

City of High Shoals  
Regular City Council Meeting  
March 10, 2026

- Call to Order
- Invocation
- Pledge of Allegiance
- Approval of Agenda
- Approval of Minutes

Citizens' comments/concerns: The City of High Shoals City Council offers citizens the opportunity for public expression pursuant to NCGS 160A-81.1. Comments are limited to 3–5 minutes per speaker.

Good of the Order: Time set aside for members to offer comments or observations about the organization and its work without formal motion.

**Departmental Reports:**

- Police Report-Gaston County
- Audit Report- Mr. Carrick
- Financial-Dennis Cash
  - CHECKING 1: \$
  - CHECKING 2: \$
  - SAVINGS: \$
  - CAP MGMT: \$
  - TOTAL: \$
- Cemetery-Denese Cook
- Water/Sewer-Bo Rhyne
- Streets/Maintenance/Sanitation-Kathy Rhyne
  - Parks/Recreation-Bobby Vassey
    - Yard of the Month:– Kenneth Farris
      - 210 Holly Ridge
- Vehicles- Tim Eidson
- Administration/Mayor Report-PJ Rathbone

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Council Comments / Announcements

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New Business:

- Implementation of MAPS organizational structure & supervision classification
  - Resolution to approve the Public Works Manual
- Verta
  - Master-Marketing Agreement
- Debt Set-off Internal Policy
  - Resolution to approve policy
- Meter Damage Replacement Policy
  - Resolution to adopt meter damage replacement policy

Motion to Adjourn:



City of High Shoals  
Regular City Council Meeting  
February 10, 2026

- **Call to Order**
  - Mayor PJ Rathbone called the meeting to order at 6:30 pm. Bo Rhyne was not in attendance. Dennis Cash, Denese Cook, Bobby Vassey, Kathy Rhyne, and Tim Eidson were in attendance.
- **Invocation**
- **Pledge of Allegiance**
- **Approval of Agenda**
  - Motion to approve made by Denese Cook, seconded by Bobby Vassey. All in favor.
- **Approval of Minutes**
  - Motion to approve made by Dennis Cash, seconded by Denese Cook. All in favor.

Citizens' comments/concerns: The City of High Shoals Council offers citizens the opportunity for Public Expression issues per NCGS 160A-81.1 (limited to 3-5 minutes per speaker).

Good of the Order: This is a time set aside for members to offer comments or observations (without formal motion) about the organization and its work. The good of the order is also the time to offer resolution to bring disciplinary charges against a member for the offenses committed outside a meeting.

## Departmental Reports:

- Police Report-Gaston County
- Financial-Dennis Cash
  - CHECKING 1: \$136,370.73
  - CHECKING 2: \$ 21,469.46
  - SAVINGS: \$ 1,400.03
  - CAP MGMT: \$266,744.98
  - TOTAL: \$425,985.20
- Cemetery-Denese Cook
  - Ms. Wright is looking up information for the base of the headstone.
- Water/Sewer-Bo Rhyne
  - Service line from house to main stopped up in Autumn Ridge-appears AT&T drilled through the sewer line. True Homes has a warranty for their homeowners for one year, sewer & water related.
  - There are a few leaks on River St and Cherry St.
- Streets/Maintenance/Sanitation-Kathy Rhyne
  - Sanitation Route delayed due to a hydraulic line broke.
  - We were able to use the snowplow but we may need to invest for a new plow for the 4-wheel drive truck. Perhaps & quite large salt dog. Will also need to budget for salt.
- Parks/Recreation-Bobby Vassey
- Yard of the Month:— 609 N Lincoln St. Ms. Cathy Martin
- Vehicles- Tim Eidson
- Administration/Mayor Report-PJ Rathbone
- Post Office to be locked up at 7 pm. Denese Cook

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Council Comments / Announcements----Bo to get a price on the big river rock at Judy's house. PJ to call Bo in the morning to get an update. Washing out the culvert. We are also applying for other monies for other departments. Look into grants for water/sewer : Jetter and cameras.

## **New Business**

- **McBess Property update:** We were able to acquire the funding for the phase 1 environmental assessment. It will be completed by the end of the month. We are taking ownership of the property as soon as Phase 1 is completed, March 1. Phase II assessment has been agreed to be handled with Centralina. Things for the Mill Property are getting ready to take off. We need to think about next budget year to help secure the property even better. Fence-wise, pricing, to keep it from getting worse than it is. Ricky Gore is over the forestry service.

**Motion to Adjourn:** Motion to adjourn made by Tim Eidson, seconded by Denese Cook. All in favor.

Or Attrib	Type	Acct Num	Acct Name	Budget	YTD	Variance	Prcnt
<b>Revenues</b>							
GENERAL F	Revenues	10-3010-0000	Taxes Ad Valorem CY	\$210,305.00	\$214,755.84	\$4,450.84	102.12%
GENERAL F	Revenues	10-3020-0000	Taxes - Ad Valorem -	\$16,028.00	\$137.11	(\$15,890.89)	0.86%
GENERAL F	Revenues	10-3025-0000	Taxes - Tag Fee	\$23,100.00	\$12,546.52	(\$10,553.48)	54.31%
GENERAL F	Revenues	10-3250-0000	App Fees (was priv li	\$500.00	\$1,175.08	\$675.08	235.02%
GENERAL F	Revenues	10-3290-0000	Interest On Checking	\$1,600.00	\$414.48	(\$1,185.52)	25.91%
GENERAL F	Revenues	10-3291-0000	Interest on Savings	\$800.00	\$79.07	(\$720.93)	9.88%
GENERAL F	Revenues	10-3292-0000	Interest on Capital M	\$3,800.00	\$5,425.43	\$1,625.43	142.77%
GENERAL F	Revenues	10-3293-0000	Interest on Powell Bil	\$0.00	\$11,315.13	\$11,315.13	0.00%
GENERAL F	Revenues	10-3293-5000	INTEREST ON POWE	\$10.00	\$13.95	\$3.95	139.50%
GENERAL F	Revenues	10-3294-0000	CAP MGMT_DEBT SE	\$0.00	\$60.00	\$60.00	0.00%
GENERAL F	Revenues	10-3341-0000	Copies/Faxes/Notary	\$100.00	\$60.50	(\$39.50)	60.50%
GENERAL F	Revenues	10-3342-0000	City Hall Rental	\$1,000.00	\$750.00	(\$250.00)	75.00%
GENERAL F	Revenues	10-3343-0000	Returned Check Fee	\$100.00	\$0.00	(\$100.00)	0.00%
GENERAL F	Revenues	10-3344-0000	Sign Rental	\$50.00	\$0.00	(\$50.00)	0.00%
GENERAL F	Revenues	10-3346-0000	VENDOR PAYMENTS	\$200.00	\$0.00	(\$200.00)	0.00%
GENERAL F	Revenues	10-3350-0000	Alcohol/Beverage	\$3,000.00	\$0.00	(\$3,000.00)	0.00%
GENERAL F	Revenues	10-3370-0000	Franchise Tax	\$25,000.00	\$13,048.33	(\$11,951.67)	52.19%
GENERAL F	Revenues	10-3430-0000	Powell Bill	\$23,000.00	\$11,315.15	(\$11,684.85)	49.20%
GENERAL F	Revenues	10-3440-0000	FEMA_HELENE PAYM	\$0.00	\$2,875.70	\$2,875.70	0.00%
GENERAL F	Revenues	10-3450-0000	Local Option Sales Ta	\$80,000.00	\$62,647.38	(\$17,352.62)	78.31%
GENERAL F	Revenues	10-3455-0000	Gaston County Sales	\$35,000.00	\$10,408.10	(\$24,591.90)	29.74%
GENERAL F	Revenues	10-3560-0000	Park Rental Income	\$2,000.00	\$2,470.00	\$470.00	123.50%
GENERAL F	Revenues	10-3565-0000	Park Concession Inco	\$150.00	\$0.00	(\$150.00)	0.00%
GENERAL F	Revenues	10-3670-0000	Sales Tax Refund	\$5,000.00	\$0.00	(\$5,000.00)	0.00%
GENERAL F	Revenues	10-3680-0000	Gas Tax Refund	\$1,200.00	\$1,032.08	(\$167.92)	86.01%
GENERAL F	Revenues	10-3710-0000	Cemetery Plots Inco	\$4,000.00	\$435.00	(\$3,565.00)	10.88%
GENERAL F	Revenues	10-3720-0000	Code Violation Fee (	\$6,000.00	\$1,650.00	(\$4,350.00)	27.50%
GENERAL F	Revenues	10-3730-0000	Solid Waste Disposal	\$500.00	\$391.29	(\$108.71)	78.26%
GENERAL F	Revenues	10-3740-0000	Sanitation User Fee	\$75,000.00	\$51,060.85	(\$23,939.15)	68.08%
GENERAL F	Revenues	10-3745-0000	Dump Truck Rental (	\$500.00	\$266.43	(\$233.57)	53.29%
GENERAL F	Revenues	10-3810-0000	Sale Of Surplus Prop	\$8,000.00	\$769.50	(\$7,230.50)	9.62%
GENERAL F	Revenues	10-3990-0000	Fund Balance Approp	\$130,000.00	\$0.00	(\$130,000.00)	0.00%
				\$655,943.00	\$405,102.92	(\$250,840.08)	62%
<b>Expenses</b>							
GENERAL F	Expenses	10-4200-8020	Salaries	\$97,560.00	\$60,308.77	\$37,251.23	61.82%
GENERAL F	Expenses	10-4200-8030	Mayor And Council	\$28,400.00	\$25,200.00	\$3,200.00	88.73%
GENERAL F	Expenses	10-4200-8040	Professional Services	\$8,000.00	\$4,500.00	\$3,500.00	56.25%

Or Attrib	Type	Acct Num	Acct Name	Budget	YTD	Variance	Prcnt
GENERAL F	Expenses	10-4200-8050	Social Security	\$8,000.00	\$5,301.56	\$2,698.44	66.27%
GENERAL F	Expenses	10-4200-8060	Health Ins.	\$36,000.00	\$25,888.68	\$10,111.32	71.91%
GENERAL F	Expenses	10-4200-8070	Medicare	\$1,850.00	\$1,239.86	\$610.14	67.02%
GENERAL F	Expenses	10-4200-8090	Unemployment Ins	\$1,000.00	\$0.00	\$1,000.00	0.00%
GENERAL F	Expenses	10-4200-8110	Telephone & Postage	\$7,000.00	\$4,441.31	\$2,558.69	63.45%
GENERAL F	Expenses	10-4200-8120	Public Notices-Printin	\$800.00	\$103.90	\$696.10	12.99%
GENERAL F	Expenses	10-4200-8130	Utilities	\$5,600.00	\$3,151.72	\$2,448.28	56.28%
GENERAL F	Expenses	10-4200-8140	Travel Expenses	\$12,000.00	\$10,369.08	\$1,630.92	86.41%
GENERAL F	Expenses	10-4200-8142	Education/Schools	\$7,500.00	\$3,975.00	\$3,525.00	53.00%
GENERAL F	Expenses	10-4200-8160	Maintenance Equipm	\$1,500.00	\$587.36	\$912.64	39.16%
GENERAL F	Expenses	10-4200-8330	Departmental Supplie	\$4,000.00	\$2,963.62	\$1,036.38	74.09%
GENERAL F	Expenses	10-4200-8370	Loan Payment	\$10,000.00	\$10,000.00	\$0.00	100.00%
GENERAL F	Expenses	10-4200-8450	Contracted Services	\$9,000.00	\$8,349.24	\$650.76	92.77%
GENERAL F	Expenses	10-4200-8530	Dues & Subscriptions	\$5,200.00	\$3,644.27	\$1,555.73	70.08%
GENERAL F	Expenses	10-4200-8540	Insurance & Bonding	\$30,000.00	\$28,260.85	\$1,739.15	94.20%
GENERAL F	Expenses	10-4200-8570	Miscellaneous	\$1,000.00	\$880.15	\$119.85	88.02%
GENERAL F	Expenses	10-4200-8610	IT ANNUAL SUPPORT	\$12,500.00	\$9,834.91	\$2,665.09	78.68%
GENERAL F	Expenses	10-4200-8620	MS LICENSING	\$1,170.00	\$249.71	\$920.29	21.34%
GENERAL F	Expenses	10-4200-8630	NETWORK	\$3,571.00	\$3,570.96	\$0.04	100.00%
GENERAL F	Expenses	10-4200-8640	OFFICE EQUIPMENT	\$8,329.00	\$5,930.41	\$2,398.59	71.20%
GENERAL F	Expenses	10-4200-8650	HEY GOV/TOWN WE	\$7,500.00	\$4,405.00	\$3,095.00	58.73%
GENERAL F	Expenses	10-4200-8700	CODE ENFORCEMEN	\$35,000.00	\$1,562.88	\$33,437.12	4.47%
GENERAL F	Expenses	10-4200-8710	Capital Outlay Buildin	\$6,000.00	\$0.00	\$6,000.00	0.00%
GENERAL F	Expenses	10-4200-8990	Contingency	\$10,000.00	\$0.00	\$10,000.00	0.00%
GENERAL F	Expenses	10-4300-8450	Elections	\$1,200.00	\$810.96	\$389.04	67.58%
GENERAL F	Expenses	10-5600-8020	Salaries	\$36,000.00	\$31,138.90	\$4,861.10	86.50%
GENERAL F	Expenses	10-5600-8050	Social Security	\$2,232.00	\$2,138.59	\$93.41	95.81%
GENERAL F	Expenses	10-5600-8070	Medicare	\$522.00	\$500.17	\$21.83	95.82%
GENERAL F	Expenses	10-5600-8130	Utilities	\$17,750.00	\$9,897.30	\$7,852.70	55.76%
GENERAL F	Expenses	10-5600-8160	Maintenance Equipm	\$1,100.00	\$1,014.79	\$85.21	92.25%
GENERAL F	Expenses	10-5600-8170	Maintenance Truck	\$1,900.00	\$1,469.28	\$430.72	77.33%
GENERAL F	Expenses	10-5600-8310	FUEL/GAS	\$4,319.00	\$2,063.37	\$2,255.63	47.77%
GENERAL F	Expenses	10-5600-8330	Departmental Supplie	\$8,750.00	\$8,030.62	\$719.38	91.78%
GENERAL F	Expenses	10-5600-8450	Contracted Services	\$7,025.95	\$1,357.88	\$5,668.07	19.33%
GENERAL F	Expenses	10-5600-8460	GASTON CO LANDFI	\$4,000.00	\$837.21	\$3,162.79	20.93%
GENERAL F	Expenses	10-5600-8530	Dues & Fees	\$100.00	\$0.00	\$100.00	0.00%
GENERAL F	Expenses	10-5600-8740	Capital Outlay	\$974.05	\$974.05	\$0.00	100.00%
GENERAL F	Expenses	10-5600-8750	Capital Lease	\$11,950.00	\$400.00	\$11,550.00	3.35%

