



February 23, 2026
 Stallings Government Center
 321 Stallings Road
 Stallings, NC 28104
 704-821-8557
www.stallingsnc.org

Town Council Agenda

	Time	Item	Presenter	Action Requested/Next Step
	7:00 p.m.	Invocation Pledge of Allegiance Call the Meeting to Order	David Scholl, Mayor	NA
	7:05 p.m.	Public Comment	David Scholl, Mayor	NA
1.	7:15 p.m.	Consent Agenda A. ABO 11 – Microsurfacing B. Conditional Zoning Subcommittee Policy	David Scholl, Mayor	Approve/amend agenda
2.	7:18 p.m.	Agenda Approval	David Scholl, Mayor	Approve/amend agenda
3.	7:20 p.m.	RZ25.10.01 A. Stevens Schultz Lane (1) Open public hearing (2) Information from Staff (3) Close public hearing (4) Council Vote B. Statement of Consistency and Reasonableness	Katie King,	Approve/deny rezoning
4.	7:30 p.m.	2025 Audit Report	Emily Mills, DMJPS, PLLC	Presentation
5.	7:40 p.m.	Microsurfacing Information Presentation by Slurry Pavers	Tim Herbst, Slurry Pavers	Presentation
6.	7:50 p.m.	Annex. 59 – Chestnut Lane A. Certificate of Sufficiency B. Resolution Setting the Public Hearing	Erinn Nichols, Asst. Town Mgr.	Adopt the resolution
7.	7:55 p.m.	Planning Board Ordinance Amendment	Alex Sewell, Town Manager	Consider amendment
8.	8:00 p.m.	Planning Board Application Consideration	Erinn Nichols, Asst. Town Mgr.	Consider application for appointment
9.	8:05 p.m.	Council Operating Agreement <i>Per Council 2026 Priorities</i>	Alex Sewell, Town Manager	Consider application
10.	8:15 p.m.	Closed Session pursuant to NCGS 143-318.11(a)(3)	David Scholl, Mayor	Recess into closed session
11.	8:30 p.m.	Adjournment	David Scholl, Mayor	Adjournment



MEMO

To: Stallings Town Council
Via: Alex Sewell, Town Manager
From: Jessie Williams, Finance Officer
Date: February 23, 2026
RE: **Amended Budget Ordinance No. 11**

FY25 ended the year with \$307,129 remaining in the General Fund Transportation resurfacing/paving budget (not Powell Bill funded). Since a set amount is appropriated each year for this purpose, Council has historically approved carrying over any remaining budget to the next year.

In addition, approximately \$140,000 is needed in current year to fully fund the Slurry Pavers, Inc. microsurfacing contract approved on February 9, 2026.

Staff is requesting the full remaining General Fund Transportation resurfacing/paving budget from FY25 in the amount of \$307,129 be reappropriated in FY26.

Requested Action:

Adoption of attached Amended Budget Ordinance 11

AMENDED BUDGET ORDINANCE – NO. 11
TOWN OF STALLINGS, NORTH CAROLINA
FISCAL YEAR 2025-2026

BE IT ORDAINED by the Town Council of the Town of Stallings, North Carolina, that the budget for fiscal year 2025-2026 is hereby amended as set forth below:

Category	Account Number	Net Increase or (Decrease)	Current Budget	Amended Budget
<u>General Fund:</u>				
<u>Revenue Budget</u>				
Unrestricted Fund Balance	10-99-3991-600	\$ 307,129	\$ 688,311	\$ 995,440
<u>Expense Budget - Transportation</u>				
Paving/Resurfacing	10-20-4510-062	\$ 307,129	\$ 811,200	\$ 1,118,329

Explanation: To appropriate General Fund unrestricted fund balance to carryover remaining FY25 paving/resurfacing budget.

This Amendment to the Budget Ordinance shall be effective upon adoption.

The said Budget Ordinance, except as amended, shall remain in full force and effect.

ADOPTED this the 23rd day of February 2026.

David Scholl, Mayor

Erinn Nichols, Assistant Town Manager/Town Clerk



MEMO

To: Town Council
From: Max Hsiang, Planning and Zoning Director
Date: February 23, 2026
RE: **Summary of Major Revisions to Conditional Zoning Subcommittee Policy**

At the 2026 Council Retreat, Council identified a priority under the “Enhance the Identity for Our Town” initiative:

“Ensure greater Town Council member understanding of projects prior to resident meetings with developers by changing process to move Council Member subcommittee meetings prior to neighborhood meetings.”

In response to that direction, staff has prepared revisions to the Conditional Zoning (CZ) Council Subcommittee Meeting Policy. The proposed amendments not only reposition the subcommittee meeting earlier in the process but also incorporate several substantive clarifications to strengthen structure, transparency, and legal clarity.

It is important to acknowledge that moving the subcommittee meeting to the beginning of the process means there will be limited public input and less formal planning feedback at that stage. However, early Council input will provide applicants with clearer expectations and better direction before engaging the broader community. For this revised process to be effective, it is essential that Council members clearly articulate their perspectives and provide direct, constructive feedback so developers fully understand expectations and next steps.

The most significant changes to the policy are summarized below.

1. The revised policy formally places the subcommittee meeting at the beginning of the conditional zoning process, prior to the required neighborhood meeting (unless waived or modified). This change creates a clearer procedural sequence and allows Council members to identify concerns early, before applicants engage the broader community. It improves efficiency and provides better guidance at the outset of the process.
2. The updated policy explicitly states that it is an internal procedural guide and not mandated by Chapter 160D or other state statutes. It clarifies that subcommittee discussions are informal, advisory, and non-binding. This added language strengthens the Town’s legal posture by clearly distinguishing subcommittee conversations from statutory public hearings and final Council action, reducing potential misunderstandings or procedural challenges.
3. The revised version includes language affirming compliance with applicable open meetings and public records laws. It also clarifies that subcommittee meetings are not public comment forums and that public participation is not required unless invited by a subcommittee member. This addition provides clearer expectations for attendees and ensures procedural transparency.
4. The amended policy provides clearer rules regarding scheduling, continuations, limits on the number of meetings prior to the neighborhood meeting, handling of substantial revisions, and administrative waivers. These additions create predictability in the process, prevent unnecessary delays, and allow flexibility when warranted, while still maintaining structure.
5. The revised policy refines subcommittee membership rotation and clarifies attendance limitations. It also expressly allows the Mayor to attend and serve as an alternate member. This provides operational

flexibility while maintaining compliance with attendance requirements and ensuring meetings can proceed efficiently.

In summary, the revisions provide clearer structure, improved legal clarity, stronger procedural safeguards, and better-defined expectations for applicants, Council members, and the public. The updates are intended to enhance transparency, consistency, and administrative efficiency within the conditional zoning subcommittee process.

Conditional Zoning (CZ) Council Subcommittee Meeting Policy

1) Purpose and Authority

- a. This policy is adopted by the Town Council to guide internal procedures during the Town's Conditional Zoning (CZ) review process. This policy is not required by, and does not implement a mandate of, North Carolina General Statutes Chapter 160D or any other state statute. The Town Council may modify or waive the procedures described in this policy at its discretion.
- b. The purpose of this policy is to facilitate early, informal discussion between Town Council members and applicants during the conditional zoning process to identify issues, provide guidance, and improve applications prior to formal review.
- c. Subcommittee meetings are informal, advisory working sessions intended to allow early discussion between Town Council members and the applicant. Discussions do not constitute approval, denial, or a commitment regarding the outcome of the application, and all Council members retain full discretion during later public meetings and hearings.

2) Role in the Conditional Zoning Process

- a. The Council subcommittee meeting serves as the initial step in the conditional zoning process and occurs prior to the required neighborhood meeting, unless modified or waived by the Town Council.
- b. The subcommittee meeting is intended solely for preliminary discussion and clarification and is separate from all statutory public meetings or hearings.
- c. Subcommittee meetings are subject only to applicable open meetings and public notice laws. All discussions are conducted in a manner consistent with applicable open meetings and public records laws.

3) Application Prerequisites

- a. A subcommittee meeting may be scheduled only after the applicant has submitted all required documents and fees. The Development Administrator must have sufficient time to review the documents for completeness prior to scheduling the meeting.
- b. Required documents include but are not limited to:
 1. Complete application forms and applicable fees
 2. Detailed site plans, landscape plans, building elevations, and such other information required to provide the approving bodies with a complete and accurate description of the proposed development.
 3. A comprehensive list of all known or reasonably anticipated deviations from applicable development ordinance standards, submitted for informational purposes to assist in discussion of potential voluntary conditional zoning conditions. Submission does not constitute approval or entitlement.
 4. A completed Traffic Impact Analysis (TIA) may be required, if applicable.
 5. Any additional documents deemed necessary by the Development Administrator for completeness and compliance review.

4) Scheduling, Timing & Continuations

- a. Subcommittee meetings are generally scheduled at 5:00p.m. or 5:30 p.m. prior to a regularly scheduled Town Council meeting, subject to availability. If necessary, meetings may be scheduled for an alternative date and time with the agreement of all subcommittee members, the Development Administrator, and the applicant.
- b. Continued subcommittee meetings may occur with the unanimous agreement of all assigned subcommittee members and the applicant, and when practical, include the same subcommittee members. No more than two (2) subcommittee meetings may occur prior to the required neighborhood meeting.
- c. Following any second subcommittee meeting (if applicable), the application proceeds with the neighborhood meeting and continues through the standard amendment process. Additional subcommittee meetings may occur after the neighborhood meeting and prior to the final Town Council public hearing with unanimous agreement of all assigned subcommittee members, the Development Administrator, and the applicant.
- d. A scheduled subcommittee meeting may be waived, or its date and time modified, with the unanimous agreement of all assigned subcommittee members. Any such waiver or modification is coordinated by the Development Administrator or their designee.
- e. The Development Administrator or their designee provides subcommittee members with the application and supporting materials at least three (3) business days before the scheduled meeting (typically by Wednesday prior to a Monday meeting).
- f. Substantial revisions (which may include, but are not limited to, changes to land use mix, density, development conditions, or site layout) or late-submitted materials may result in rescheduling of the meeting at the discretion of the Development Administrator to ensure adequate review.
- g. A subcommittee meeting may be administratively waived by the Development Administrator or their designee when scheduling the meeting is not practicable or would result in undue delay to the application. Any such waiver does not create precedent and does not limit the authority of the Town Council to request a subcommittee meeting at a later time.

5) Membership & Attendance

- a. Subcommittee members are assigned as follows:
 1. The first committee member will be from the Council district where the development is occurring. The remaining members are generally selected from the following district rotations to promote variation:
 - Council Districts 1 & 6
 - Council Districts 2 & 5
 - Council Districts 3 & 4
 2. No more than three (3) Council members may attend the meeting. The members rotate for each subcommittee meeting, as determined by the Development Administrator. The subcommittee assignment should aim for variation between meetings.
 3. A subcommittee meeting may proceed with one or more subcommittee members in attendance, provided no quorum of the Town Council is present.
 4. Additional participants may include the applicant, Town staff, legal counsel in an advisory capacity, and land use consultants as necessary.
- b. Subcommittee meetings are not public comment forums, and no public comment period is required. Members of the public may observe but cannot participate unless invited to do so by a subcommittee member.

- c. If a subcommittee member is unable to attend a meeting, either that member or the Development Administrator (or their designee) may appoint another Council member to serve as a replacement for that meeting. The Mayor can attend and serve as an alternate member. Such substitutions do not affect future rotation.

