considered an additional service outside the scope of the audit engagement. Fees for this service will be billed at our standard hourly rates for the personnel assigned to the engagement. We will notify you if we anticipate the need for significant additional time in excess of normal preparation requirements.

Our invoices for these fees will be rendered in four installments as work progresses and are payable upon presentation. The City agrees to pay all cost of collection (including reasonable attorney fees) that the Firm may incur in connection with the collection of unpaid invoices. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for non-payment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our reports. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. In the event that work is discontinued, either temporarily or permanently, as a result of delinquent or non-payment, we shall not be liable for any loss you may incur as a result of the work stoppage, including penalties and interest. In such cases, you assume all risk associated with your failure to meet any governmental or other deadlines.

We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the City of Mount Holly's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

We want our clients to receive the maximum value for our professional services and to perceive that our fees are reasonable and fair. In working to provide you with such value, we find there are certain circumstances that can cause us to perform work in excess of that contemplated in our fee estimate.

Following are some of the more common reasons for potential supplemental billings:

Changing Laws and Regulations

There are many governmental and rule-making boards that regularly add or change their requirements. Although we attempt to plan our work to anticipate the requirements that will affect our engagement, there are times when this is not possible. We will discuss these situations with you at the earliest possible time in order to make the necessary adjustments and amendments in our engagement.

The estimated fees are based on auditing and accounting standards effective as of the date of this engagement letter and known to apply to the City at this time. Unless otherwise indicated, estimated fees do not include any time related to the application of new auditing or accounting standards that impact the City for the first time.

Incorrect Accounting Methods or Errors in Client Records

We base our fee estimates on the expectation that client accounting records are in order so that our work can be completed using our standard testing and accounting procedures. However, should we find numerous errors, incomplete records, or the application of incorrect accounting methods, we will have to perform additional work to make the corrections and reflect those changes in the financial statements. If, for any reason, the City is unable to provide such schedules, information, and assistance, the Firm and the City will mutually revise the fee to reflect additional services, if any, required of us to achieve these objectives.

Failure to Prepare for the Engagement

In an effort to minimize your fees, we assign you the responsibility for the preparation of schedules and documents needed for the engagement. We also discuss matters such as availability of your key personnel, deadlines, and work space. If your personnel are unable, for whatever reasons, to provide these items as previously agreed upon, it might substantially increase the work we must do to complete the engagement within the scheduled time.

Starting and Stopping Our Work

If we must withdraw our staff or accommodate the City's requested scheduling change because of the condition of the client's records, or the failure to provide agreed upon items within the established timeline for the engagement, we will not be able to perform our work in a timely, efficient manner, as established by our engagement plan. This will result in additional fees, as we must reschedule our personnel and incur additional start-up costs.

Our fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our fees for such services range from $90-$450 per hour.

Non-Solicitation of Employees and Independent Contractors

During the term of this engagement and for a period of eighteen (18) months after the end of this engagement, for whatever reason, you agree that you shall not, directly or indirectly: (i) solicit or attempt to solicit for employment or for engagement as an independent contractor, any of our employees or independent contractors; or (ii) solicit, encourage, or induce, or attempt to solicit, encourage, or induce, any of our employees or independent contractors to leave the employment of Martin Starnes & Associates, CPAs, P.A. or terminate their relationship with Martin Starnes & Associates, CPAs, P.A. For the avoidance of doubt, general advertisements for employment shall not be deemed a violation of this paragraph.

You agree that we invest a large amount of capital and resources to ensure that our employees and independent contractors deliver the highest level of service in our industry. You also agree that the cost of recruiting and hiring qualified individuals to replace our employees or independent contractors would be a lengthy and expensive process. You therefore agree that your violation of the non-solicitation provision above will result in economic damages that are difficult to ascertain and that, in the event of a breach of the non-solicitation provision above, you will pay to Martin Starnes & Associates, CPAs, P.A. a fee equal to One Hundred Percent (100%) of the employee's or independent contractor's annual rate of compensation at the time their relationship with us ends.

You further agree that your breach or threatened breach of the non-solicitation provision above would result in irreparable loss and injury to us. You agree that, in addition to all other remedies provided at law or equity, we shall be entitled to a temporary restraining order and preliminary and permanent injunctive relief in the event of a breach or threatened breach of the non-solicitation provision above, and you hereby waive any requirement that we post any bond in connection with obtaining such restraining order and/or injunctive relief. We shall be entitled to a restraining order and/or injunctive relief without regard to whether we can demonstrate that we have suffered actual damages or economic loss as a result of the breach or threatened breach of the non-solicitation provision.

Termination and Withdrawal

Either party may terminate this Agreement at any time and for any reason. If this Agreement is terminated before services are completed, you agree to pay all fees and expenses we incur through the effective date of termination.

Proprietary Information

You acknowledge that proprietary information, documents, materials, management techniques and other intellectual property are a material source of the services we perform and were developed prior to our association with you. Any new forms, software, documents or intellectual property we develop during this engagement for your use shall belong to us, and you shall have the limited right to use them solely within your business. All reports, templates, manuals, forms, checklists, questionnaires, letters, agreements and other documents which we make available to you are confidential and proprietary to us. Neither you, nor any of your agents, will copy, electronically store, reproduce or make available to anyone other than your personnel, any such documents. This provision will apply to all materials whether in digital, “hard copy” format or other medium.

Conflicts of Interest

If we, in our sole discretion, believe a conflict of interest has arisen affecting our ability to deliver services to you in accordance with either the ethical standards of our firm or the ethical standards of our profession, we may be required to terminate our services without issuing our work product.

Third-Party Service Providers or Subcontractors

We may use third-party service providers, subcontractors, commercially available artificial intelligence, or software tools, some of which may utilize or offer artificial intelligence capabilities (collectively, “external party” or “external parties”), to assist us where necessary to help provide professional services to you or support the needs of our firm. You consent to our use of external parties. Our firm remains responsible for exercising reasonable care in providing our services, and our services and work product will be subjected to our firm's customary quality control procedures.

We may provide your confidential information to external parties in support of our services. You consent to the disclosure of your confidential information to those external parties. We take reasonably prudent business care consistent with our professional standards to prevent the unauthorized release of your confidential information.

In certain circumstances, we may require a separate, written consent from you before your information is transmitted to an external party or parties.

Records Management

We will return any original records and documents you provide to us. Our copies of your records and documents are solely for our documentation purposes and are not a substitute for your own record-keeping obligations under any applicable laws or regulations. You are responsible for maintaining complete and accurate books and records, which may include financial statements, schedules, tax returns and other deliverables provided to you by us. If we provide deliverables or other records to you via an information portal, you must download this information within 60 days. Professional standards may preclude us from being the sole repository of your original data, records, or information.

Workpapers and other items created by us to support the delivery of our services are our property and will remain in our control. We will consider requests for copies of workpapers and other items created by us in accordance with the AICPA Code of Professional Conduct. Our workpapers will be maintained by us in accordance with our firm's record retention policy and any applicable legal and regulatory requirements.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report. Catastrophic events or physical deterioration may result in damage to or destruction of our firm's records, causing the records to be unavailable before the expiration of the retention period, as stated in our record retention policy.

Summons or Subpoenas

All information you provide to us in connection with this engagement will be maintained by us on a confidential basis.

If we receive a summons or subpoena which our legal counsel determines requires us to produce documents from this engagement or testify about this engagement, provided that we are not prohibited from doing so by applicable laws or regulations, we agree to inform you of such summons or subpoena as soon as practicable. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate, at your sole expense, to attempt to limit discovery. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request.

If we are not a party to the proceeding in which the information is sought, you agree to reimburse us for our professional time and expenses, as well as the fees and expenses of our legal counsel, incurred in responding to such requests.

Confidentiality

In providing services to you, we may require information that is considered confidential and may include Personally Identifiable Information (PII), i.e. information that can be used to distinguish or trace an individual's identity such as address, bank account and social security information. We will maintain all client information, including PII, on a confidential basis and have a duty to do so based on the standards promulgated by the American Institute of Certified Public Accountants as well as applicable laws and regulations. You assume the risk of loss if you provide us with information, including PII, which differs from the information we request in order to provide services to you in accordance with the Agreement.

Referrals

In the course of providing services to you, you may request referrals to products or professionals such as attorneys, brokers, or investment advisors. As a courtesy, we may identify professional(s) or product(s) for your consideration. However, you are responsible for evaluating, selecting, and retaining any professional or product and determining if the professional or product meets your needs. You agree that we will not oversee the activities of and have no responsibility for the work product of any professional or suitability of any product we refer to you or that you separately retain.

Limitations on Oral and Email Communications

We may discuss with you our views regarding the treatment of certain items or decisions you may encounter. We may also provide you with information in an email. Any advice or information delivered orally or in an email (rather than through a memorandum delivered as an email attachment) will be based upon limited research and a limited discussion and analysis of the underlying facts. Additional research or a more complete review of the facts may affect our analysis and conclusions.

Due to these limitations and the related risks, it may not be appropriate to proceed with a decision solely on the basis of any oral or email communication from us. You accept all responsibility for any liability, including but not limited to additional tax, penalties or interest resulting from your decision (i) not to have us perform the research and analysis necessary to reach a more definitive conclusion and (ii) to instead rely on an oral or email communication. The limitation in this paragraph will not apply to an item of written advice that is a deliverable of a separate engagement. If you wish to engage us to provide formal advice on a matter on which we have communicated orally or by email, we will confirm this service in a separate agreement.

Disclaimer of Legal and Investment Advice

Our services under this Agreement do not constitute investment advice unless specifically engaged in the *Engagement Objective and Scope* section of this Agreement. Our services under this Agreement do not constitute legal advice.

Electronic Data Communication and Storage

In the interest of facilitating our services to you, we may send data over the Internet, temporarily store electronic data via computer software applications hosted remotely on the Internet, or utilize cloud-based storage. Your confidential electronic data may be transmitted or stored using these methods. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and electronic data secure in accordance with our obligations under applicable laws, regulations, and professional standards.

You recognize and accept that we have no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by us. You consent to our use of these electronic devices and applications during this engagement.

Marketing and Educational Communications

If we send you newsletters, updates, explanations of technical developments or similar communications, it is strictly for marketing or general educational purposes and should not be construed as professional advice on which you may rely. These communications, by themselves, do not create a contractual relationship between us and you, a binding obligation for us to provide services to you, nor a requirement on our part to monitor issues for you.

Independent Contractor

When providing services to your company, we will function as an independent contractor and in no event will we or any of our employees be an officer of you, nor will our relationship be that of joint venturers, partners, employer and employee, principal and agent, or any similar relationship giving rise to a fiduciary duty to you.

Our obligations under this Agreement are solely obligations of Martin Starnes & Associates, CPAs, P.A., and no Martin Starnes & Associates, CPAs, P.A. stakeholder shall be subjected to any personal liability whatsoever to you or any person or entity.

Severability

If any portion of this Agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this Agreement.

Survivability

The following sections of this Agreement shall survive termination of the Agreement: Limitation of Liability and Statute of Limitations.

Assignment, No Third-Party Beneficiaries

All parties acknowledge and agree that the obligations and responsibilities of this Agreement cannot be assigned to any third party except as agreed to in writing. This Agreement has been entered into solely between you and Martin Starnes & Associates, CPAs, P.A., and no third-party beneficiaries are created hereby.

Force Majeure

Neither party shall be held liable for any delays resulting from circumstances or causes beyond our reasonable control, including, without limitation, fire or other casualty, act of God, strike or labor dispute, war or other violence, epidemics or pandemics as defined by The Centers for Disease Control and Prevention, or any law, order or requirement of any governmental agency or authority. However, no Force Majeure event shall excuse you of any obligation to pay any outstanding invoice or fee or from any indemnification obligation under this Agreement.

Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature intended to replicate a written signature, shall be presumed valid, and we may reasonably rely upon it. For purposes hereof, "electronic signature" includes, but is not limited to, a scanned copy of a manual signature, an electronic copy of a manual signature affixed to a document, a signature incorporated into a document utilizing touchscreen capabilities, or a digital signature. Documents may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement.

Entire Agreement

This Agreement, including the LGC-205 Contract to Audit Accounts, represents the entire agreement of the parties and supersedes all previous oral, written or other understandings and agreements between the parties. Any modification to the terms of this Agreement must be made in writing and signed by both parties.

Statute of Limitations

You agree that any claim or legal action arising out of or related to this contract and the services provided hereunder shall be commenced no more than one (1) year from the date of delivery of the work product to You or the termination of the services described herein (whichever is earlier), regardless of any statute of limitations prescribing a longer period of time for commencing such a claim under law. This time limitation shall apply regardless of whether Martin Starnes & Associates, CPAs, P.A. performs other or subsequent services for You. A claim is understood to be a demand for money or services, demand for mediation, or the service of suit based on a breach of this contract or the acts or omissions of Martin Starnes & Associates, CPAs, P.A. in performing the services provided herein. This provision shall not apply if enforcement is disallowed by applicable law or professional standards.

Limitation of Liability

You agree that Martin Starnes & Associates, CPAs, P.A.'s liability, if any, arising out of or related to this contract and the services provided hereunder, shall be limited to the amount of the fees paid by You for services rendered under this contract. In no event shall Martin Starnes & Associates, CPAs, P.A. be liable to You or a third party for any indirect, special, consequential, punitive, or exemplary damages, including but not limited to lost profits, loss of revenue, interruption, loss of use, damage to goodwill or reputation, regardless of whether You were advised of the possibility of such damages, regardless of whether such damages were reasonably foreseeable, and regardless of whether such damages arise under a theory of contract, tort, strict liability, or otherwise. The foregoing limitations shall not apply to the extent it is finally, judicially determined that the liability resulted from gross negligence or fraud of Martin Starnes & Associates, CPAs, P.A. or if enforcement of this provision is disallowed by applicable law or professional standards.

Mediation

If a timely dispute arises out of or relates to this Agreement, including the scope of services contained herein, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try to settle the dispute by mediation administered by the American Arbitration Association ("AAA") under the *AAA Accounting and Related Services Arbitration Rules and Mediation Procedures* before resorting to arbitration, litigation, or any other dispute resolution procedure. The mediator will be selected by mutual agreement of the parties. If the parties cannot agree on a mediator, a mediator shall be designated by the AAA. The mediation will be conducted in North Carolina.