Or Attrib	Type	Acct Num	Acct Name	Budget	YTD	Variance	Prcnt
GENERAL F Expenses		10-5600-8990	Contingency	\$5,000.00	\$0.00	\$5,000.00	0.00%
GENERAL F Expenses		10-5700-8730	Capital Outlay- Equip	\$16,000.00	\$12,689.75	\$3,310.25	79.31%
GENERAL F Expenses		10-5700-8731	LEASE PAYMENTS-W	\$2,000.00	\$2,244.58	(\$244.58)	112.23%
GENERAL F Expenses		10-5700-8732	LEASE PAYMENTS-JD	\$0.00	\$1,948.10	(\$1,948.10)	0.00%
GENERAL F Expenses		10-5700-8740	Powell Bill- Repairs S	\$5,000.00	\$0.00	\$5,000.00	0.00%
GENERAL F Expenses		10-5800-8020	Sanitation Salaries	\$17,600.00	\$15,518.99	\$2,081.01	88.18%
GENERAL F Expenses		10-5800-8050	Social Security	\$1,435.00	\$962.19	\$472.81	67.05%
GENERAL F Expenses		10-5800-8070	Medicare	\$335.00	\$225.01	\$109.99	67.17%
GENERAL F Expenses		10-5800-8170	Maintenance Truck in	\$13,300.00	\$12,345.08	\$954.92	92.82%
GENERAL F Expenses		10-5800-8310	FUEL/GAS	\$3,500.00	\$1,884.33	\$1,615.67	53.84%
GENERAL F Expenses		10-5800-8330	Departmental Supplie	\$300.00	\$234.54	\$65.46	78.18%
GENERAL F Expenses		10-5800-8450	GC Landfill (Dumping	\$8,641.25	\$6,984.03	\$1,657.22	80.82%
GENERAL F Expenses		10-5800-8530	Fees	\$30.00	\$0.00	\$30.00	0.00%
GENERAL F Expenses		10-5800-8570	Miscellaneous	\$29,858.75	\$29,858.75	\$0.00	100.00%
GENERAL F Expenses		10-6200-8020	Salaries	\$23,219.29	\$17,053.01	\$6,166.28	73.44%
GENERAL F Expenses		10-6200-8050	FICA	\$1,550.00	\$1,057.27	\$492.73	68.21%
GENERAL F Expenses		10-6200-8070	Medicare	\$363.00	\$247.28	\$115.72	68.12%
GENERAL F Expenses		10-6200-8130	Utilities	\$6,320.00	\$4,243.76	\$2,076.24	67.15%
GENERAL F Expenses		10-6200-8330	Departmental Supplie	\$6,280.71	\$5,432.18	\$848.53	86.49%
GENERAL F Expenses		10-6200-8450	Contracted Services	\$9,000.00	\$2,868.44	\$6,131.56	31.87%
GENERAL F Expenses		10-6200-8570	Sponsored Events	\$5,000.00	\$703.66	\$4,296.34	14.07%
GENERAL F Expenses		10-6200-8600	MILL PROPERTY	\$10,000.00	\$3,331.00	\$6,669.00	33.31%
GENERAL F Expenses		10-6200-8740	Prepaid Park Mainten	\$3,000.00	\$2,793.00	\$207.00	93.10%
GENERAL F Expenses		10-6400-8020	Salaries	\$21,000.00	\$9,514.33	\$11,485.67	45.31%
GENERAL F Expenses		10-6400-8050	Social Security	\$1,302.00	\$596.42	\$705.58	45.81%
GENERAL F Expenses		10-6400-8070	Medicare	\$305.00	\$244.59	\$60.41	80.19%
GENERAL F Expenses		10-6400-8160	Maintenance	\$500.00	\$57.67	\$442.33	11.53%
GENERAL F Expenses		10-6400-8450	Contracted Services	\$8,000.00	\$5,844.15	\$2,155.85	73.05%
GENERAL F Expenses		10-6400-8990	Contingency	\$800.00	\$0.00	\$800.00	0.00%
ttrib: 30 WATER & SEWER				\$655,943.00	\$424,234.47	\$231,708.53	65%
Revenues				\$1,311,886.00	\$829,337.39	\$482,548.61	63%
WATER & S Revenues		30-3710-0000	Water Charges	\$140,000.00	\$79,636.68	(\$60,363.32)	56.88%
WATER & S Revenues		30-3715-0000	Water Taps	\$6,400.00	\$0.00	(\$6,400.00)	0.00%
WATER & S Revenues		30-3720-0000	Sewer Charges	\$140,000.00	\$70,146.19	(\$69,853.81)	50.10%
WATER & S Revenues		30-3725-0000	Sewer Taps	\$3,200.00	\$0.00	(\$3,200.00)	0.00%
WATER & S Revenues		30-3740-0000	Returned Check Fees	\$60.00	\$0.00	(\$60.00)	0.00%
WATER & S Revenues		30-3746-0000	PURCHASE OF WATE	\$150.00	\$0.00	(\$150.00)	0.00%

Or Attrib	Type	Acct Num	Acct Name	Budget	YTD	Variance	Prct
WATER & S Revenues		30-3750-0000	Reconnect & Late Fe	\$6,000.00	\$3,596.68	(\$2,403.32)	59.94%
WATER & S Revenues		30-3990-0000	Fund Bal Appro.	\$25,000.00	\$0.00	(\$25,000.00)	0.00%
<b>Expenses</b>				\$320,810.00	\$153,379.55	(\$167,430.45)	48%
WATER & S Expenses		30-8100-8020	Salaries	\$44,900.00	\$26,074.03	\$18,825.97	58.07%
WATER & S Expenses		30-8100-8040	Professional Services	\$500.00	\$12.00	\$488.00	2.40%
WATER & S Expenses		30-8100-8050	Social Security	\$2,784.00	\$1,616.55	\$1,167.45	58.07%
WATER & S Expenses		30-8100-8070	Medicare	\$652.00	\$378.10	\$273.90	57.99%
WATER & S Expenses		30-8100-8110	Telephone & Postage	\$2,400.00	\$2,272.81	\$127.19	94.70%
WATER & S Expenses		30-8100-8120	Printing	\$1.00	(\$1.00)	\$2.00	-100.00%
WATER & S Expenses		30-8100-8140	Travel	\$10,000.00	\$0.00	\$10,000.00	0.00%
WATER & S Expenses		30-8100-8160	Maintenance Equipm	\$1,000.00	\$29.98	\$970.02	3.00%
WATER & S Expenses		30-8100-8170	Maintenance Truck	\$500.00	\$372.60	\$127.40	74.52%
WATER & S Expenses		30-8100-8310	FUEL/GAS	\$2,099.00	\$2,083.25	\$15.75	99.25%
WATER & S Expenses		30-8100-8330	Chemicals & Supplies	\$3,800.00	\$3,482.01	\$317.99	91.63%
WATER & S Expenses		30-8100-8450	Contracted Services	\$19,000.00	\$11,014.62	\$7,985.38	57.97%
WATER & S Expenses		30-8100-8500	Water Purchase	\$45,000.00	\$32,080.07	\$12,919.93	71.29%
WATER & S Expenses		30-8100-8540	Dues & Fees	\$1,500.00	\$1,494.00	\$6.00	99.60%
WATER & S Expenses		30-8100-8570	Miscellaneous	\$15,200.00	\$10,995.65	\$4,204.35	72.34%
WATER & S Expenses		30-8100-8610	SOUTHERN SOFTWA	\$5,000.00	\$4,831.00	\$169.00	96.62%
WATER & S Expenses		30-8100-8990	Contingency	\$10,000.00	\$0.00	\$10,000.00	0.00%
WATER & S Expenses		30-8200-8020	Salaries	\$20,000.00	\$17,604.08	\$2,395.92	88.02%
WATER & S Expenses		30-8200-8050	Social Security	\$1,360.00	\$1,091.48	\$268.52	80.26%
WATER & S Expenses		30-8200-8070	Medicare	\$300.00	\$255.39	\$44.61	85.13%
WATER & S Expenses		30-8200-8110	Telephone & Postag	\$2,600.00	\$170.97	\$2,429.03	6.58%
WATER & S Expenses		30-8200-8130	Utilities	\$5,500.00	\$3,038.94	\$2,461.06	55.25%
WATER & S Expenses		30-8200-8142	Education/ Schools	\$1,500.00	\$1,355.29	\$144.71	90.35%
WATER & S Expenses		30-8200-8160	Maintenance Equipm	\$500.00	\$0.00	\$500.00	0.00%
WATER & S Expenses		30-8200-8170	Maintenance Truck	\$500.00	\$79.13	\$420.87	15.83%
WATER & S Expenses		30-8200-8210	SOUTHERN SOFTWA	\$4,000.00	\$0.00	\$4,000.00	0.00%
WATER & S Expenses		30-8200-8310	FUEL/GAS	\$2,000.00	\$1,894.04	\$105.96	94.70%
WATER & S Expenses		30-8200-8330	Chemicals & Supplies	\$23,800.00	\$23,513.67	\$286.33	98.80%
WATER & S Expenses		30-8200-8450	Contracted Services	\$28,700.00	\$19,858.39	\$8,841.61	69.19%
WATER & S Expenses		30-8200-8500	SEWER PURCHASE	\$46,000.00	\$34,694.36	\$11,305.64	75.42%
WATER & S Expenses		30-8200-8540	Dues & Fees	\$590.00	\$0.00	\$590.00	0.00%
WATER & S Expenses		30-8200-8700	Sewer Lines	\$307.00	\$306.39	\$0.61	99.80%
WATER & S Expenses		30-8200-8740	Capital Outlay	\$10,093.00	\$9,581.25	\$511.75	94.93%
WATER & S Expenses		30-8200-8990	Contingency	\$8,724.00	\$0.00	\$8,724.00	0.00%

Or Attrib	Type	Acct Num	Acct Name	Budget	YTD	Variance	Prcnt
				\$320,810.00	\$210,179.05	\$110,630.95	66%
				\$641,620.00	\$363,558.60	\$278,061.40	57%



# Memo: Mayor and Council Members

**Subject: Public Works Operations & Safety Manual—Request for Council Adoption**

Mayor and Council Members,

Over the past several months, work has been undertaken to consolidate, modernize, and formalize the operational standards of the City of High Shoals Public Works Department.

Attached for your review is the comprehensive Public Works Operations & Safety Manual (Combined Volume I & II Edition), which consolidates operational, safety, documentation, training, and compliance standards into a single governing framework.

This Manual:

- Establishes structured operational procedures
- Strengthens safety and risk management practices
- Clarifies documentation and accountability standards
- Aligns certification and training expectations
- Reduces liability exposure
- Provides continuity for future staffing transitions

The policies contained within this Manual are designed to operate in conjunction with and in support of the City's adopted Human Resources Policy Manual. Where applicable, disciplinary standards, leave provisions, and employment classifications align with previously adopted HR policies to ensure consistency across departments.

This Manual supersedes prior standalone Public Works operational policies and informal procedures and is intended to provide clarity, transparency, and long-term sustainability for the Department.

A phased 90-day implementation plan has been prepared to ensure structured rollout and minimize operational disruption.

I respectfully request Council consideration and adoption of this Manual by formal resolution at the upcoming meeting.

Thank you for your continued support in strengthening the operational foundation of our City.

Respectfully,

Brandi Strange  
City of High Shoals



# Structure:

If you'd like structure, here's a clean outline:

## 1. Purpose

Establish clear expectations for productivity, authority, and communication within Public Works.

## 2. Chain of Command

- City Administrator
- Public Works Lead
- Crew Members
  - No automatic authority based on tenure.

## 3. Work Expectations

- Assigned tasks are to be completed unless safety conditions prevent completion.
- Weather does not cancel work unless it is hazardous.
- If task cannot be completed, staff must contact supervisor for reassignment.

## 4. Downtime Protocol

- Default alternate assignments (shop cleanup, maintenance, inventory, documentation, etc.)
- No self-directed cancellation of work.

## 5. Accountability

- Failure to complete assigned work without communication may result in progressive discipline.

## 6. Leadership Acting Authority

- Only designated acting supervisors may alter assignments.
- Acting authority must be explicitly assigned.



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# **City of High Shoals**

## **Public Works Operations & Safety Manual**

Combined Volume I & Volume II Edition

Official Comprehensive Edition

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## **Manual Overview**

This comprehensive manual consolidates all previously adopted Public Works Operations and Safety policies into a single governing document. It establishes clear operational structure, safety compliance requirements, accountability standards, training expectations, inspection procedures, and administrative oversight mechanisms for the City of High Shoals Public Works Department. All prior standalone volumes are hereby incorporated into this unified edition.

## **Legal Authority & Superseding Clause**

This Manual supersedes all prior Public Works operational policies, safety policies, memoranda, and informal procedures. All prior standalone documents are incorporated into and replaced by this consolidated edition upon adoption by Council resolution.

---

# Section 1 – Substance Abuse & Drug-Free Workplace Policy

## 1. Purpose

The City of High Shoals is committed to maintaining a safe, healthy, and productive workplace. Public Works employees operate heavy equipment, commercial vehicles, and critical infrastructure systems. Impairment due to drugs or alcohol poses significant risk to employees, coworkers, and the public. Accordingly, the City adopts a Zero-Tolerance Drug & Alcohol Policy.

---

## 2. Applicability

This policy applies to all Public Works employees and all applicants for Public Works positions.

Safety-sensitive positions include, but are not limited to:

- CDL drivers
  - Trash truck operators and rear riders
  - Heavy equipment operators
  - Water and sewer personnel
  - Any employee operating City-owned vehicles or equipment
- 

## 3. Pre-Employment Drug Screening

All offers of employment for Public Works positions shall be contingent upon successful completion of a pre-employment drug screening.

A confirmed positive pre-employment drug test shall result in withdrawal of the employment offer. Applicants who refuse to submit to testing shall be disqualified from employment.

---

## 4. Prohibited Conduct

The following conduct is strictly prohibited:

1. Reporting to work under the influence of illegal drugs or alcohol.
  2. Reporting to work with any detectable level of alcohol.
  3. Possessing, using, or distributing illegal drugs during work hours or on City property.
  4. Misuse of prescription medication that impairs safe job performance.
  5. Refusal to submit to authorized testing.
  6. Tampering with, adulterating, or attempting to interfere with a test specimen.
- 

## 5. Zero-Tolerance Standard

The City maintains a zero-tolerance standard for:

- Any confirmed positive result for illegal drugs
- Any confirmed positive alcohol result (any detectable level)
- Refusal to submit to testing
- Tampering with a specimen

Any confirmed positive result under any authorized testing program shall result in immediate termination of employment.

---

confirmed positive test.

This policy applies regardless of whether marijuana is legal under state law, as marijuana remains illegal under federal law and is prohibited for safety-sensitive positions.

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## **6. Authorized Testing**

Testing may be conducted under the following circumstances:

- Pre-employment
- Random
- Reasonable suspicion
- Post-accident
- Return-to-duty (where applicable under federal regulations)

All testing shall be conducted by a certified laboratory and verified by a Medical Review Officer (MRO), where applicable.

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## **7. Alcohol Standard**

Because Public Works operations involve safety-sensitive duties, the City adopts a zero-tolerance alcohol standard.

Any detectable alcohol level during authorized testing shall constitute a violation and shall result in immediate termination.

---

## **8. Prescription Medication**

Legally prescribed medications are not prohibited.

However:

- Employees must notify the City Administrator if a prescribed medication may impair safe performance.
  - The City reserves the right to require medical certification confirming fitness for duty.
  - Failure to disclose medication that impairs performance may result in disciplinary action.
- 

## **9. Refusal to Test**

Refusal includes:

- Failing to appear for testing
- Leaving before testing is completed
- Failing to provide an adequate specimen without medical explanation
- Tampering with or adulterating a sample

Refusal shall be treated as a confirmed positive result and shall result in immediate termination.

