City of High Shoals
Regular City Council Meeting
August 11, 2026

I. **Call to Order**
II. **Invocation**
III. **Pledge of Allegiance**
IV. **Approval of Agenda**
V. **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.

VI. Departmental Reports:

- Police Report-Gaston County
- 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:– 108 River Street---Kelly Beach
- Vehicles- Tim Eidson
- Administration/Mayor Report-PJ Rathbone

Council Comments / Announcements

VII. **New Business:**

- **Resolution for CDBG Revitalization**

VIII. **Motion to Dismiss for August 25th 6:30 pm Public Hearing:**

Fund Or Attrib	Type	Acct Num	Acct Name	Budget	YTD	Variance	Prcnt
Fund Or Attrib: 10 GENERAL FUND							
Type: Revenues							
10 GEN	Revenues	10-3010-0000	Taxes Ad Valorem CY	$330,000.00	$221.20	($329,778.80)	0.07%
10 GEN	Revenues	10-3020-0000	Taxes - Ad Valorem - Prior	$25,000.00	$13,205.67	($11,794.33)	52.82%
10 GEN	Revenues	10-3025-0000	Taxes - Tag Fee	$23,000.00	$3,785.24	($19,214.76)	16.46%
10 GEN	Revenues	10-3250-0000	App Fees (was priv license)	$2,400.00	$280.00	($2,120.00)	11.67%
10 GEN	Revenues	10-3290-0000	Interest On Checking	$400.00	$29.08	($370.92)	7.27%
10 GEN	Revenues	10-3292-0000	Interest on Capital Management	$7,700.00	$823.48	($6,876.52)	10.69%
10 GEN	Revenues	10-3293-5000	INTEREST ON POWELL BILL ACCT CORRECTED	$25.00	$0.85	($24.15)	3.40%
10 GEN	Revenues	10-3294-0000	CAP MGMT_DEBT SETOFF	$0.00	$317.90	$317.90	0.00%
10 GEN	Revenues	10-3341-0000	Copies/Faxes/Notary Income	$100.00	$0.00	($100.00)	0.00%
10 GEN	Revenues	10-3342-0000	City Hall Rental	$1,000.00	$0.00	($1,000.00)	0.00%
10 GEN	Revenues	10-3350-0000	Alcohol/Beverage	$3,000.00	$0.00	($3,000.00)	0.00%
10 GEN	Revenues	10-3370-0000	Franchise Tax	$28,000.00	$0.00	($28,000.00)	0.00%
10 GEN	Revenues	10-3430-0000	Powell Bill	$30,000.00	$0.00	($30,000.00)	0.00%
10 GEN	Revenues	10-3450-0000	Local Option Sales Tax (NC Sales &Use Tax Distrib.	$88,000.00	$7,978.48	($80,021.52)	9.07%
10 GEN	Revenues	10-3455-0000	Gaston County Sales Tax	$16,092.00	$2,098.62	($13,993.38)	13.04%
10 GEN	Revenues	10-3560-0000	Park Rental Income	$3,000.00	$0.00	($3,000.00)	0.00%
10 GEN	Revenues	10-3670-0000	Sales Tax Refund	$6,000.00	$0.00	($6,000.00)	0.00%
10 GEN	Revenues	10-3680-0000	Gas Tax Refund	$1,500.00	$123.41	($1,376.59)	8.23%
10 GEN	Revenues	10-3710-0000	Cemetery Plots Income	$2,000.00	$1,000.00	($1,000.00)	50.00%
10 GEN	Revenues	10-3720-0000	Code Violation Fee (Was Zoning Vio Fee)	$1,500.00	$2,263.82	$763.82	150.92%
10 GEN	Revenues	10-3730-0000	Solid Waste Disposal Tax	$515.00	$0.00	($515.00)	0.00%
10 GEN	Revenues	10-3740-0000	Sanitation User Fee	$93,500.00	$10,016.94	($83,483.06)	10.71%
10 GEN	Revenues	10-3742-0000	SANITATION SURPLUS SALES	$10,000.00	$0.00	($10,000.00)	0.00%
10 GEN	Revenues	10-3745-0000	Dump Truck Rental (was recycling income)	$515.00	$15.50	($499.50)	3.01%
10 GEN	Revenues	10-3810-0000	Sale Of Surplus Property	$3,000.00	$0.00	($3,000.00)	0.00%
10 GEN	Revenues	10-3990-0000	Fund Balance Appropriation	$128,000.00	$0.00	($128,000.00)	0.00%
				$804,247.00	$42,160.19	($762,086.81)	5%
Type: Expenses							
10 GEN	Expenses	10-4200-8020	Salaries	$130,000.00	$16,957.54	$113,042.46	13.04%
10 GEN	Expenses	10-4200-8030	Mayor And Council	$60,600.00	$4,050.00	$56,550.00	6.68%
10 GEN	Expenses	10-4200-8040	Professional Services	$6,500.00	$0.00	$6,500.00	0.00%
10 GEN	Expenses	10-4200-8050	Social Security	$11,818.00	$1,302.48	$10,515.52	11.02%
10 GEN	Expenses	10-4200-8060	Health Ins.	$38,000.00	$2,183.14	$35,816.86	5.75%
10 GEN	Expenses	10-4200-8070	Medicare	$2,764.00	$304.62	$2,459.38	11.02%
10 GEN	Expenses	10-4200-8090	Unemployment Ins	$1,000.00	$0.00	$1,000.00	0.00%
10 GEN	Expenses	10-4200-8110	Telephone & Postage	$6,000.00	$396.76	$5,603.24	6.61%