6) Conduct, Reporting & Recommendations

- a. Subcommittee meetings are informal and advisory in nature. Council members may ask questions and provide general observations or guidance based on individual perspectives, adopted plans, applicable policies, and community concerns.
- b. The subcommittee's general observations, along with the Development Administrator's recommendations and comments, may be summarized by the Development Administrator or designee and reported to the Planning Board. Subcommittee input is advisory only and does not bind the Planning Board or Town Council.
- c. Applicants are advised that feedback provided during subcommittee meetings is preliminary, informal, and non-binding, and may evolve based on staff analysis, public input, or subsequent review. Applicants should not interpret subcommittee feedback as a prediction of votes or final outcomes.

Adopted: 08/24/2020

Amended: 03/24/2025

Amended: 02/23/2026

Draft

Conditional Zoning Council Subcommittee Meeting Policy

Purpose

- To facilitate discussion between Town Council members and applicants during the conditional zoning process, a Council subcommittee review process will be implemented.
 - The subcommittee's role is to encourage dialogue between applicants and Council members.
 - Discussions held within the subcommittee do not constitute approval, denial, or any commitment from the Town regarding the proposed application.
-

Subcommittee Meeting Process

1. Meeting Requirement & Scheduling

- a) A Council subcommittee meeting is required as part of the conditional zoning process.
- b) The *Development Administrator* or their designee will schedule the meeting for at least one week before the required Planning Board meeting unless all subcommittee members notify the *Development Administrator* that a meeting is unnecessary.
- c) It is encouraged that the meeting be held after the required neighborhood/community meeting; however, it may be the first or second meeting in the conditional zoning process if necessary.
- d) Additional subcommittee meetings may be scheduled if requested by a majority of the subcommittee members (2/3).

2. Prerequisites for Scheduling

- a) A subcommittee meeting will only be scheduled once the applicant has submitted all required documents.
- b) The *Development Administrator* must have sufficient time to review the documents for completeness.
- c) Required documents include but are not limited to:
 - a. A detailed site plan.
 - b. A completed Traffic Impact Analysis (TIA) (if applicable).
 - c. A comprehensive list of differences between the proposed development and the Stallings Development Ordinance.
 - d. Any additional documents deemed necessary by the *Development Administrator* for compliance evaluation.

3. Meeting Timing & Location

- a) The *Development Administrator* or their designee will schedule subcommittee meetings at 5:00 PM before a regularly scheduled Town Council meeting, based on availability. If necessary, the

Current

meeting may be arranged for an alternative date and time if all subcommittee members, the *Development Administrator*, and the applicant agree.

- b) Additional subcommittee meetings will follow the same scheduling process and may be arranged at an alternative time if all subcommittee members and the applicant agree.

4. Document Distribution

- a) The *Development Administrator* or their designee will provide subcommittee members with the application and supporting materials at least three (3) business days before the scheduled meeting (typically by Wednesday prior to a Monday meeting).

5. Membership & Attendance

- a) Subcommittee members are assigned as follows:
 - 1) **Town Council Subcommittee Composition:** Three Council members as follows:
 - i. **Subcommittee 1:** Council Members from Districts 1 & 6
 - ii. **Subcommittee 2:** Council Members from Districts 2 & 5
 - iii. **Subcommittee 3:** Council Members from Districts 3 & 4
 - 2) The third committee member will be from the district where the development is occurring. The remaining two committee members will be selected from the other two subcommittee compositions.
 - 3) The committee will rotate for each subcommittee meeting, as determined by the *Development Administrator*. The subcommittee assignment should aim for variation between meetings.
 - 4) Additional participants may include the applicants, Town Staff, Legal Counsel, and Land Use Consultant as necessary.
- b) If a subcommittee member is unable to attend a meeting, either that member or the *Development Administrator* may appoint another Council member to serve as a replacement for that meeting. This substitution does not affect the rotation of the members selected for future subcommittee meetings.

6. Reporting & Recommendations

- a) The subcommittee's findings, along with the *Development Administrator's* recommendations and comments, will be reported to the Planning Board.

Adopted: 08/24/2020

Amended: 03/24/2025

Current



General Rezoning Application RZ25.10.01 – Stevens Schultz Residential

02.23.2026

Staff Report | Town Council



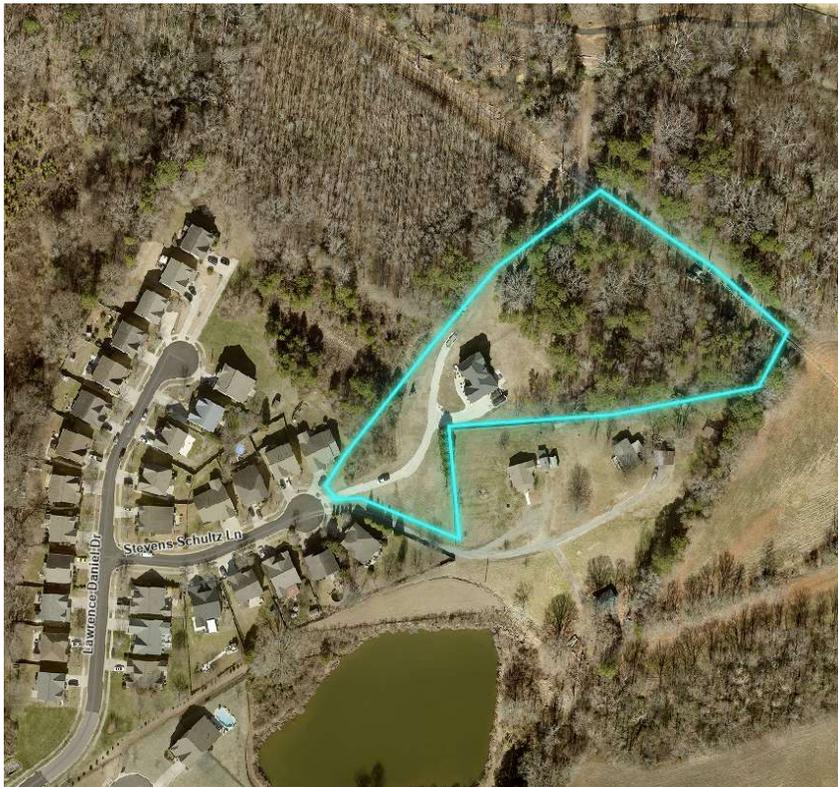
Request

□ General Rezoning Request

Applicant, Denis Dashchenko, submitted a general rezoning request from **Mixed- Use 2 (MU-2)** to **Multi-Family Transitional (MFT)** at parcel ID #07075294, a property 3.6 acres in size at 3017 Stevens Schultz Ln.



Aerial & Streetview



History



- In 2018, the Town of Stallings adopted a new Development Ordinance, which rezoned this property from R10 (medium-density residential) to MU-2 (mixed-use). This zoning change allowed for more commercial development on the land.
- This property connects to the Woodbridge neighborhood by an access point on Stevens Schultz Ln. Prior to the zoning change in 2018, the Woodbridge neighborhood was also zoned R10 (now MFT).

2017 Zoning:

STALLINGS ZONING	
DISTRICT	
BC	Business Center
CUGR	Conditional Use General Retail
CUNRD	Conditional Use Neighborhood Retail District
CUOLR	Conditional Use Office Light Retail
CZ	Conditional Zoning
GC	Government Center
GR	General Retail
HI	Heavy Industrial
LI	Light Industrial
MFR	Multi-Family Residential
MR	Mixed-Residential
NRD	Neighborhood Retail District
OLR	Office Light Retail
R10	Residential District
R15	Residential District
R20	Residential District
TC	Town Center
MH1	Manufactured Home
MH2	Manufactured Home



Project Summary

Location:

- 3017 Stevens Schultz Ln

Ownership:

- Denis Dashchenko

Current Zoning:

- MU-2

Existing Use:

- Residential

Site/Project Size:

- 3.6 acres

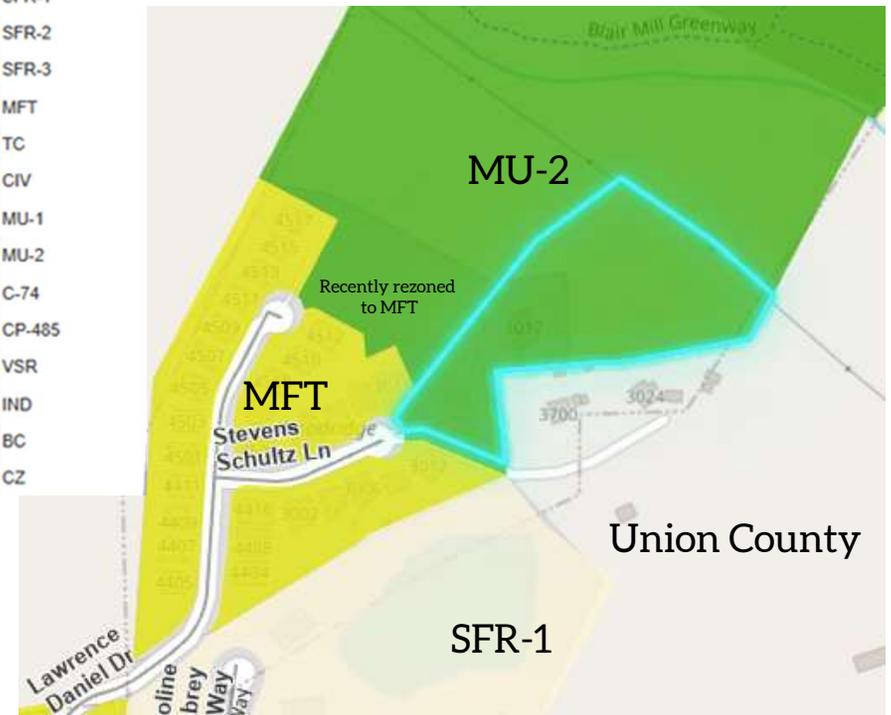
Traffic Generation:

- N/A

Current Zoning:

Stollings Zoning

- AG
- SFR-1
- SFR-2
- SFR-3
- MFT
- TC
- CIV
- MU-1
- MU-2
- C-74
- CP-485
- VSR
- IND
- BC
- CZ





Future Land Use



Suburban Single-Family Neighborhood

Suburban single-family residential neighborhoods are formed as subdivisions or communities, with a relatively uniform housing type and density throughout. They may support a variety of single-family detached residential types, from mobile homes to large-lot, low-density single-family homes to denser formats of smaller single-family detached homes. Homes are oriented interior to the neighborhood and typically buffered from surrounding development by transitional uses or landscaped areas. Suburban single-family neighborhoods are often found in close proximity to suburban commercial, office, and industrial centers, and help provide the consumers needed to support these centers.



Primary Land Uses

- Single-Family Detached Home

Secondary Land Uses

- Community Park
- Community Center / Pool and Recreational Facilities
- Natural Areas



FORM & PARAMETERS

General Development Pattern	Separate Uses
Typical Lot Coverage	50 - 75%
Residential Density	1.0 - 6.0 DU/ac
Non-Residential Intensity	N/A
Prevailing Building Height	1 - 2 Stories
Average Dwelling Unit Size	1,500 - 5,000 SF
Avg. Non-Resid. Building Size	varies
Transportation Choices	Auto
Typical Block Length	800 - 1,500 LF
Open Space Elements	Greenway/Natural Areas
Street Pattern	Curvilinear
Street Connectivity	Low/Medium
Parking Provisions	Private Driveway
Typical Street Cross Section	Rural/Suburban/Urban

Future Land Use Plan Place Types

- Town Center
- Walkable Activity Center
- Walkable Neighborhood
- Suburban Commercial Ctr.
- Suburban Office Center
- Multi-Family Neighborhood
- Single-Family Neighborhood
- Open Space
- Civic Space
- Industrial Center
- NCDOT Right of Way





Staff Recommendation

- Staff recommends approval of RZ25.10.01 to rezone the property to Multi-Family Transitional (MFT). This rezoning will make the property consistent with the current Future Land Use Plan and Small Area Plan.
- This rezoning will:
 - ▣ Create a seamless transition between the adjacent MFT zoned neighborhood and align with approved plans.
 - ▣ Protect the character of the Woodbridge neighborhood by removing the potential for future commercial development.
- Staff understands the residents concerns about traffic and property values but believes that this rezoning will allow for the greatest use of the land with the smallest impact to the character of the surrounding neighborhood.