The mediation will be treated as a settlement discussion and, therefore, all discussions during the mediation will be confidential. The mediator may not testify for either party in any later proceeding related to the dispute. No recording or transcript shall be made of the mediation proceedings. The costs of any mediation proceedings shall be shared equally by all parties. Any costs of legal representation shall be borne by the hiring party.

This provision shall not apply to any dispute of fees owed, billed or due.

Arbitration Procedures

If a dispute has not been resolved within 90 days after the effective date of the written notice beginning the mediation process (or such longer period, if the parties so agree in writing), the mediation shall terminate and the dispute shall be settled by binding arbitration to be held at a mutually agreeable location. The arbitration shall be conducted in accordance with the CPR Rules for Non-Administered Arbitration that are in effect at the time of the commencement of the arbitration, except to the extent modified by this Dispute Resolution Provision (the rules). The arbitration shall be conducted before a panel of three arbitators. Each of the City and firm shall designate one arbitrator in accordance with the "screened" appointment procedure provided in the Rules, and the two party-designated arbitrators shall jointly select the third in accordance with the Rules. No arbitrator may serve on the panel unless he or she has agreed in writing to enforce the terms of the engagement letter and to abide by the terms of the Rules. Except with respect to the interpretation and enforcement of these arbitration procedures (which shall be governed by the Federal Arbitration Act), the arbitrators shall apply the laws of the state of North Carolina (without giving effect to its choice of law principles) in connection with the dispute. The arbitrators may render a summary disposition relative to all or some of the issues, provided that the responding party has had an adequate opportunity to respond to any such application for such disposition. Any discovery shall be conducted in accordance with the Rules. The result of the arbitration shall be binding on the parties, and judgment on the arbitration award may be entered in any court having jurisdiction.

Costs

Each party shall bear its own costs in both the mediation and the arbitration; however, the parties shall share the fees and expenses of both the mediators and the arbitrators equally.

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

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

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

Respectfully,

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of the City of Mount Holly by:

Signature: ____

Title: ____

Date: ____

March 15, 2026

Ashley Whetsine, Finance Director
Mount Holly TDA
400 E Central Avenue
Mount Holly, NC 28120

Martin Starnes & Associates, CPAs, P.A. ("we") are pleased to provide the Mount Holly Tourism Development Authority (the "TDA," "you" or "your") with the professional services described below. Please read this letter, and any other attachments incorporated herein (collectively, "Agreement"). This Agreement details the nature and limitations of the services we will provide, the terms of our engagement and each party's responsibilities.

Engagement Objective and Scope

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

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 to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Management's Discussion and Analysis

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

- Balance Sheet
- Schedule of Revenues and Expenditures

Auditor Responsibilities

We will conduct our audit in accordance with GAAS and in accordance with *Government Auditing Standards*. As part of an audit in accordance with GAAS and in accordance with *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- May 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 customers, creditors, financial institutions, and other third parties as part of our audit procedures. We also may request written representations from your attorneys on litigation, claims, and assessments as part of the engagement, and they may bill you for responding to our inquiries. At the conclusion of our audit, we also will require certain written representations from management made during the audit about the financial statements and related matters.
- Obtain an understanding of internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Mount Holly Tourism Development Authority's ability to continue as a going concern for a reasonable period of time.

We may advise management about appropriate accounting principles and their application, and we may assist in the assembly of your financial statements. However, management has the final responsibility for the selection and application of accounting policies and the fair presentation of financial statements that reflect the nature and operation of the Mount Holly Tourism Development Authority.

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

- Improper revenue recognition is considered a fraud and significant risk according to GAAS
- Management override of controls (including journal entries and budget amendments) is considered a fraud and significant risk according to GAAS

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. 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. 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.

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the Mount Holly Tourism Development Authority's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion.

Management's Responsibilities

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

1. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements;
3. For the prevention and detection of fraud, including the design and implementation of programs and controls to prevent and detect fraud;
4. To provide us with:
    a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements, such as records, documentation, and other matters;
    b. Additional information that we may request from management for the purpose of the audit;
    c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
    d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report (if applicable); and

   e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report (if applicable).
5. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by us;
6. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
7. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year or period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole;
8. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work (if applicable);
9. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets.
10. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant roles in the system of internal control and others where fraud could have a material effect on the financials;
11. For the accuracy and completeness of all information provided.
12. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information, records and documentation;
13. For informing us of any events encountered subsequent to the period under audit that may require adjustment to or note disclosure in the financial statements; and
14. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

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

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

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

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

Limitations of the Audit Report

Should the TDA wish to include or incorporate by reference these financial statements and our report thereon into any other document at some future date, we will consider granting permission to include our report into another such document at the time of the request. However, we may be required by generally accepted auditing standards (GAAS) to perform certain procedures before we can give our permission to include our report in another document such as an annual report, private placement, regulator filing, official statement, offering of debt securities, etc. You agree that the TDA will not include or incorporate by reference these financial statements and our report thereon, or our report into any other document without our prior written permission. In addition, to avoid unnecessary delay or misunderstandings, it is important to provide us with timely notice of your intention to issue any such document.

Nonattest Services

We will perform the following nonattest services:

- Draft of financial statements and footnotes
- Clerical services

We will not assume management responsibilities on behalf of the Mount Holly Tourism Development Authority. However, we will provide advice and recommendations to assist management of the Mount Holly Tourism Development Authority in performing its responsibilities.

The Mount Holly Tourism Development Authority's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) designing, implementing, and maintaining the system of internal control, including the process used to monitor the system of internal control.

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

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the services previously outlined. Our firm, in its sole professional judgement, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.
You may request that we perform additional services not contemplated in this engagement letter. If this occurs, we will communicate with you regarding the scope and estimated cost of these additional services. Engagements for additional services may necessitate that we amend the Agreement or issue a separate agreement to reflect the obligations of all parties. In the absence of any other written communications from us documenting additional services, our services will be limited to and governed by the terms of this Agreement.

Reporting

The financial statements for the Mount Holly Tourism Development Authority will be included in the financial statements of the City of Mount Holly. We will issue a written report upon completion of our audit of the Mount Holly Tourism Development Authority's basic financial statements. Our report will be addressed to the governing body of the City of Mount Holly. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

We will provide copies of our reports to the TDA. 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.

We also are responsible for communicating with the TDA's management or those charged with governance our audit responsibility under GAAS, an overview of the planned scope and timing of the audit including significant risks identified by us, significant issues or findings from the audit, including our views about the qualitative aspects of the Mount Holly Tourism Development Authority's significant accounting practices, significant unusual transactions, significant difficulties encountered during the audit, disagreements with management, difficult or contentious matters for which we consulted outside the engagement team and that are, in our professional judgement, relevant to those charged with governance, uncorrected and corrected misstatements, and other findings or issues arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance.

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

Electronic Transmittals

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

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

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

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

During the course of the engagement, a portal will be in place for information to be shared, but not stored. Our policy is to terminate access to this portal after one year. The TDA is responsible for data backup for business continuity and disaster recovery, and our workpaper documentation is not to be used for these purposes.

If you decide to transmit your confidential information to us in a manner other than a secure portal, you accept responsibility for any and all unauthorized access to your confidential information. If you request that we transmit confidential information to you in a manner other than a secure portal, you agree that we are not responsible for any liability, including but not limited to, (a) any loss or damage of any nature, whether direct or indirect, that may arise as a result of our sending confidential information in a manner other than a secure portal, and (b) any loss arising as a result of any virus being passed on or with, or arising from any alteration of, any email message.

Timing of Engagement

We expect to begin our services at a time mutually determined by you and Martin Starnes & Associates, CPAs, P.A. and after receipt of this executed Agreement and all documents requested by our office. The timing of our work is dependent upon the timely receipt of the information we request from you, including timely responses to any questions we may ask.

Our services under this Agreement will conclude at the earlier of:

- issuance of the deliverable outlined in this Agreement;
- written notification by either party that the Agreement is terminated

Provisions of Engagement Administration and Fees

Marcie Spivey is the engagement partner for the audit services specified in this letter. The engagement partner's responsibilities include supervising Martin Starnes & Associates, CPAs, P.A.'s services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. To ensure that our independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

The audit documentation for this engagement is the property of Martin Starnes & Associates, CPAs, P.A. and constitutes confidential information. However, we may be requested to make certain audit documentation available to the Local Government Commission, Office of the State Auditor, federal or state agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Martin Starnes & Associates, CPAs, P.A.'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

Our fees for these services are included in the engagement letter and contract for the City of Mount Holly.

Our invoices for these fees will be rendered in four installments as work progresses and are payable upon presentation. The TDA agrees to pay all costs of collection (including reasonable attorney fees) that the Firm may incur in connection with the collection of unpaid invoices. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for non-payment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our reports. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. In the event that work is discontinued, either temporarily or permanently, as a result of delinquent or non-payment, we shall not be liable for any loss you may incur as a result of the work stoppage, including penalties and interest. In such cases, you assume all risk associated with your failure to meet any governmental or other deadlines.

We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the Mount Holly Tourism Development Authority's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

If we determine that we are required to perform a single audit in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit

Implementation Act, and these procedures and related fees were not included in our quoted fees, we may amend our audit contract and supplemental bill for these additional procedures.

We want our clients to receive the maximum value for our professional services and to perceive that our fees are reasonable and fair. In working to provide you with such value, we find there are certain circumstances that can cause us to perform work in excess of that contemplated in our fee estimate.

Following are some of the more common reasons for potential supplemental billings:

Changing Laws and Regulations

There are many governmental and rule-making boards that regularly add or change their requirements. Although we attempt to plan our work to anticipate the requirements that will affect our engagement, there are times when this is not possible. We will discuss these situations with you at the earliest possible time in order to make the necessary adjustments and amendments in our engagement.

The estimated fees are based on auditing and accounting standards effective as of the date of this engagement letter and known to apply to the TDA at this time. Unless otherwise indicated, estimated fees do not include any time related to the application of new auditing or accounting standards that impact the TDA for the first time.

Incorrect Accounting Methods or Errors in Client Records

We base our fee estimates on the expectation that client accounting records are in order so that our work can be completed using our standard testing and accounting procedures. However, should we find numerous errors, incomplete records, or the application of incorrect accounting methods, we will have to perform additional work to make the corrections and reflect those changes in the financial statements. If, for any reason, the TDA is unable to provide such schedules, information, and assistance, the Firm and the TDA will mutually revise the fee to reflect additional services, if any, required of us to achieve these objectives.

Failure to Prepare for the Engagement

In an effort to minimize your fees, we assign you the responsibility for the preparation of schedules and documents needed for the engagement. We also discuss matters such as availability of your key personnel, deadlines, and work space. If your personnel are unable, for whatever reasons, to provide these items as previously agreed upon, it might substantially increase the work we must do to complete the engagement within the scheduled time.

Starting and Stopping Our Work

If we must withdraw our staff or accommodate the TDA's requested scheduling change because of the condition of the client's records, or the failure to provide agreed upon items within the established timeline for the engagement, we will not be able to perform our work in a timely, efficient manner, as established by our engagement plan. This will result in additional fees, as we must reschedule our personnel and incur additional start-up costs.

Our fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our fees for such services range from $90-$450 per hour.

Non-Solicitation of Employees and Independent Contractors

During the term of this engagement and for a period of eighteen (18) months after the end of this engagement, for whatever reason, you agree that you shall not, directly or indirectly: (i) solicit or attempt to solicit for employment or for engagement as an independent contractor, any of our employees or independent contractors; or (ii) solicit, encourage, or induce, or attempt to solicit, encourage, or induce, any of our employees or independent contractors to leave the employment of Martin Starnes & Associates, CPAs, P.A. or terminate their relationship with Martin Starnes & Associates, CPAs, P.A. For the avoidance of doubt, general advertisements for employment shall not be deemed a violation of this paragraph.

You agree that we invest a large amount of capital and resources to ensure that our employees and independent contractors deliver the highest level of service in our industry. You also agree that the cost of recruiting and hiring qualified individuals to replace our employees or independent contractors would be a lengthy and expensive process. You therefore agree that your violation of the non-solicitation provision above will result in economic damages that are difficult to ascertain and that, in the event of a breach of the non-solicitation provision above, you will pay to Martin Starnes & Associates, CPAs, P.A. a fee equal to One Hundred Percent (100%) of the employee's or independent contractor's annual rate of compensation at the time their relationship with us ends.

You further agree that your breach or threatened breach of the non-solicitation provision above would result in irreparable loss and injury to us. You agree that, in addition to all other remedies provided at law or equity, we shall be entitled to a temporary restraining order and preliminary and permanent injunctive relief in the event of a breach or threatened breach of the non-solicitation provision above, and you hereby waive any requirement that we post any bond in connection with obtaining such restraining order and/or injunctive relief. We shall be entitled to a restraining order and/or injunctive relief without regard to whether we can demonstrate that we have suffered actual damages or economic loss as a result of the breach or threatened breach of the non-solicitation provision.

Termination and Withdrawal

Either party may terminate this Agreement at any time and for any reason. If this Agreement is terminated before services are completed, you agree to pay all fees and expenses we incur through the effective date of termination.

Proprietary Information

You acknowledge that proprietary information, documents, materials, management techniques and other intellectual property are a material source of the services we perform and were developed prior to our association with you. Any new forms, software, documents or intellectual property we develop during this engagement for your use shall belong to us, and you shall have the limited right to use them solely within your business. All reports, templates, manuals, forms, checklists, questionnaires, letters, agreements and other documents which we make available to you are confidential and proprietary to us. Neither you, nor any of your agents, will copy, electronically store, reproduce or make available to anyone other than your personnel, any such documents. This provision will apply to all materials whether in digital, “hard copy” format or other medium.

Conflicts of Interest

If we, in our sole discretion, believe a conflict of interest has arisen affecting our ability to deliver services to you in accordance with either the ethical standards of our firm or the ethical standards of our profession, we may be required to terminate our services without issuing our work product.