Fund Or Attril	Type	Acct Num	Acct Name	Budget	YTD	Variance	Prcnt
10 GEN	Expenses	10-4200-8120	Public Notices-Printing	$500.00	$0.00	$500.00	0.00%
10 GEN	Expenses	10-4200-8130	Utilities	$6,000.00	$429.02	$5,570.98	7.15%
10 GEN	Expenses	10-4200-8140	Travel Expenses	$15,000.00	$2,199.62	$12,800.38	14.66%
10 GEN	Expenses	10-4200-8142	Education/Schools	$6,000.00	$615.00	$5,385.00	10.25%
10 GEN	Expenses	10-4200-8160	Maintenance Equipment	$1,500.00	$0.00	$1,500.00	0.00%
10 GEN	Expenses	10-4200-8330	Departmental Supplies	$4,000.00	$162.95	$3,837.05	4.07%
10 GEN	Expenses	10-4200-8370	Loan Payment	$19,162.50	$0.00	$19,162.50	0.00%
10 GEN	Expenses	10-4200-8450	Contracted Services	$15,500.00	$891.18	$14,608.82	5.75%
10 GEN	Expenses	10-4200-8530	Dues & Subscriptions	$4,000.00	$1,650.39	$2,349.61	41.26%
10 GEN	Expenses	10-4200-8540	Insurance & Bonding	$32,175.00	$0.00	$32,175.00	0.00%
10 GEN	Expenses	10-4200-8570	Miscellaneous	$800.00	$0.00	$800.00	0.00%
10 GEN	Expenses	10-4200-8610	IT ANNUAL SUPPORT	$16,000.00	$2,215.50	$13,784.50	13.85%
10 GEN	Expenses	10-4200-8620	MS LICENSING	$2,000.00	$0.00	$2,000.00	0.00%
10 GEN	Expenses	10-4200-8640	OFFICE EQUIPMENT	$4,000.00	$0.00	$4,000.00	0.00%
10 GEN	Expenses	10-4200-8650	HEY GOV/TOWN WEB/SOFTWARE	$10,000.00	$4,511.00	$5,489.00	45.11%
10 GEN	Expenses	10-4200-8700	CODE ENFORCEMENT-MINIMUM HOUSING	$10,000.00	$52.49	$9,947.51	0.52%
10 GEN	Expenses	10-4200-8710	Capital Outlay Building	$15,000.00	$0.00	$15,000.00	0.00%
10 GEN	Expenses	10-4200-8740	Capital Outlay---PUBLIC WORKS DEPT	$28,902.00	$0.00	$28,902.00	0.00%
10 GEN	Expenses	10-4200-8990	Contingency	$15,000.00	$0.00	$15,000.00	0.00%
10 GEN	Expenses	10-5600-8020	Salaries	$49,920.00	$3,602.87	$46,317.13	7.22%
10 GEN	Expenses	10-5600-8050	Social Security	$3,096.00	$223.39	$2,872.61	7.22%
10 GEN	Expenses	10-5600-8070	Medicare	$724.00	$52.24	$671.76	7.22%
10 GEN	Expenses	10-5600-8130	Utilities	$17,000.00	$1,518.23	$15,481.77	8.93%
10 GEN	Expenses	10-5600-8160	Maintenance Equipment	$6,000.00	$239.16	$5,760.84	3.99%
10 GEN	Expenses	10-5600-8170	Maintenance Truck	$2,000.00	$89.95	$1,910.05	4.50%
10 GEN	Expenses	10-5600-8310	FUEL/GAS	$6,000.00	$703.56	$5,296.44	11.73%
10 GEN	Expenses	10-5600-8330	Departmental Supplies	$9,000.00	$117.64	$8,882.36	1.31%
10 GEN	Expenses	10-5600-8450	Contracted Services	$5,668.00	$3,983.24	$1,684.76	70.28%
10 GEN	Expenses	10-5600-8460	GASTON CO LANDFILL (YARD WASTE)	$1,500.00	$0.00	$1,500.00	0.00%
10 GEN	Expenses	10-5600-8740	Capital Outlay	$1,500.00	$0.00	$1,500.00	0.00%
10 GEN	Expenses	10-5600-8750	Capital Lease	$19,162.50	$0.00	$19,162.50	0.00%
10 GEN	Expenses	10-5600-8990	Contingency	$10,000.00	$0.00	$10,000.00	0.00%
10 GEN	Expenses	10-5700-8730	Capital Outlay- Equipment	$2,767.12	$910.33	$1,856.79	32.90%
10 GEN	Expenses	10-5700-8731	LEASE PAYMENTS-WELLS FARGO (POWELL)	$15,569.28	$1,297.44	$14,271.84	8.33%
10 GEN	Expenses	10-5700-8732	LEASE PAYMENTS-JD FINANCIAL (POWELL)	$11,688.60	$0.00	$11,688.60	0.00%
10 GEN	Expenses	10-5800-8020	Sanitation Salaries	$30,000.00	$2,970.28	$27,029.72	9.90%
10 GEN	Expenses	10-5800-8050	Social Security	$1,866.00	$184.15	$1,681.85	9.87%