Vote and Statement of Consistency & Reasonableness



- **Step 1.**
 - Motion to recommend **Approval/Denial** for RZ25.10.01.

- **Step 2.**
 - With a statement of consistency that the proposal is **Consistent/Inconsistent** and **Reasonable/Not Reasonable** with the Comprehensive Land Use Plan.

- **Step 3.**
 - Example reasoning:
 - The rezoning helps protect the character of the surrounding neighborhood while aligning the property with the Future Land Use Plan and Small Area Plan.



Questions?



MEMO

To: **Mayor and Town Council**
From: Katie King, Senior Planning Technician
Date: February 23rd, 2026
RE: **RZ25.10.01 – Stevens Shultz Rezoning Request**

Overview:

The purpose of this memo is to provide details regarding the general rezoning request for 3017 Stevens Shultz Ln. The request seeks to rezone the 3.608-acre property from Mixed-Use 2 (MU-2) to Multi-Family Transitional (MFT). It is important to note that the MFT district does not allow for the development of multi-family housing, only single-family detached homes.

Property Details:

- **Address:** 3017 Stevens Shultz Ln
- **Parcel Number:** #07075294
- **Parcel Size:** 3.608 Acres
- **Current Zoning:** Mixed-Use 2 (MU-2)
- **Proposed Zoning:** Multi-Family Transitional (MFT)
- **Existing Use:** Single-Family Residential



Key Considerations:

- The applicant, Denis Dashchenko, has requested this general rezoning with the intent to protect the existing neighborhood.
- The property is accessible by the Stevens Shultz Ln cul-de-sac in the Woodbridge neighborhood but is not a part of the neighborhood.
- The rezoning would allow for single-family residential use and other incidental uses.

Planning Board:

- Pursuant to *NC G.S. §160D-604(b)*, if no recommendation is received from the Planning Board within 30 days of the referral, the governing board may proceed without that recommendation.
- Due to a lack of quorum, Planning Board was unable to hear this rezoning application for 30+ days.

Future Land Use:

- The future land use for this property is Suburban Single-Family Neighborhood.
- This property is also included in the Idlewild Road Small Area Plan and is shown as Single-Family.

Staff Assessment:

- The proposed rezoning aligns with our future land use and small area plans.
- The request also preserves the character of the Woodbridge neighborhood by requesting a zoning district that matches that of the neighborhood.

Staff Recommendation:

Staff recommends approval of the general rezoning request RZ25.10.01.



Statement of Consistency and Reasonableness

ZONING AMENDMENT: RZ25.10.01

REQUEST: Denis Dashchenko is requesting a general rezoning of the property located at 3017 Stevens Shultz Lane, identified as case RZ25.10.01, from MU-2 (Mixed Use-2) to MFT (Multifamily Residential).

WHEREAS, The Town of Stallings Town Council, hereafter referred to as the "Town Council", adopted the Stallings Comprehensive Land Use Plan on November 27, 2017; and

WHEREAS, the Town Council finds it necessary to adopt a new land development ordinance to maintain consistency with the Comprehensive Land Use Plan; and

WHEREAS, the Town Council finds it necessary to revise the Unified Development Ordinance to comply with state law found in NCGS § 160D.

WHEREAS, the Town Council finds it necessary to consider the Planning Board's recommendations.

THEREFORE, The Town Council recommends APPROVING/DENYING the proposed text amendment, finding it consistent/inconsistent and reasonable/unreasonable with the Comprehensive Land Use Plan's goals of promoting quality development and adhering to state regulations (NCGS §160D), based on the following reasons:

1. The future land use of single-family residential is consistent with the request.

Recommended this the __ day of _____, 2026.

Mayor

Attest:

Town Clerk



February 6, 2026

To Members of Town Council
Town of Stallings
Stallings, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Stallings for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 30, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Stallings are described in Note 1 to the financial statements. As described in the notes to the financial statements, the Town of Stallings changed accounting policies related to compensated absences by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 101, *Compensated Absences*, and also implemented GASB Statement No. 102, *Certain Risk Disclosures*, in June 30, 2025. We noted no transactions entered into by the Town of Stallings during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Town of Stallings' financial statements were:

- Management's estimate of the remaining useful lives of capital assets is based on generally accepted lives for such assets. We evaluated the key factors and assumptions used to develop the remaining useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the LGERS and LEOSSA liabilities at year end is based on the knowledge and findings of independent actuaries. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosures of pension plan obligations and working capital needs in Note 3 to the financial statements.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no known or likely misstatements identified during the audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 6, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Town of Stallings' financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Town of Stallings'

auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, Local Government Employees' Retirement System Schedules of the Town's Proportionate Share of the Net Pension Liability (Asset) and Contributions, Law Enforcement Officers' Special Separation Allowance Schedules of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Employee Payroll, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund financial statements, budgetary schedules, other schedules, and the schedule of federal and state awards which accompany the financial statements but are not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the members of Town Council and management of Town of Stallings and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

DMIPS PLLC

Certified Public Accountants

Financial Performance Indicators

The self-reported information from your unit's audit report was used to generate the following trends and performance indicators. We have created this Performance Indicator tab to make these indicators available to auditors and local governments when your audit is conducted.

Financial Performance Indicators

Account #	Question	2025
980	Date the auditor presented or plans to present Financial Performance Indicators of Concern (FPIC) to the Governing Board.	Data Not Available

Summary

Indicator Name	2023	2024	2025	Fail Condition	2025 Status
Number of Financial Performance Indicators of Concern (FPICs)	3	2	0	Greater Than 0	Pass

General Fund

Indicator Name	2023	2024	2025	Fail Condition	2025 Status
Fund Balance Available as Percent of Expenditures & Transfers Out Without Powell Bill	124.36%	149.21%	153.77%	Less Than 25.00%	Pass
Use of Fund Balance for Operations	No	No	No	Equal Yes	Pass
Total Fund Balance	\$13,295,979	\$15,969,210	\$17,177,941	Less Than \$0	Pass

Water & Sewer Fund

Indicator Name	2023	2024	2025	Fail Condition	2025 Status
Quick Ratio	Data Not Available	Data Not Available	Data Not Available	Less Than 1.00	Not Applicable
Operating Net Income Excluding Depreciation; Including Debt Service Principal and Interest	\$0	\$0	\$0	Less Than \$0	Pass
Unrestricted Cash as a Percentage of Expenses	Data Not Available	Data Not Available	Data Not Available	Less Than 16.00%	Not Applicable
Transfers in > 3% of Total of Operating and Non-Operating Expenses	\$0	\$0	\$0	Less Than \$0	Pass
Capital Assets Condition Ratio	Data Not Available	Data Not Available	Data Not Available	Less Than or Equal To 50.00%	Not Applicable

Electric Fund

Indicator Name	2023	2024	2025	Fail Condition	2025 Status
Quick Ratio	Data Not Available	Data Not Available	Data Not Available	Less Than 1.00	Not Applicable
Operating Net Income Excluding Depreciation; Including Debt Service Principal and Interest	\$0	\$0	\$0	Less Than \$0	Pass
Unrestricted Cash as a Percentage of Expenses	Data Not Available	Data Not Available	Data Not Available	Less Than 16.00%	Not Applicable
Is Unit following G.S. § 159B-39 or the unit's transfer policy?	Yes	Yes	Yes	Equal No	Pass

Debt/Liabilities

Indicator Name	2023	2024	2025	Fail Condition	2025 Status
Late Debt Service Payments and/or Bond Covenants Not Met	No	N/A	N/A	Equal Yes	Pass

Internal Controls

Indicator Name	2023	2024	2025	Fail Condition	2025 Status
Adopted Ordinance Level Budget Violations	No	Yes	No	Equal Yes	Pass
Material weaknesses, significant deficiencies, and/or statutory violations	Yes	Yes	No	Equal Yes	Pass
Appointed Finance Officer Exists During Fiscal Year per G.S. § 159-24 (Local Governments & Public Authorities) or G.S. § 115C-435 (Board of Education)	Yes	Yes	Yes	Equal No	Pass
Appointed Finance Officer Bonded per G.S. § 159-29 (Local Governments & Public Authorities) or G.S. § 115C-442 (Board of Education)	Yes	Yes	Yes	Equal No	Pass
Financial Statements - Auditor Opinion Unmodified	Yes	Yes	Yes	Equal No	Pass
Going Concern	No	No	No	Equal Yes	Pass

General Qualifying Factors

Indicator Name	2023	2024	2025	Fail Condition	2025 Status
Date Audit Submitted	1/29/2024	11/5/2024	Data Not Available	Greater Than 2/12/2026	Not Applicable
Collected Ad Valorem Tax as Percent of Budgeted Ad Valorem Tax	4.03%	2.75%	4.02%	Less Than -3.00%	Pass
Expected Property Revaluation Direction	N/A	Increase	Data Not Available	Equal Decrease	Not Applicable
Other Issues	1	0	0	Greater Than 0	Pass

Financial Performance Indicators - Descriptions: For Informational Purposes Only

Summary

Indicator Name	Formula	Description
Number of Financial Performance Indicators of Concern (FPICs)	Number of Financial Performance Indicators of Concern (FPICs) Unit has	

General Fund

Indicator Name	Formula	Description
Fund Balance Available as Percent of Expenditures & Transfers Out Without Powell Bill	$(506+536+647-11-4-6-5)/(532+20+509-533-508-1050)$	<p>Fund balance available for appropriation is an important reserve for local governments to provide cash flow during periods of declining revenues and to be used for emergencies and unforeseen expenditures. The information indicates the amount of available cash on hand. Note that 8.33% represents enough fund balance to cover only one month of expenditures. Normally, a unit has to either increase revenues or decrease expenditures to increase fund balance available.</p> <p>This calculation looks at fund balance available plus debt service fund balance (if applicable) less Powell Bill restricted fund balance. This number is then divided by the total of total expenditures plus transfers out less bond proceeds and less amount expended for Powell Bill Expenditures.</p> <p>Units of government are grouped by General Fund expenditures for purposes of evaluating available fund balance as a percentage of expenditures (GF FBA %). Each grouping category has its own minimum threshold. If you are in the lower quartile your GF FBA% may be considered a performance indicator of concern and you may be asked to communicate to us.</p> <p>Municipality General Fund Expenditures Groups Minimum Threshold FBA as % of Expenditures:</p> <ol style="list-style-type: none"> 1. Less Than Or Equal To \$99,999 100% 2. \$100,000 To \$999,999 71% 3. \$1,000,000 To \$9,999,999 34% 4. Greater Than Or Equal To \$10,000,000 25% <p>County General Fund Expenditures Groups Minimum Threshold FBA as % of Expenditures:</p> <ol style="list-style-type: none"> 1. Less Than Or Equal To \$99,999,999 20% 2. Greater Than Or Equal To \$100,000,000 16%
Use of Fund Balance for Operations	$23 < 0 \ \& \ 590 = \text{Operations}$	If the General Fund has more expenditures than revenues because of operational issues and fund balance was appropriated to cover the loss, the continuation of this practice could result in deterioration of a unit's fund balance available.