Third-Party Service Providers or Subcontractors

We may use third-party service providers, subcontractors, commercially available artificial intelligence, or software tools, some of which may utilize or offer artificial intelligence capabilities (collectively, “external party” or “external parties”), to assist us where necessary to help provide professional services to you or support the needs of our firm. You consent to our use of external parties. Our firm remains responsible for exercising reasonable care in providing our services, and our services and work product will be subjected to our firm's customary quality control procedures.

We may provide your confidential information to external parties in support of our services. You consent to the disclosure of your confidential information to those external parties. We take reasonably prudent business care consistent with our professional standards to prevent the unauthorized release of your confidential information.

In certain circumstances, we may require a separate, written consent from you before your information is transmitted to an external party or parties.

Records Management

We will return any original records and documents you provide to us. Our copies of your records and documents are solely for our documentation purposes and are not a substitute for your own record-keeping obligations under any applicable laws or regulations. You are responsible for maintaining complete and accurate books and records, which may include financial statements, schedules, tax returns and other deliverables provided to you by us. If we provide deliverables or other records to you via an information portal, you must download this information within 60 days. Professional standards may preclude us from being the sole repository of your original data, records, or information.

Workpapers and other items created by us to support the delivery of our services are our property and will remain in our control. We will consider requests for copies of workpapers and other items created by us in accordance with the AICPA Code of Professional Conduct. Our workpapers will be maintained by us in accordance with our firm’s record retention policy and any applicable legal and regulatory requirements.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report. Catastrophic events or physical deterioration may result in damage to or destruction of our firm’s records, causing the records to be unavailable before the expiration of the retention period, as stated in our record retention policy.

Summons or Subpoenas

All information you provide to us in connection with this engagement will be maintained by us on a confidential basis.

If we receive a summons or subpoena which our legal counsel determines requires us to produce documents from this engagement or testify about this engagement, provided that we are not prohibited from doing so by applicable laws or regulations, we agree to inform you of such summons or subpoena as soon as practicable. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate, at your sole expense, to attempt to limit discovery. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request.

If we are not a party to the proceeding in which the information is sought, you agree to reimburse us for our professional time and expenses, as well as the fees and expenses of our legal counsel, incurred in responding to such requests.

Confidentiality

In providing services to you, we may require information that is considered confidential and may include Personally Identifiable Information (PII), i.e. information that can be used to distinguish or trace an individual's identity such as address, bank account and social security information. We will maintain all client information, including PII, on a confidential basis and have a duty to do so based on the standards promulgated by the American Institute of Certified Public Accountants as well as applicable laws and regulations. You assume the risk of loss if you provide us with information, including PII, which differs from the information we request in order to provide services to you in accordance with the Agreement.

Referrals

In the course of providing services to you, you may request referrals to products or professionals such as attorneys, brokers, or investment advisors. As a courtesy, we may identify professional(s) or product(s) for your consideration. However, you are responsible for evaluating, selecting, and retaining any professional or product and determining if the professional or product meets your needs. You agree that we will not oversee the activities of and have no responsibility for the work product of any professional or suitability of any product we refer to you or that you separately retain.

Limitations on Oral and Email Communications

We may discuss with you our views regarding the treatment of certain items or decisions you may encounter. We may also provide you with information in an email. Any advice or information delivered orally or in an email (rather than through a memorandum delivered as an email attachment) will be based upon limited research and a limited discussion and analysis of the underlying facts. Additional research or a more complete review of the facts may affect our analysis and conclusions.

Due to these limitations and the related risks, it may not be appropriate to proceed with a decision solely on the basis of any oral or email communication from us. You accept all responsibility for any liability, including but not limited to additional tax, penalties or interest resulting from your decision (i) not to have us perform the research and analysis necessary to reach a more definitive conclusion and (ii) to instead rely on an oral or email communication. The limitation in this paragraph will not apply to an item of written advice that is a deliverable of a separate engagement. If you wish to engage us to provide formal advice on a matter on which we have communicated orally or by email, we will confirm this service in a separate agreement.

Disclaimer of Legal and Investment Advice

Our services under this Agreement do not constitute investment advice unless specifically engaged in the *Engagement Objective and Scope* section of this Agreement. Our services under this Agreement do not constitute legal advice.

Electronic Data Communication and Storage

In the interest of facilitating our services to you, we may send data over the Internet, temporarily store electronic data via computer software applications hosted remotely on the Internet, or utilize cloud-based storage. Your confidential electronic data may be transmitted or stored using these methods. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and electronic data secure in accordance with our obligations under applicable laws, regulations, and professional standards.

You recognize and accept that we have no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by us. You consent to our use of these electronic devices and applications during this engagement.

Marketing and Educational Communications

If we send you newsletters, updates, explanations of technical developments or similar communications, it is strictly for marketing or general educational purposes and should not be construed as professional advice on which you may rely. These communications, by themselves, do not create a contractual relationship between us and you, a binding obligation for us to provide services to you, nor a requirement on our part to monitor issues for you.

Independent Contractor

When providing services to your company, we will function as an independent contractor and in no event will we or any of our employees be an officer of you, nor will our relationship be that of joint venturers, partners, employer and employee, principal and agent, or any similar relationship giving rise to a fiduciary duty to you.

Our obligations under this Agreement are solely obligations of Martin Starnes & Associates, CPAs, P.A., and no Martin Starnes & Associates, CPAs, P.A. stakeholder shall be subjected to any personal liability whatsoever to you or any person or entity.

Severability

If any portion of this Agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this Agreement.

Survivability

The following sections of this Agreement shall survive termination of the Agreement: Limitation of Liability and Statute of Limitations.

Assignment, No Third-Party Beneficiaries

All parties acknowledge and agree that the obligations and responsibilities of this Agreement cannot be assigned to any third party except as agreed to in writing. This Agreement has been entered into solely between you and Martin Starnes & Associates, CPAs, P.A., and no third-party beneficiaries are created hereby.

Force Majeure

Neither party shall be held liable for any delays resulting from circumstances or causes beyond our reasonable control, including, without limitation, fire or other casualty, act of God, strike or labor dispute, war or other violence, epidemics or pandemics as defined by The Centers for Disease Control and Prevention, or any law, order or requirement of any governmental agency or authority. However, no Force Majeure event shall excuse you of any obligation to pay any outstanding invoice or fee or from any indemnification obligation under this Agreement.

Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature intended to replicate a written signature, shall be presumed valid, and we may reasonably rely upon it. For purposes hereof, "electronic signature" includes, but is not limited to, a scanned copy of a manual signature, an electronic copy of a manual signature affixed to a document, a signature incorporated into a document utilizing touchscreen capabilities, or a digital signature. Documents may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement.

Entire Agreement

This Agreement, including the LGC-205 Contract to Audit Accounts, represents the entire agreement of the parties and supersedes all previous oral, written or other understandings and agreements between the parties. Any modification to the terms of this Agreement must be made in writing and signed by both parties.

Statute of Limitations

You agree that any claim or legal action arising out of or related to this contract and the services provided hereunder shall be commenced no more than one (1) year from the date of delivery of the work product to You or the termination of the services described herein (whichever is earlier), regardless of any statute of limitations prescribing a longer period of time for commencing such a claim under law. This time limitation shall apply regardless of whether Martin Starnes & Associates, CPAs, P.A. performs other or subsequent services for You. A claim is understood to be a demand for money or services, demand for mediation, or the service of suit based on a breach of this contract or the acts or omissions of Martin Starnes & Associates, CPAs, P.A. in performing the services provided herein. This provision shall not apply if enforcement is disallowed by applicable law or professional standards.

Limitation of Liability

You agree that Martin Starnes & Associates, CPAs, P.A.'s liability, if any, arising out of or related to this contract and the services provided hereunder, shall be limited to the amount of the fees paid by You for services rendered under this contract. In no event shall Martin Starnes & Associates, CPAs, P.A. be liable to You or a third party for any indirect, special, consequential, punitive, or exemplary damages, including but not limited to lost profits, loss of revenue, interruption, loss of use, damage to goodwill or reputation, regardless of whether You were advised of the possibility of such damages, regardless of whether such damages were reasonably foreseeable, and regardless of whether such damages arise under a theory of contract, tort, strict liability, or otherwise. The foregoing limitations shall not apply to the extent it is finally, judicially determined that the liability resulted from gross negligence or fraud of Martin Starnes & Associates, CPAs, P.A. or if enforcement of this provision is disallowed by applicable law or professional standards.

Mediation

If a timely dispute arises out of or relates to this Agreement, including the scope of services contained herein, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try to settle the dispute by mediation administered by the American Arbitration Association ("AAA") under the *AAA Accounting and Related Services Arbitration Rules and Mediation Procedures* before resorting to arbitration, litigation, or any other dispute resolution procedure. The mediator will be selected by mutual agreement of the parties. If the parties cannot agree on a mediator, a mediator shall be designated by the AAA. The mediation will be conducted in North Carolina.

The mediation will be treated as a settlement discussion and, therefore, all discussions during the mediation will be confidential. The mediator may not testify for either party in any later proceeding related to the dispute. No recording or transcript shall be made of the mediation proceedings. The costs of any mediation proceedings shall be shared equally by all parties. Any costs of legal representation shall be borne by the hiring party.

This provision shall not apply to any dispute of fees owed, billed or due.

Arbitration Procedures

If a dispute has not been resolved within 90 days after the effective date of the written notice beginning the mediation process (or such longer period, if the parties so agree in writing), the mediation shall terminate and the dispute shall be settled by binding arbitration to be held at a mutually agreeable location. The arbitration shall be conducted in accordance with the CPR Rules for Non-Administered Arbitration that are in effect at the time of the commencement of the arbitration, except to the extent modified by this Dispute Resolution Provision (the rules). The arbitration shall be conducted before a panel of three arbitrators. Each of the TDA and firm shall designate one arbitrator in accordance with the "screened" appointment procedure provided in the Rules, and the two party-designated arbitrators shall jointly select the third in accordance with the Rules. No arbitrator may serve on the panel unless he or she has agreed in writing to enforce the terms of the engagement letter and to abide by the terms of the Rules. Except with respect to the interpretation and enforcement of these arbitration procedures (which shall be governed by the Federal Arbitration Act), the arbitrators shall apply the laws of the state of North Carolina (without giving effect to its choice of law principles) in connection with the dispute. The arbitrators may render a summary disposition relative to all or some of the issues, provided that the responding party has had an adequate opportunity to respond to any such application for such disposition. Any discovery shall be conducted in accordance with the Rules. The result of the arbitration shall be binding on the parties, and judgment on the arbitration award may be entered in any court having jurisdiction.

Costs

Each party shall bear its own costs in both the mediation and the arbitration; however, the parties shall share the fees and expenses of both the mediators and the arbitrators equally.

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

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the basic financial statements, including our respective responsibilities.

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

Respectfully,

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of the Mount Holly Tourism Development Authority by:

Signature: ____

Title: ____

Date: ____

Work Session
Agenda Action Form

Meeting Date	From
March 23, 2026	Economic Development

CONSENT AGENDA Item # 3

Memorandum of Understanding for Storefront Wrap

Will this require a public hearing?

No

Background/Purpose of Request

Economic Developments' goal is to assist in the recruitment of businesses to our core downtown area. One way to assist is through the wrapping of the storefront's windows. It can not only show a QR guide to starting a business but cover the nuances of construction. The attached memorandum of understanding (MoU) is a blanket MoU to help in this endeavor.

Fiscal Impact

Will Item affect current budget?	no
Reviewed by Finance Director?	N/A
Preaudit Certification Required?	no
Capital Project Ordinance Required?	no
Budget Transfer Required?	no
Total City Dollars:	n/a
Budget Code:	n/a
Reviewed by City Attorney?	n/a

Manager/Staff Recommendation

Staff recommends approval of the Memorandum of Understanding.

Attachments

1. MoU

MEMORANDUM OF UNDERSTANDING

Storefront Window Activation & Leasing Support

City of Mount Holly, North Carolina

This Memorandum of Understanding ("MOU") is entered into on the ___ day of __________, 2026, between:

Property Owner:

____

Address: __________________________________

and

City of Mount Holly
400 East Central Avenue
Mount Holly, NC 28120

Purpose

The intent of this agreement is to establish a cooperative effort between the Property Owner and the City of Mount Holly to temporarily activate the storefront located at:

____

This effort includes the installation of a temporary window wrap that promotes the availability of the space and supports broader efforts to attract a suitable retail or commercial tenant.

Window Wrap Installation

The City will coordinate the design and installation of a promotional window wrap on the storefront windows. The wrap will be intended to improve the appearance of the space while advertising the property for lease.

During the term of this agreement, the City will periodically check the condition of the wrap and will repair or remove it if it becomes damaged, faded, or otherwise visually deteriorated.

The Property Owner agrees to allow installation of the wrap and provide reasonable access to the storefront windows so the wrap can be installed and maintained. The Property Owner will also notify the City if any damage or issues arise that require attention.

Tenant Recruitment

The City may assist in promoting the availability of the space through its economic development outreach and business recruitment activities. This may include sharing information about the space with prospective businesses and directing interested parties to available local business resources.

While the City will assist in marketing the space, the Property Owner understands that the City cannot guarantee tenant placement, lease execution, or the financial performance of the property.

Term of Agreement

This agreement will remain in effect for a period of ____ months from the date it is signed. The agreement may end earlier if a lease is executed for the property or if either party chooses to terminate the agreement with thirty (30) days written notice.

If the agreement is terminated, the City will remove the window wrap unless both parties agree otherwise.

Financial Responsibilities

This MOU does not create any financial obligation for either party. No incentives, subsidies, or guarantees are implied unless separately agreed to in writing.

Liability

The City's role under this agreement is limited to promotional support and coordination of the storefront wrap. The City is not responsible for structural issues, property conditions, or any liabilities related to future tenants or operations within the space.

Entire Agreement

This document reflects the full understanding between the parties regarding the temporary storefront activation and marketing support described above.
Property Owner

Signature: ________________________________

Printed Name: _____________________________

Date: ____________________

City of Mount Holly

Signature: ________________________________

Printed Name: _____________________________

Title: ___________________________________

Date: ____________________

Work Session
Agenda Action Form

Meeting Date	From
March 23, 2026	Brian DuPont, Assistant City Manager City Management

CONSENT AGENDA Item # 4

Removal of Councilman Meadows as the Gaston-Cleveland-Lincoln Metropolitan Planning Organization Board Alternate

Will this require a public hearing?