Fund Or Attrib	Type	Acct Num	Acct Name	Budget	YTD	Variance	Prcnt
10 GEN	Expenses	10-5800-8070	Medicare	$437.00	$43.05	$393.95	9.85%
10 GEN	Expenses	10-5800-8170	Maintenance Truck including tires	$15,000.00	$1,076.90	$13,923.10	7.18%
10 GEN	Expenses	10-5800-8310	FUEL/GAS	$8,450.00	$494.14	$7,955.86	5.85%
10 GEN	Expenses	10-5800-8330	Departmental Supplies	$300.00	$0.00	$300.00	0.00%
10 GEN	Expenses	10-5800-8450	GC Landfill (Dumping charges)	$14,000.00	$145.39	$13,854.61	1.04%
10 GEN	Expenses	10-5800-8530	Fees	$300.00	$0.00	$300.00	0.00%
10 GEN	Expenses	10-5800-8570	Miscellaneous	$33,662.00	$0.00	$33,662.00	0.00%
10 GEN	Expenses	10-6200-8020	Salaries	$17,042.00	$2,260.31	$14,781.69	13.26%
10 GEN	Expenses	10-6200-8050	FICA	$1,056.00	$140.13	$915.87	13.27%
10 GEN	Expenses	10-6200-8070	Medicare	$247.00	$32.76	$214.24	13.26%
10 GEN	Expenses	10-6200-8130	Utilities	$7,920.00	$527.57	$7,392.43	6.66%
10 GEN	Expenses	10-6200-8330	Departmental Supplies	$4,000.00	$0.00	$4,000.00	0.00%
10 GEN	Expenses	10-6200-8450	Contracted Services	$4,000.00	$1,500.00	$2,500.00	37.50%
10 GEN	Expenses	10-6200-8570	Sponsored Events	$1,500.00	$0.00	$1,500.00	0.00%
10 GEN	Expenses	10-6200-8600	MILL PROPERTY	$10,000.00	$0.00	$10,000.00	0.00%
10 GEN	Expenses	10-6200-8740	Prepaid Park Maintenance	$3,000.00	$0.00	$3,000.00	0.00%
10 GEN	Expenses	10-6400-8020	Salaries	$16,952.00	$1,231.20	$15,720.80	7.26%
10 GEN	Expenses	10-6400-8050	Social Security	$1,052.00	$76.34	$975.66	7.26%
10 GEN	Expenses	10-6400-8070	Medicare	$246.00	$17.86	$228.14	7.26%
10 GEN	Expenses	10-6400-8160	Maintenance	$300.00	$0.00	$300.00	0.00%
10 GEN	Expenses	10-6400-8450	Contracted Services	$6,600.00	$1,200.00	$5,400.00	18.18%
10 GEN	Expenses	10-6400-8990	Contingency	$2,500.00	$0.00	$2,500.00	0.00%
				$804,247.00	$62,559.82	$741,687.18	8%
				$1,608,494.00	$104,720.01	$1,503,773.99	7%
Fund Or Attrib: 30 WATER & SEWER							
Type: Revenues							
30 WAT	Revenues	30-3710-0000	Water Charges	$140,000.00	$16,942.47	($123,057.53)	12.10%
30 WAT	Revenues	30-3715-0000	Water Taps	$3,200.00	$0.00	($3,200.00)	0.00%
30 WAT	Revenues	30-3720-0000	Sewer Charges	$140,000.00	$14,187.31	($125,812.69)	10.13%
30 WAT	Revenues	30-3725-0000	Sewer Taps	$3,200.00	$0.00	($3,200.00)	0.00%
30 WAT	Revenues	30-3740-0000	Returned Check Fees	$30.00	$30.00	$0.00	100.00%
30 WAT	Revenues	30-3746-0000	PURCHASE OF WATER FROM SMALL BUSINESS (TO FILL	$150.00	$0.00	($150.00)	0.00%
30 WAT	Revenues	30-3750-0000	Reconnect & Late Fees	$3,500.00	$725.91	($2,774.09)	20.74%
30 WAT	Revenues	30-3755-0000	BROKEN METER - REPLACEMENT	$650.00	$0.00	($650.00)	0.00%
30 WAT	Revenues	30-3990-0000	Fund Bal Appro.	$10,000.00	$0.00	($10,000.00)	0.00%
				$300,730.00	$31,885.69	($268,844.31)	11%
Type: Expenses							
30 WAT	Expenses	30-8100-8020	Salaries	$31,000.28	$3,429.67	$27,570.61	11.06%