Total Fund Balance	9	If the General Fund is negative, that means the unit's revenues and other receipts are inadequate to support its operations. G.S. § 159 13(b)(2) requires that the board fund the full amount of a prior fiscal year's deficit in the current fiscal year's budget. Therefore, this deficit should have been funded immediately after the June 30 fiscal year end. The law requires such action be taken to stop any further deterioration of the overall financial condition of the fund. Please let us know if the deficit was funded in the budget, and what actions the unit plans to take to bring the General Fund balance up to an acceptable level.
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Water & Sewer Fund

Indicator Name	Formula	Description
Quick Ratio	$(654-655-510-579^*) / (633-634-635-636-637-638-578^*) * 579 \text{ \& } 578 \text{ Used FY } 20-23$	A Quick Ratio less than 1 indicates that the unit owes mores for its current bills than what it has on hand in unrestricted cash and investments plus what is owed from customers (accounts receivable). This could indicate that the fund may have difficulty paying its current bills. If this pattern continues, the water and/or sewer system may not be sustainable.
Operating Net Income Excluding Depreciation; Including Debt Service Principal and Interest	84-85+49-331-89	Formula subtracts operating expenses from operating revenues. Depreciation expense is not included the calculation but debt principal and interest payments are included. A negative balance indicates that your rates are not covering your operating expenses and debt service payments.
Unrestricted Cash as a Percentage of Expenses	$80 / (85+351-49+331)$	Formula calculates how many month's worth of expenses (including debt principal but not depreciation) a unit can pay based on the amount of unrestricted cash at year end. The typical billing cycle is one month (8.33%) and one extra month usually gives a local government enough cash to handle unusual monthly expenses (16.66%). This 16% would be the bare minimum necessary to keep the fund from experiencing cash flow issues.
Transfers in > 3% of Total of Operating and Non-Operating Expenses	$((85+351) * 0.03) - 986$	The rate structure of the Water and Sewer Fund should support the operating expenses of the fund without operating subsidies or transfers from other funds.
Capital Assets Condition Ratio	$1 - ((523+524+525+526) / (515+516+517+518))$	This capital assets condition ratio formula calculates the remaining useful life. A remaining useful life asset value less than or equal to 0.50 may signal the need to replace the assets in the near future.

Electric Fund

Indicator Name	Formula	Description
Quick Ratio	$(657-658-511-581^*) / (639-640-641-642-643-644-580^*) * 581 \text{ \& } 580 \text{ Used FY } 20-23$	A Quick Ratio less than 1 indicates that the unit owes mores for its current bills than what it has on hand in unrestricted cash and investments plus what is owed from customers (accounts receivable). This could indicate that the fund may have difficulty paying its current bills. If this pattern continues, the electric system may not be sustainable.
Operating Net Income Excluding Depreciation; Including Debt Service Principal and Interest	93-94+52-100-98	Formula subtracts operating expenses from operating revenues. Depreciation expense is not included the calculation but debt principal and interest payments are included. A negative balance indicates that your rates are not covering your operating expenses and debt service payments.
Unrestricted Cash as a Percentage of Expenses	$90 / (364+94-52+100)$	Formula calculates how many month's worth of expenses (including debt principal but not depreciation) a unit can pay based on the amount of unrestricted cash at year end. The typical billing cycle is one month (8.33%) and one extra month usually gives a local government enough cash to handle unusual monthly expenses (16.66%). This 16% would be the bare minimum necessary to keep the fund from experiencing cash flow issues.

Is Unit following G.S. § 159B-39 or the unit's transfer policy?	IF Electric - Total Transfers Out to all funds <= 0 then "Yes". If Amount Transferred minus PILOT and Transfers to Electric Capital Projects <= Allowable Transfer per statute Then "Yes"	This indicator advises if there were electric transfers in violation of G.S. § 159B-39 or in violation of the unit's transfer policy.
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Debt/Liabilities

Indicator Name	Formula	Description
Late Debt Service Payments and/or Bond Covenants Not Met	974	This indicator advises whether or not the unit has issues with debt service payments or bond covenants.

Internal Controls

Indicator Name	Formula	Description
Adopted Ordinance Level Budget Violations	1057	Unit has expenditures that exceed the legal budget ordinance. This indicates that the unit's purchase order system, contract approval process and / or payment process is not in compliance with North Carolina General Statute Chapter 159.
Material weaknesses, significant deficiencies, and/or statutory violations	1055, 1056, 1058, 955, 957	This indicator identifies whether the unit has any material weaknesses, significant deficiencies, management letter comments or items identified on the Transmittal Document Information tab.
Appointed Finance Officer Exists During Fiscal Year per G.S. § 159-24 (Local Governments & Public Authorities) or G.S. § 115C-435 (Board of Education)	1059	The indicator is to determine if any time during the fiscal year, the unit was without an appropriately appointed finance officer.
Appointed Finance Officer Bonded per G.S. § 159-29 (Local Governments & Public Authorities) or G.S. § 115C-442 (Board of Education)	1067	The indicator is to determine if at any time during the fiscal year, the unit was without a properly bonded, board-appointed finance officer.
Financial Statements - Auditor Opinion Unmodified	906	
Going Concern	953	

General Qualifying Factors

Indicator Name	Formula	Description
Date Audit Submitted	1066	As stewards of the public's resources, the governing body is responsible for ensuring that the audited financial statements are available to the public in a timely manner. External groups such as the North Carolina General Assembly, federal and State agencies that provide funding, and other public associations need current financial information about your local government as well.
Collected Ad Valorem Tax as Percent of Budgeted Ad Valorem Tax	(984-985)/985	This percent shows that the local government did not collect 3% (or more) of its budgeted ad valorem taxes. This could be an indicator of negative economic events, inaccurate budgeting, and/or issues with the collection process. Uncollected revenues at the 3% level represent several pennies of the tax rate.
Expected Property Revaluation Direction	991	Indicator using reported expected decrease in property value for unit's next property revaluation which could result in lost tax revenue.
Other Issues	973	This indicator advises if any other issues that the unit should address in the FPIC response letter.

* Please note that not all account numbers are applicable for all unit types. Account number(s) shown in formula(s) that are not available for data entry are not applicable for your unit type.