Background/Purpose of Request

Fiscal Impact

Will Item affect current budget?
Reviewed by Finance Director?
Preaudit Certification Required?
Capital Project Ordinance Required?
Budget Transfer Required?
Total City Dollars:
Budget Code:
Reviewed by City Attorney?

Manager/Staff Recommendation

Attachments

None

CITY OF MOUNT HOLLY

CITY COUNCIL RETREAT MEETING MINUTES

FRIDAY, FEBRUARY 27, 2026

COUNCIL CHAMBERS

9:30 AM

CALL TO ORDER

Mayor Moore called the meeting to order at 9:30 am. The following were present:

Mayor David Moore	Jonathan Blanton, City Manager
Mayor Pro Tem Phyllis Harris	Brian DuPont, Assistant City Manager
Councilman Ivory Craig	Alexis Hines, Human Resources Director
Councilman Jeff Meadows	Brian Reagan, Police Chief
Councilman William T. Brooks	Greg Beal, Planning Director
Councilwoman Lauren Shoemaker	Ryan Baker, Fire Chief
Councilman Kenneth Reeves	Robert Stewart, Deputy Utilities Director
Marie M. Anders, City Attorney	Eric Smallwood, Parks and Recreation Director
Tara Douglas, City Clerk	Becky Conder, Interim Finance Director
Shelly Stewart, Deputy City Clerk	Matt Black, Economic Development Director
	Jason Green, Public Works Director
	Ken Kennedy, IT Director

INVOCATION

Charles McCorkle, former Council member, led the Council, Staff, and attendees in prayer.

SET THE AGENDA

Mr. Blanton requested that a Memorandum of Understanding between Kay Jackson Living Legacy Award (KJLLA) and the City of Mount Holly be added to the Consent Agenda.

Mayor Moore entertained a motion to set the agenda as amended.

Motion: Mayor Pro Tem Harris made a motion to approve the agenda with the proposed addition. Councilman Craig seconded the motion.

All Council members present and voting, voted in favor 6-0. (Motion Carried)

CONSENT AGENDA

1. Assistance to Firefighters Grant Application.

2. Memorandum of Understanding between the City of Mount Holly and Kay Jackson Living Legacy Award (KJLLA).

Mayor Moore entertained a motion to approve the Consent Agenda as amended.

Motion: Councilman Reeves made a motion to approve the Consent Agenda with the proposed changes. Councilman Brooks seconded the motion.

All Council members present and voting, voted in favor 6-0. (Motion Carried)

Mayor Moore introduced Reeves McGlohon as the facilitator for this retreat. Mr. McGlohon requested that the Council create the ground rules for today's retreat.

Ground Rules:

1. Respect others when talking
2. Full Participation
3. Respect Time Schedule
4. Respectful to Staff

Mr. McGlohon reviewed how the Parking Lot item list works and stated that anything outside of what is listed on the agenda would be placed on the Parking Lot item list.

PRESENTATIONS

9:40 AM – 10:00 AM: Overview and Recap of 2025 Retreat, Successes, Progress, and Updates.
Presented by: Jonathan Blanton

Mr. Blanton introduced the staff and reviewed the progress/highlights from the previous year.

10:00 AM - 10:30 AM: Recreation Discussion Regarding New Facilities and Programming Options *Presented by: Eric Smallwood*

Mr. Smallwood recapped the previous year and provided an update of the Parks and Recreations Department's new programs and plans for the coming year. Mr. Smallwood stated his department is divided into three sections: facilities, programs, and events. Mr. Smallwood listed the new facilities that came online in 2025. Mr. Smallwood stated Dutchman's Creek was designated as a Blueway. Mr. Smallwood stated Ransom Hunter Park has had a big impact on the community and has been highlighted in publications. Mr. Smallwood stated the Dutchman's Creek Bridge and Greenway Extension will move forward on March 8, 2026 after some weather-related delays and will be finished this year. Mr. Smallwood stated the department has partnered with Catawba Heights Elementary and Pinewood Elementary to take over the maintenance and use of their ballfields. Mr. Smallwood stated the department has taken on mowing at Catawba, Woodlawn and Veterans Parks. Mr. Smallwood stated there were improvements to the parking, fencing, and basketball goals in Woodlawn Park with more updates planned for this year. Mr. Smallwood stated two professional gravity trails were built at Mountain Island Park and will be open soon.

Councilman Meadows asked Mr. Smallwood to clarify what a gravity trail is. Mr. Smallwood stated these are trails where gravity does a lot of the work for you. Mr. Smallwood stated these trails are downhill with easy way back up to the top of the trail. Mr. Smallwood stated Bruce with the Tarheel Trailblazers built these trails.

Mr. Smallwood stated there is a new maintenance lot at Tuckaseegee Park due to the Waste Water Treatment Plant decommissioning. Mr. Smallwood stated Tuckaseegee Park received ball field updates, which Stuart Cramer High School uses while their fields are under construction. Mr. Smallwood stated that A&E has helped with various park projects. Mr. Smallwood stated the Mount Holly Athletics Association donated athletic equipment. Mr. Smallwood stated that Boy and Girl Scouts groups have helped with park projects as well. Mr. Smallwood stated there will be new facilities coming in the 2026-2027 year. Mr. Smallwood stated the Sandy Ford River Access and Dutchman's Creek Greenway Northern Terminus will be coming on this year to have connecting river access points. Mr. Smallwood stated there will be more trails coming to Mountain Island Park. Mr. Smallwood stated there have been disc golf course discussions for the east side of Mountain Island Park. Mr. Smallwood stated there will be opportunities at the old Waste Water Treatment Plant site.

Mr. Smallwood highlighted a few of the new programs from this past year. Mr. Smallwood stated the Summer Soccer Camp has been divided into two camps due to popularity. Mr. Smallwood stated the Homeschool Free Play program is at capacity and has recently started its second semester. Mr. Smallwood stated the school break camps are popular, too. Mr. Smallwood stated the staff has created new policies as the programs evolve. Mr. Smallwood stated the Cultural Programs were added for people who need activities in the middle of the day.

Mayor Moore asked Mr. Smallwood to discuss after-school activities at the old gym. Mr. Smallwood stated that there is free play from 2-6 pm every weekday with approximately 100 kids in attendance. Mr. Smallwood stated that staff is needed to cover the free play activities. Mr. Smallwood stated that staff is adding clubs to the afterschool program to help kids do more than just basketball or homework. Councilwoman Shoemaker asked if this is free? Mr. Smallwood stated yes, it is free just like free play at the Tuckaseegee gym. Mayor Moore asked if the students have to do their homework while they are there? Mr. Smallwood stated yes. Mayor Pro-Tem Harris asked if they have to read? Mr. Smallwood stated no, but there are incentives for the students to read. Mr. Smallwood stated they have made spaces for different activities for the kids to enjoy. Councilman Reeves stated he will often ride by and see the kids playing outside and having fun with the program.

Mr. Smallwood stated they have enhanced the Senior Citizen programming with monthly and weekly programs and will be doing field trips in the warmer months. Mr. Smallwood stated there are about 60-80 seniors in attendance some days. Mr. Smallwood stated staff wants to lean into fitness programs this year. Mr. Smallwood listed new special events this past year and stated that Chloe Clary will be going into detail in a later presentation.

Councilman Reeves asked if the City received any grant funds for the new Blueway? Mr. Smallwood stated that the Blueway is just a designation, but it opens the City up to grant opportunities.

Councilman Brooks asked if there is an update on the A&E road for an additional access point to Tuckaseegee Park. Mr. Blanton stated that there have been ongoing conversations for the past 2 years with A&E about this, and the answer was that they are not interested in a permanent designation of the road. Mr. Blanton stated that there is a meeting scheduled for next week to get an update.

Councilwoman Shoemaker asked if Mr. Smallwood could give examples of fitness programs they are interested in doing. Mr. Smallwood stated the programs would be bootcamp, silver bootcamp, introduction to pickleball, group walks and hikes.

Councilwoman Shoemaker asked if he could elaborate on the Sandy Ford terminus location and when will it be open. Mr. Smallwood stated it is where Sandy Ford Creek and Dutchman's Creek intersects. Councilwoman Shoemaker asked if there is parking at that location. Mr. Smallwood stated there is enough space for parking, and staff is looking at what is feasible for parking. Mr. Smallwood stated the anticipated opening should be next summer.

Councilman Meadows inquired if staff has explored another site to access Tuckaseegee Park since A&E is not interested in giving the City the 2nd access point. Mr. Blanton stated that he and Mr. DuPont have had discussions on this and will be including Mr. Smallwood.

Councilman Brooks asked if the Woodlawn Park improvements included cameras. Mr. Smallwood confirmed that there were cameras included in the Woodlawn Park improvements. Councilman Brooks asked about cameras in Ransom Hunter Park. Mr. Smallwood stated that he is in discussion with staff to have cameras installed in Ransom Hunter Park.

Councilman Reeves requested continued discussion regarding the kids in the sports programs. Mr. Smallwood stated they have over 900 kids signed up, which is the most they have ever had. Mr. Smallwood stated the 15 and older age group has 5 teams. Mr. Smallwood stated they are partnering with Belmont because they only have one team. Mr. Smallwood stated this is a testament to our staff, the City's growth, advertising and communication, and our facilities.

Mayor Moore requested an update on the old gym. Mr. Smallwood stated he is looking at a few projects: painting, new floors, and a possible new roof . Mr. Smallwood stated that projects are being priced to include into the upcoming draft budget. Councilman Brooks asked about a timeline for these projects. Mr. Smallwood stated that these projects are subject to Council's approval. Councilman Craig asked when the two buildings between the gym and auditorium are set to be demolished. Mayor Moore stated that there needs to be asbestos removal, and then they can be demolished. Mayor Moore stated there is no timeline for this. Mr. Blanton stated that for over 2 years the City has had contact with Gaston County Schools about plans for those buildings. Mr. Blanton stated that members of the General Assembly met at the old gym. Mr. Blanton stated that he was told this project will be discussed at a future Gaston County School Board meeting. Mr. Blanton stated the most recent update is that the Gaston County School Board is still discussing the matter and noted that there are issues with financing. Mr. Blanton stated that it will be on a future Gaston County School Board retreat agenda.

10:30 AM-11:00AM: Compensation and Pay Philosophy Progress and Employee Benefits

Presented by: Jonathan Blanton

Mr. Blanton stated that staff initiated a pay study completed by Baker Tilley. Mr. Blanton stated the draft study was accepted by Council to go into the 2026 budget. Mr. Blanton stated there were several initiatives implanted from the study. Mr. Blanton stated all positions are at or above the pay in neighboring markets, the City's starting pay was brought up to $18.33 per hour, a revised pay plan was created to align with the market, addressed compression in some departments, and retirees were moved to a cost-saving health plan.

Councilman Reeves stated he has concerns about losing staff and the cost to redevelopment staff when someone new comes in and has to catch up with everyone. Councilman Brooks inquired about where the City rated amongst other local cities. Mr. Blanton stated that the City of Mount Holly rated at or above all 10 neighboring markets used in the Baker Tilley study at the time of adopting the new pay plan. Mr. Blanton stated that at the time of the study the City of Mount Holly was the market leader. Councilman Meadows inquired about retention programs, benefits education, and any additional trainings or bonuses to secure a higher employee retention. Mr. Blanton stated that in regard to retention, the Police Department utilizes signing bonuses, and staff is looking into this for the Fire Department as well. Mr. Blanton stated that a Human Resources Coordinator position was added to increase the opportunities for employee questions and benefit education during orientation and throughout their employment.

Councilman Meadows noted retention challenges in the Streets and Solid Waste Department and would like staff to explore opportunities for retention. Councilman Meadows inquired about giving the Utility Director additional retention tools similar to the Police Department and Fire Department. Mr. Blanton stated the Police Department and the Fire Department do not have special tools to retain employees. Mr. Blanton stated that we review all offers brought to employees from another agency the same. Councilman Meadows requested that staff create a Human Resources policy for ongoing education regarding benefits programming for employees. Mayor Moore stated that all departments are important, but Streets and Solid Waste needs more additional focus regarding retention challenges. Councilman Craig stated that, unfortunately, people leave, and the Council should continue having the conversation of retention at least every year to review what is being done.

Mr. Blanton stated that staff is looking at the City's insurance program. Mr. Blanton stated it is expensive to operate an insurance system. Mr. Blanton stated he has met with professionals in the insurance field for insight as insurance is one of the City's biggest expenses. Mr. Blanton stated the plan cost has gone up, so he is looking at other options and meeting with other industry experts as the City's plan is coming up for renewal. Mr. Blanton stated that they are evaluating total claims and costs, and he is optimistic about the options that he will bring during the budget season. Mr. Blanton stated he is looking for direction from the Council for him to continue looking into this.

Councilman Meadows inquired about the City's access to the given data we have being self-insured as if we were under a fully insured plan. Mr. Blanton confirmed that the City would have access to the data. Councilman Meadows inquired about the City's level of control being fully insured versus being self-insured. Mr. Blanton stated he has received mixed information from brokers regarding the level of control, but that the City will not lose data that we already have to use for evaluations.

Councilwoman Shoemaker stated that it is not clear which is truly best because we do not know what would have happened if we went the other way. Councilwoman Shoemaker stated that it is really expensive and complex. Councilwoman Shoemaker stated it is hard to know if it was a good idea after only 2 years into it, so she would like to see the City continue.

Mr. Blanton stated he will continue to work with different brokers and experts to bring more information back to Council.

ACTION: The Council gave consensus for Mr. Blanton to continue evaluating and bring back recommendations.

11:00 AM - 11:15 AM: 2025 Year in Review and Updates from Public Works Department

Presented by: Jason Green

Mr. Green stated the Public Works Department did not previously have a lot of data, but this past year he has worked with our GIS Department to bring back some numbers for this update. Mr. Green highlighted the goals obtained by the Buildings and Grounds division. Mr. Green stated the Streets and Solid Waste team has 6,800 customers they take care of each week. Mr. Green stated that every day the garbage trucks are taken to the dump to be emptied, refueled, and cleaned. Mr. Green stated the same employees are then going out and mowing around 140 spaces on City properties. Mr. Green stated keeping sanitation in-house allowed him to use these employees for mowing, leaf collection, and other City needs.