Fund Or Attrib	Type	Acct Num	Acct Name	Budget	YTD	Variance	Prcnt
30 WAT	Expenses	30-8100-8040	Professional Services	$100.00	$0.00	$100.00	0.00%
30 WAT	Expenses	30-8100-8050	Social Security	$1,900.00	$212.65	$1,687.35	11.19%
30 WAT	Expenses	30-8100-8070	Medicare	$450.44	$49.73	$400.71	11.04%
30 WAT	Expenses	30-8100-8110	Telephone & Postage	$2,500.00	$0.00	$2,500.00	0.00%
30 WAT	Expenses	30-8100-8140	Travel	$1,500.00	$0.00	$1,500.00	0.00%
30 WAT	Expenses	30-8100-8160	Maintenance Equipment	$500.00	$0.00	$500.00	0.00%
30 WAT	Expenses	30-8100-8310	FUEL/GAS	$3,000.00	$126.53	$2,873.47	4.22%
30 WAT	Expenses	30-8100-8330	Chemicals & Supplies	$29,000.00	$23,041.16	$5,958.84	79.45%
30 WAT	Expenses	30-8100-8450	Contracted Services	$10,000.00	$76.02	$9,923.98	0.76%
30 WAT	Expenses	30-8100-8500	Water Purchase	$50,000.00	$0.00	$50,000.00	0.00%
30 WAT	Expenses	30-8100-8540	Dues & Fees	$1,800.00	$0.00	$1,800.00	0.00%
30 WAT	Expenses	30-8100-8600	Water Lines	$779.28	$0.00	$779.28	0.00%
30 WAT	Expenses	30-8100-8610	SOUTHERN SOFTWARE	$5,000.00	$0.00	$5,000.00	0.00%
30 WAT	Expenses	30-8100-8990	Contingency	$10,000.00	$0.00	$10,000.00	0.00%
30 WAT	Expenses	30-8200-8020	Salaries	$25,000.00	$472.47	$24,527.53	1.89%
30 WAT	Expenses	30-8200-8050	Social Security	$1,460.00	$29.29	$1,430.71	2.01%
30 WAT	Expenses	30-8200-8070	Medicare	$357.00	$6.84	$350.16	1.92%
30 WAT	Expenses	30-8200-8110	Telephone & Postage	$1,002.00	$0.00	$1,002.00	0.00%
30 WAT	Expenses	30-8200-8130	Utilities	$5,500.00	$336.41	$5,163.59	6.12%
30 WAT	Expenses	30-8200-8142	Education/ Schools	$1,000.00	$401.00	$599.00	40.10%
30 WAT	Expenses	30-8200-8160	Maintenance Equipment	$550.00	$0.00	$550.00	0.00%
30 WAT	Expenses	30-8200-8310	FUEL/GAS	$3,020.00	$0.00	$3,020.00	0.00%
30 WAT	Expenses	30-8200-8330	Chemicals & Supplies	$5,000.00	$868.28	$4,131.72	17.37%
30 WAT	Expenses	30-8200-8450	Contracted Services	$32,001.00	$4,815.32	$27,185.68	15.05%
30 WAT	Expenses	30-8200-8500	SEWER PURCHASE	$60,000.00	$4,414.40	$55,585.60	7.36%
30 WAT	Expenses	30-8200-8700	Sewer Lines	$310.00	$0.00	$310.00	0.00%
30 WAT	Expenses	30-8200-8990	Contingency	$18,000.00	$0.00	$18,000.00	0.00%
				$300,730.00	$38,279.77	$262,450.23	13%
				$601,460.00	$70,165.46	$531,294.54	12%