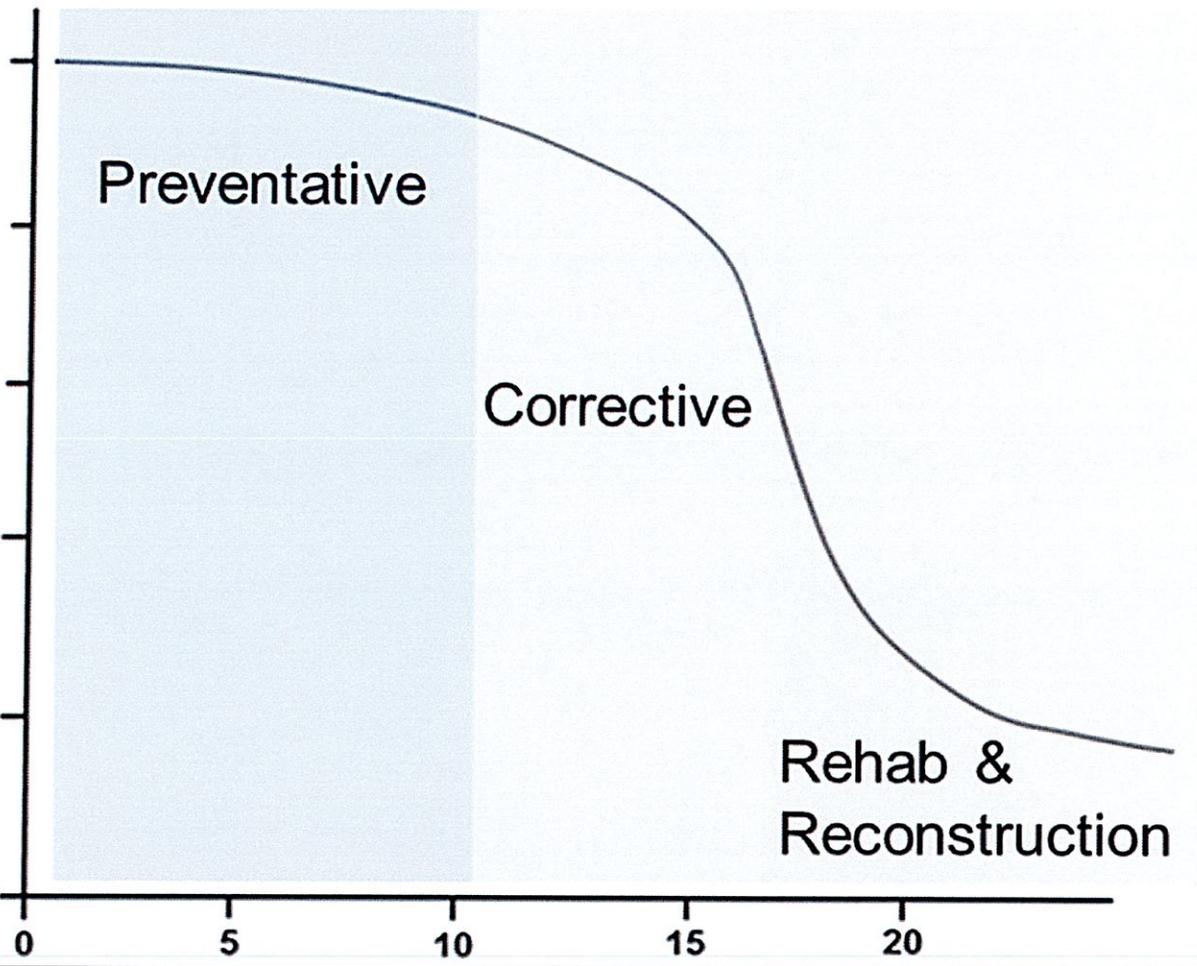


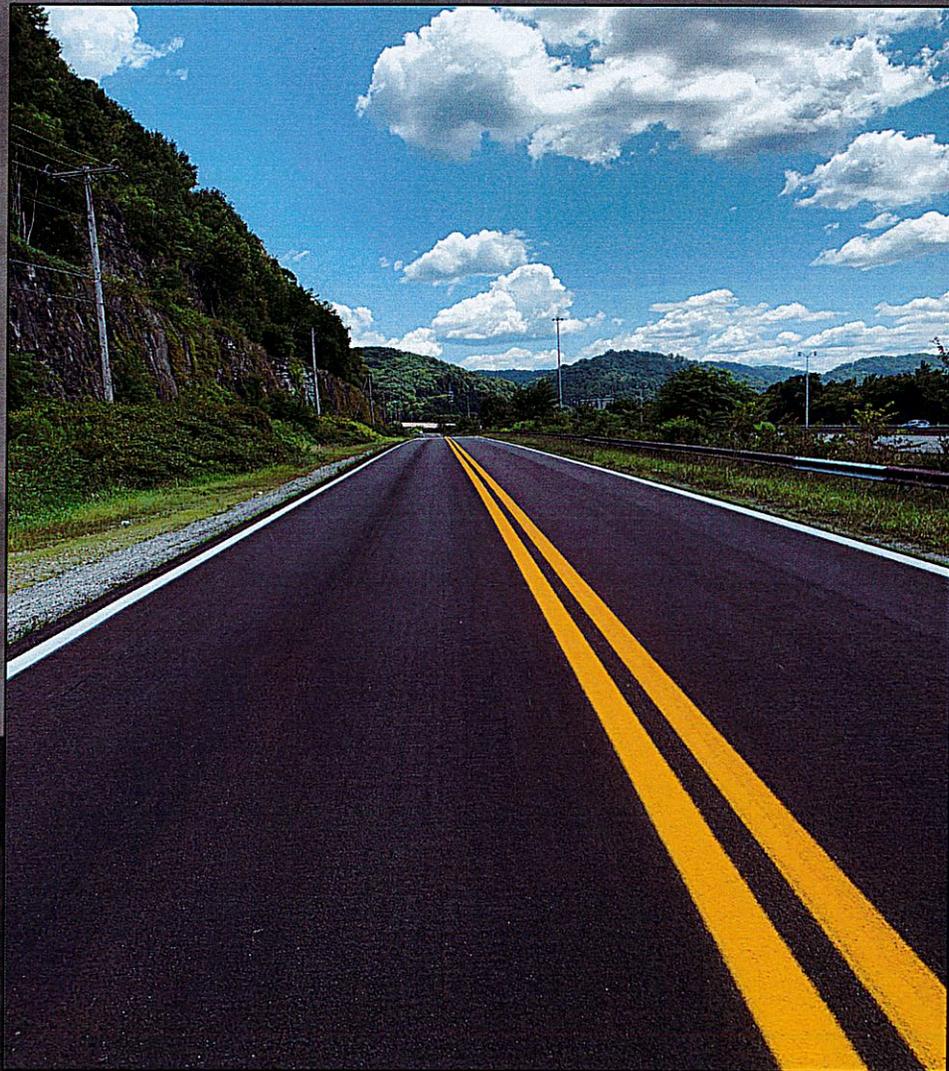
Tim Herbst
Slurry Pavers, Inc.
Business Development and Technical Marketing

Pavement Condition



Excellent
Good
Fair
Poor
Very Poor
Failed



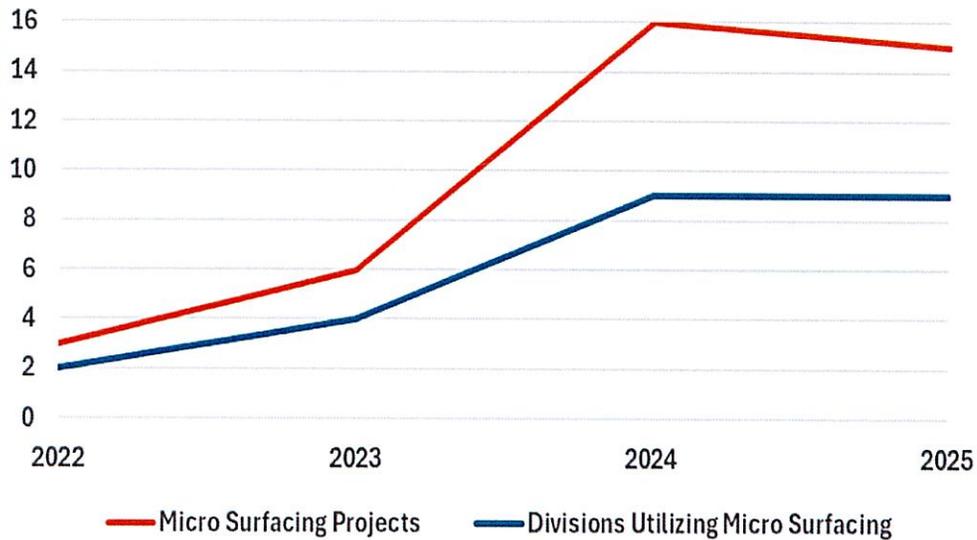


Micro Surfacing NCDOT "Special Provision"

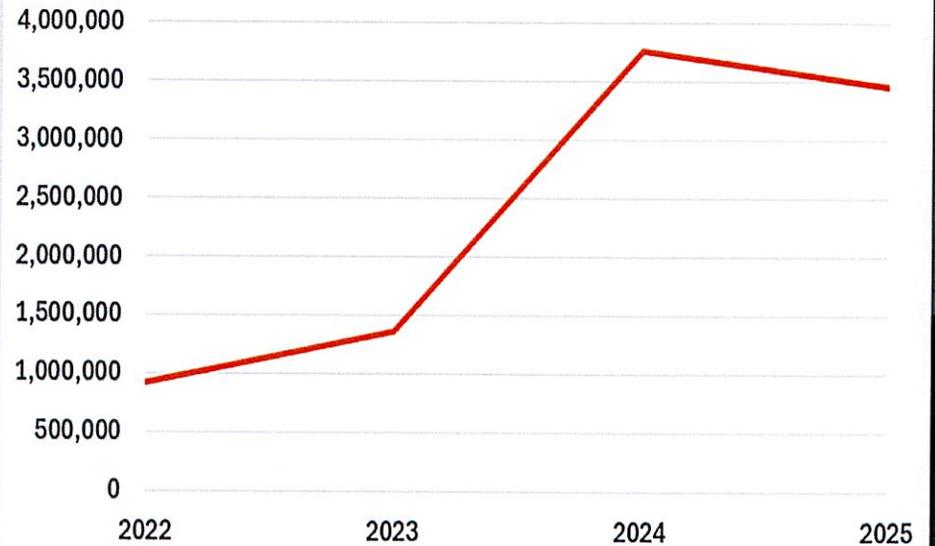


Growth of Micro Surfacing in NC

Statewide Growth of Micro Surfacing



Micro Surfacing Production (Square Yards)



NC State Research Project



“Micro Surfacing Mix Design Evaluation” Objectives:

- 1. Refine the current NCDOT Special Provision on Micro Surfacing mix design for use in North Carolina**
- 2. Recommend Micro Surfacing finishing method to improve pavement surface texture/friction**
- 3. Develop documentation to support further Micro Surfacing deployment**



MICROSURFACING:

(7-1-95) (Rev. 7-18-23)

SPI 6-18

Description

This provision covers the materials, equipment, construction and application procedures for rut filling and/or surfacing of existing paved surfaces in accordance with the contract. The microsurfacing system shall be a mixture of cationic latex modified asphalt emulsion, mineral aggregate, mineral filler, water and other additives, properly proportioned, mixed and spread on the paved surface in accordance with this provision and as directed by the Engineer.

Materials

(A) **Latex Modified Emulsified Asphalt**

The emulsified asphalt shall be a cationic type CQS-1hLM and shall conform to AASHTO M 208 or ASTM D2397. In general, 3% polymer solids, based on asphalt weight, is considered minimum. The ring and ball softening point of the residue shall be a minimum of 135°F. It shall show no separation after mixing. The cement mixing test is waived for the latex modified CQS-1hLM.

(B) **Mineral Aggregate**

The mineral aggregate used shall be compatible with the latex modified emulsified asphalt and can produce a good skid resistant surface. The aggregate shall meet requirements in Article 1012-1 of the *Standard Specifications*.

(C) **Mineral Filler**

Mineral filler shall be any recognized brand of non-air entrained Portland cement that is free of lumps or hydrated lime meeting the requirements of ASTM D242. It may be accepted upon visual inspection.

(D) **Water**

The water shall be potable and shall be free of harmful soluble salts in accordance with Article 1024-4 of the *Standard Specifications*.

(E) **Latex Modifier**

A latex based modifier, certified from an approved source, along with special emulsifiers shall be milled into the asphalt emulsion by an approved emulsion manufacturer. The latex modified emulsified asphalt shall be so formulated that when the paving mixture is applied at a thickness of one inch it will cure sufficiently so that rolling traffic can be allowed back on the pavement in one hour with no damage to the surface.

Polymerized Asphalt Emulsion

SBR – Polymer Modifier (Latex)

CQS-1hLM

+/- 100 degrees F (Green)

Aggregate – Granite

3/8” to P200’s

Breaking and Setting Additives

Chemical Break and Cure

Speed Up or Slow Down

Portland Cement – 1%

Cohesiveness

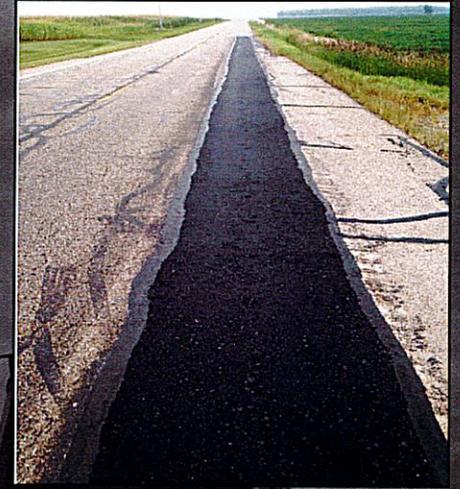


Micro Surfacing – Prep Work

Thermoplastic Removal

Crack Seal

Asphalt Failure Repair



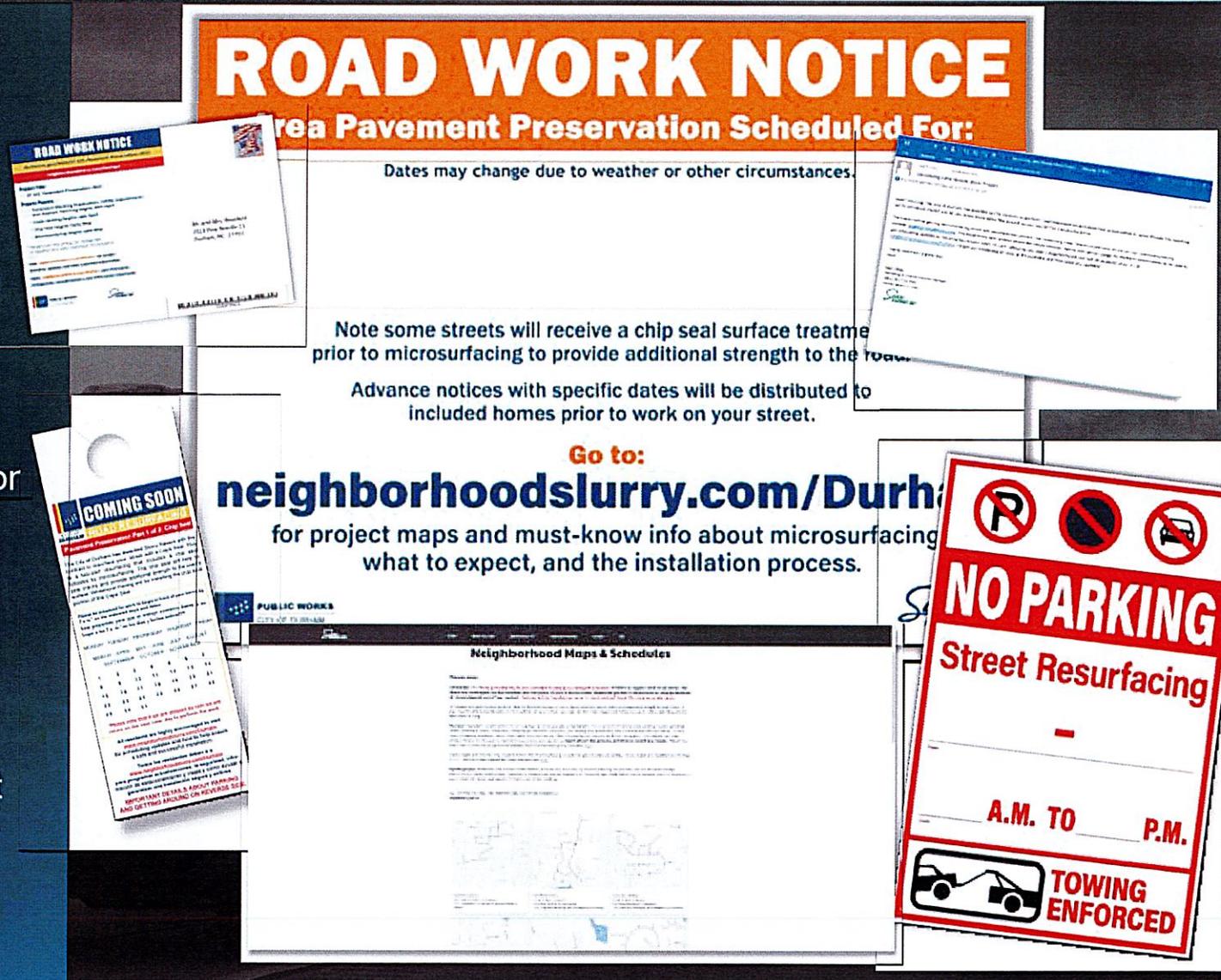
Outreach

Project Notification mailed well in advance of all work commencing

Signs and Notices several days before slurry application begins

No Parking signs posted in advance

Community groups and website updated throughout the project



Micro Surfacing Installation

- Lanes will be clearly defined by traffic cones
- When in doubt, the darker lane will be the travel lane
- Drive Conservatively





Micro Surfacing Installation

- Some cul-de-sacs may need to be done all at once
- Residents in the circle will be notified to make arrangements to move vehicles if necessary
- TIP: Crew will notify residents if so



Keys to Quality

- Please follow direction from traffic control
- Pay attention to road signs
- Please drive slow.