Mr. Green stated they currently have 2 mechanic technicians and will soon have a full-time mechanic. Mr. Green stated large diesel trucks, like the garbage trucks, need specific mechanical work so he is adding the price of 5 years of maintenance service to the purchase price of new trucks to pay for the service up front so the full-time mechanic can focus on other fleet cars. Mr. Green stated that the department had paid over $100,000 in maintenance costs previously.

Mr. Green stated the utilities department is now in several divisions. Mr. Green stated he has been working with Beth Ann Winebarger to identify continuous problem areas to be able to come back with real data for Council to approve new water lines or other repairs. Mr. Green stated that over 3,000-meter issues were identified last year. Mr. Green provided the Water Treatment Plant data from last year. Mr. Green stated the Waste Water Treatment Plant decommissioning is still ongoing. Mr. Green stated the stormwater specialist received 81 complaints total, with 38 of those eligible for repair. Mr. Green stated our MS4 permitting evaluations and inspections are ongoing. Mr. Green stated he is working on getting the stormwater system mapped. Mr. Green stated the Project Management team is now two people. Mr. Green listed some of the projects that were handled last year. Mr. Green stated the total was over $29 million worth of projects last year.

Mr. Green discussed the growth in the City and the Public Works Department capacity. Mr. Green stated he has a model formula to plug in proposed development data to see if we are going to have the capacity to keep adding on new residents.

Mayor Moore stated that even though the wetland project is finished, there are residents concerned about the fencing and children playing around there. Councilman Craig agreed that the area around Ida Rankin School is a concern. Mr. Green stated he can look into adding fencing there

Councilman Reeves thanked Mr. Green for helping with keeping costs down for residents.

Mayor Pro-Tem Harris thanked Mr. Green for his work and availability for questions. Councilwoman Shoemaker stated she appreciates the change in management style and the increased quality of the updates. Mr. Green stated the department has been implementing an app created by GIS Technician II Beth Ann Winebarger allowing workers to take photos before, during, and after jobs to increase data.

Mayor Moore stated that landscaping around the City is important and suggested a dedicated landscaping team for the future.

11:15 AM - 11:30 AM: Overview and Update on Public Arts Initiatives

Presented by: Paul Lowe

Mr. Lowe described the background on the PAAC and membership. Mr. Lowe discussed the goals that have been achieved from the strategic plan. Mr. Lowe listed the PAAC's completed projects since 2021 and the projects that were funded for Fiscal Year 2025-2026. Mr. Lowe showed photos of completed projects around the City. Mr. Lowe listed the current projects that are ongoing this year with their projected completion dates. Mr. Lowe stated that future projects will be discussed at the upcoming PAAC retreat, but they have discussed the Summey building installation, the development of a public art plan for future direction of art plans, and they are researching a Danish artist who creates popular giant Troll Art entirely out of wood.

Councilman Brooks asked if the Troll Art would be purchased by the City. Mr. Lowe stated they would seek additional funding. Councilwoman Shoemaker stated this would be a big tourist attraction. Councilman Meadows stated the TDA could be a funding source for the Troll Art. Councilman Reeves stated there is a study that states for every $1 spent on art about $3 goes back into the economy. Councilman Reeves stated this could be justification for spending money on the Troll Art.

Councilman Meadows inquired about the current and future budget for the arts programs. Mr. Blanton stated that last year around $70-75,000 was spent on art so staff is using that range to continue planning. Councilwoman Shoemaker asked if the PAAC is targeting exact projects for the City to fund or just using a range and finding projects that fit into the budget. Mr. Lowe stated that in the past it would be staff driven to price out each project to go into a budget request. Mr. Lowe stated that now PAAC wants to be more involved in the budget process. Mr. Lowe stated that moving forward it will be a shared effort between PAAC and staff. Mr. Beal stated the budget has gone up each year and now they are not just trying to find projects to do but have future ideas.

11:45 AM - 12:00 PM: 2025 Year in Review and Updates from the Police Department

Presented by: Chief Brian Reagan

Chief Reagan showed some photos from their community events and of their new equipment this year. Chief Reagan stated the Police Department is currently fully staffed and leading the way in pay for the local market. Chief Reagan stated crimes have gone down about 30% over the past two years. Chief Reagan stated our department is over the national closing rate. Chief Reagan stated the department averages about 1 arrest per day with 350 arrests through the year. Chief Reagan stated their Community Outreach projects are growing every year. Chief Reagan stated the Senior Check program has grown and they were able to give participants a gift over the holidays with plans to expand their efforts to the Sole Patrol. Chief Reagan stated that some of the new projects include 9 new FLOCK cameras which brings the City to 14 total.

Councilman Brooks asked Chief Reagan to discuss the FLOCK camera that assisted in the apprehension of a criminal in Riverfront neighborhood. Chief Reagan stated that a week after a FLOCK camera was placed at the Riverfront neighborhood entrance it flagged a criminal charged with violent crimes, warrants and drugs in the car. Chief Reagan stated they were arrested before anything could happen. Chief Reagan stated the residents of Riverfront had concerns at first about the FLOCK cameras, but he and Deputy Sisk met with them and explained it helps with the more major crimes.

Councilman Meadows asked Chief Reagan to explain how cell data and the tag readers work together. Chief Reagan stated as soon as a tag with warrants is read by the camera, an app on officers' phones notifies them of the location of the reader so officers can locate the vehicle as it is moving through the City. Chief Reagan stated that these cameras are looking for people with major or violent crimes, not dead tags or minor issues. Chief Reagan confirmed that the FLOCK cameras are common in municipalities everywhere and we are able to work together with other agencies with FLOCK cameras to catch criminals.

Chief Reagan stated the drone program has led to 8 arrests. Chief Reagan stated there are 2 officers on every shift who are certified drone pilots. Chief Reagan stated that Lieutenant Kale can train others for drone piloting. Chief Reagan discussed the new upcoming projects. Chief Reagan stated the gun range should be ready in the Spring. Chief Reagan handed out drawings of designs for the new communications center to the Council. Chief Reagan stated that the center will go from 2 consoles to 4 consoles. Chief Reagan stated we are the only agency besides the County that has a communications center, which has a direct correlation to officer response times. Chief Reagan stated the new FTO program is a more standardized way to observe field officers. Chief Reagan stated that officers receive 2 questions on current policies when they log into their computers every shift to keep them up to date.

Councilman Brooks stated as a lifelong resident of Mount Holly, he has seen crime decrease and thanked the Police Department. Councilman Craig stated that he wanted to emphasize our staffing noting at his recent ethics training the City of Mount Holly Police Department was the only fully staffed representation. Chief Reagan stated the last several hires have an 11.4-year service average.

Mr. McGlohon stated he is involved with the Police Foundation, and they make it easy to raise money for them. Mayor Moore asked if the shooting range will be exclusive to Mount Holly or will other agencies have access? Chief Reagan stated it will start with just Mount Holly officers but will slowly allow other agencies access while trying to be mindful of noise for residents nearby. Chief Reagan stated this will be better for training and practicing since there are only 2 facilities available in the County now.

12:00 break for lunch

12:00 PM - 12:15 PM: 2025 Year in Review and Updates from the Fire Department

Presented by: Ryan Baker

Chief Baker discussed the Fire Department's vision statement, mission statement, and employee promotions and additions. Chief Baker discussed their Community Outreach programs and how many residents they are able to reach. Chief Baker stated there is a new program for the Fire Marshal where he can make updates on plans electronically which can speed up inspection and permitting times. Chief Baker stated the total calls from 2025 was 2,358 with a wide range of actions needed. Chief Baker listed the types of fires and rescues in 2025, highlighting that the number of water rescue calls is continuing to go up as more people are on the water. Chief Baker stated that last year they had increased training hours and many certifications completed by staff. Chief Baker described and showed photos of the new apparatus and equipment for last year including 2 new engines, a tiller ladder truck, and a drone. Chief Baker stated that from July to December of 2025 there were 68 hours of flight, 326 flights, and 198 miles on the drone. Chief Baker highlighted outstanding staff: one person from each shift won Fire Fighter of the year and the person with the top training hours from each shift. Chief Baker stated the City was awarded the prestigious ISO 1 rating that will go in effect on March 6, 2026. Chief Baker stated this was earned by emergency communications, fire department coverages, and the water supply system. Chief Baker stated this rating can lower resident and business insurance premiums, supports economic development growth as companies could chose our sites because of lower insurance, and shows the City's investment in fire services. Chief Baker stated he has ordered a new engine to replace a 2014 truck, but it will not arrive for 3 years. Chief Baker stated that to improve or maintain the ISO 1 rating the Fire Department could use a training facility, staffing an engine company out of the main station, and the Police Department dispatching Fire Department calls to improve response time. Councilman Brooks suggested looking at implementing these improvements as soon as possible.

12:15 PM - 12:30 PM: Finance Update and Upcoming Budget Priorities

Presented by: Jonathan Blanton

Mr. Blanton thanked interim Finance Director Becky Condor and General Ledger Accountant Katie Holland for their work in the absence of a Finance Director. Mr. Blanton announced that Ashley Whestine has been hired as the new Finance Director and will be joining the City on March 23, 2026 from Cleveland County. Mr. Blanton stated that a formal announcement will be made next week. Mr. Blanton stated that the Finance Department received the GFOA Distinguished Budget Award 2 years in a row. Mr. Blanton stated that last year the City implemented banking remote deposit, the audit was submitted and approved, grants were closed out and received, and progress was made on capital improvement projects. Mr. Blanton discussed the statistics of what the Finance Department takes care of and the number of transactions last year. Mr. Blanton highlighted budget priorities and noted that the City is in a strong financial position. Mr. Blanton stated the next year's budget will be conservative as well to finish up more capital improvement projects. Mr. Blanton stated the budget schedule will be released in a few days.

Councilman Meadows requested that the new finance director do an analysis of the City's debt and refinancing opportunities.

12:30 PM - 12:45 PM: Economic Development Update

Presented by: Matt Black

Mr. Black states that economic development is about strengthening place and resistance, creating and keeping quality jobs, and growing the tax bases sustainably. Mr. Black discussed the City's demographic data as Mount Holly by the numbers. Mr. Black stated there is an average of 1% growth per year with 310 brick and mortar businesses in the City. Mr. Black stated his initiatives over the year included a new website, property availability tracking, promotional videos, and quarterly business outreach events. Mr. Black stated the last outreach event had about 50 people, and the next event will be at Muddy River Distillery. Mr. Black showed an example of how he tracks Requests For Information and stated there were about 95 total requests from the last year. Mr. Black provided numbers on the overall commercial investment through 2025. Mr. Black showcased DiscoverMountHolly.com and the business directory. Mr. Black discussed the social media statistics for the economic development videos. Mr. Black stated that other initiatives include brick and mortar business promotions, especially during downtown events, enticing infill development, and creating a list of local regional developers.

Councilman Reeves thanked Mr. Black for the business outreach meetings noting that he has heard a lot of positive feedback on these events. Mr. Black stated that the people coming to these events also include businesses from Charlotte looking to invest in Mount Holly.

12:45 PM - 1:00 PM: Mount Holly History Museum Update

Presented by: Brian DuPont

Mr. DuPont shared photos of the November 2025 ribbon cutting of the new Mount Holly Museum location. Mr. DuPont stated that since opening this new location the Mount Holly Museum has been open 77 days out of 110. Mr. DuPont noted that there were 694 visitors during this time with an average of 15.6 people visiting per week. Mr. DuPont highlighted the Mount Holly Museum Virtual Tour project initiated by the Office of the Clerk. Mr. DuPont stated that the Office of the Clerk has collaborated with our friends at the Mount Holly Historical Society to complete this virtual tour of the new Mount Holly Museum. Mr. DuPont stated that this virtual tour will be posted on the City's website. Mr. DuPont stated that the upcoming projects for the museum include QR code tours, IT upgrades next fiscal year, marketing the museum with Garland and Burke, expanding hours, and tours for groups or schools. Mr. DuPont stated staff will get feedback from the Mount Holly Historical Society prior to their scheduled presentation at the upcoming March 9, 2026 City Council meeting.

Councilman Brooks suggested that the QR codes be on signage downtown to show more of the City's history. Councilwoman Shoemaker stated that is a great parking lot item.

Mayor Pro-Tem Harris reported that she has additional information as the liaison for the Mount Holly Historical Society. Mayor Pro-Tem Harris stated that the museum is now closing on Saturday due to lack of visitors. Mayor Pro-Tem Harris suggested hiring a full or part-time staff member for the museum to help coordinate tours and has a knowledge of the items.

Councilman Meadows stated he would like to have permanent historical displays in the Grand Hall, QR codes and staffing considered during the budget season for the Mount Holly Museum.

Mayor Moore stated that the Historical Society has some momentum with some upcoming events and that will hopefully help promote the space. Councilman Craig stated that he likes the proposed new hire and asked Mayor Pro-Tem Harris about suggested hours for a potential employee. Mayor Pro-Tem Harris stated that no suggested hours have been discussed, only the need to have someone there who will work with the Mount Holly Historical Society board.

Mayor Moore asked staff to continue the conversation of need with the Mount Holly Historical Society. Councilman Meadows suggested that the City consider options that would cover both art and history. Mayor Pro-Tem Harris stated this is a parking lot item to discuss during the budget season.

Mr. Blanton stated that he will compile this direction along with any needs presented to the Council for a presentation during the upcoming budget season.

North Carolina State Senator Brad Overcash was introduced and gave a quick word of thanks to the City Council for their work.