HIGH SHOALS
GASTON COUNTY, NC

MAYOR
P.J. Rathbone

P.O. Box 6, High Shoals, N.C. 28077
Tel: (704) 735-1651 - Fax: (704) 735-5595

CLERK
Brandi Strange

CITY OF HIGH SHOALS
RESOLUTION AUTHORIZING SIGNATURES FOR REQUISITIONING FUNDS FOR THE 2024 COMMUNITY DEVELOPMENT BLOCK GRANT
CDBG #24-C-4224

WHEREAS, the City of High Shoals has received a Community Development Block Grant from the North Carolina Department of Commerce Rural Economic Development Division and,

WHEREAS, the City of High Shoals must requisition funds during the administration of this project and up to 4 individuals can be designated to sign the requisitions,

BE IT RESOLVED, that P.J. Rathbone, Denese Cook, Bobby Vassey, and Dennis Cash are authorized to sign requisitions for the Community Development Block Grant on behalf of the City of High Shoals.

Adopted this the ___11th______ day of ___August____________________, 2026.

____

P.J. Rathbone, Mayor

____

Brandi Strange, City Clerk

SIGNATORY FORM AND CERTIFICATION

Grant No.

CDBG #24-C-4224

Recipient Name: City of High Shoals
Address: PO Box 6
High Shoals, NC 28077

Signatures of individuals authorized to sign Requisition for Funds forms.

______________________	P.J. Rathbone, Mayor
(Signature)	(Typed Name) (Typed Title)
______________________	Denese Cook, Council Member
(Signature)	(Typed Name) (Typed Title)
______________________	Bobby Vassey, Council Member
(Signature)	(Typed Name) (Typed Title)
______________________	Dennis Cash, Mayor Pro Tem
(Signature)	(Typed Name) (Typed Title)

CERTIFICATION

( ) I certify that the signatures above are of the individuals authorized to sign Requisition for Funds form for the above recipient.