---

## **10. Compliance with Federal Regulations**

For employees subject to U.S. Department of Transportation (DOT) regulations, all federal drug and alcohol testing requirements shall apply in addition to this policy.

Where federal law imposes stricter standards, federal law shall control.

---

# Section 2 – Education, Certification & Training Reimbursement Agreement

## 1. Purpose

The City of High Shoals supports employee development and recognizes that certain certifications and licenses are necessary for operational compliance and public safety. When the City invests in employee education, training, or certification, it does so with the expectation of continued employment and service to the City.

---

## 2. Covered Training & Certification

This policy applies to City-funded:

- Water and wastewater certifications
- CDL training programs
- Heavy equipment certifications
- Required state or federal licensure
- Job-required professional development programs
- Any certification or coursework paid in whole or in part by the City

Covered costs may include:

- Tuition
- Examination fees
- Study materials
- Registration fees
- Required travel and lodging expenses
- Required continuing education costs

---

## 3. Written Agreement Requirement

Prior to approval of City-funded training or certification, the employee must sign a Training & Reimbursement Agreement acknowledging:

- The total estimated cost of training;
- The 24-month service commitment requirement;
- The prorated reimbursement schedule; and
- Authorization for wage deduction to the extent permitted by North Carolina law.

Failure to sign the agreement shall result in denial of funding approval.

---

## 4. Reimbursement Obligation (24-Month Prorated Schedule)

If an employee voluntarily resigns or is terminated for cause within twenty-four (24) months of completion of City-funded training or certification, the employee shall reimburse the City for a prorated portion of the documented training cost as follows:

- Separation within 0–12 months: 100% reimbursement required
- Separation within 13–18 months: 50% reimbursement required
- Separation within 19–24 months: 25% reimbursement required
- Separation after 24 months: No reimbursement required

Reimbursement shall be based solely on documented actual costs paid by the City.

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## 5. Exclusions & Exceptions

Reimbursement shall not be required if separation occurs due to:

- Reduction in force
- Position elimination
- Medical inability to perform essential job functions (with documentation)
- Death
- Other extraordinary circumstances as approved by the Mayor and Council

---

## 6. Repayment & Wage Deduction

Repayment shall be due within thirty (30) days of separation unless a written repayment agreement is executed.

The City may deduct authorized reimbursement amounts from final wages only to the extent permitted by North Carolina law and pursuant to the employee's signed authorization.

## 7. Certification Examination Attempt & Pay Adjustment Policy

For required operational certifications, including but not limited to:

- C-Distribution Water Certification
- Wastewater/Sewer Certification
- Any certification required for Lead designations or regulatory compliance
- Other required state-licensed operational credentials

### A. 18-Month Certification Requirement

Employees hired or promoted into a certification-required position must obtain the required certification within eighteen (18) months of:

- Date of hire, or
- Date of promotion into the certification-required role

Failure to obtain certification within the 18-month period may result in pay adjustment, reassignment, or separation if certification is deemed an essential function of the position.

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### B. Examination Attempts

The City shall fund up to three (3) examination attempts within the 18-month certification period. City-funded costs include:

- Course tuition
- Required textbooks and materials
- Examination fees
- Approved travel expenses
- Compensation at the employee's regular hourly rate for instruction time, exam time, and required travel time

---

### C. Failure After Three Attempts

If the employee fails to obtain certification after three (3) attempts:

1. The employee shall be responsible for all future tuition, materials, and examination fees associated with additional attempts.
2. The City shall not compensate the employee for instruction time, exam time, or travel time related to additional attempts.
3. If certification is tied to a specific pay grade, Lead designation, or classification level,

---

operational necessity and regulatory compliance requirements.

#### **D. Compensation Alignment**

Compensation for certified positions is contingent upon maintaining required credentials. If certification lapses is not obtained within the required timeframe, or is otherwise invalidated, compensation may be adjusted accordingly.

This includes:

- Course tuition
- Required textbooks and materials
- Examination fees
- Approved travel expenses
- Compensation at the employee's regular hourly rate for instruction time, exam time, and required travel time

If the employee fails to obtain certification after three (3) attempts:

1. The employee shall be responsible for all future course tuition, materials, and examination fees associated with retesting.
2. The City shall not compensate the employee for future instruction time, exam time, or travel time related to additional attempts.
3. If certification is tied to a pay grade, Lead designation, or required position qualification, the employee's compensation may be adjusted to reflect non-certification status.
4. If certification is an essential function of the position, reassignment or separation may occur based on operational necessity and regulatory compliance requirements.

Compensation adjustments shall align with the City's adopted pay study and classification structure.

#### **Examination Documentation & Retest Responsibility**

Upon registering for certification examinations, all eligibility notices, admission documents, and examination correspondence issued by the State or testing authority shall be sent directly to the employee.

The employee is responsible for:

- Retaining all examination confirmation documents,
- Safeguarding eligibility letters and admission notices,
- Presenting required documentation at the time of testing, and
- Providing copies to the City Administrator upon request.

If an employee fails an examination attempt and subsequently loses, deletes, or fails to retain required examination documentation, the employee shall be solely responsible for coordinating directly with the testing authority to secure replacement documentation and to complete all necessary follow-up for retesting.

The City shall not be responsible for delays caused by lost or mishandled examination paperwork.

Failure to properly manage examination documentation may delay retesting eligibility and may impact compliance with the required 18-month certification completion period.

Failure to actively pursue retesting following an unsuccessful attempt may be treated as failure to comply with certification requirements.

---

## **Section 3 – Trash Truck & Heavy Equipment Standards**

Only authorized and properly licensed employees may operate equipment. Safe operation required at all times. Seatbelt use mandatory. No riders except assigned personnel.

### **Minimum Age & Licensing Requirements**

Employees operating any CDL-required vehicle on behalf of the City of High Shoals must:

- Possess a valid Commercial Driver's License (CDL) appropriate for the vehicle class operated;
- Maintain an acceptable driving record as defined by the City's insurance carrier;
- Be at least twenty-one (21) years of age;
- Comply with all applicable federal and state motor carrier regulations.

Failure to maintain valid licensure, acceptable driving record status, or minimum age requirements shall result in removal from CDL-required duties and may result in disciplinary action.

### **Sanitation Route Rotation Requirement**

To prevent fatigue, reduce injury risk, and promote equitable workload distribution:

- Employees assigned to sanitation routes shall rotate duties between driving, rear-loading, and can handling at reasonable intervals during the route.
- No single employee shall remain assigned to continuous rear-loading duties for the entirety of the route unless operational necessity requires temporary adjustment.
- The Public Works Lead shall ensure fair rotation of physically demanding duties.

Failure to comply with rotation standards may result in corrective action.

---

## Section 4 – Use of City Vehicles & Property

City vehicles and equipment are to be used for official municipal business only.

Employees are responsible for operating City vehicles and equipment in a safe, professional, and lawful manner at all times.

Unauthorized personal use of City vehicles or equipment is prohibited.

### 1. Proper Use of City Vehicles & Equipment

City vehicles and equipment are to be used for official municipal business only.

Employees are responsible for operating City vehicles and equipment in a safe, professional, and lawful manner at all times.

Unauthorized personal use of City vehicles or equipment is prohibited.

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### 2. Vehicle Care & Cleanliness

Employees are responsible for maintaining City vehicles and equipment in clean, orderly, and service-ready condition.

This includes:

- Removing trash and debris from vehicle interiors daily
- Keeping tool storage organized and secured
- Ensuring required equipment remains stocked on assigned vehicles
- Maintaining a professional appearance reflective of public service standards

Failure to maintain vehicle cleanliness and care may result in corrective action.

---

### 3. Maintenance Reporting

Employees shall immediately report any mechanical issue, warning indicator, unusual noise, damage, or safety concern to the Public Works Lead and City Administrator.

Failure to report known mechanical concerns may result in disciplinary action.

Operation of unsafe equipment is prohibited.

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### 4. No Smoking / Tobacco / Vaping

Smoking, vaping, or use of any tobacco product is strictly prohibited in all City-owned vehicles and equipment.

This prohibition applies at all times, including during breaks and when the vehicle is parked.

City vehicles are designated smoke-free environments to protect employee health, maintain equipment condition, and reduce fire risk.

Violation of this policy may result in disciplinary action.

---

### 5. Unauthorized Passengers

No unauthorized passengers shall be transported in City vehicles.

Authorized passengers include:

- Assigned City employees
- Approved contractors engaged in official business
- Individuals authorized by the City Administrator

Family members, friends, or any other non-authorized individuals are strictly prohibited from riding in City vehicles.

Violation of this policy may result in disciplinary action.

- 
- The Council Member assigned oversight of vehicles and equipment
  -

Inspection findings may result in corrective action if deficiencies are identified.

The purpose of random inspection is to maintain safety, accountability, and public asset protection.

---

### **11. Tool & Equipment Security**

All toolboxes, compartments, and equipment storage areas on City vehicles must be secured and locked when not in active use.

At the end of each shift:

- All tools shall be properly stored.
- All compartments shall be closed and locked.
- Vehicles shall not be left unattended with unlocked tool storage.

Failure to secure City equipment may result in disciplinary action.

The purpose of this policy is to prevent theft, loss, and unnecessary municipal expense.

---

## **6. Firearms & Weapons in City Vehicles**

Personal firearms or weapons are prohibited in City-owned vehicles and equipment unless:

- The individual is lawfully authorized to carry in the course of official duties; or
- The City Administrator has granted written authorization consistent with applicable law.

This restriction applies regardless of concealed carry permits.

Violation of this policy may result in disciplinary action up to and including termination.

---

## **7. Fuel Purchases & Fuel Ticket Submission**

City fuel purchases shall be made only through the City's authorized in-town fuel vendor account.

Employees shall:

- Obtain a fuel ticket/receipt for every fuel purchase;
- Verify that the ticket accurately reflects the vehicle number and gallons dispensed;
- Submit all fuel tickets to the City Administrator on the same business day the fuel is purchased.

Failure to submit fuel documentation may result in delayed payment to the vendor and disciplinary action.

---

## **8. Friday Fuel Purchase Cutoff**

To ensure timely processing of vendor payments and internal financial controls:

- No fuel purchases shall be made after 11:00 a.m. on Fridays unless expressly authorized by the City Administrator due to operational necessity.
  - Fuel needs should be planned accordingly to avoid disruption of payment processing.
  - Unauthorized fuel purchases made after the Friday cutoff time may result in corrective action.
- 

## **9. Vehicle Parking & Key Control**

All City-owned vehicles and equipment shall be parked at the designated City facility (City Hall or other approved municipal location) at the conclusion of each workday unless expressly authorized otherwise by the City Administrator.

At the end of each shift:

- Vehicles shall be secured and locked.
- Keys shall be returned to the designated key storage location inside City Hall (kitchen area or other approved secured location).
- No employee is permitted to remove City vehicle keys from municipal property without prior authorization.

Unauthorized removal of vehicle keys or overnight possession of keys may result in disciplinary action.

---

## **10. Random Vehicle Inspections**

City-owned vehicles and equipment may be subject to random inspection to ensure:

- Cleanliness and professional appearance
- Safety compliance
- Required equipment readiness
- Proper documentation of inspections
- General maintenance condition

Random inspections may be conducted by:

---

## **Section 5 – Vehicle & Safety Inspection Standards**

### **Daily Pre-Trip Inspection Requirement**

All City vehicles shall undergo a documented daily pre-trip inspection prior to operation.

The trash truck shall additionally undergo a documented post-trip inspection at the conclusion of each sanitation route.

The operator of the vehicle is solely responsible for completing the inspection form.

---

### **Inspection Form Documentation & Submission**

The City utilizes carbon-copy vehicle inspection forms.

- The original (top) copy of each completed inspection form shall be submitted to the City Administrator.
- Inspection forms shall be retained by the operator during the workweek.
- All inspection forms for the week shall be turned in no later than the end of the workday each Friday.

Inspection forms shall be reviewed weekly by the City Administrator to ensure:

- Compliance with inspection requirements
- Identification of recurring maintenance issues
- Documentation of reported deficiencies
- Verification of required safety equipment

Failure to complete or submit inspection forms may result in corrective action.

---

### **Deficiency Reporting**

Any deficiency noted during inspection must be:

- Reported immediately to the Public Works Lead and City Administrator.
- Documented on the inspection form.
- Addressed prior to continued operation if the issue affects safety.

Operation of unsafe equipment is prohibited.

---

### **Required Safety Equipment Verification**

Each vehicle shall contain:

- A properly stocked first aid kit
- A fully charged and accessible fire extinguisher (within service date)

These items must be verified during daily pre-trip inspection.

Missing, expired, or damaged safety equipment must be reported immediately and replaced as soon as practicable.

---

## **Section 6 – Disciplinary Ladder**

Progressive discipline: Verbal Warning, Written Warning, Final Warning/Suspension, Termination.  
Serious violations may bypass steps.

The City reserves the right to determine the appropriate level of discipline based on severity, prior conduct, and operational risk.

---

## **Section 7 – Daily Assignment & Timekeeping**

Daily Task Assignment Sheet required. Time must be allocated accurately by department. Timesheets due at end of shift.

When a task is marked as completed on the Daily Assignment Sheet, it must be fully completed to operational standard.

Completion means:

- Trash removed from designated areas
- Restrooms cleaned and restocked
- Supplies replenished as required
- Areas left in service-ready condition

Marking a task as complete when it has not been fully completed may result in corrective action.

The Public Works Lead shall verify completion of assigned tasks prior to end of shift when practicable.

The City Administrator reserves the right to conduct spot inspections to verify task completion.

### **Task Verification & Signature Accountability**

Each task marked complete must be verified by the employee signing off on the task.

The employee signing completion is responsible for ensuring the task has been fully performed to operational standard.

Shared team responsibility does not eliminate individual accountability for signed documentation.

Falsification or negligent completion of work documentation may result in disciplinary action.

Falsification of work records or task documentation is grounds for disciplinary action.

---

## **Section 8 – Work Order Procedures**

- Start and stop times must be recorded.
- Serial numbers verified when applicable.
- Completed work orders to be returned daily.

---

## Section 9 – Weekly Operational Structure

To ensure consistency, accountability, and service reliability, the following recurring operational schedule shall be observed:

### 1. Sanitation Services

- Every Tuesday: Municipal sanitation route shall be completed.
- First Monday of each month: Bulk pickup operations shall be conducted.
- Any route adjustments due to staffing or equipment issues shall follow the Call-Out & Route Adjustment Policy.

### 2. Water System Compliance

- First Wednesday of each month: Required monthly water sample shall be collected and submitted.
- Quarterly water samples shall be collected in accordance with regulatory deadlines. Due dates shall be documented and monitored by the Public Works Lead and City Administrator.

### 3. Park & Public Facility Maintenance

- Every Friday: Park restroom facilities shall be inspected, cleaned, and restocked.

### 4. Seasonal Grounds Maintenance

- Mowing season shall run from March through November.
- Mowing frequency shall be adjusted based on growth conditions, weather, and operational capacity.

### 5. Project Completion Standards

- Assigned projects shall be completed within reasonable and practical timeframes based on scope, staffing, equipment availability, and public priority.
- The Public Works Lead shall provide status updates on ongoing projects during weekly coordination discussions.