1:00 PM - 1:15 PM: Planning Update and Review of the City's Cost Benefit Analysis

Presented by: Greg Beal

Mr. Beal stated that the Planning Department worked to improve processes and training employees up so that their knowledge is passed along to others. Mr. Beal stated that Planner II Brandon Livingston has taken over the TRC, Planner I Josh Blackwell is the Watershed Administrator, and GIS Technician II Beth Ann Winebarger has been expanding the GIS program to other departments within the City. Mr. Beal stated that his goal is to improve efficiency and update the Subdivision and Land Development Ordinance this year. Mr. Beal stated that he is looking to get a mapping cabinet to house hard copies of their maps. Mr. Beal provided a project overview for the coming year. Mr. Beal gave an annexations overview showing the 7 ongoing annexations with the current status of each. Mr. Beal stated it takes about 14-15 months to go through the whole process and TRC review to get annexed. Mr. Beal stated the Holly Heights annexation will be coming to Council on March 9, 2026 as it has been to the Planning Commission.

Mr. Beal stated the purpose of the cost benefit analysis is to try to capture the revenue coming in from the developments. Mr. Beal stated the plan works to analyze tax values of comparable homes for the purposed development and then send the plans to other departments to see what their cost is to serve that development. Mr. Beal stated this is so we can know what the City's cost will be since developers do not pay for these services, and if the City will be in a deficit from the development in order to maintain the same level of service to this development.

Councilman Meadows asked if the formulas that they run are static or include escalators. Mr. Beal stated that it can do both. Councilman Meadows stated staff should look at long term debt service to keep bad developments out that may not be seen with a static formula. Mr. Beal stated that Raftelis helped with a new version of the model that was used on Holly Heights to keep estimates conservative.

Mayor Pro-Tem Harris requested an update on the Springs Property. Mr. Beal stated in 2015 a plan was submitted, in 2017 it came to Council, but the developer had added more lots and roads. Mr. Beal stated the City Attorney said the developer had to withdraw and redo the plans. Mr. Beal stated in 2021, they brought a plan and went through many more reviews than average for a development. Mr. Beal stated the developer was not meeting the requirements and withdrew plans in fall 2025.

2:05 Congressman Tim Moore was introduced and briefly spoke to the Council and staff.

1:45 PM - 2:00 PM: ABC Fund Balance Update / Update on the Tourism Development Authority *Presented by: Eric Smallwood*

Mr. Smallwood stated he will be presenting the ABC Fund and the TDA updates together. Mr. Smallwood stated that he spent last year learning about the ABC Fund, why the policy was made, and how to move forward with the funds. Mr. Smallwood stated that the current balance of ABC fund as of the end of January 2026 is over $2.8 million. Mr. Smallwood stated that staff has talked about what to do with this fund and would like to put together a Capital Improvement Project to show how they plan to spend the money. Mr. Smallwood stated the spirit of the fund is to improve and develop parks. Mr. Smallwood stated that there is enough data to put together a Capital Improvement Project. Mr. Smallwood stated some projects that could fall into this are the Sandy Ford River Access/Dutchman's Creek Terminus, or Mountain Island Park mountain bike trail build out which would make Mount Holly a trail-based destination. Mr. Smallwood stated the funds could be used for feasibility studies, or design and engineering for new facility planning. Mr. Smallwood stated that it could also be used to rehabilitate existing facilities.

Mr. Smallwood provided a TDA update. Mr. Smallwood stated that he has been working with the TDA for a few months to understand how we can work together. Mr. Smallwood stated that he would like to understand where we are duplicating services and how best to project an aligned message. Mr. Smallwood stated staff is working on a guiding document plan to see where staff and the TDA can work together. Mr. Smallwood stated City staff is leading the effort with TDA buy in. Mr. Smallwood stated an RFP will be coming soon to have a third party create a guiding document plan.

Councilman Meadows suggested getting sponsorship partners for projects like the disc golf course or bike trails. Mr. Smallwood stated this could be included with planning.

Councilman Brooks inquired about a plan for bars and restaurants to buy from our ABC store to assist with the fund balance. Mayor Moore stated this is a parking lot item. Mayor Pro-Tem Harris stated that she plans to survey the local restaurants on the topic. Councilman Craig stated that the law changed within last year, and businesses can go outside of their municipality to purchase alcohol. Councilman Craig stated that the ABC store management should bring in more of a variety to get more business.

Councilman Meadows inquired about the Rowing Club needs and the Waste Water Treatment Plant decommissioning site plan. Mr. Smallwood stated that the City cannot facilitate what the Rowing Club is needing at this time as they are wanting a larger scale facility than what the City can provide.

Councilman Meadows requested that staff look into a site planner and feasibility options for the use of the Waste Water Treatment Plant decommissioning site.

Councilman Meadows stated that he would like to know where the funds for the Municipal Complex will go once the debt service is complete in a few payments.

2:15 PM - 2:30 PM: Special Events Preview and Upcoming 2026 Events

Presented by: Chloe Clary

Ms. Clary gave an update on the upcoming events that are planned noting that the toddler egg will be in a few weeks. Ms. Clary recognized the great outreach every year from the Police and Fire Departments. Ms. Clary stated the Chalk the Walk event is coming in April and was a new event last year. Ms. Clary stated Garland and Burks are doing a great job promoting the events. Ms. Clary stated the Springfest series will be starting earlier this year with the RiverHawk Races and the addition of Community Play Day – a revitalization of KidsFest. Ms. Clary stated then the Senior Dinner, with Caromont as a sponsor, and the Community Awards dinner will be held in the Grand Hall. Ms. Clary stated that awards nominations are open online. Ms. Clary stated that she is pulling a Mount Holly Nights concert up to be part of SpringFest series this year before the PACE festival. Ms. Clary stated the vision has been revamped to be more of an experience rather than just a festival. Ms. Clary went over the Mount Holly Nights performers line up. Ms. Clary stated that the successful Christmas in July will be returning. Ms. Clary stated that the Pumpkin Piddle Paddle has increased in participation since last year and will be starting and ending earlier this year. Ms. Clary gave an overview of the Yule Love Mount Holly events later in the year with a similar schedule as last year. The Mayor and Council thanked Ms. Clary for her dedicated work.

2:30 PM - 3:00 PM: Legislative Goals and Lobbying Priorities for 2026

Presented by: Brian DuPont

Mr. DuPont stated the NC Legislative short session is starting in 2026. Mr. DuPont stated the City’s policy goals are lobbying against the down-zoning legislation. Mr. DuPont stated the City’s budget goals include project specific funding, grant opportunities and support. Mr. DuPont stated staff is planning to have Legislative Day in the spring or summer.

<u>ADJOURN</u>

<u>Motion:</u> Mayor Pro-Tem Harris made a motion to adjourn the February 27th, 2026 City Council Retreat at 2:45 PM. Councilman Brooks seconded the motion.

All Councilmembers present and voting, voted in favor (6-0).

The meeting was adjourned at 2:45 PM.

PARKING LOT

1. Create a policy for ongoing education about benefits programming with Human Resources to keep employees educated so that we can retain employees.
2. Bring recommendations for moving forward with self-insurance.
3. Add fencing around the wetlands project area near Ida Rankin School.
4. Creation of a landscaping specific team in Public Works department.
5. Additional funding for the Arts
6. Completing Fire Department updates needed to increase/maintain the ISO scoring.
7. Analysis of Debt and Refinancing Opportunities
8. Adding Grand Hall art or history displays per MHHS or arts organizations' needs.
9. Create a QR code tour for museum and/or downtown.
10. Mount Holly Museum full or part-time employee.
11. Analysis of bars and restaurants not purchasing from MH ABC.
12. Find sponsors for parks projects.
13. Look into the cost of a site planner to help with feasible options for the WWTP site (ancillary uses beyond a park)
14. Assign Municipal Complex funds once debt is paid off.

Work Session
Agenda Action Form

Meeting Date	From
March 23, 2026	Tara Douglas, City Clerk City Clerk

CONSENT AGENDA Item # 6

Approval of City Council Meeting Minutes- March 9, 2026

Will this require a public hearing?

No

Background/Purpose of Request

Approval of City Council Meeting Minutes from March 9, 2026

Fiscal Impact

Will Item affect current budget?
Reviewed by Finance Director?
Preaudit Certification Required?
Capital Project Ordinance Required?
Budget Transfer Required?
Total City Dollars:
Budget Code:
Reviewed by City Attorney?

Manager/Staff Recommendation

Attachments

1. CCM 03-09-2026_Draft

CITY OF MOUNT HOLLY

CITY COUNCIL MEETING MINUTES

MONDAY, MARCH 9, 2026

COUNCIL CHAMBERS

7:00 PM

CALL TO ORDER

Mayor Moore called the meeting to order at 7:00 pm. The following were present:

Mayor David Moore	Jonathan Blanton, City Manager
Mayor Pro Tem Phyllis Harris	Brian DuPont, Assistant City Manager
Councilman Ivory Craig	Alexis Hines, Human Resources Director
Councilman Jeff Meadows	Brian Reagan, Police Chief
Councilman William Brooks	Greg Beal, Planning Director
Councilwoman Lauren Shoemaker	Ryan Baker, Fire Chief
Councilman Kenneth Reeves	Robert Stewart, Deputy Utilities Director
Marie M. Anders, City Attorney	Eric Smallwood, Parks and Recreation Director
Tara Douglas, City Clerk	Becky Condor, Interim Finance Director
	Matt Black, Economic Development Director
	Jason Green, Public Works Director

INVOCATION

Councilman Reeves led the Council, Staff, and attendees in prayer.

PLEDGE OF ALLEGIANCE

Boy Scout Troop 59 led the Council, Staff, and attendees in the Pledge of Allegiance.

SET THE AGENDA

Mayor Moore requested that the following changes be made to the agenda:

1. Public Hearing #3 to consider a Development Agreement and Purchase and Sale Agreement between the City of Mount Holly and StreetLights Residential is to be removed and readvertised for the March 23, 2026 work session.
2. Public Hearing #1 to consider a rezoning of Tax Parcel #'s 177847, 177844, 177594, 177846, and 218371 from R-1 (Gaston County) and R-12 (City) to City CD-MF (Conditional District Multifamily) for the Holly Heights Townhome Development, Case R-26-1 will open and then immediately be continued to the April 13, 2026 meeting to allow the Planning Commission additional time to review. All members of the public will be presented an opportunity to speak at that time.

3. Public Hearing #2 to consider a rezoning of Tax Parcel #'s 177847, 177844, 177594, 177846, and 218371 from R-1 (Gaston County) and R-12 (City) to City CD-MF (Conditional District Multifamily) for the Holly Heights Townhome Development, Case R-26-1 will open and then immediately be continued until the April 13, 2026 meeting to allow the Planning Commission time to review. All members of the public will be presented an opportunity to speak at that time.

Mayor Moore entertained a motion to set the agenda with the changes as presented.

Motion: Councilman Meadows made a motion to approve the agenda as amended. Councilman Reeves seconded the motion.

All Council members present and voting, voted in favor 6-0. (Motion Carried)

CONSENT AGENDA

1. Adopt an amended Fee Schedule for 2025-2026 to include permit fees for food trucks (page 5)
2. Approve Staff's intention to apply for NCODT's Multimodal Planning Grant
3. Waterline extension to North Belmont Park
4. Resolution to Revise Code of Ethics for the Mount Holly City Council Code of Conduct
5. Resolution to establish a public comment policy for Mount Holly City Council meetings
6. Budget Amendment South Gateway Road Construction Phase 1 & Construction Engineering Inspection (CEI) Services
7. Resolution to accept the Lead & Copper Loan at 100% forgiveness
8. Approval of City Council Meeting Minutes – February 9, 2026

Mayor Moore entertained a motion to approve the Consent Agenda as presented.

Motion: Councilwoman Shoemaker made a motion to approve the Consent Agenda as presented. Mayor Pro Tem Harris seconded the motion.

All Council members present and voting, voted in favor 6-0. (Motion Carried)

PRESENTATIONS

1. Swearing in for Firefighter Luke Jefferies and Division Chief Kevin Baynard

Ryan Baker

Chief Baker presented Firefighter Luke Jefferies and Division Chief Kevin Baynard to be sworn in by Mayor Moore. Mayor Moore administered the Oath of Office to Firefighter Luke Jefferies and Division Chief Kevin Baynard.

2. Presentation from the Mount Holly Historical Society

John Jacob

Mr. Jacob stated that the Mount Holly Historical Society has 3 requests for the City Council to consider. Mr. Jacob stated that the Mount Holly Historical Society would like to post a sign in the Grand Hall providing directions from the Grand Hall to the Mount Holly Museum Mr. Jacob stated that the Mount Holly Historical Society would like to have their old Mount Holly Historical Sign mounted outside of the building. Mr. Jacob would like the signage on the door and the building to be the changed to the Mount Holly Historical Society Museum instead of the Mount Holly Museum that is currently displayed. Mr. Jacob stated that the Mount Holly Historical Society is requesting that the City hire a full-time employee for the Mount Holly Museum during its hours of operation. Mr. Jacob expressed concerns over the security of the museum. Councilman Brooks asked about security cameras.

Councilman Craig asked for these requests to be researched by staff and the discussion continued at a future work session. Mayor Pro Tem Harris reminded the Council that she brought the topic of hiring an employee for the museum up at the February 27, 2026 City Council Retreat. Mr. Blanton confirmed that the consensus of the Council was that the Council would hear from Mr. Jacob tonight as he had already requested to approach the City Council regarding his requests. Mr. Blanton stated that additional research and information could be brought back at the April 27, 2026 work session. Councilwoman Shoemaker suggested that the Council allow the sign to be put out in the Grand Hall and that the Mount Holly Historical sign should not take too much effort to install on the outside of the building. Councilwoman Shoemaker stated that the exterior signage would require more involvement.

Consensus of the Council is to allow the portable sign to be placed in the Grand Hall lobby and to begin the installation of the Mount Holly Historical sign on the exterior of the Mount Holly Museum.

3. Approve the Art Associated with the Change Out of the Outdoor Gallery

Paul Lowe

Mr. Lowe presented the artwork to be placed in the outdoor gallery. Mr. Lowe stated that if approved, the artwork change could be completed by mid-April 2026. Mr. Lowe stated that the PAAC voted to recommend approval.

Motion: Councilman Reeves made a motion to approve the art associated with the change out of the outdoor gallery. Councilman Brooks seconded the motion.