Certifying Official: ______________________
Title: ______________________

(X) The governing board has passed a resolution authorizing the persons above to sign Requisition for Funds form for the above recipient. A copy of the resolution is attached. I certify that the signatures above are those of the individuals authorized by resolution of the governing board of the recipient to sign Requisition for Funds forms.

Certifying Official: ______________________
Title: City Clerk

RESOLUTION

RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR APPROVAL OF A FINANCING AGREEMENT AUTHORIZED BY NORTH CAROLINA GENERAL STATUTE §160A-20

WHEREAS, the City of High Shoals, North Carolina desires to purchase the North Gaston Volunteer Fire Department for use as Public Works, to better serve the citizens of High Shoals; and

WHEREAS, The City of High Shoals desires to finance the Project by the use of an installment contract authorized under North Carolina General Statute §160A, Article 3, Section 20; and

WHEREAS, findings of fact by this governing body must be presented to enable the North Carolina Government Commission to make its findings of fact set forth in North Carolina General Statute 159, Article 8, Section 151 prior to approval of the proposed contract;

NOW, THEREFORE, BE IT RESOLVED that the City Council of High Shoals, North Carolina, meeting in regular session on the 11th day of August, 2026, make the following findings of fact:

1. The proposed contract is necessary or expedient for the City of High Shoals to provide adequate facilities for the operation of the City's Public Works and water and sewer functions. The City currently does not have a dedicated Public Works facility or sufficient space for the secure storage of City-owned equipment, vehicles, water and sewer materials, supplies, and inventory. Due to the lack of appropriate storage space, water meters, meter setters, parts, supplies, and other Public Works and utility materials are presently being stored in various areas of City Hall, including administrative office spaces and council meeting room that are not intended or suitable for such purposes.

2. The proposed property would provide the City with dedicated space for the storage and protection of Public Works equipment and newly acquired City vehicles, as well as office and operational space for the City's water and sewer functions. Acquisition of the property would allow the City to consolidate Public Works operations and inventory in an appropriate location, improve the security and protection of City assets and supplies, free administrative space within City Hall for its intended governmental purposes, and provide adequate facilities to support the City's current and future operational needs.
   Based upon these circumstances, the City Council finds that the undertaking is necessary and expedient and is in the best interests of the City and its citizens.

   The proposed installment financing contract is preferable to a general obligation bond or revenue bond issue for the same purpose because the purchase price of the property is $300,000, and the property has been independently appraised at $309,000. The cost of the undertaking exceeds the amount that the City can prudently provide from currently available appropriations and unappropriated fund balance without adversely affecting the City's liquidity, financial reserves, and ability to meet its ongoing governmental and operational obligations.

The City Council has determined that it would not be financially prudent to expend $300,000 from the City's currently available financial resources for the acquisition. The City must maintain adequate reserves for normal operations, emergencies and unforeseen expenditures, future capital needs, and the continued provision of essential municipal services, including its water and sewer operations.

The City has not previously utilized general obligation bond financing and did not retire general obligation bond principal during the preceding fiscal year. Accordingly, the City does not have non-voted general obligation bond capacity available for this undertaking pursuant to the two-thirds limitation contained in Article V, Section 4 of the North Carolina Constitution.

The City Council has considered the alternatives of a voted general obligation bond issue and a revenue bond issue. A voted general obligation bond issue would require an election and would involve additional time, expense, and administrative requirements that are not warranted given the size and nature of this $300,000 undertaking. A revenue bond issue is not considered appropriate because the property will serve general governmental, Public Works, and water and sewer operational purposes and is not solely a revenue-producing undertaking supported by a dedicated revenue stream.

Installment financing provides an efficient and appropriate means of financing the acquisition over a reasonable period while allowing the City to maintain adequate financial reserves for operations, emergencies, other capital requirements, and the continued provision of essential municipal services.

Accordingly, the City Council finds that installment financing pursuant to G.S. 160A-20 is preferable to a general obligation or revenue bond issue for financing the undertaking.