Step 3: Clean-up

Surface "fines" ravel off during wear-in and curing

Streets are swept about two weeks after treatment, sanding swept earlier

Monitored for several weeks and then inspected to ensure everything is complete



After Application Characteristics

New Asphalt surfaces can scuff

High surface temps soften *every* type of new asphalt

Drive conservatively and avoid sitting still while turning wheel

Most will blend in with time and traffic





Micro Surface or Hot Mix Asphalt?



Homeowners' New Hot Mix Asphalt and Asphalt Pavement Sealer

City of Durham, NC
Constructed in 2020
Picture Taken in 2024



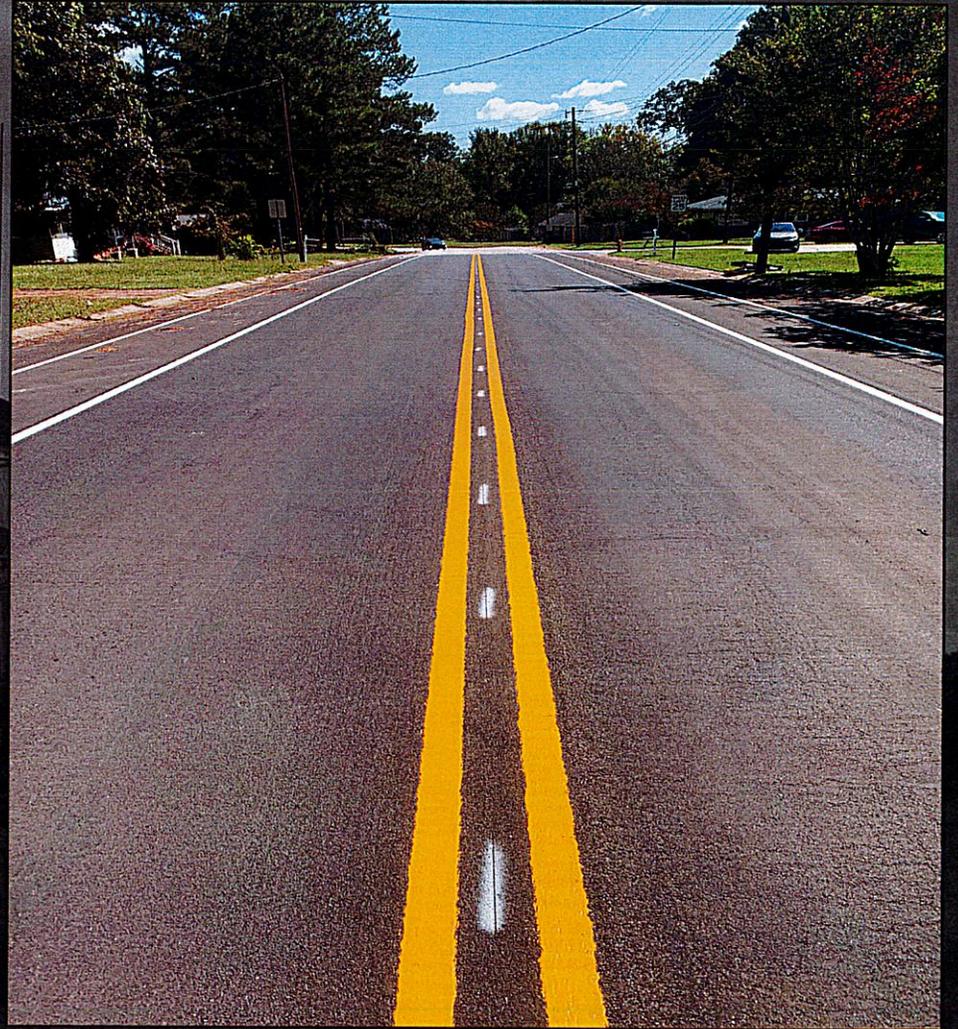
City of Durham, NC
Constructed in 2022
Picture Taken in 2024



2024 – City of High Point, NC
Single and Double Course Micro



2024 – Town of Garner, NC
Single Course Micro Surfacing



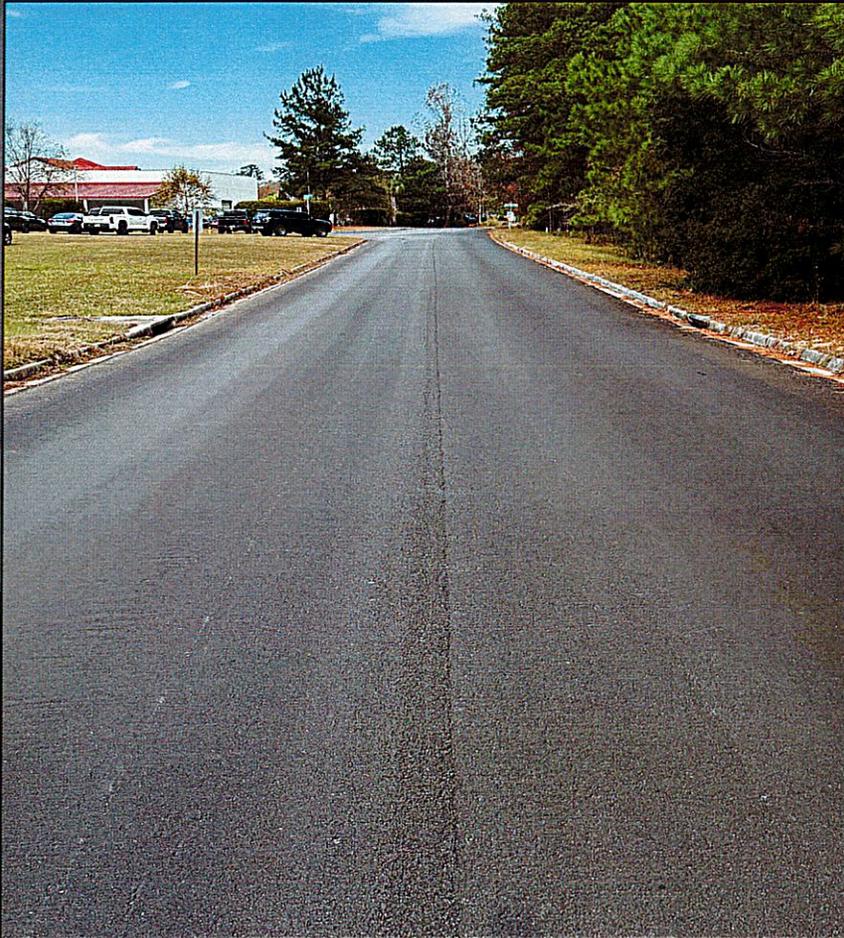
2023 - City of Greenville NC
Single Course Micro Surfacing



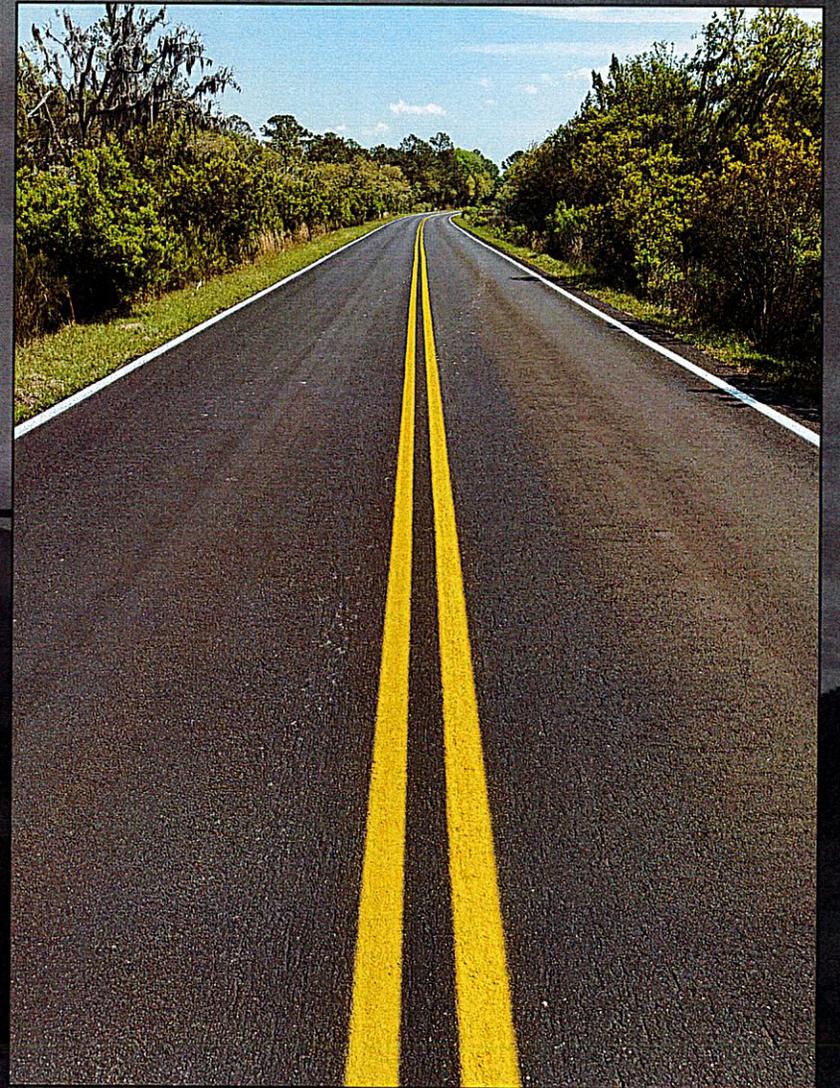
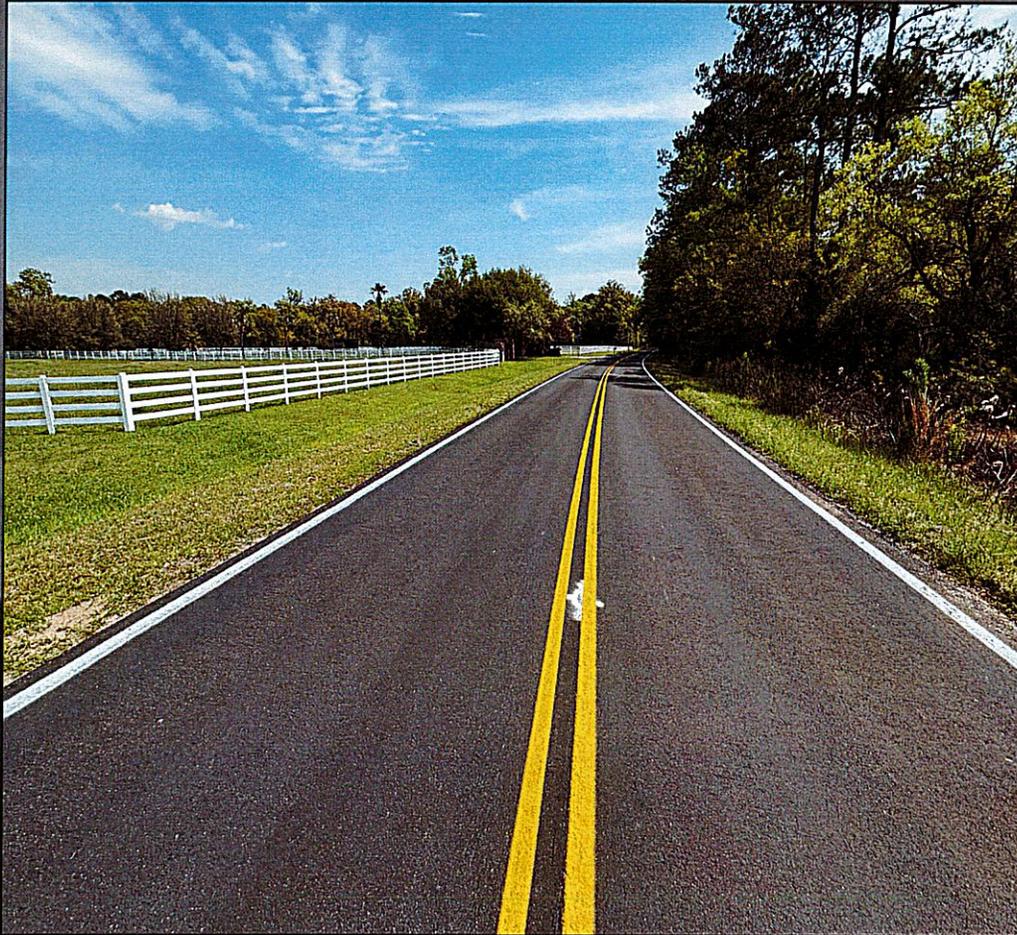
2024 - City of Greenville NC
Double Course Micro Surfacing