All Council members present and voting, voted in favor 6-0. (Motion Carried)

CITY OF MOUNT HOLLY

CITY COUNCIL MEETING MINUTES

MONDAY, MARCH 9, 2026

COUNCIL CHAMBERS

7:00 PM

PUBLIC HEARING

1. Public hearing to consider a rezoning of Tax Parcel #'s 177847, 177844, 177594, 177846, and 218371 from R-1 (Gaston County) and R-12 (City) to City CD-MF (Conditional District Multifamily) for the Holly Heights Townhome Development, Case R-26-1.

Brandon Livingston

Mayor Moore entertained a motion to go out of the regular meeting and into the public hearing.

Motion: Councilman Meadows made a motion to go out of the regular meeting and into the Public Hearing. Councilman Craig seconded the motion.

All Council members present and voting, voted in favor 6-0. (Motion Carried)

Mayor Moore entertained a motion to continue the public hearing for Case R-26-1 until April 13, 2026.

Motion: Mayor Pro Tem Harris made a motion to continue the public hearing for Case R-26-1 until April 13, 2026. Councilwoman Shoemaker seconded the motion.

All Council members present and voting, voted in favor 6-0. (Motion Carried)

2. Public Hearing to consider a petition for annexation, submitted by Alissa Grice and William Stewart Jr., for a 34.35-acre tract of land, located at Parcel #'s 177847, 177844, 177594, 177846, and 218371.

Marie Anders

Mayor Moore entertained a motion to go out of the regular meeting and into the public hearing.

Motion: Councilman Meadows made a motion to go out of the regular meeting and into the Public Hearing. Councilman Reeves seconded the motion.

All Council members present and voting, voted in favor 6-0. (Motion Carried)

Mayor Moore entertained a motion to continue the public hearing to consider a petition for annexation, submitted by Alissa Grice and William Stewart Jr., for a 34.35-acre tract of land, located at Parcel #'s 177847, 177844, 177594, 177846, and 218371 until April 13, 2026.

Motion: Mayor Pro Tem Harris made a motion to continue the public hearing to consider a petition for annexation, submitted by Alissa Grice and William Stewart Jr., for a 34.35-acre tract of land, located at Parcel #'s 177847, 177844, 177594, 177846, and 218371 until April 13, 2026. Councilwoman Shoemaker seconded the motion.

All Council members present and voting, voted in favor 6-0. (Motion Carried)

1. ~~Public Hearing to consider a Development Agreement and Purchase and Sale Agreement between the City of Mount Holly and StreetLights Residential.~~

Jonathan Blanton

Mayor Moore restated that this public hearing had been removed from the agenda.

PUBLIC COMMENT

1. Jerry Facchino- 157 Oakland Street, Mount Holly: Mr. Facchino stated that he is representing the Mount Holly Community Development Foundation. Mr. Facchino stated that the MHCDF is looking for volunteers and sponsors for their upcoming Riverhawk Race on April 18, 2026.

NEW BUSINESS

1. City Manager Report

Jonathan Blanton

Mr. Blanton stated that there is a lot of progress happening on several projects. Mr. Blanton stated that the Labyrinth across the street at Arts on the Greenway is beginning to come to life. Mr. Blanton thanked the Council, the Tourism Development Authority, Reverend Stewart who has advised on this project, and the private fund-raising efforts from Arts on the Greenway.

Mr. Blanton stated that the sewer line upgrades downtown are set to be completed within the next two weeks.

Mr. Blanton stated that for the River Street Park bridge project, we are awaiting a crane to place the bridge. Mr. Blanton stated that this is a very exciting project that will connect the greenways through there and that he will continue updating the Council and citizens over the next few months on its progress.

Mr. Blanton stated that on Thursday, March 19, 2026 the YMCA will host its ribbon cutting for their grand entrance to their large-scale capital project. Mr. Blanton stated that on Friday, March 20, 2026 Awaken Gallery will be celebrating their 8-year anniversary.

Mr. Blanton reported that City Clerk Tara Douglas recently pass her Parliamentary Procedures Exam. Mr. Blanton stated that this is a 6-month course that focuses on Robert's Rules of Order and Mrs. Douglas will now be a member of the National Association of Parliamentarians. Mr.

Blanton stated that we are very proud of that achievement and certainly thank you to Mrs. Douglas for all that you do for the City of Mount Holly and our Council.

CLOSED SESSION

1. Closed Session Pursuant to N.C.G.S. 143-318.11(a) (3 and 5)

Mayor Moore entertained a motion to go out of the regular meeting and into closed session pursuant to NCGS 143-318.11(a)(3 and 5).

Motion: Councilman Brooks made a motion to go out of the regular meeting and into closed session at 7:30 pm. Councilman Craig seconded the motion.

All Council members present and voting, voted in favor 6-0. (Motion Carried)

Motion: Councilman Brooks made a motion to go out closed session and back into the regular meeting at 7:46 pm. Councilman Craig seconded the motion.

All Council members present and voting, voted in favor 6-0. (Motion Carried)

ADJORN

Motion: Mayor Pro Tem Harris made a motion to adjourn the March 9, 2026 City Council meeting at 7:47 pm. Councilman Craig seconded the motion.

All Council members present and voting, voted in favor 6-0. (Motion Carried)

The meeting adjourned at 7:47 pm.

Work Session Agenda Action Form

Meeting Date	From
March 23, 2026	Tara Douglas, City Clerk City Clerk

CONSENT AGENDA Item # 7

Approval of Closed Session Minutes- March 9, 2026

Will this require a public hearing?

No

Background/Purpose of Request

Per the internal staff policy shared with Council, approval of closed session minutes will be part of the consent agenda. A copy of the minutes will be provided under a separate cover to the Council as part of the closed session information packet.

Fiscal Impact

Will Item affect current budget?
Reviewed by Finance Director?
Preaudit Certification Required?
Capital Project Ordinance Required?
Budget Transfer Required?
Total City Dollars:
Budget Code:
Reviewed by City Attorney?

Manager/Staff Recommendation

Attachments

None

Work Session
Agenda Action Form

Meeting Date	From
March 23, 2026	Jonathan Blanton, City Manager City Management

PRESENTATIONS Item # 1

Get to Know Gaston

Will this require a public hearing?

No

Background/Purpose of Request

The purpose of our presentation is to promote the Get to Know Gaston festival, happening April 15 at Tuckaseege Park, to City Council and Mount Holly residents. We hope to share details about the event's purpose and answer any questions or concerns City Council has.

Fiscal Impact

Will Item affect current budget?
Reviewed by Finance Director?
Preaudit Certification Required?
Capital Project Ordinance Required?
Budget Transfer Required?
Total City Dollars:
Budget Code:
Reviewed by City Attorney?

Manager/Staff Recommendation

Attachments

1. Get to Know Gaston 2026 Mount Holly presentation

Get to Know Gaston
2026 Event – Mount Holly

Gavin Stewart, Public Engagement Manager
Gaston County

Get to Know Gaston: The Why

- Low turnout for individual events
- Need to engage citizens about:
  - ARPA/other capital projects
  - Envision Gaston (Comp Plan update)
  - Voter registration, library cards, etc.

Get to Know Gaston: The Inspiration

- Georgetown, Texas (pop. 50K) hosted first ‘Gather Round, Georgetown’ in 2023
  - Free ice cream for all who got passport stamped at employee-staffed booths
  - 160 attendees
  - $2,500 budget

Get to Know Gaston: The How

- Bringing together entertainment to increase turnout:
  - Food trucks
  - Touch-a-truck
  - Bounce houses/inflatables
  - Live music
  - Passports to guide participants/earn free food
  - Games and giveaways

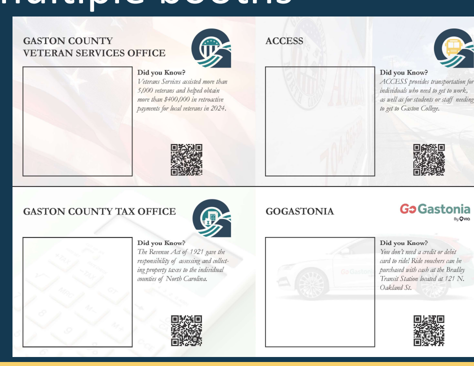
Get to Know Gaston: 2025 Recap

- Hosted in partnership with Gastonia at Rotary Pavilion
  - 10 stamps on the passport = $10 voucher for food
  - 300 passports distributed, 251 vouchers distributed
  - $10,000 budget

GASTON COUNTY

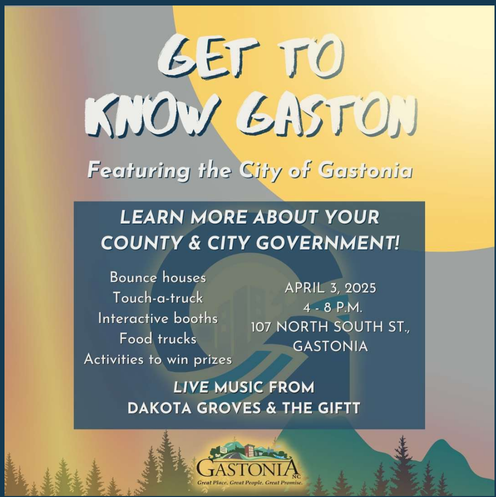
Get to Know Gaston 2026: Mount Holly

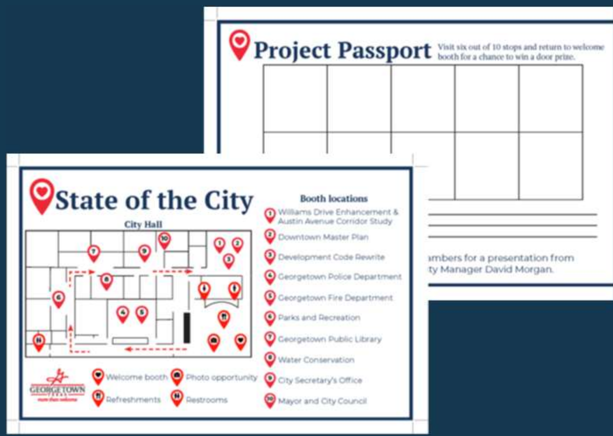
- Wednesday, April 15, 2026 – Tuckaseege Park
  - Most Gaston County departments will have booths
  - City of Mount Holly will have multiple booths
  - Gaston County Schools
  - Gaston College
  - Gaston Business Association
  - US Army
  - Plus more!



GASTON COUNTY

Get to Know Gaston: The When





GASTON COUNTY

Work Session
Agenda Action Form

Meeting Date	From
March 23, 2026	Public Works

PRESENTATIONS Item # 2

Sanitation Truck Options Purchase/Lease

Will this require a public hearing?

No

Background/Purpose of Request

To review the best options for sanitation trucks Purchase / Lease

Fiscal Impact

Will Item affect current budget?	0
Reviewed by Finance Director?	No
Preaudit Certification Required?	No
Capital Project Ordinance Required?	No
Budget Transfer Required?	No
Total City Dollars:	
Budget Code:	
Reviewed by City Attorney?	No

Manager/Staff Recommendation

After staff review and input, we believe lease is the best option for the city.

Attachments

1. AGENDA VERSION S&SW PURCHASE - LEASE

Public Works
Streets & Solid Waste

Sanitation Truck Options – Purchase / Lease

Daily Solid Waste Operations

Monday: Service est. 1,350 customers, with 9 employees, 4 trucks (2 ASL's, 2 Rear Loaders)

Tuesday: Service est. 1,450 customers, with 9 employees, & 5 trucks (2 ASL's, 3 Rear Loaders)

Wednesday: Service est. 1,400 customers, with 9 employees, 4 trucks (2 ASL's, 2 Rear Loaders)

Thursday: Service est. 1,400 customers, with 9 employees, 4 trucks (2 ASL's, 2 Rear Loaders)

Friday: Service est. 1,225 customers, with 9 employees, 4 trucks (2 ASL's, 2 Rear Loaders)

Acquiring and maintaining the most efficient fleet to better serve our growing community

Approved New Developments

- My Niche (Stowe Apartments) 175 New Residents
- Leacroft 167 New Residents

Proposed New Developments

- Holly Heights: 220 Possible New Residents
- Silos Ridge: 187 Possible New Residents
- Broad Leaf: 509 Possible New Residents
- Willowside Grove: 225 Possible New Residents
- Southhaven: 160 Possible New Residents
- Chestnut Hills: 199 Possible New Residents
- 1714 N Main Street: 117 Possible New Residents With Additional Industrial & Commercial Use

Cost Comparison

Automated Side Loader

Purchase: $408,615.53

Lease: $7,441.66 Per Month
$89,299.92 Est. total for each year
$535,799.52 Est. total for 72 months

Rear Loader

Purchase: $357,434.00

Lease: $ 6,900.00 Per Month
$ 82,800.00 Est. total for each year
$ 496,800.00 Est. total for 72 months

*These prices do not include fees for licensing, inspections, finance charges, etc..

Pros & Cons for Lease

Pros

- All capital, not needed up front
- Continuously rotating fleet
- Complete cab & body coverage
- More efficient planning
- Consistency in budgeting numbers for 72 months
- Annual option to purchase
- Less equipment downtime
- Driver incentive / retention
- Improved fleet image
- Breakdown coverage
- Keeps funding open for other projects or purchases

Cons

- Lease expenses
- No ownership

Pros & Cons for Purchase

Pros

- Ownership
- No lease expenses

Cons

- Limited warranty
- Cost inflation
- Continuous maintenance
- Not rotating fleet to keep the most efficient inventory
- Must have funds up front or finance incurring further cost
- Less consistent budget planning
- No body warranty after 1 year
- No breakdown coverage

Fleet List

Truck Unit Number	Year Model	Type of Truck	Mileage
# 124	2019 Freightliner Truck.	Rear Loader	44,525
# 126	2004 International Truck.	Rear Loader.	186,393
# 132	2009 International Truck.	Rear Loader.	165,158
# 141	2013 Freightliner Truck.	Rear Loader.	142,355
# 161	2026 Peterbilt Truck.	Rear Loader.	1,712
# 129	2022 Mack Truck.	Automated (ASL).	44,598
# 143	2011 Mack Truck.	Automated (ASL).	136.404
#157	2015 Mack Truck.	Automated (ASL).	107,723
# 159	2025 Peterbilt Truck.	Automated (ASL).	12,335

Questions / Comments

Work Session
Agenda Action Form

Meeting Date	From
March 23, 2026	Brian DuPont, Assistant City Manager City Management

PRESENTATIONS Item # 3

Presentation on Wastewater Treatment Plant Decommissioning

Will this require a public hearing?