---

## **Section 10 – Monthly Performance Tracking**

Sanitation metrics, inspection compliance, work order completion rates, and labor allocation tracked monthly.

---

# Section 11 – Call-Out & Attendance Policy

## 1. Purpose

To ensure operational continuity, route reliability, public service consistency, and payroll accuracy, all absences must be properly reported and documented.

Failure to follow this procedure may result in unpaid leave and/or disciplinary action.

---

## 2. Required Notification Procedure

An employee who is unable to report to work as scheduled must:

1. Notify the City Administrator by text message (for documentation purposes).
2. Notify the Public Works Lead.
3. Notify other scheduled crew members assigned to the same shift.

Notification must occur:

- No later than 6:00 a.m. on sanitation route days (Tuesdays or scheduled sanitation days).
- No later than 7:00 a.m. on all other scheduled workdays.
- Or as soon as reasonably practicable in cases of emergency.

Text notification is required to ensure time-stamped documentation.

Verbal-only notification is insufficient.

---

## 3. Failure to Properly Notify

If proper notification is not made:

- The absence may be classified as unexcused.
- Sick leave may be denied.
- The time may be recorded as unpaid leave.
- Progressive discipline may apply.

If the City Administrator is not properly notified in accordance with this policy, accrued sick leave shall not be used for that absence.

---

## 4. Route Continuity & Operational Adjustment

In the event of a call-out:

- The remaining crew members shall coordinate immediate route adjustment.
- The Public Works Lead shall determine workload redistribution.
- If necessary, sanitation routes may be modified to prioritize critical areas.
- The Lead shall notify the City Administrator of adjusted operational plans.

Crew members are expected to operate as a team and ensure service continuity without delay.

---

## 5. Patterned Absences

Excessive or patterned call-outs (e.g., frequent Monday or Friday absences) may trigger review under the Disciplinary Ladder policy.

---

## 6. Documentation & Payroll Integrity

All call-outs must be reflected accurately on:

- Daily Assignment Sheets
- Timekeeping records
- Leave balance documentation

Discrepancies between reported absence and time submitted may be treated as falsification of records

---

## 7. Sanitation Route Continuity Standard

Sanitation routes shall begin at the scheduled start time regardless of call-outs, unless otherwise directed by the City Administrator.

If a scheduled sanitation employee fails to report or properly notify in accordance with this policy:

- The available crew member(s) shall begin the route at the scheduled start time.
- Route delays shall not occur due to failure of proper call-out notification.
- Adjustments may be made later in the route as staffing allows.

Operational continuity shall take priority over convenience.

---

# Section 12 – Safety & Training Program

Annual safety training required. Documentation maintained. Safety meetings conducted regularly.

## Section 12.A – Fitness-for-Duty & Essential Function Evaluation Policy

### 1. Purpose

The City of High Shoals is committed to maintaining a safe work environment for employees and the public. Public Works positions are safety-sensitive and require the ability to perform essential physical and operational job functions.

This policy establishes a structured, neutral process for evaluating an employee's ability to safely perform essential job duties when legitimate safety concerns arise.

This policy is not disciplinary in nature. It is a safety and risk management measure.

---

### 2. Essential Job Functions

Public Works employees must be able to safely perform essential job functions, which may include but are not limited to:

- Operating heavy equipment and CDL-required vehicles
- Mounting and dismounting sanitation trucks
- Rear-loading sanitation routes
- Operating weed eaters, mowers, and power tools
- Using pipe wrenches and hand tools
- Lifting, carrying, and maneuvering equipment and materials
- Working on uneven terrain
- Maintaining balance and stability during physically demanding tasks
- Performing repetitive physical motion in varying weather conditions

The official job description and adopted pay classification shall define essential functions.

---

### 3. Circumstances Triggering Review

A Fitness-for-Duty review may be initiated when there is reasonable concern that an employee may be unable to safely perform essential job functions.

Concerns may arise from:

- Observable difficulty performing required physical tasks
- Repeated inability to complete assigned operational duties
- Safety incidents or near-miss events
- Medical restrictions or documented health concerns
- Reports indicating physical struggle affecting job performance
- Significant change in physical capability impacting safety

Age alone shall never be a basis for evaluation.

All determinations must be based solely on job-related safety concerns.

---

### 4. Phased Evaluation Process

To ensure fairness, consistency, and transparency, the following phased process shall be followed:

#### Phase 1 – Observation & Documentation

The Public Works Lead and/or City Administrator shall:

- Document specific, objective observations related to job performance limitations

- 
- Avoid subjective or non-job-related commentary.

Documentation shall focus solely on performance and safety concerns.

---

### **Phase 2 – Informal Safety Discussion**

The City Administrator shall meet privately with the employee to:

- Review documented observations.
- Clarify essential job expectations.
- Provide the employee an opportunity to respond.
- Determine whether temporary adjustments or clarification resolve the concern.

If concerns remain, the process shall proceed to Phase 3.

---

### **Phase 3 – Medical Fitness-for-Duty Certification**

The employee may be required to obtain medical certification from a licensed healthcare provider confirming whether the employee can safely perform essential job functions.

The medical evaluation shall:

- Be limited to fitness for duty.
- Not request diagnosis or unrelated medical details.
- Address ability to perform specific essential tasks.
- Be completed within a reasonable timeframe.

The City may provide a written description of essential job functions to the healthcare provider. Failure to provide required certification may result in administrative leave or further employment action.

---

### **Phase 4 – Determination & Action**

Based on the medical certification and operational necessity, the City may:

- Confirm continued employment without restriction;
- Implement temporary duty modification if operationally feasible;
- Adjust classification or compensation if certification status changes;
- Reassign to a vacant position if available;
- Or take appropriate employment action consistent with applicable law if essential functions cannot be safely performed.

Public safety and employee safety shall remain the primary considerations.

---

## **5. Non-Discrimination Statement**

The City shall comply with all applicable federal and North Carolina employment laws, including but not limited to:

- Americans with Disabilities Act (ADA)
- North Carolina Equal Employment Practices

Reasonable accommodation shall be considered when feasible and when it does not impose undue hardship on municipal operations.

---

## **6. Safety-Sensitive Position Standard**

Because Public Works positions involve heavy machinery, vehicle operation, and public infrastructure, the ability to safely perform essential physical functions is a condition of employment. The City may require periodic medical certification for safety-sensitive positions when justified by legitimate safety concerns.

---

## **Section 13 – PPE Standards**

City provides boots, safety gear, water, coats, and uniforms. Use of PPE is mandatory when required.

---

# Section 14 – Seatbelt Compliance

Seatbelts required in all City vehicles at all times without exception.

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## **Section 15 – No Cell Phone / Earbud / Loud Music Policy**

No earbuds or loud music while operating equipment or riding sanitation routes. Cell phone use is prohibited while driving.

---

# Section 16 – Accident, Injury, & Near-Miss Reporting

To ensure employee safety, regulatory compliance, and proper risk management, the following procedures shall be followed in the event of any accident, injury, incident, or near-miss involving City personnel, vehicles, equipment, or property.

---

## 1. Immediate Reporting Requirement

All accidents, injuries, property damage, equipment damage, utility strikes, or near-miss incidents occurring during the course of employment must be reported immediately to the City Administrator. Immediate notification means as soon as safely possible, but no later than 15 minutes following the occurrence.

If the City Administrator is unavailable, the employee shall notify the Public Works Lead, who shall immediately notify the City Administrator.

Failure to report an incident in accordance with this policy may result in disciplinary action.

---

## 2. Definition of Near-Miss

A near-miss is any unplanned event that did not result in injury, illness, or damage — but had the potential to do so.

Examples include:

- Equipment malfunction that could have caused injury
- Almost striking a pedestrian or vehicle
- Slipping or tripping without injury
- Load shift during transport
- Brake failure without collision

Near-miss reporting is required to prevent future accidents and improve operational safety.

Reporting a near-miss shall not result in disciplinary action unless misconduct or policy violation is involved.

---

## 3. Scene Safety & Initial Actions

Employees involved in an accident or injury shall:

- Ensure immediate safety of all individuals.
- Contact emergency services if required.
- Secure the area to prevent further injury or damage.
- Refrain from admitting fault or liability.
- Cooperate with law enforcement or emergency personnel.

Photographs shall be taken when safely possible.

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## 4. Written Incident Report

A written Accident/Incident Report must be completed before the end of the employee's shift on the day the incident occurs, unless medically unable to do so.

If the employee is unable to complete the report due to medical treatment, the report must be completed as soon as reasonably possible upon return.

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## 5. Workers' Compensation Reporting

Any work-related injury, no matter how minor, must be reported immediately and no later than 24 hours from the time of occurrence.

The City Administrator shall:

- Notify the City's workers' compensation insurance carrier promptly.
- File required documentation with the North Carolina Industrial Commission (Form 19) within statutory reporting timelines.
- Maintain documentation in accordance with applicable law.

Failure by an employee to report a workplace injury within 24 hours may impact workers' compensation eligibility.

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## 6. Post-Accident Drug & Alcohol Testing

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accident may be required to submit to post-accident drug and/or alcohol testing.

Upon notification of an accident, the City Administrator shall determine whether testing is required and coordinate appropriate testing procedures.

Refusal to submit to required testing shall be considered a policy violation and may result in disciplinary action up to and including termination.

---

### **7. Post-Accident Drug & Alcohol Testing – Mandatory Termination Clause**

If an employee tests positive for illegal drugs or prohibited substances following a post-accident drug or alcohol test, employment shall be terminated immediately.

This provision applies to all safety-sensitive positions, including but not limited to:

- CDL drivers
- Trash truck operators and rear riders
- Heavy equipment operators
- Water and sewer system operators
- Any employee operating City vehicles or equipment

Refusal to submit to required post-accident testing, tampering with a sample, or attempting to interfere with the testing process shall be treated as a positive test result and shall result in immediate termination.

No discretionary reinstatement or rehabilitation option shall apply following a confirmed positive post-accident test. Termination shall occur following confirmation by a certified laboratory and Medical Review Officer (MRO), where applicable.

### **8. Investigation & Corrective Measures**

The City reserves the right to:

- Conduct internal investigation
- Review vehicle inspection compliance
- Review maintenance logs
- Require retraining
- Implement corrective or disciplinary action

The purpose of accident reporting is to promote safety, prevent recurrence, and protect employees and the City.

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## **Section 17 – Preventative Maintenance & Inventory Control**

Standardized truck load-out required. Inventory tracked monthly. Mechanical issues reported immediately upon discovery.

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## **Section 18 – Resolution of Adoption**

Adopted by resolution of the Mayor and Council. Effective upon approval.

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## **Section 19 – Version Control & Amendments**

All revisions documented in Revision Log and approved by Council action.

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## **Section 20 – Employee Acknowledgment**

Employees must sign acknowledgment confirming receipt and understanding of this Manual. (Appendix B)

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## Appendix A – Training & Certification Reimbursement Agreement

Employee Name: \_\_\_\_\_

Position: \_\_\_\_\_

Certification/Training Program: \_\_\_\_\_

Total Estimated Cost Paid by City: \$\_\_\_\_\_

I acknowledge that the City of High Shoals is funding the above-listed training or certification.

I agree to remain employed with the City for twenty-four (24) months following completion.

If I voluntarily resign or am terminated for cause within 24 months, I agree to reimburse the City according to the following schedule:

0–12 months: 100% reimbursement  
13–18 months: 50% reimbursement  
19–24 months: 25% reimbursement

I authorize payroll deduction of any owed reimbursement to the extent permitted by North Carolina law.

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

City Administrator Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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## **APPENDIX B- Employee Acknowledgment of Receipt and Understanding of City of High Shoals – Public Works Operations & Safety Manual**

I acknowledge that I have received a copy of the **City of High Shoals Public Works Operations & Safety Manual**, including all policies, procedures, safety standards, and appendices.

I understand that:

1. This Manual supersedes all prior Public Works operational policies, procedures, and informal practices.
2. I am responsible for reading, understanding, and complying with the policies contained within this Manual.
3. If I have questions regarding any policy or procedure, it is my responsibility to seek clarification from the City Administrator.
4. Compliance with the Manual is a condition of employment.
5. Violation of the policies contained in this Manual may result in disciplinary action, up to and including termination of employment.
6. The City reserves the right to amend, revise, or update this Manual at any time, with notice provided to employees.

I further acknowledge that:

- I understand the Drug & Alcohol Policy, including the Zero-Tolerance provision.
- I understand the Vehicle & Equipment Operation Standards.
- I understand the Daily Assignment, Documentation, and Inspection requirements.
- I understand the Accident Reporting & Post-Accident Drug Testing requirements.
- I understand the Education & Certification Agreement requirements.

I agree to perform my duties in accordance with these policies and in a manner that protects the safety of myself, my coworkers, and the public.

---

Employee Name (Printed): \_\_\_\_\_

Employee Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Witness (City Administrator): \_\_\_\_\_

Date: \_\_\_\_\_



## **MASTER MARKETING AGREEMENT – VERTA WIRELESS**

**Purpose:** Grants SQF, LLC (Verta Wireless) exclusive rights to market certain City-owned properties for potential wireless communication tower development.

**Agreement Term:** Five (5) year initial term with automatic one-year renewals (up to five additional years). Individual site leases may extend long-term (10-year initial lease with eight 5-year renewal options – up to 50 years total).

**Compensation to City:** • \$1,000 paid upon execution of the Master Agreement. • 30% of monthly rental revenues collected from wireless carriers on any developed site.

**Site Approval Process:** • Each proposed site requires City review and approval. • A separate Option & Lease Agreement must be executed for each approved site. • No tower is automatically approved under this agreement.

**Exclusivity Provision:** During the agreement term, the City may not enter into agreements with competing wireless infrastructure companies for listed properties.

**City Protections:** • City retains primary public use of all properties. • Tenant responsible for insurance, construction, and maintenance. • Revenue only generated if a tower is constructed and leased.

**Council Considerations:** • Long-term lease implications. • Revenue potential vs. exclusivity limitations. • Assignment and transfer rights. • Right of First Refusal provisions.



## MASTER MARKETING AGREEMENT

This MASTER MARKETING AGREEMENT (“Agreement”) is effective as of the date last signed below, (the “Effective Date”), by and between the **City of High Shoals**, a political subdivision of the State of North Carolina (“City”), and **SQF, LLC**, a Delaware limited liability company (“Verta”), (each a “Party” and collectively the “Parties”).

WHEREAS, the City owns certain real property, including the buildings and other improvements thereon, located in Gaston County, North Carolina, and more fully described on **Exhibit A** (each a “Property” or collectively “Properties”); and

WHEREAS, Verta provides construction, engineering, management, marketing and leasing expertise specifically in the wireless telecommunications field, and develops and owns wireless communication facilities;

WHEREAS, the City and Verta desire to enter into this Agreement whereby the City shall grant to Verta the exclusive right to market the Properties and to lease all or a portion of such Properties (the “Site”) to Verta for the purposes of constructing Communications Facilities (as defined below) which may be subleased by Verta to wireless service providers.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Agreement to Market and Lease. Subject to the terms and conditions set forth herein and to any Option and Lease Agreement subsequently entered into by the Parties, the City grants to Verta the exclusive right to market each Property to wireless service providers (“Tenants”) for the attachment of such Tenant’s equipment to Communication Facilities (as defined below) to be developed by Verta. As to each Approved Site (as hereinafter defined), City and Verta shall enter into an option and lease agreement (“Option and Lease Agreement”) whereby City shall lease to Verta a mutually acceptable portion of the Property (a “Site”) sufficient for the construction of a wireless telecommunications tower and equipment necessary for the installation, operation, and maintenance of wireless communications, including, but not limited to, antennas, microwave dishes, equipment buildings, shelters, or cabinets, , generators, fuel storage, fencing, underground and overhead utilities, or other equipment which in Verta’s sole discretion is necessary for the operations of the facility (together the “Communications Facility”), and on which Communications Facility Verta shall sublease space to Tenants. Together with the Option and Lease Agreement, City shall provide Verta with the easements for access and utility ingress and egress to the Site, necessary for the construction, operation and maintenance of the Communications Facility.