2023 - Beaufort County, SC
Single Course Micro Surfacing



Charleston County, South Carolina
2024



NCDOT – Division 12
Division-Wide (Except Alexander)
Single and Double Course Micro Surfacing
Constructed in 2024



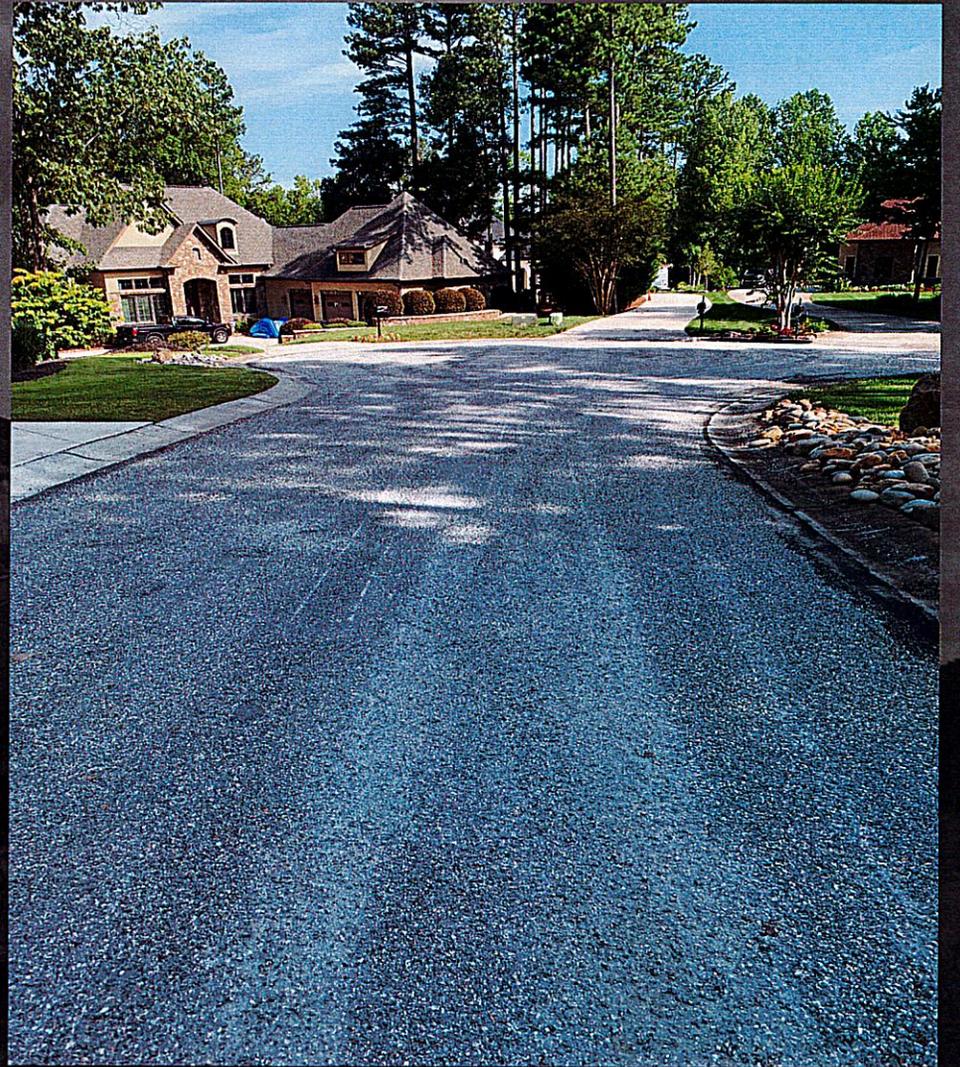


Cape Seal
Polymerized Chip Seal + Micro Surfacing

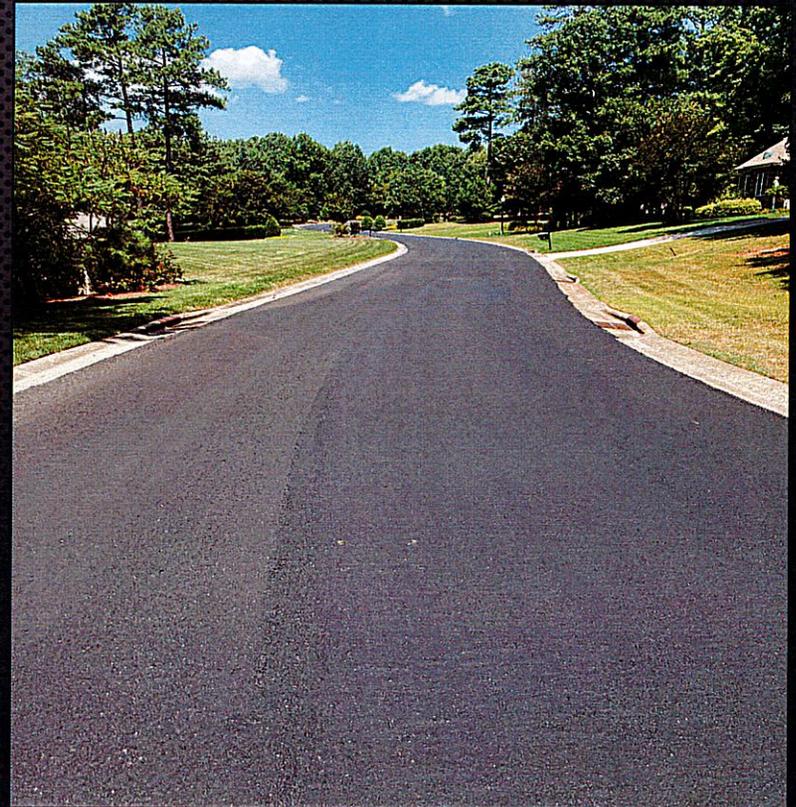


NCDOT – Division 12
Bay Crossing HOA
2023





NCDOT – Division 12
Bay Crossing HOA
2023



2025 – North Carolina Micro Surfacing

Division 1 - \$1.5M (2 Maps of Multiple Miles)

Division 3 - \$1.5M (Interesting Story)

Division 4 - \$1.0M (Multiple Maps + Facility Pavements)

Division 6 – Programming 20 Miles (1 Map) of Micro Mill and Micro Surfacing

Division 7 – AST Contract with 4 Miles of Micro Surfacing – Cape Seal

Division 8 – Multiple Contracts

Division 10 - \$5.0M (Maps in every county except Cabarrus)

Division 11 - \$2.0M (Maps in every county)

Division 12 - \$5.5M (Maps in every county except Alexander)



North Carolina Pavement Preservation Council

Clint Blackburn – City of Durham (President)

CJ O’Neill – Town of Matthews

Forest Jones – Town of Garner

Kevin Leigh – City of Greenville

Allan Hicks – City of High Point

Tim Herbst – Slurry Pavers, Inc.

Ken Holton – Pavement Technology, Inc.

David Spainhour – Summit Engineering

Steve Lander – WithersRavenel



**SLURRY
PAVERS, INC.**



Tim Herbst
Slurry Pavers, Inc.
Business Development and Technical Marketing



Certificate of Sufficiency

To the Town Council of the Town of Stallings, North Carolina:

I, Erinn E. Nichols, Town Clerk, do hereby certify that I have investigated the petition for the voluntary annexation of parcel number 07141003 – corner of Chestnut Lane and Matthews Weddington Road and have found as a fact that the said petition is signed by all owners of real property lying in the area described therein, in accordance with North Carolina General Statute 160A-31.

In witness whereof, I have hereunto set my hand and affixed the seal of the Town of Stallings, this the 16th day of February, 2026.

(SEAL)

A handwritten signature in blue ink, appearing to read "Erinn E. Nichols", is written over a horizontal line.

Erinn E. Nichols, Town Clerk



Resolution Fixing Date of Public Hearing
on Question of Annexation
Pursuant to N.C.G.S. 160A-31

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

WHEREAS, the Town of Stallings has by adopted a resolution directing the Town Clerk to investigate the sufficiency of the petition; and

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

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

Section 1. The area proposed for voluntary annexation encompasses a portion of parcel number 07141003 – corner of Chestnut Lane and Matthews Weddington Road and is described as follows:

Parcel number: 07141003; 5.861 acres

Being all of a parcel of land situated in the Vance Township, Union County, North Carolina and being more particularly described as follows:

BEGINNING at an existing 1/2" iron rebar located on the centerline of Matthews Weddington Road (S.R. 1344) and Chestnut Lane (S.R. 1362), said iron rebar having North Carolina State Plane Coordinates of N: 482,252.30 and E: 1,483,163.88 (NAD 83/2011);

Thence, from said point of beginning and with the centerline of Chestnut Lane, North 89° 12' 51" East 851.79 feet to a computed point, said computed point being the northwestern corner of the Jim Reid Family, LLC property, now or formerly (DB. 5796, PG. 395);

Thence with the Jim Reid Family, LLC property the following two (2) calls:

- (1) South 1° 44' 16" East 299.30 feet, passing an 3/4" iron pipe at 29.06 feet, to a 1/2" iron pipe,
- (2) (2) South 85° 47' 51" West 749.10 feet, passing a 3/4" iron pipe at 719.07 feet, to a computed point, said computed point being located on the centerline of Matthews-Weddington Road;

Thence with the Matthews-Weddington Road, North 18° 22' 17" West 360.76 feet to the POINT AND PLACE OF BEGINNING.