No

Background/Purpose of Request

Barry Shearin with HDR will be providing an update on the status of the WWTP decommissioning along with next steps in the process for completion of the project. This project is regulated by NC DEQ and funded through a direct allocation from the State.

Fiscal Impact

Will Item affect current budget?
Reviewed by Finance Director?
Preaudit Certification Required?
Capital Project Ordinance Required?
Budget Transfer Required?
Total City Dollars:
Budget Code:
Reviewed by City Attorney?

Manager/Staff Recommendation

Attachments

1. WWTP Update 032326_slides updated

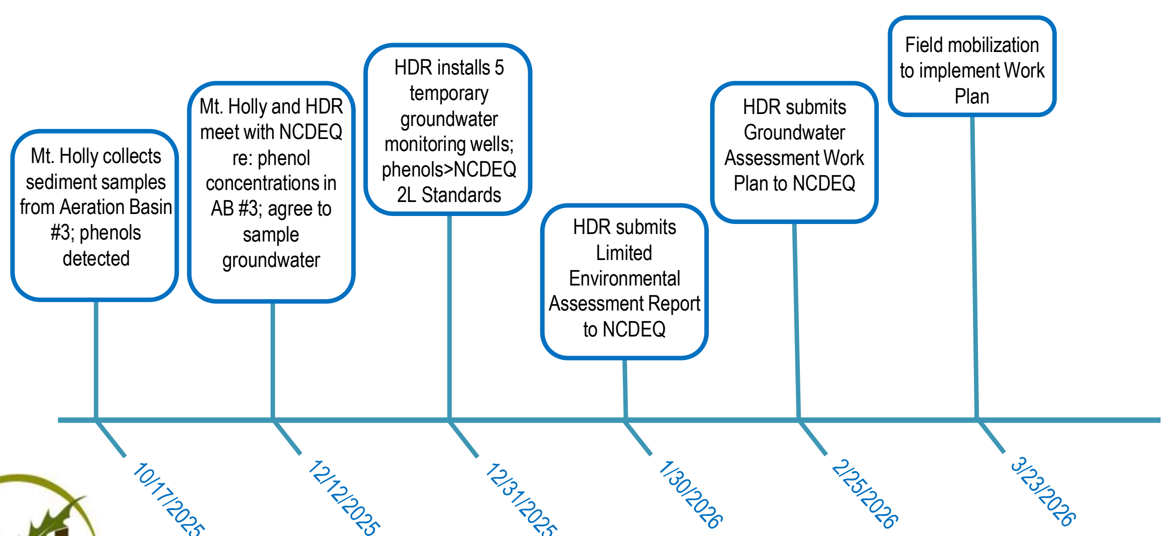
WWTP Decommissioning Update

Project Next Steps

- Finalize Site Grading
- Replace Site Stormwater Pipes
- Parking Lot & Street Paving
- Environmental Assessment – Phenol detection

Environmental Assessment

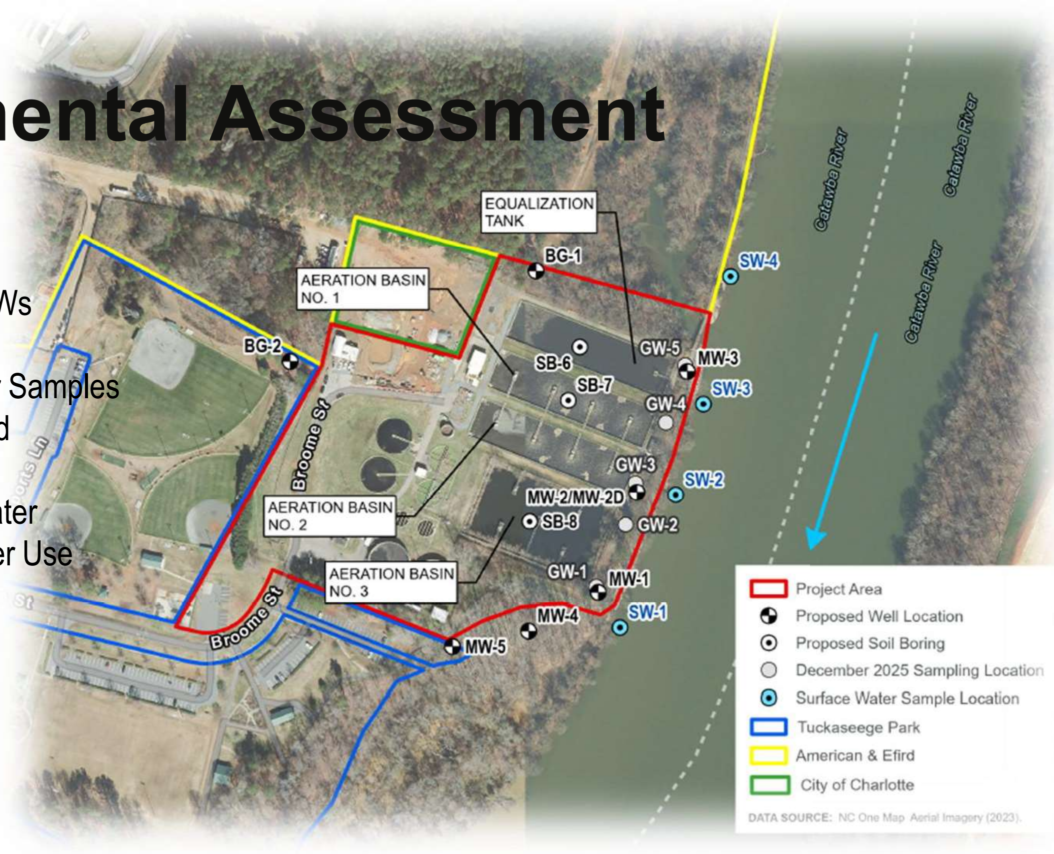
Timeline:



Environmental Assessment

Next Steps:

- Implement Work Plan
  - 7 Permanent MWs
  - 3 Soil Borings
  - 4 Surface Water Samples
- Evaluate Need for and Type of Treatment
- Remediate Groundwater
- Establish Groundwater Use Restrictions



Questions / Discussion

Work Session
Agenda Action Form

Meeting Date	From
March 23, 2026	Matt Black, Economic Development Director Economic Development

PUBLIC HEARING Item # 1

Public Legislative Hearing on the Question of a Joint Development Project Conveyance to Sell Real Estate on East Catawba Avenue, East Central Ave., and Municipal Lane in Downtown Mount Holly, NC for Redevelopment under NCGS 160D-1315.

Will this require a public hearing?

Yes

Background/Purpose of Request

City Council is requested to consider a Development Agreement and Purchase and Sale Agreement between the City of Mount Holly and StreetLights Residential

Fiscal Impact

Will Item affect current budget?
Reviewed by Finance Director?
Preaudit Certification Required?
Capital Project Ordinance Required?
Budget Transfer Required?
Total City Dollars:
Budget Code:
Reviewed by City Attorney?

Manager/Staff Recommendation

Attachments

1. current updated_CONFIRMATION 3-12_3-19-2026 PN_PH STREETLIGHTS
2. City MH resolution conveyance to StreetLights

Tara Douglas <tara.douglas@mtholly.us>

Order modified confirmation.

Gastonia Legals <GastonLegals@usatodayco.com> Mon, Mar 9, 2026 at 3:42 PM
To: tara.douglas@mtholly.us
Cc: shelly.stewart@mtholly.us

THANK YOU for your business.

This is your confirmation that your order has been changed to publish in the Public Notice/Classified section of the paper. Below are the details of your transaction. Please save this confirmation for your records.

We appreciate you using our online self-service ads portal, available 24/7. Please continue to visit Gastonia Gaston Gazette's online Classifieds HERE to place your legal notices in the future.

Deadlines vary by publication, changes and/or cancellations may not be honored due to deadline restrictions.

Job Details

Order Number: **LWLM0475171**
External Number: **12154779**
Classification: Govt Public Notices
Package: General Package
Additional Options: 1 Affidavit $5.00
Total payment: $414.40

Schedule for ad number LWLM04751710

Thu Mar 12, 2026
Gastonia Gaston Gazette *All Zones*
Thu Mar 19, 2026
Gastonia Gaston Gazette *All Zones*

Account Details

City Of Mount Holly
Po Box 406
Mt Holly, NC � 28120-0406
704-827-3931
tara.douglas@mtholly.us
City Of Mount Holly

NOTICE OF INTENT TO HOLD A PUBLIC LEGISLATIVE HEARING ON THE QUESTION OF A JOINT DEVELOPMENT PROJECT CONVEYANCE TO SELL REAL ESTATE ON EAST CATAWBA AVE., EAST CENTRAL AVE., AND MUNICIPAL LANE IN DOWNTOWN MOUNT HOLLY, NC, FOR REDEVELOPMENT UNDER NCGS 160D-1315

The public will take notice that the City Council of the City of Mount Holly intends at its regular Council meeting at 6:30 PM on the 23rd of March, 2026, at the Mount Holly Municipal Complex, 400 E. Central Avenue, Mount Holly, NC, 28120, to hold a public legislative hearing on the question of approving a contract to sell the real property owned by the City located at or near East Catawba Ave., East Central Ave., and Municipal Lane, in downtown Mount Holly, NC, having tax parcel numbers 123829, 123828, 123827, 123826, 123821, 123822, 123824, 123820, 123793, 123790, 123789, and 123785, to SLRH N CAROLINA ACQUISITIONS, LLC, through private negotiation and sale for residential and potential commercial use as part of a downtown development project or joint development project under NCGS 160D-1315. The interest to be conveyed is fee simple. The appraised value of the property to be sold is $2,540,000.00 subject to the covenant of the proposed buyer to demolish the existing buildings and other improvements on all parcels except parcel 123822 located at 120 E. Central Ave., Mount Holly, NC. The proposed consideration is not less than $3,150,000.00, which funds buyer shall deposit into an escrow account and use to pay for the construction of the public park portion of the joint development project. The public park will be constructed pursuant to the joint development project on adjacent property also owned by the City located at or near East Catawba Ave., East Central Ave., and Municipal Lane, in downtown Mount Holly, NC, having tax parcel numbers 123784, 123780, 123838, 123837, 123836, 123835, 123834 and 123833, which property shall be retained by the City for public purposes. The City Council of the City of Mount Holly intends to approve the conveyance as described herein after the public legislative hearing which is the subject of this notice.

Jonathan Blanton, City Manager
March 12, 19 2026
LWLM0475171

noname
789K

03232026___

A RESOLUTION TO APPROVE THE CONVEYANCE OF REAL ESTATE ON EAST CATAWBA AVE., EAST CENTRAL AVE., AND MUNICIPAL LANE IN DOWNTOWN MOUNT HOLLY, NC, FOR REDEVELOPMENT AND ENTER INTO A DEVELOPMENT AGREEMENT FOR A DOWNTOWN DEVELOPMENT PROJECT UNDER NCGS 160D-1315

WHEREAS, the City Council of the City of Mount Holly ("Council") owns real property located at or near East Catawba Ave., East Central Ave., and Municipal Lane, in downtown Mount Holly, NC, having tax parcel numbers 123829, 123828, 123827, 123826, 123821, 123822, 123824, 123820, 123793, 123790, 123789, and 123785 (hereinafter the "Townhome Property") and further owns adjacent property located at or near East Catawba Ave., East Central Ave., and Municipal Lane, in downtown Mount Holly, NC, having tax parcel numbers 123784, 123780, 123838, 123837, 123836, 123835, 123834 and 123833 (hereinafter the "Park Property"), all located in the central business district of downtown Mount Holly; and,

WHEREAS, the City received a proposal from SLRH N CAROLINA ACQUISITIONS, LLC (hereinafter "StreetLights" or "Buyer"), to purchase and redevelop the Townhome Property for a capital project comprising one or more buildings having residential and potential commercial uses and further to construct a public park on the Park Property to be retained and maintained by the City (hereinafter the "Downtown Development Project"); and,

WHEREAS, the City is authorized to enter into a downtown development project or joint development project under NCGS 160D-1315; and,

WHEREAS, the City Council finds that it is likely to have significant effect on the revitalization of the City of Mount Holly and the central business district of downtown Mount Holly to participate in the proposed Downtown Development Project and enter into a binding contract specifying the property interests of the City and the developer and the responsibilities of the City and the developer for the construction and financing of the Downtown Development Project

WHEREAS, the Council held a public legislative hearing on the question of approval of the conveyance of the Townhome Property to StreetLights pursuant to NCGS 160D-1315 on March 23, 2026, after publishing prior notice of the hearing once a week for two successive weeks in the Gaston Gazette in accordance with state law; and,

WHEREAS, the appraised value of the Townhome Property is $2,540,000.00 subject to the covenants, conditions, and restrictions to be imposed on the Townhome Property by the Council, including the covenant to demolish the existing buildings and other improvements on all parcels except parcel 123822 located at 120 E. Central Ave., Mount Holly, NC, and the proposed consideration is not less than $3,150,000.00, which funds Buyer shall deposit into an escrow account and use to pay for the construction of the public park portion of the Downtown Development Project, which is not less than the appraised value of the Townhome Property subject to the covenants, conditions, and restrictions to be imposed upon the Townhome Property by the Council.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Mount Holly hereby accepts the proposal of StreetLights to purchase the Townhome Property for redevelopment and enter into a binding contract for the Downtown Development Project under NCGS 160D-1315 pursuant to the terms and conditions in the "Purchase and Sale Agreement" and the "Development Agreement" presented to Council at the March 23, 2026, regular Council meeting; hereby authorizes and directs the City Manager to sign the aforesaid "Purchase and Sale Agreement" and "Development Agreement"; and further hereby authorizes and directs the Mayor of the City of Mount Holly to sign a deed to StreetLights in substantially the same form to be attached as an exhibit to the "Purchase and Sale Agreement" at closing.

This the 23rd day of March, 2026.

CITY OF MOUNT HOLLY

By: ________________________________
David Moore, Mayor

Attest:

____
Tara Douglas, City Clerk