2. Term of Agreement.

a. The term of this Agreement shall be five (5) years commencing on the Effective Date, and subject to any earlier termination as set forth herein (the “Initial Term”). This Agreement shall automatically renew for five (5) additional one-year (1) extension terms (“Renewal Term”), unless Verta provides written notice of non-renewal to the City at least thirty (30) days prior to the expiration of the

City of High Shoals  
SQF, LLC

then-current term. As used herein, "Term" shall mean the Initial Term and, if applicable, any and all Renewal Terms.

b. City and Verta acknowledge and agree that the expiration of the Term of this Agreement shall in no way affect, reduce, or terminate the term of any Option and Lease Agreement then in existence or Verta's rights thereunder. For each Site developed by Verta, Verta will allow the City to install, maintain, operate, replace and remove communications equipment on a Communication Facility without charge at a height agreed to by the Parties that would not interfere with Verta's permitted uses or the use of Verta's sublessees or licensees. The City's equipment shall be used solely for the City's communications purposes. The City shall be responsible for the cost of installation and maintenance of its equipment. If the City's equipment does materially interfere with a future sublessee or licensee of Verta, Verta may require the relocation of the City's equipment, at the City's cost.

3. Form of Option and Lease Agreements. Each lease for a Site shall be in the form of Option and Lease Agreement attached hereto as **Exhibit B**, with such minor modifications as shall be reasonably required to reflect the particular conditions of the Site.

4. Site Assessments; Approved Sites; Development.

a. City hereby grants to Verta and its consultants, contractors, and inspectors a non-exclusive license to enter the Properties for the purposes of preparing a site assessment report, at Verta's sole cost and expense. Prior to entering any Property, Verta shall contact City, where appropriate, to arrange a mutually acceptable time for such tests and studies to be conducted. City may elect to have City personnel accompany the persons performing such tests and studies. Following any such tests and studies, Verta shall immediately restore the Property to its previous condition to the extent reasonably practical. Verta shall use commercially reasonable efforts to perform any such tests and studies in a manner so as to minimize any impact on any City-related activities. Verta's right of access to conduct a site assessment is subject to City's right to require reasonable alternate times and dates for the site assessment in order to make sure the on-site tests do not interfere with any City or City-related activities. Verta shall furnish proof that Verta and its contractors have the insurance coverage required under Section 11 hereof upon City request.

b. During the Term, Verta may submit to City one or more "Request for Approval" with respect to the development of one or more Sites. Upon submission of Verta's Request for Approval, the following shall occur:

i. Within thirty (30) days, City shall schedule a meeting to discuss the development of the Site and shall thereafter provide a preliminary approval within fifteen (15) days ("Preliminary Approval").

ii. At such time as Preliminary Approval has been obtained for a Site, Verta shall cause to be prepared and deliver to the City's designated point of contact for the Site (the City's "Project Manager") a site plan for the Property ("Site Plan") consistent with the

Preliminary Approval, which shall be approved or rejected by the City's project manager within thirty (30) days. If such Site plan is not approved or rejected by the City within thirty days, the Site plan shall be deemed approved. If the Site Plan is rejected, the City shall provide detailed feedback describing what changes are necessary. Upon receipt of Site Plans containing such necessary changes, the Site Plan shall be deemed approved. Any such approval under this section shall be considered the "Final Approval" required of the City.

iii. Within thirty (30) days of Final Approval of the Site Plan City shall execute an Option and Lease Agreement for the applicable Site. Upon full execution of the Option and Lease Agreement, the Site is solely governed by the Option and Lease Agreement.

5. Duties of Verta. Verta shall exercise commercially reasonable efforts to market and lease Properties.

6. Duties of City; Compensation.

a. Verta shall pay to the City ONE THOUSAND and 00/100 Dollars (\$1000.00) for entering into this Agreement within thirty (30) days of fully execution of this Agreement provided the City has provided a W-9 and any reasonably requested banking information to Verta.

b. In consideration of the leasing of any particular Site to a Tenant under and pursuant to an Option and Lease Agreement, no later than the tenth day of each calendar month Verta shall pay to City the amount described in each executed Option and Lease Agreement.

c. City shall appoint a Project Manager for the performance of City's review function hereunder. Project Manager shall have the authority to review and approve those submissions to be made by Verta hereunder, and to attend meetings and represent City at such meetings, and, upon approval by the City, to execute, or cause to be executed, any Option and Lease Agreement on behalf of City.

7. Assignment. This Agreement may be sold, assigned or transferred by Verta without any approval or consent of the City to Verta's principal, affiliates, or subsidiaries of its principal, including, but not limited to, any entity which acquires all or substantially all of Verta's tower assets by reason of a merger, acquisition, or other business reorganization. As to other parties, this Agreement may not be sold, assigned or transferred without the written consent of the City, which such consent will not be unreasonably withheld, delayed or conditioned. No change of stock ownership, partnership interest or control of Verta or transfer upon partnership or corporate dissolution of Verta shall constitute an assignment hereunder. Upon assignment by Verta, Verta will be relieved of all liability hereunder and the City will look to assignee for fulfillment of Verta's obligations. The City may assign this Agreement, in whole or in part to any person or entity who or which acquires fee title to the Property and who or which agrees to be subject to and bound by all provisions of this Agreement. In the event of an assignment by the City, the City shall provide notice of the assignment and contact information for the assignee to Verta. In the event the assignee does not agree to

be bound by all of the provisions of the Agreement, the City shall remain liable for any and all obligations under the Agreement.

8. Exclusivity. During the Term, City shall not grant any interest in or to any Property to a person or entity competing with Verta in the business of managing, owning, operating, or constructing wireless communications infrastructure. If City is contacted by any Wireless Carrier, City shall direct such carrier to Verta.

9. Subject to City Uses. Notwithstanding any other provision of this Agreement, Verta

acknowledges the City's primary use and operation of the Property is for public purposes, and that Verta's rights under this Agreement are subject and subordinate to City's use and operation of the Property. Verta shall use commercially reasonable efforts to avoid any materially adverse construction, operation, or other impacts on the Property and City's use and operation thereof, whether such impacts arise from activities conducted on or off the Property.

10. Insurance. Throughout the Term of this Agreement, Verta shall purchase and carry (or cause its consultant, contractors, or inspectors to carry) a policy of commercial general liability insurance with combined single limits for each occurrence of at least Two Million Dollars (\$2,000,000) with respect to bodily injury or death and property damage. At City's request, the policy shall name the City as an additional insured.

11. Indemnity. Each Party (the "Indemnifying Party") shall indemnify, defend and hold harmless the other Party, its officers, directors, employees, representatives, affiliates, and agents (the "Indemnified Party") from and against any and all damages, claims, judgments, fines, penalties, costs, expenses liabilities (including, sums paid in settlement of claims) or loss, including reasonable fees of attorneys, arising out of or related to (i) the Indemnifying Party's breach of this Agreement, or (ii) any grossly negligent act, omission or willful misconduct of the Indemnifying Party or its officers, directors, representatives, affiliates, agents, employees during the performance of this Agreement, or (iii) any violation of applicable law by the Indemnifying Party. The indemnities set forth in this Section 11 shall survive the termination or expiration of this Agreement.

12. Default; Remedies.

a. Each of the following shall be an "Event of Default" under this Agreement:

i. Failure to cure, within ten (10) business days after written notice to the defaulting party (with specificity), any failure in the payment when due of any amount required to be paid by the defaulting party under this Agreement; or

ii. Failure to cure, within thirty (30) calendar days after written notice to the defaulting party, any failure by the defaulting party in the performance or observance of, or compliance with, any material non-monetary covenant, agreement, term, or condition contained in this Agreement (or such additional time as may be reasonably necessary to cure such failure, so long as the defaulting party commences the cure within the initial 30-day cure period and thereafter diligently prosecutes such cure to completion).

iii. Upon the occurrence of an Event of Default hereunder, the non-defaulting party shall, in addition to any other remedy that may be available to it at law or in equity, have the right to terminate this Agreement with written notice to Verta. The termination of this Agreement shall not cause the termination of any Option and Lease Agreement which has been executed by Verta and City prior to the date of termination.

13. Representations and Warranties.

a. Verta is duly organized under the laws of the State of Delaware, is qualified to do

business in the State of North Carolina and has all corporate power and authority necessary to execute this Agreement perform its obligations hereunder.

b. Verta shall not knowingly violate any federal, state, municipal, or other governmental law, ordinance, rule, or regulation in performing its services under this Agreement and Verta shall use reasonable diligence to comply with any and all such laws, ordinances, rules, and regulations affecting the Sites.

14. Access to Records. Verta shall keep full and correct records and books of account in accordance

with generally accepted accounting principles, consistently applied, showing in detail all income and expenses relating to the Sites and this Agreement.

15. Notices. All notices, payments, demands and requests hereunder shall be in writing and shall be deemed to have been properly given upon delivery (or if delivery is refused, upon the date of such refusal), when mailed by Registered or Certified Mail, postage prepaid, or delivered by reliable overnight courier or hand delivery (i.e., Federal Express), and addressed as follows:

If to City:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn:

*With a copy to:*

City's Appointed Counsel

Attn:

If to Verta:

SQF, LLC  
16 Middle Street

City of High Shoals  
SQF, LLC  
-----

Suite 201  
Portland, ME 04101  
ATTN: Legal

With an electronic copy to: [legal@vertawireless.com](mailto:legal@vertawireless.com) and [towers@vertawireless.com](mailto:towers@vertawireless.com)

or to such other addresses as either of the parties may designate from time to time by giving prior written notice as herein required.

16. Miscellaneous.

a. Except as otherwise expressly set forth in this Agreement, nothing in this Agreement shall confer any property right or right in and to any Site to Verta until the execution of an Option and Lease Agreement.

b. In performing its duties under this Agreement, Verta shall at all times be an independent contractor, and not an agent, employee, or partner of City. Verta shall have no right or authority, expressed or implied, to commit or otherwise obligate City in any manner.

c. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

d. Failure of party to insist on strict performance of any of the conditions or provisions of this Agreement, or failure to exercise any of a party's rights hereunder, shall not waive such rights. The consent or approval by either Party to, or of, any act by the other Party requiring further consent or approval shall not be deemed to waive or render unnecessary their consent or approval to, or of, any subsequent similar acts.

e. Any provision of this Agreement may be amended only if such amendment is in writing and is signed by City and Verta.

f. The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

g. This Agreement shall be deemed to be a contract made under seal and shall be governed by and construed in accordance with the laws of the state where the Property is located without reference to conflicts of laws principles.

h. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

i. Any legal action or proceeding with respect to this Agreement or any document related hereto or thereto shall be brought in the courts of the State of North Carolina in Gaston County.

j. This Agreement sets forth the entire agreement of the parties with respect to the subject matter hereof and thereof and supersedes all previous understandings, written or oral, in respect thereof.

k. All rights, remedies and powers provided in this Agreement may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Agreement are intended to be subject to all applicable mandatory provisions of law which may be controlling and be limited to the extent necessary so that they will not render this Agreement invalid or unenforceable in whole or in part. If any provision hereof is or becomes invalid and unenforceable, then, to the fullest extent permitted by law, the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be strictly construed in order to carry out the intentions of the parties hereto as nearly as may be possible.

l. Neither Verta nor City intends by any provision of this Agreement to confer any right, remedy, or benefit upon any third party.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK – SIGNATURES ON FOLLOWING PAGE(ES)]

IN WITNESS WHEREOF, the parties hereto execute this Agreement in two parts on the dates indicated.

CITY:  
City of High Shoals  
An North Carolina Political Subdivision

VERTA:  
SQF, LLC,  
A Delaware Limited Liability Company

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name:

Title: \_\_\_\_\_

Title:

**[Acknowledgement on following page]**

**EXHIBIT A**

**PROPERTIES**

APN	Latitude	Longitude
197309	35.40095	-81.203232
197489	35.40043	-81.201572
197265	35.407749	-81.20358
197264	35.407856	-81.203358
197267	35.407859	-81.203072
197462	35.399298	-81.203349
197451	35.402308	-81.200624
197490	35.398896	-81.203404
197263	35.409313	-81.204142
197262	35.405917	-81.200893
197348	35.398458	-81.19941
197487	35.400718	-81.201377
197311	35.402433	-81.200072
197293	35.404106	-81.199206
197314	35.403739	-81.200426
197510	35.404599	-81.213473
208848	35.405477	-81.199682
197309	35.40095	-81.203232

Properties may be amended to include or delete additional properties upon mutual consent of City and Verta.

**EXHIBIT B**  
**OPTION AND LEASE AGREEMENT**

THIS OPTION AND LEASE AGREEMENT ("Lease"), dated as of the date of the last signature below (the "Effective Date"), is entered into by the \_\_\_\_\_, a political subdivision of the State of \_\_\_\_\_, with offices at \_\_\_\_\_ (hereinafter referred to as "Landlord"), and SQF, LLC, a Delaware limited liability company, having its principal office at 16 Middle Street, Suite 201, Portland, ME 04101 (hereinafter referred to as "Tenant").

**BACKGROUND**

Landlord owns that certain plot, parcel, or tract of land, together with all rights and privileges arising in connection therewith, located at STREET, CITY, COUNTY, STATE, ZIP, as further described in the legal description of the property attached hereto as **Exhibit A** (collectively, "Property"). Tenant desires to lease a portion of the Property to construct, install, maintain, operate, and service a communications tower ("Tower") and related improvements and assets (collectively, with the Tower, the "Communications Facility") and to conduct its business thereon.