The City did not retire any general obligation bond principal during the preceding fiscal year and, therefore, does not have non-voted general obligation bond capacity available for this undertaking pursuant to the two-thirds limitation contained in Article V, Section 4 of the North Carolina Constitution. Accordingly, non-voted general obligation bond financing is not an available financing alternative for the proposed undertaking.

3. This finding is not applicable because the proposed installment financing is anticipated to be placed directly with a financial institution following a competitive solicitation of financing proposals and will not be marketed publicly.

4. The sums to fall due under the proposed contract are adequate and not excessive for the proposed purpose because the purchase price of the property is $300,000, which is less than the independently appraised value of $309,000. The City Council has determined that the property is suitable for the City's intended Public Works, water, and sewer operational purposes and will provide needed space for the storage and protection of City-owned vehicles, equipment, materials, supplies, and utility inventory, as well as office and operational space.

   The City has solicited competitive financing proposals from multiple financial institutions in an effort to obtain favorable financing terms. The City will evaluate the proposals received based

upon interest rate, financing term, fees, prepayment provisions, and other relevant terms and will select the proposal determined to be most advantageous to the City.
Based upon the independently appraised value of the property, the negotiated purchase price, the City's demonstrated need for the facility, and the competitive process being utilized to obtain financing, the City Council finds that the sums to fall due under the proposed contract are adequate and not excessive for the proposed purpose.

5. The City of High Shoals' debt management procedures and practices are good because the City prepares and adopts an annual balanced budget in accordance with the North Carolina Local Government Budget and Fiscal Control Act, maintains its financial records in accordance with applicable State requirements, and obtains an annual independent audit of its financial statements as required by law.

   The City manages its financial obligations within its available resources and considers the effect of proposed indebtedness on its annual budget, available fund balance, existing obligations, and ability to continue providing essential municipal services. The City has undertaken the proposed financing only after evaluating the necessity of the acquisition, obtaining an independent appraisal of the property, and competitively soliciting financing proposals from financial institutions.

   The City Council intends that the proposed installment financing and all future debt obligations of the City will be undertaken and administered in strict compliance with applicable North Carolina law and the requirements of the Local Government Commission. The City will appropriate sufficient funds in each applicable fiscal year to meet its obligations under the proposed financing agreement, subject to the requirements and limitations of applicable law.
   Based upon these practices and assurances, the City Council finds that the City's debt management procedures and practices are good and that the proposed financing will be managed in a fiscally responsible manner and in accordance with applicable law.

6. The increase in taxes necessary to meet the sums to fall due under the proposed contract is anticipated to be **$0.00 per $100 of assessed valuation** and is not deemed to be excessive. In adopting the budget for the current fiscal year, the City established an ad valorem property tax rate of $0.42 per $100 of assessed valuation in anticipation of the City's current and future financial and capital needs, including the proposed undertaking.

   The City anticipates that the debt service associated with the proposed installment financing can be provided within the City's existing revenue structure and adopted tax rate without an additional increase in the ad valorem property tax rate attributable to the proposed financing.

   The City is also experiencing residential development, including a development consisting of approximately 115 new homes, a substantial portion of which have already been constructed, which is expected to contribute additional assessed valuation to the City's tax base.

Accordingly, the City Council finds that no additional increase in the City's current ad valorem property tax rate is presently anticipated to be necessary to meet the sums to fall due under the proposed contract and that the anticipated tax impact of the proposed financing is not excessive.

7. The City of High Shoals is not in default in any of its debt service obligations.

8. The attorney for the City of High Shoals has rendered an opinion that the proposed Project is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Mayor, Finance Officer, and/or Administrator is hereby authorized to act on behalf of the City of High Shoals in filing an application with the North Carolina Local Government Commission for approval of the Project and the proposed financing contract and other actions not inconsistent with this resolution.

This resolution is effective upon its adoption on this 11th day of August, 2026.

The motion to adopt this resolution was made by ______________________, seconded by ________________, and passed by a vote of ______ to ________________.

____

Mayor, PJ Rathbone

ATTEST:

____

City Clerk

This is to certify that this a true and accurate copy of Resolution No. 8102026. Adopted by the City of High Shoals City Council on the 11th day of August, 2026.

________________________________ ________________________________

City Clerk Date