The property described contains 5.861 acres, more or less. All as shown on an Existing Conditions Survey prepared by Eagle Engineering, Inc. (Russell L. Whitehurst, PLS) and dated July 24th, 2025.

LESS AND EXCEPT:

BEGINNING at a right-of-way disk, said right-of-way disk being located South 74° 59' 09" East 110.59 feet from an 1/2" iron rebar located on the centerline of Matthews-Weddington Road and Chestnut Lane, said iron rebar having North Carolina State Plane Coordinates of N: 482,252.30 and E: 1,483,163.88 (NAD 83/2011), and said right-of-way disk being the northwestern corner of the right of way dedicated to the North Carolina Department of Transportation as recorded in Deed Book 7620, Page 530;

Thence from the right-of-way disk the following nine (9) calls:

(1) South 30° 04' 33" West 68.34 feet to a right-of-way disk, (2) South 13° 03' 55" East 139.34 feet to a right-of-way disk, (3) North 18° 14' 57" West 89.32 feet to a computed point, (4) North 18° 42' 52" West 37.79 feet to a computed point, (5) North 17° 20' 30" West 39.44 feet to a computed point, (6) North 18° 22' 31" West 35.68 feet to a computed point, (7) North 87° 31' 01" East 38.10, (8) North 87° 46' 27" East 14.25 feet to a computed point, (9) North 87° 42' 07" East 13.56 feet to the POINT AND PLACE OF BEGINNING.

The Less and Except property as described contains 0.073 acres, more or less. All as shown on an Existing Conditions Survey prepared by Eagle Engineering, Inc. (Russell L. Whitehurst, PLS) and dated July 24th, 2025.

Section 2. A public hearing on the question of annexation will be held at the Town Hall at 7:00 p.m. on Monday, March 23, 2026.

Section 3. Notice of the public hearing shall be published in the Monroe Enquirer-Journal, a newspaper having general circulation in the Town of Stallings at least 10 days prior to the date of the public hearing.

Adopted this the 23rd day of February, 2026.

David Scholl, Mayor

Attest:

Erinn E. Nichols, Town Clerk

Approved as to form:

Cox Law Firm, PLLC



MEMO

To: Mayor and Council
From: Erinn Nichols, Assistant Town Manager
VIA: Alex Sewell, Town Manager
Date: February 17, 2026
RE: **Planning Board Ordinance Amendment**

At the 02-09-2026 Council Meeting, Council instructed Staff to draft an amendment to the Planning Board Ordinance which would limit the number of people appointed to the Planning Board who were from the same neighborhood or district so as not to have the Planning Board skewed with regional representation.

Below Staff has outlined three options for the Council to consider. Ordinance Amendment Drafts for each option are also included in the Agenda Packet.

Option 1:

Favor will be given to applicants in districts not represented in current membership. If all districts are represented in membership, no favor will be given.

Option 2:

There may be no more than two members from one district or three members from one neighborhood. However, Council has the right to waive this requirement in order to establish a full board and achieve a quorum to hold Planning Board Meetings.

Option 3:

There must be at least one member from each District represented in membership. Therefore, priority will be given to applicants living in districts not yet represented on the Board. If each district is represented, there may be no more than two members from one district or three members from one neighborhood. However, Council has the right to waive this requirement in order to establish a full board and achieve a quorum to hold Planning Board Meetings.

Action Requested:

- 1) Select an option and adopt the corresponding ordinance amendment that reflects that option; or
- 2) Formulate another option for Staff to develop a corresponding ordinance amendment to bring back to Council for adoption.



AN AMENDMENT TO THE ORDINANCE TO ESTABLISH A PLANNING BOARD IN THE TOWN OF STALLINGS

WHEREAS, the Town Council of the Town of Stallings needs an active and fully functional Planning Board; and

WHEREAS, the Town Council of the Town of Stallings wishes for the Planning Board to represent all areas of Town equally;

NOW, THEREFORE, BE IT ORDAINED by the Town Council of the Town of Stallings, North Carolina, to add the following to Section 32.10, (A) Planning Board., (1) Membership.:

Favor will be given to applicants in districts not represented in current membership. If all districts are represented in membership, no favor will be given.

Adopted this _____ day of _____, 2026.

David Scholl, Mayor

Attest:

Erinn E. Nichols, Town Clerk

Approved at to form:

Cox Law, LLP



AN AMENDMENT TO THE ORDINANCE TO ESTABLISH A PLANNING BOARD IN THE TOWN OF STALLINGS

WHEREAS, the Town Council of the Town of Stallings needs an active and fully functional Planning Board; and

WHEREAS, the Town Council of the Town of Stallings wishes for the Planning Board to represent all areas of Town equally;

NOW, THEREFORE, BE IT ORDAINED by the Town Council of the Town of Stallings, North Carolina, to add the following to Section 32.10, (A) Planning Board., (1) Membership.:

There may be no more than two members from one district. However, Council has the right to waive this requirement in order to establish a full board.

Adopted this _____ day of _____, 2026.

David Scholl, Mayor

Attest:

Erinn E. Nichols, Town Clerk

Approved at to form:

Cox Law, LLP



AN AMENDMENT TO THE ORDINANCE TO ESTABLISH A PLANNING BOARD IN THE TOWN OF STALLINGS

WHEREAS, the Town Council of the Town of Stallings needs an active and fully functional Planning Board; and

WHEREAS, the Town Council of the Town of Stallings wishes for the Planning Board to represent all areas of Town equally;

NOW, THEREFORE, BE IT ORDAINED by the Town Council of the Town of Stallings, North Carolina, to add the following to Section 32.10, (A) Planning Board., (1) Membership.:

There must be at least one member from each District represented in membership. Therefore, priority will be given to applicants living in districts not yet represented on the Board. If each district is represented, there may be no more than two members from one district or three members from one neighborhood. However, Council has the right to waive this requirement in order to establish a full board and achieve a quorum to hold Planning Board Meetings.

Adopted this _____ day of _____, 2026.

David Scholl, Mayor

Attest:

Erinn E. Nichols, Town Clerk

Approved at to form:

Cox Law, LLP



MEMO

To: Mayor and Town Council
From: Alex Sewell, Town Manager
Date: February 18, 2026
RE: **Draft Town Council Operating Agreement**

Purpose:

The purpose of this memo is to introduce the draft Town Council Operating Agreement, which establishes shared expectations for how the Council conducts its work, interacts with one another, staff, and the public, and maintains the Stallings culture of respect, professionalism, collaboration, and thoughtful governance — principles embodied in what we refer to organizationally as “the Stallings Way.” This agreement is intended to reinforce effective governance, uphold ethical standards, and strengthen the Council-Manager form of government.

Background:

Following the 2026 Council Retreat, Council identified the development of an Operating Agreement as a priority to:

- Maintain the Stallings culture of respect and collaboration
- Establish expectations for attendance, preparation, professional conduct, and nonpartisan decision-making
- Promote respectful and collaborative interactions between Council and staff
- Provide a framework for strategic discussions outside of regular meetings

The attached draft reflects guidance from the retreat discussions, statutory requirements for ethics and open government, and the Council’s emphasis on thoughtful, collaborative governance.

Council Requested Action:

Council is asked to review, provide feedback, and consider adoption of the attached Operating Agreement.

Staff looks forward to Council discussion and feedback to finalize the document for incorporation into the Rules of Procedure for biannual review.



Town Council Operating Agreement

Purpose

This Operating Agreement establishes shared expectations for how the Stallings Town Council conducts its work and interacts with one another, staff, and the public. It reflects Council's commitment to maintaining the Stallings culture of respect, professionalism, collaboration, and thoughtful governance - principles embodied in what we refer to organizationally as "the Stallings Way".

This agreement affirms our dedication to public service, civil deliberation, mutual respect, ethical leadership, and compliance with North Carolina law.

I. Commitment to Law and Ethical Standards

In accordance with North Carolina General Statute **§160A-86**, Council members shall adopt and adhere to ethical standards that reflect the following principles:

- Obey all applicable federal, state, and local laws when acting in an official capacity, including open meetings and public records requirements.
- Uphold the integrity and independence of the office.
- Avoid impropriety and maintain public trust.
- Faithfully perform the duties of the office.
- Conduct the affairs of the Council openly and in compliance with laws governing open meetings and public records.

Council members shall also seek ongoing education concerning legal and ethical responsibilities once per term as outlined in North Carolina General Statute §160A-87.

II. Standards of Conduct and Professionalism

A. Attendance and Participation

- Council members are expected to attend all regular and special meetings unless prevented by unavoidable conflict.
- Participation in community events and municipal functions is encouraged to maintain visibility and engagement with constituents.

B. Preparation and Engagement

- Members shall read all meeting materials in advance and come prepared to conduct public business efficiently and thoughtfully.
- Questions or requests for additional information should be raised respectfully and timely.

C. Professional Behavior

- Council members shall act with dignity and respect toward one another, staff, residents, and visitors.
- Expressions of disagreement shall be civil, avoiding personal attacks, disparaging language, or disruptive conduct.

D. Appropriate Attire

- Members shall dress in a manner (such as business or business casual) that reflects respect for the office and for the residents served.

E. Nonpartisan Decision-Making

- Council members shall prioritize the interests of the municipality over personal or partisan agendas.
- Partisan political activity should not influence or interfere with official duties or Council deliberations.

III. Respectful Interaction With Staff & Adherence to Council-Manager Form of Government

- Council members shall treat municipal staff with professionalism and courtesy at all times.
- Council and staff share a mutual responsibility to foster open communication, professional trust, and collaborative problem-solving in service to the community.
- Interactions shall respect the distinction between Council's policy-making role and the Town Manager's responsibility for administration and operations.
- The Town Council acts as a body; individual Council members do not possess independent authority to direct Town operations or staff activities.
- All operational direction and staff assignments shall flow through the Town Manager to ensure clarity, accountability, and consistent implementation of Council policy.

- Council members may communicate directly with staff for informational purposes, provided the Town Manager is included in the communication to ensure coordination and transparency. Requests requiring operational action, research commitments, or significant staff time shall be directed from the Town Council as a body through the Town Manager in accordance with the Council-Manager form of government.
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IV. Open Discussion and Strategic Deliberation

- The Council recognizes the value of thoughtful dialogue and respectful exchange of ideas.
 - In addition to formal meetings, the Council may schedule collaborative strategic discussions outside of regular public sessions to address complex issues, community priorities, and long-term goals.
 - These discussions shall be conducted in a manner consistent with open meetings laws.
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V. Compliance With Open Government Laws

- Council members shall conduct all municipal business in compliance with North Carolina's Open Meetings Law and Public Records Law, which ensure the public's right to observe and understand governmental actions.
 - Public meetings shall be properly noticed, and minutes shall be maintained and made available according to law.
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VI. Accountability and Public Trust

By adopting this Code of Conduct, Council members acknowledge that public office is a public trust. Members shall strive to uphold the highest ethical standards and demonstrate accountability in all actions. This Code supports open, transparent, and effective governance for the benefit of all residents of Stallings.

Adopted this the _____ of _____, 2026.