**AGREEMENT**

The parties agree as follows:

**1. OPTION TO LEASE.**

a) Landlord hereby grants to Tenant an exclusive option (the "Option") to lease a portion of the Property measuring approximately sixteen hundred (1,600) square feet ("Leased Premises") on which Tenant plans to construct, maintain, operate, and lease space to third parties on, the Communications Facility, as generally depicted on the site plan attached hereto as **Exhibit B** (the "Site Plan"), together with unrestricted access across the remainder of the Property to the Leased Premises for Tenant's uses from the nearest public right-of-way along the Property.

b) In consideration of Landlord granting Tenant the Option, Tenant hereby agrees to pay Landlord the sum of FIVE HUNDRED and 00/100 Dollars (\$500.00) within thirty (30) days of execution of this Lease, provided Landlord has provided Tenant with a W-9 and applicable banking information. The Option will be for an initial term of twelve (12) months (the "Initial Option Term") and may be renewed by Tenant for an additional twelve (12) month period (a "Renewal Option Term") and the payment of an additional FIVE HUNDRED and 00/100 Dollars (\$500.00), by delivering written notice of such renewal (along with the additional payment) to Landlord no later than the day prior to the expiration date of the Initial Option Term. As used herein, the "Option Term" shall mean the Initial Option Term and, if applicable, the Renewal Option Term.

c) During the Option Term, Tenant may exercise the Option by notifying Landlord in writing or commencing construction of the Communications Facility. If prior to the end of the Option, Tenant and Landlord have executed an Option and Lease Agreement where Tenant has not yet exercised the Option, Tenant shall have up to an additional twelve (12) months from the expiration of this Agreement to exercise such Option under this Option and Lease Agreement. Tenant shall keep Landlord apprised of the status of any such Option and Lease Agreement.

d) During the Option Term, and during the Lease Term (as hereinafter defined), Tenant and its agents, engineers, surveyors and other representatives will have the right: (i) at all reasonable times to enter upon the Property to inspect, examine, conduct soil borings, drainage testing, material sampling, and other geological or engineering tests or other studies of any type of the Property; (ii) to apply for and obtain licenses, permits, approvals, or other relief required or deemed necessary or appropriate, at Tenant's sole discretion, for its use of the Leased Premises including, without limitation, applications for zoning, special use permits, and construction permits necessary for the construction of the Communications Facility (collectively referred to as "Governmental Approvals"); and (iii) otherwise to do things that are necessary, in Tenant's sole discretion, to determine the physical condition of the Property, the environmental history of the Property, Landlord's title to the Property and the feasibility or suitability of the Property for Tenant's operation of a Tower, all at Tenant's expense. Landlord shall cooperate with Tenant while Tenant conducts the activities set forth in Section 1(d), including appearing and supporting Tenant in Tenant's efforts to obtain any necessary Governmental Approvals. Tenant will not be liable for any pre-existing defect or condition on or with respect to the Property, whether or not such defect or condition is disclosed by Tenant's inspection.

If Tenant exercises the Option, then Landlord leases the Leased Premises to the Tenant subject to the following additional terms and conditions:

**2. ACCESS EASEMENT.** Landlord grants to Tenant a non-exclusive easement across that portion of the Property which is depicted on the Site Plan (the "Access Easement") for the purposes of unrestricted ingress and egress to the Leased Premises to construct, install, maintain, and operate the Communications Facility and to conduct its business on the Leased Premises. Tenant and Tenant's employees, agents, contractors and Tenant's subtenants and licensees and their respective employees, agents and contractors shall have unrestricted use of the Access Easement twenty-four (24) hours per day, seven (7) days per week. This Access Easement shall remain in effect throughout the Lease Term (defined in Paragraph 5, below).

**3. UTILITY EASEMENT.** Landlord grants to Tenant an easement across those portions of the Property on which utilities are currently located to the extent necessary to provide utility service to the Leased Premises and the Communications Facility (the "Utility Easement"). This Utility Easement shall remain in effect throughout the Lease Term. Further, Landlord agrees to grant to Tenant such easements on the Landlord's Property for the installation of additional utilities to the extent necessary to provide utility service to Leased Premises and the Communications Facility, provided that the location of such easements shall be subject to the approval of Landlord, which approval shall not be unreasonably withheld or conditioned or unduly delayed.

**4. SURVEY.** At the time the Option is exercised, if a survey is prepared, it shall be attached hereto as **Exhibit C**. The survey shall depict and describe the Leased Premises, the Access Easement, and the Utility Easement.

**5. TERM.**

a) In the event Tenant exercises the Option, the initial lease term will be ten (10) years ("Initial Term"), commencing upon the Commencement Date (as hereinafter defined).

b) Tenant shall have the right to renew this Lease upon the same terms and conditions for eight (8) additional terms of five (5) years each (each, a "Renewal Term"). Tenant shall be deemed to have exercised each of these options and this Lease shall be automatically renewed unless Tenant delivers thirty (30) days advance written notice to Landlord before the expiration of the Initial Term (or any Renewal Term) declaring Tenant's intention to not exercise its option to renew. The Initial Term, and as applicable, any Renewal Term, are collectively referred to as the "Lease Term".

**6. RIGHT TO SUBLEASE.** Tenant shall be entitled to sublease space on the Communications Facility without Landlord's prior approval pursuant to a sublease agreement prescribed by Tenant from time to time (each, a "Carrier Lease"); provided that: (a) the sublessee under the Carrier Lease is a telecommunications provider (a "Wireless Carrier"), (b) no Event of Default (as defined herein) by Tenant exists hereunder, and (c) the term of the Carrier Lease does not exceed the remaining term of the Lease Term.

**7. RENT AND OTHER FEES.**

a) Commencing on the date Tenant exercises the Option as provided in Section 1(c) of this Lease (the "Commencement Date"), Tenant shall pay Landlord rent (the "Rent") which shall be due in twelve (12) equal monthly installments ("Monthly Installments" or, individually, "Monthly Installment") payable no later than the tenth day of each calendar month during the Lease Term, as follows:

i. For any Wireless Carrier to which Tenant subleases space on the Communications Facility, an amount equal to (30%) of the monthly rent collected and derived from the use of Communications Facility and received by Tenant pursuant to this Lease (the "Monthly Rental Revenues") from the underlying Carrier Lease for such Wireless Carrier for the prior month.

b) Notwithstanding the foregoing, in the event that the Commencement Date is on a day other than the first day of a month, the Monthly Installment due for such partial month shall be prorated on a per diem basis. For purposes of determining the Rent due to Landlord hereunder, expenses incurred to construct, develop, or maintain the Communications Facility and Access and Utility Easements, and reimbursable expenses paid by Wireless Carrier to Tenant are excluded from the calculation of Monthly Rental Revenues.

c) In addition to the foregoing, any sum failed to be paid by Tenant when due shall be considered past due and, if such failure continues for ten (10) days after Tenant's receipt of Landlord's written notice of such failure, then the past due amount shall be subject to a one-time late payment charge in the amount of three percent (3%) of the amount past due.

**8. POSSESSION/COMPLIANCE.** Landlord shall deliver exclusive possession of the Leased Premises to Tenant on the Commencement Date, and Landlord warrants that the Leased Premises are not and will not be in violation of any federal, state, or local laws, regulations, codes or other enactments or orders, including but not limited to those relating to the protection of health, welfare and the environment and zoning ordinances. Landlord warrants and represents that it has provided Tenant with all deed restrictions, covenants, and other agreements (written or oral) of any type that control or restrict the use of the Property.

**9. UTILITIES.** Landlord shall not be responsible for Tenant's utility service. Tenant shall contract directly with the utility companies for its own utility services, and Tenant shall have the right to install additional utility lines and services on the Property pursuant to Paragraph 3 hereof, so long as Tenant pays all expenses associated with the additional installation and service.

**10. INSURANCE/WAIVER OF SUBROGATION.** Throughout the Lease Term, Tenant, at its own cost and expense, shall purchase and carry a policy of commercial general liability insurance with combined single limits for each occurrence of at least Two Million Dollars (\$2,000,000) with respect to bodily injury or death and property damage. At Landlord's request, the Tenant's policy shall name the Landlord as an additional insured. Each insurance policy carried in fulfillment of this Agreement shall contain a waiver of subrogation provision or endorsement.

**11. DUTIES OF TENANT.** Tenant shall maintain and repair the Leased Premises and the Communications Facility, including the Tower. Landlord acknowledges that it has no interest in the Tower, the Communications Facility, or any of the property which is stored or erected or on the Leased Premises by Tenant or any licensees or lessees of Tenant and Landlord shall not be responsible for the repair, maintenance, and security of the Leased Premises and the Communications Facility during the Lease Term. Within one hundred eighty (180) days of the expiration or termination of the Lease Term, Tenant will remove the Communications Facility from the Leased Premises and restore the Leased Premises to its original condition to the extent reasonably practical (except any conduits and utility lines and any other improvements which are 2 feet or more below grade).

**12. DUTIES OF LANDLORD.** Landlord shall not engage in or permit any other person or entity to engage in any activity on the Property which interferes with or interrupts Tenant's ability to conduct its business operations at the Leased Premises. Unless any maintenance, repairs or replacements are necessary due to the negligence or willful misconduct of Tenant or its agents, employees, contractors, sublessees, licensees and/or invitees, Landlord shall perform such maintenance, repairs, and replacements necessary to maintain in good condition and repair, at Landlord's cost and expense, the Access or Utility Easement. During the Lease Term, Landlord shall not grant an interest in the Property to a person or entity competing with Tenant in the business of constructing wireless communications infrastructure, including Wireless Carriers.

**13. ACCESS TO RECORDS.** Tenant shall keep books and records in accordance with generally accepted accounting principles, consistently applied, relating to this Lease, and shall permit Landlord or its representatives, upon reasonable advance notice, to examine such books and records upon its.

**14. TAXES.** Tenant will pay all personal property taxes assessed on, or any portion of such taxes attributable to, the Leased Premises (provided that in no event shall Tenant be obligated to pay any personal property taxes assessed on any personal property of Landlord that may be located on the Leased Premises). Tenant, upon presentation of sufficient and proper documentation, will pay, within thirty (30) days, any increase in real property taxes levied against the Leased Premises (excluding any additional taxes that relate to the period prior to the date the option is exercised, i.e., rollback taxes) which is directly attributable to and assessed on Tenant's use of the Leased Premises, provided Tenant will be entitled to

appeal any such increase payable by it. Landlord agrees that it will cooperate with an appeal of such taxes and will promptly pay when due all real estate taxes levied against the Property.

**15. LOSS THROUGH CASUALTY OR CONDEMNATION.**

a) Notwithstanding any provision of the Lease to the contrary, in the event of condemnation of the Leased Premises, the Landlord and Tenant may be entitled to separate awards with respect to the Leased Premises, in the amount determined by the court conducting such condemnation proceedings based upon the Landlord's and Tenant's respective interests in the Leased Premises. If a separate condemnation award is not determined by such court, Landlord may permit Tenant to participate in the allocation and distribution of the award. In no event shall the condemnation award to Landlord exceed the unimproved value of the Leased Premises, without taking into account the improvements located thereon, and in no event may the Lease be terminated or modified (other than an abatement of rent) due to a casualty or condemnation without the prior written consent of Tenant.

b) In case of damage to the Property or the Leased Premises by fire or other casualty, Landlord shall, at its expense, cause such damage to be repaired to a condition as nearly as practicable to that existing prior to the damage and otherwise consistent with applicable law, with reasonable speed and diligence, but subject to delays which may arise by reason of adjustment of loss under insurance policies, applicable law, and beyond the reasonable control of Landlord, including force majeure. Landlord will not, however, be obligated to repair, restore, or rebuild any of Tenant's personal property. Landlord will not be liable for any inconvenience or annoyance to Tenant or injury to Tenant's business resulting in any way from such casualty or the repair thereof consistent with the terms of this Lease provided, to the extent and for the time that the Property or the Leased Premises are hereby rendered unusable for the permitted use, the Rent will proportionately abate. Notwithstanding the foregoing, if (i) the damage involves the Property generally and is so extensive that Landlord decides not to repair the Property; (ii) the casualty shall not be of a type insured against under standard policies with extended type coverage; (iii) the holder or any mortgage, deed of trust, or similar security interest encumbering the Property shall not permit the application of adequate insurance proceeds for repair or restoration, the Lease will, at the option of Landlord, exercisable by written notice to Tenant given within twenty (20) days after the Landlord is notified or otherwise becomes aware of the occurrence of the casualty, be terminated as of the date of such casualty, and the Rent (taking into account any abatement aforesaid), shall be adjusted to the terminate date and Tenant will promptly vacate the Leased Premises consistent with the terms of this Lease. Notwithstanding the foregoing, Tenant will be permitted to terminate this Lease if the Leased Premises has been rendered unusable for the permitted use, and (i) Landlord's estimated period for completion of the repair and restoration of the Property as required under this Lease exceeds thirty (30) days from the date of the casualty (Landlord delivering such estimate to Tenant within twenty (20) days after the casualty), or (ii) Landlord does not complete such restoration within thirty (30) days from the date of such casualty (by giving Landlord two (2) days' notice at the expiration of such thirty (30) day period).

**16. ASSIGNMENT AND SUBLEASING.** This Lease may be sold, assigned or transferred by the Tenant without any approval or consent of the Landlord to Tenant's principal, affiliates, or subsidiaries of its principal, including, but not limited to, any entity which acquires all or substantially all of Tenant's tower assets by reason of a merger, acquisition, or other business reorganization. As to other parties, this Lease may not be sold, assigned or transferred without the written consent of the Landlord, which such

consent will not be unreasonably withheld, delayed or conditioned. No change of stock ownership, partnership interest or control of Tenant or transfer upon partnership or corporate dissolution of Tenant shall constitute an assignment hereunder.

a. **RIGHT OF FIRST REFUSAL.** If after the Effective Date of this Lease, Landlord receives a bona fide arm's length offer (including a letter of intent or memorandum of understanding), that Landlord is willing to accept, from any third party to purchase (in whole or in part) (i) Landlord's interest under this Lease; (ii) Landlord's rights to receive rents under the terms of this Lease; (iii) the Leased Premises, or to purchase an easement or any other interest in the land underneath the Leased Premises or underneath areas of access and or utility service to the Leased Premises, (the "Purchase Offer"), Landlord shall serve a notice (the "Transfer Notice") upon Tenant. The foregoing rights, interest, and property described in (i), (ii), and (iii), herein shall collectively be referred to as the "Interest". The Transfer Notice shall set forth the exact terms of the Purchase Offer so received, together with a copy of such Purchase Offer, and shall state Landlord's desire to sell the Interest on such terms and conditions. Thereafter, Tenant shall have the right of first refusal ("Right of First Refusal") and option to so lease or purchase the same. If Tenant desires to exercise its option to purchase the Interest, it shall give notice (the "Counter Notice") to Landlord within ninety (90) days after receipt of the Transfer Notice by Tenant. The closing of the purchase and sale of the Interest pursuant to this option shall occur at the time set forth in the Purchase Offer, provided that Tenant shall not be required to close before the thirtieth (30<sup>th</sup>) day following the date of Landlord's receipt of the Counter Notice. Tenant's failure to give a timely Counter Notice (or its notice of refusal to purchase) shall be deemed a waiver of its rights to exercise its Right of First Refusal to accept the Offer but shall not be deemed a waiver of its Right of First Refusal with respect to any modification to the Purchase Offer or future Purchase Offers.

## **17. DEFAULT/ REMEDIES; RIGHT TO TERMINATE.**

- a) The following event shall be considered an "Event of Default" under this Lease:
- i. The failure of Tenant or Landlord to perform any of its monetary covenants under this Lease, where such failure continues for ten (10) days after the failing party's receipt of the non-failing party's written notice of such failure;
  - ii. The failure of Tenant or Landlord to perform any of its material non-monetary covenants under this Lease, where such failure continues for thirty (30) days after the failing party's receipt of the non-failing party's written notice of such failure (provided that in the event any failure cannot be reasonably cured within such thirty (30) day period, if the failing party shall proceed promptly after the receipt of such notice to cure such failure, and shall pursue curing such failure with due diligence, the time for curing shall be extended for such period of time as may be necessary to complete such curing, however, in no event shall this extension be in excess of ninety (90) days, unless agreed upon by the non-failing party.

After the occurrence of an Event of Default, the non-defaulting party shall be entitled to exercise all rights and remedies which are available in law or equity.

b) If at any time during the Lease Term, Tenant determines in its sole and absolute discretion, with or without cause, that the Leased Premises are no longer suitable or desirable for Tenant's

intended use and/or purpose, Tenant shall have the right to terminate this Lease Agreement, without penalty, upon at least thirty (30) days prior written notice delivered to Landlord.

**18. QUIET AND EXCLUSIVE ENJOYMENT.** Landlord promises that, so long as an Event of Default by Tenant has not occurred and is continuing, Tenant shall have the following rights:

a) Tenant shall peaceably and quietly enjoy the Leased Premises throughout the Lease Term and shall be permitted to operate a Communications Facility on the Leased Premises without restriction or interference from others; and

b) During the Lease Term, Tenant shall enjoy the exclusive right to lease, construct and/or operate Communications Facilities or any other form of wireless communications or services on the Property; provided, however, Landlord and Tenant agree that Tenant will restrict its use of the Property to the Leased Premises, the Utility Easement and the Access Easement.

**19. NONDISTURBANCE.** Landlord warrants that either: (a) there are no current liens on the Property and that this Lease is superior to the rights of all others; or (b) Landlord has disclosed to Tenant the names of all current lien holders and Tenant has had an opportunity to obtain satisfactory non-disturbance agreements from each of them. For any Encumbrance existing prior to the Effective Date, Landlord covenants and agrees that, upon the request of Tenant, it shall use its best efforts to cause the holder thereof to (i) execute a customary Subordination Non-disturbance and Attornment Agreement providing to Lessee the rights afforded to Lessee above with regard to existing mortgage liens substantially in the form attached hereto as **Exhibit D**; and (ii) if required, provide its consent in accordance with the underlying Encumbrance.

**20. RIGHTS OF LENDER:**

a) During the term of this Lease, Landlord covenants and agrees that it will not grant, create, or suffer any claim, lien, encumbrance, easement, restriction, or other charge or exception to title to the Leased Premises (each, an "Encumbrance") without the prior written consent of Tenant; provided, however, that it is expressly agreed and understood that Landlord may subject its interest in the Leased Premises to a first mortgage lien if its lender shall agree for itself and its successors and assigns, by written instrument in form and substance reasonably satisfactory to Tenant: (1) to be bound by the terms of this Lease; (2) not to disturb Tenant's or its subtenants' or licensees' use or possession of the Premises in the event of a foreclosure of such lien or encumbrance so long as Tenant is not in default hereunder; and (3) not to join Tenant or its subtenants or licensees as a party defendant in any such foreclosure proceeding that may be commenced.

b) Tenant may assign, pledge, mortgage or otherwise encumber its interest in this Lease to any third party (a "Leasehold Lender"). The Leasehold Lender may secure its interest in such a loan by Tenant's grant of (i) a leasehold mortgage and assignment of rents, leases, contracts, etc. (the "Leasehold Mortgage") encumbering all of Tenant's interest in this Lease and the Leased Premises; (ii) a security agreement and other security documents (the "Security Agreements") that will encumber and grant a security interest in all of Tenant's now or hereafter existing tangible or intangible property located on, derived from, or utilized in connection with the Leased Premises and the Lease.

c) Successors. Any Leasehold Lender who succeeds to Tenant's interest by foreclosure, deed

in lieu of foreclosure, or otherwise, may take title to and shall have all of the rights of Tenant under this Lease, including the right to exercise any renewal option(s) or right of first refusal, and to assign this Lease.

d) Default Notice. Landlord shall deliver to the initial Leasehold Lender and any subsequent Leasehold Lender(s) (for such subsequent Leasehold Lender(s) at the address as Tenant or Leasehold Lender shall affirmatively inform Landlord by written notice hereof) a copy of any default notice given by Landlord to Tenant under this Lease. No default notice from Landlord to Tenant shall be deemed effective against the initial Leasehold Lender unless sent to such Leasehold Lender.

e) Notice and Curative Rights. If Tenant defaults on any monetary obligations under this Agreement, then Landlord shall accept a cure thereof by the Leasehold Lender within thirty (30) days after Leasehold Lender's receipt of written notice of such default. For non-monetary defaults, Landlord will not terminate this Lease for so long as Leasehold Lender is diligently pursuing a cure of the default and if curing such non-monetary default requires possession of the Leased Premises, then Landlord agrees to give the Leasehold Lender a reasonable time to obtain possession of the Leased Premises and to cure such default.

f) New Lease. If this Lease is terminated for any reason or otherwise rejected in bankruptcy, then Landlord will enter into a new lease with Leasehold Lender (or its designee) on the same terms as this Agreement as long as Leasehold Lender pays all past due amounts under this Lease within thirty (30) calendar days of notice of such termination.

e) Subordination. Landlord hereby agrees that all right, title and interest of the Landlord in and to any collateral encumbered by the Leasehold Mortgage or Security Agreements in favor of Leasehold Lender, is hereby subordinated and made subject, subordinate, and inferior to the lien and security interest of the Leasehold Mortgage and Security Agreements, which subordination shall remain in effect for any modifications or extensions of the Leasehold Mortgage and Security Agreements.

**21. ENVIRONMENTAL MATTERS.** Landlord represents and warrants that it has complied with all, and will continue to comply with environmental, health, and safety laws with respect to the Property, and to the best of Landlord's knowledge, no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed or commenced, or received by Landlord regarding the Property alleging any failure to comply. Without limiting the generality of the preceding sentence, to the best of Landlord's knowledge, Landlord and the Property are in compliance with all environmental, health, and safety laws. No asbestos-containing thermal insulation or products containing PCB, formaldehyde, chlordane, heptachlor or other hazardous substances, materials, or wastes have been placed, stored, disposed, or discharged on, under or about the Property by Landlord or, to the knowledge of Landlord, by any prior owner or user of the Property, or any other person. To the knowledge of Landlord, there has been no release of or contamination by hazardous materials, substances or wastes on the Leased Premises (collectively, "**Hazardous Materials**"). Landlord represents and warrants that Tenant is not liable for any hazardous materials, substances, or wastes located on, under, or about the Property prior to Tenant's occupancy of the Leased Premises, and Tenant is not liable for any violation of environmental law related to the Leased Premises occurring or existing prior to Tenant's occupancy of the Leased Premises.

**22. PAYMENTS/NOTICES.** All Rent and other payments due under this Lease shall be paid to Landlord at its address provided below. All notices required to be delivered under this Lease shall be in writing and shall be deemed to have been duly given on the date they are delivered (or if delivery is refused, on the date of such refusal) if they are delivered personally or by any nationally recognized overnight mail delivery service, or sent by certified mail return receipt requested, to the following address:

To Tenant:  
SQF, LLC  
16 Middle Street, Suite 201  
Portland, ME 04101  
Attn: Legal

To Landlord:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn:

Either Party may change its address for notice by delivering notice of the change of address in the manner provided above.

**23. GENERAL PROVISIONS.** This Lease: (a) is the entire agreement between the Parties as it relates to the lease of the Leased Premises and there are no other oral or written representations, conditions or agreements; (b) may not be amended, waived or extended except by a written amendment executed by both Parties; (c) is binding upon and inures to the benefit of each of the Parties and their permitted successors and assigns; (d) is to be governed, construed and enforced in accordance with laws of the state in which the Leased Premises are located, without regard to conflicts of law; (e) runs with the land. Neither Party's failure to insist upon the other Party's strict performance of any provision of this Lease or failure to promptly exercise any right available in connection with this Lease shall constitute a waiver of any provision or an amendment to this Lease. Neither Party has retained the services of any broker or other real estate sales agent, and no commissions are due in connection with this Lease. Both Parties have had the opportunity to review this Lease with counsel and therefore neither party shall be construed as the "drafter" of this Lease.

**24. RIGHT TO TERMINATE.** Tenant shall have the right to terminate this Lease with sixty (60) days prior notice to Landlord in addition to any other termination rights provided in this Lease.

**25. LANDLORD'S AUTHORITY.** Landlord represents and warrants to Tenant that Landlord has full power, authority, and the legal right to sign and deliver this Lease without the consent of any other person or entity, including but not limited to any lender holding a security interest in the Leased Premises.

**26. NO OFFER.** The submission of this Lease to Landlord shall not be construed as an offer, and neither party hereto shall have any rights hereunder until both such parties have fully executed this Lease and delivered an executed copy thereof to the other.

**27. MEMORANDUM OF LEASE.** Neither Party shall record this Lease. Each Party hereto shall, however, upon the request of the other party, execute a short form or memorandum of this Lease for recording purposes to provide public notice of this Lease, which short form or memorandum shall be substantially in the form attached hereto as **Exhibit E**. The Party who requests such a short form or memorandum of this Lease shall pay for any fees charged by the County Clerk's office in connection with such recording.

(Rest of Page Intentionally Left Blank)

**IN WITNESS WHEREOF**, the undersigned have caused this Agreement to be executed as of the Effective Date.

**LANDLORD:**

**City of High Shoals**

An North Carolina political subdivision

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**TENANT:**

**SQF, LLC**

A Delaware limited liability company

By: \_\_\_\_\_

Name: Joshua Broder

Its: CEO

Date: \_\_\_\_\_

**Exhibit A**

**LEGAL DESCRIPTION OF PROPERTY**

**Exhibit B**

**SITE PLAN**

**Exhibit C**

**SURVEY**

To be attached hereto.

Exhibit D

**NON-DISTURBANCE AND ATTORNMENT AGREEMENT**

This Non-Disturbance and Attornment Agreement (this "Agreement") is dated the \_\_\_ day of \_\_\_\_\_, 202\_\_, and is made by and between \_\_\_\_\_ a(n) \_\_\_\_\_ ("Lender"), having an address of \_\_\_\_\_, and SQF, LLC, a Delaware limited liability company ("Tenant"), having an address of 16 Middle Street, Suite 201, Portland, ME 04101.

**WITNESETH:**

WHEREAS, Tenant is the grantee of an option (the "Option") to lease certain premises (the "Leased Premises") located within the property more particularly described on **Exhibit A** attached hereto (the "Real Property"), pursuant to that certain Option and Lease Agreement, dated \_\_\_\_\_, 202\_\_, as the same may be extended, amended, modified, or revised from time to time (the "Lease"), by and between \_\_\_\_\_ ("Landlord") and Tenant, as evidenced by a Memorandum of Option and Lease Agreement, dated \_\_\_\_\_, 202\_\_, recorded in \_\_\_\_\_, Page \_\_\_\_\_ in the records of the \_\_\_\_\_ of \_\_\_\_\_ County, \_\_\_\_\_;

WHEREAS, Lender has made a mortgage loan to Landlord encumbering the Real Property pursuant to a(n) \_\_\_\_\_, dated \_\_\_\_\_, \_\_\_\_\_ and recorded in \_\_\_\_\_, Page \_\_\_\_\_ in the records of the \_\_\_\_\_ of \_\_\_\_\_ County, \_\_\_\_\_ and other loan documents evidencing or securing the subject loan and as any of the same may be extended, amended, modified, or revised from time to time (collectively, the "Mortgage Documents"), and the parties desire to set forth their agreements with respect to the Mortgage Documents herein; and

WHEREAS, Tenant desires to be assured of its rights under the Lease and, if the Option is exercised, its continued occupancy of the Leased Premises under the terms of the Lease and subject to the terms of this Agreement in the event Lender takes possession of the Leased Premises pursuant to the Mortgage Documents.

NOW, THEREFORE, in consideration of the Leased Premises and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. So long as the Lease has not expired or been terminated, Tenant's rights and privileges under the Lease shall not be diminished, disturbed, or modified by Lender in the exercise of any of Lender's rights under the Mortgage Documents during the term of the Option or, if applicable, the Lease, or any extension or renewal thereof. So long as, at the time of any foreclosure proceedings under the Mortgage Documents, deed in lieu of foreclosure or any other proceeding to terminate Landlord's interest in the Real Property, Tenant is not then in default beyond any applicable notice and cure period in the payment of rent or in the performance of any of the material terms, covenants or conditions of the Lease on Tenant's part to be performed: (i) if the Option is exercised, Tenant's possession of the Leased Premises and, whether or not the Option is exercised, Tenant's rights and privileges under the Lease, or any extensions or renewals thereof, shall not be terminated, disturbed or interfered with by Lender in the exercise of any of its rights under the Mortgage Documents; (ii) if the Option is exercised, Tenant's occupancy of the Leased Premises shall not be disturbed by Lender in the exercise of any of Lender's rights under the Mortgage Documents during the term of the Lease or any such extensions or renewals thereof; and (iii) Lender will not join or name Tenant as a party in any action or proceeding under the Mortgage Documents or for the purpose of terminating Tenant's interest and estate under the Lease.

2. In the event of foreclosure proceedings and the sale of the Leased Premises, or if Lender should otherwise acquire possession of the Leased Premises, if applicable, Tenant shall attorn to the purchaser after such taking of possession of the Leased Premises, or to Lender, as the case may be, and shall recognize such purchaser or Lender as Tenant's landlord under the Lease. From time to time, upon the request of the purchaser at foreclosure or the Lender, as the case may be, Tenant shall execute and deliver any instrument specified in such request to evidence such attornment.

3. In the event Lender or a purchaser at foreclosure takes possession of the Leased Premises as specified in paragraph 2 hereof, the Lease shall continue in full force and effect as a direct agreement between Tenant and said purchaser or Lender, as the case may be, subject to all of the terms and conditions under the Lease, and Lender or such purchaser at foreclosure, as the case may be, shall assume the obligations of Landlord under the Lease and shall be bound to Tenant under all of the terms, covenants and conditions of the Lease except, that such purchaser or Lender, as the case may be, shall not:

- a) be liable for any act or omission of any prior lessor (including Landlord) or;

b) be bound by any prepayment of more than one (1) month's rent unless such prepayment shall have been approved by Lender.

4. Lender understands, acknowledges, and agrees that notwithstanding anything to the contrary contained in the Mortgage Documents, Lender shall acquire no interest in any towers, anchors, buildings, guy wires, equipment or other property installed by Tenant on the Leased Premises.

5. Notwithstanding anything in the Mortgage Documents to the contrary, any and all insurance proceeds payable with respect to property damage at the Leased Premises shall be payable to Tenant and any other insurance proceeds payable as a result of property damage at the Real Property shall be payable in accordance with the Mortgage Documents. Notwithstanding anything in the Mortgage Documents to the contrary, if any part or all of the Leased Premises is condemned or taken for any public or quasi-public use, Tenant shall receive the award allocable to the Leased Premises, the Tower, all improvements installed or erected on the Leased Premises by the Tenant or any licensees or lessees of the Tenant and any other amounts separately awarded to the Tenant in its own right. Any portion of the condemnation award not due Tenant shall be payable in accordance with the Mortgage Documents.

6. Except as otherwise specifically set forth herein, nothing contained in this Agreement is intended to, nor shall it, abridge, modify, or adversely affect any right of Tenant or obligation of Landlord under the Lease.

7. This Agreement contains the entire understanding between Lender and Tenant and may not be changed except by an instrument signed by all parties hereto.

8. All notices, approvals, consents, and other communications referred to herein shall be in writing and sent by certified mail, return receipt requested, addressed to the parties at their addresses as set forth herein or to such other address as either party shall by notice to the other request.

9. This Agreement shall be binding on and shall inure to the benefit of the parties hereto and their respective successors and assigns, including, without limitation, [any person who acquires Tenant's interest under the Lease pursuant to a foreclosure of such person's mortgage, deed of trust or other security instrument encumbering Tenant's estate in the Lease, and] any assignee of the Lease.

10. Any extensions, amendments, modifications, or revisions to the Option, Lease, or Mortgage Documents do not require the consent of Lender or Tenant.

(Rest of Page Intentionally Left Blank)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

**LENDER:**

\_\_\_\_\_, a(n)  
\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

(BANK SEAL)

STATE OF \_\_\_\_\_ )

)ss:

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was signed and acknowledged before me, a Notary Public, on this \_\_\_\_ day of \_\_\_\_\_, 202\_\_, by \_\_\_\_\_, as the \_\_\_\_\_ of \_\_\_\_\_, a(n) \_\_\_\_\_, on behalf of said \_\_\_\_\_.

\_\_\_\_\_  
Notary Public  
Commission Expires: \_\_\_\_\_  
(Seal)

(Signatures Continued on Next Page)

**TENANT:**

\_\_\_\_\_, a(n)  
\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF \_\_\_\_\_ )

)ss:

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was signed and acknowledged before me, a Notary Public, on this \_\_\_\_ day of \_\_\_\_\_, 202\_\_, by \_\_\_\_\_, as the \_\_\_\_\_ of \_\_\_\_\_, a(n) \_\_\_\_\_, on behalf of said \_\_\_\_\_.

\_\_\_\_\_  
Notary Public  
Commission Expires: \_\_\_\_\_  
(Seal)

This instrument prepared by  
and after recording return to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Name & Address of Person Preparing]

**Exhibit E**

**MEMORANDUM OF OPTION AND LEASE AGREEMENT**

This Memorandum of Option and Lease Agreement (this "Memorandum") is made to be effective as of \_\_\_\_\_, 202\_\_ by and between \_\_\_\_\_, a(n) \_\_\_\_\_ ("Landlord"), and SQF LLC, a Delaware limited liability company ("Tenant").

**WITNESSETH:**

Whereas, Landlord and Tenant have entered into that certain Option and Lease Agreement, dated \_\_\_\_\_, 202\_\_ (the "Lease"); and

Whereas, this Memorandum is made pursuant to the terms and conditions of the Lease, the rent and other terms and conditions of which are incorporated herein by reference; and

Whereas, Landlord owns certain real property commonly described as \_\_\_\_\_ and more fully described on the legal description attached hereto as **Exhibit A** (the "Property"); and

Whereas, under the terms of the Lease, Landlord granted to Tenant an option to lease (the "Option") a portion of the Property (the "Leased Premises") generally depicted on the site plan attached hereto as **Exhibit B** (the "Site Plan"), together with a right-of-way across that portion of the Property which is depicted on the Site Plan (the "Access Easement") for the purposes of unrestricted ingress and egress to the Leased Premises to properly construct, install, maintain, operate and service the Communication Facility (as defined in the Lease) located thereon and to conduct its business on the Leased Premises and an easement across those portions of the Property on which utilities are currently located to the extent necessary to provide utility service to the Leased Premises and the Tower Asset (the "Utility Easement"); and

Whereas, under the terms of the Lease, Landlord also granted Tenant a right of first refusal to meet any bona fide offer of sale or transfer of, or grant of easement or other legal interest in, the Leased Premises or the Lease or any Rent due now or in the future pursuant to the Lease (the "Right of First Refusal"); and

Whereas, the Tenant shall be the owner of the Communication Facility; and

Whereas, it is the intention of Landlord and Tenant that this Memorandum be filed of record in \_\_\_\_\_ of \_\_\_\_\_ County, \_\_\_\_\_, to give notice of the Option and, if the Option is exercised, Tenant's leasehold estate under the Lease in and to the Leased Premises and of the Right-of-Way and Easement and Tenant's Right of First Refusal.

Now, Therefore, Landlord and Tenant execute this Memorandum to provide notice of the following:

1. Term of Option. The term of the Option is \_\_\_\_\_ (\_\_\_\_) \_\_\_\_\_, commencing on \_\_\_\_\_, 202\_\_, and may be renewed by Tenant for an additional \_\_\_\_\_ (\_\_\_\_) \_\_\_\_\_ in accordance with the terms of the Lease.

2. Term of Lease. In the event that the Option is exercised in accordance with the Lease, the term of the Lease shall be \_\_\_\_\_ (\_\_\_\_) \_\_\_\_\_, commencing on the date on which Tenant commences construction activity on the Leased Premises, and may be renewed \_\_\_\_\_ (\_\_\_\_) time(s) for an additional \_\_\_\_\_ (\_\_\_\_) \_\_\_\_\_ as to each renewal term.

3. Right of First Refusal. The Tenant has the right of first refusal with respect to any grant or sale by Landlord of any easement affecting the Leased Premises, the sale of any interest in or to any portion of the Leased Premises and the sale of any or all of Landlord's rights or interest in the Lease or the Leased Premises.

(Rest of Page Intentionally Left Blank)



**LANDLORD:**

\_\_\_\_\_, a(n)  
\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF \_\_\_\_\_ )

)ss:

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was signed and acknowledged before me, a Notary Public, on this \_\_\_\_ day of \_\_\_\_\_, 202\_\_, by \_\_\_\_\_, as the \_\_\_\_\_ of \_\_\_\_\_, a(n) \_\_\_\_\_, on behalf of said \_\_\_\_\_.

\_\_\_\_\_  
Notary Public  
Commission Expires: \_\_\_\_\_

This instrument prepared by  
and after recording return to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Name & Address of Person Preparing]

City of High Shoals, NC (CoHS)  
Wireless Lease Economics "Example"

Number of Towers: 1

Assumptions:

	Gross Monthly Rent	(CoHS) Revenue Share	(CoHS) Monthly Rent	(CoHS) Annualized Rent	Annual Escalation (1)	Initial Term	Renewal Terms	Term thru Renewals	(CoHS) Total Revenue 30 Years
Properties - Tenant 1	\$1,800	30%	\$540	\$6,480	2%	5 years	5	30 years	\$262,881
Properties - Tenant 2	\$1,800	30%	\$540	\$6,480	2%	5 years	5	30 years	\$262,881
<b>1 Towers / Multiple Tenants</b>	<b>\$ 3,600</b>	<b>30.0%</b>	<b>\$ 1,080</b>	<b>\$12,960</b>	<b>2%</b>	<b>5 years</b>	<b>5</b>	<b>30 years</b>	<b>\$525,762</b>

(1) Total Revenue amount includes: a) single tower rent for each tenant multiplied by the # of towers noted in yellow box, b) impact of escalation percentage compounded annually through 30-year term.

Pre-Payment Options:

Pre-Payment Term	10 Years	20 Years
Properties - Tenant 1	\$ 42,319	\$ 61,630
Properties - Tenant 2	\$ 42,319	\$ 61,630
<b>1 Towers / Multiple Tenants</b>	<b>\$84,639</b>	<b>\$123,261</b>

Confidential. For discussion purposes only. Actual number of Tenants, Monthly Rent, Annual Escalation, Construction Fee, and Lump Sum may vary.



## City of High Shoals

**To:** Mayor and City Council

**From:** Brandi Strange

**Date:** March 6, 2026

**Subject:** Adoption of Debt Setoff Internal Policy

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### Background

The North Carolina Setoff Debt Collection Act (N.C.G.S. §105A) allows local governments to collect certain delinquent debts by intercepting state tax refunds or other state payments owed to individuals who have outstanding balances with the municipality.

The City of High Shoals participates in the State Debt Setoff Program for the collection of delinquent utility accounts.

To ensure consistent administration and compliance with applicable statutes, the Finance Department has developed an internal policy establishing eligibility requirements, review procedures, and documentation standards for accounts submitted to the program.

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### Purpose

The proposed policy will:

- Establish clear eligibility criteria for Debt Setoff submissions
  - Ensure debts submitted are legally enforceable
  - Provide documentation standards and internal controls
  - Align City procedures with state law and municipal best practices
- 

### Recommendation

Staff recommends that the City Council adopt the attached **Resolution Adopting the Debt Setoff Internal Policy** for the City of High Shoals.

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### Attachments

1. Resolution Adopting Debt Setoff Internal Policy
2. Debt Setoff Internal Policy and Procedure



## **Internal Policy & Procedure**

### **Debt Setoff Program – Utility Account Collections**

#### **I. PURPOSE**

This policy establishes procedures for submitting delinquent utility accounts to the North Carolina Debt Setoff Program to ensure legal compliance, consistent internal controls, and responsible stewardship of public funds.

#### **II. AUTHORITY**

This policy operates under N.C.G.S. §105A (Setoff Debt Collection Act), N.C.G.S. §1-52 (Statute of Limitations – Open Accounts), and applicable NC Department of Revenue guidance.

#### **III. ELIGIBILITY CRITERIA**

Debt must be \$50 or greater, account must be final billed, service disconnected, no payment arrangement, last charge or payment within three years unless reduced to judgment, and no known dispute or bankruptcy notice.

#### **IV. SUBMISSION PROCEDURE**

Quarterly eligibility review, spreadsheet documentation, Finance Officer certification, and submission through the NC Department of Revenue portal.

#### **V. HANDLING TIME-BARRED ACCOUNTS**

Accounts beyond the statute of limitations shall not be submitted. Previously submitted accounts identified as time-barred will be canceled if no funds intercepted or referred to the City Attorney if funds were collected.

#### **VI. POST-SUBMISSION MONITORING**

Finance shall review DOR reports monthly and apply intercepted payments appropriately.

#### **VII. DOCUMENT RETENTION**

All documentation shall be retained according to the City records retention schedule.

#### **VIII. ANNUAL REVIEW**

Policy shall be reviewed annually by the Finance Officer.



**A RESOLUTION ADOPTING AN INTERNAL POLICY FOR THE ADMINISTRATION OF THE NORTH CAROLINA DEBT SETOFF PROGRAM**

**WHEREAS**, the City of High Shoals provides municipal utility services to residents and customers within the City and surrounding service areas; and

**WHEREAS**, from time to time utility accounts become delinquent and remain unpaid after normal billing and collection procedures; and

**WHEREAS**, the North Carolina Setoff Debt Collection Act (N.C.G.S. §105A) authorizes local governments to submit certain delinquent debts to the North Carolina Department of Revenue for collection through the interception of state tax refunds and other state payments; and

**WHEREAS**, the City desires to ensure that all debts submitted to the Debt Setoff Program are legally enforceable and comply with applicable statutes and best practices for municipal financial administration; and

**WHEREAS**, the Finance Officer has developed an Internal Policy and Procedure establishing eligibility requirements, review procedures, and documentation standards for submission of delinquent utility accounts to the Debt Setoff Program.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of High Shoals, North Carolina that:

- The **Debt Setoff Internal Policy and Procedure**, attached hereto, is hereby adopted as the official policy governing the submission of delinquent utility accounts to the North Carolina Debt Setoff Program.
- The Finance Officer is authorized to administer the Debt Setoff Program in accordance with the adopted policy and applicable North Carolina statutes.
- The Finance Officer shall ensure that debts submitted to the program are reviewed for legal enforceability, including compliance with applicable statutes of limitation and other eligibility requirements.
- The Finance Department shall maintain appropriate documentation of submissions, certifications, and program activity consistent with the City’s records retention schedule.
- The policy may be updated from time to time by the Finance Officer as necessary to maintain compliance with state law, provided that any substantive changes shall be reported to the City Council.

**BE IT FURTHER RESOLVED** that this resolution shall become effective immediately upon adoption.

Adopted this the   10<sup>th</sup>   day of   March  , 2026.

\_\_\_\_\_  
Mayor

**ATTEST:** \_\_\_\_\_  
City Clerk



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**WHEREAS**, the City of High Shoals owns and maintains all water meters, meter boxes, radio endpoints, and related appurtenances installed for the purpose of providing municipal water service; and

**WHEREAS**, water meters and associated equipment are City property and are installed at the expense of the City to provide accurate measurement of water consumption; and

**WHEREAS**, damage to water meters, meter boxes, lids, radio endpoints, and related infrastructure is occasionally caused by builders, contractors, property owners, or other third parties during construction or site work activities; and

**WHEREAS**, such damage results in material replacement costs, labor expenses, administrative processing time, and operational disruption to the City; and

**WHEREAS**, the City Council finds it necessary to establish a clear policy to ensure full cost recovery and to protect public infrastructure.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIGH SHOALS, NORTH CAROLINA, THAT:**

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### **Section 1. Responsibility for Damage**

Any builder, contractor, developer, property owner, or other party who damages a City-owned water meter, meter box, lid, radio endpoint, or related appurtenance shall be responsible for the full cost of repair or replacement.

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### **Section 2. Replacement Fee Schedule**

The following fees are hereby established:

**A. Standard Residential Meter (5/8" or 3/4") Replacement:**

B. Flat Fee: **\$650.00** (applicable when the builder/contractor repairs or replaces the meter box and lid to City standards)

Flat Fee: **\$850.00** (if the City replaces the meter box and lid)

**B. Commercial or Large Meter Replacement:**

Flat Fee: **\$1,250.00** (or actual cost if greater)

If damage exceeds standard replacement scope, the City may charge actual material and labor costs in excess of the flat fee.

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### **Section 3. Payment Terms**

1. Payment shall be due upon invoicing by the City.
2. The City may require payment prior to:



# CITY OF HIGH SHOALS

## FY 2026–2027 Council Budget Request Form

**Submission Deadline:** April 2, 2026

**Submit to:** Brandi Strange

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Council Members:

Please use this form to submit any requested additions, capital purchases, program changes, or funding increases for consideration in the upcoming fiscal year budget.

Items not submitted during the budget planning period may require a budget amendment after adoption.

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### SECTION 1 – REQUEST INFORMATION

**Council Member Name:** \_\_\_\_\_

**Date Submitted:** \_\_\_\_\_

**Department (check one):**

Park & Recreation

Water

Sewer

Sanitation

Cemetery

Streets & Maintenance

Administration

Other: \_\_\_\_\_

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### SECTION 2 – DESCRIPTION OF REQUEST

**Item / Project Name:** \_\_\_\_\_

**Detailed Description:**

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### SECTION 3 – FINANCIAL IMPACT

**Estimated Cost:** \$ \_\_\_\_\_

Is this:  One-time expense

Recurring annual expense

If recurring, estimated annual cost: \$ \_\_\_\_\_

Is this:

- Capital purchase (equipment, vehicle, infrastructure)
  - Operating expense (supplies, contract, service, etc.)
- 

**SECTION 4 – FUNDING SOURCE (If Known)**

How should this be funded?

- General Fund
- Enterprise Fund (Water/Sewer)
- Grant
- Not sure

**SECTION 5 – JUSTIFICATION**

Why is this needed?

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What problem does this solve?

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Is this time-sensitive?

- Yes
- No

If yes, explain:

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**SECTION 6 – PRIORITY RANKING**

Please rank importance (1 = highest priority):

- \_\_\_\_ High
  - \_\_\_\_ Medium
  - \_\_\_\_ Low
- 

*Budget requests must be submitted prior to budget adoption to be considered during the normal planning process. Items introduced after adoption may require formal budget amendment in accordance with N.C. General Statutes.*