



Minutes

Board of Commissioners Regular Meeting

7 p.m. Feb. 9, 2026

Board Meeting Room, Town Hall Annex, 105 E. Corbin St.

Present: Mayor Mark Bell and commissioners Meaghun Darab, Robb English, Kathleen Ferguson and Matt Hughes

Absent: Commissioner Evelyn Lloyd

Staff: Budget Director Emily Bradford, Planning and Economic Development Manager Shannan Campbell, Administrative Services Director Jen Della Valle, Assistant Town Manager and Community Services Director Matt Efird, Budget and Management Analyst Josh Fernandez, Police Management and Accreditation Coordinator Marshall Grayson, Engineering Services Manager Bryant Green, Town Attorney Bob Hornik, Town Clerk and Human Resources Technician Sarah Kimrey, Finance Director Dave McCole, Town Manager Eric Peterson, Utilities Director Marie Strandwitz, Human Resources Manager Haley Thore, Public Space and Sustainability Manager Stephanie Trueblood, Chief of Police Jason Winn and Communications Manager Catherine Wright

Opening of the meeting

Mayor Mark Bell called the meeting to order at 7 p.m.

1. Public charge

Bell did not read the public charge.

2. Audience comments not related to the printed agenda

Will Atherton, Chair of the Orange County Schools Board of Education, thanked the town for partnering with the school system's Career Technical Education program. He shared feedback from a student who interned with the Public Space and Sustainability division, reading quotes about the student's positive experience working outdoors, meeting people, and gaining professional experience.

3. Agenda changes and approval

Motion: Commissioner Kathleen Ferguson moved to approve the agenda as presented. Commissioner Matt Hughes seconded.

Vote: 4-0.

4. Items for decision – consent agenda

A. Minutes

- Regular meeting Jan. 12, 2026
- Work session Jan. 26, 2026 (canceled)

B. Miscellaneous budget amendments and transfers

C. Proclamation – Black History Month 2026

D. Ordinance amending town code Article VII: Recreation, Section 3-49 through 3-50

E. Ordinance amending town code Section 9-4, Publication of proclamation

F. Ordinance amending town code Section 14-1, Definitions

- G. Ordinance amending town code Section 14-60, Extensions Outside of Town
- H. Special Event Permit – 2026 Orange County Senior Games Archery Competition
- I. Conditional Award of the Construction Contract for Adron F. Thompson Addition and Renovation Project to Central Builders of Mebane, Inc
- J. Capital Project Ordinance Amendment – Adron F. Thompson Facility Renovation

Motion: Ferguson moved to approve all items on the consent agenda. Hughes seconded.
Vote: 4-0. Nays: None.

5. Items for decision - regular agenda

A. Adron F. Thompson Project Preliminary Resolution

Finance Director Dave McCole presented the preliminary resolution for the Adron F. Thompson project, which involves renovating and expanding the Adron F. Thompson building, including a new welding shop, stockroom, office space, and additional bathrooms. The resolution references borrowing \$8.5 million for the project with full financing. Webster Bank provided the best proposal with a 20-year loan at 4.38% interest. The resolution authorizes the town manager and finance director to proceed with necessary documentation for financing.

Motion: Ferguson moved to adopt the resolution. Hughes seconded.
Vote: 4-0.

B. Fiscal Year 2027-29 Budget and Financial Plan – Framing and Overview

Town Manager Eric Peterson provided context for the upcoming budget discussions, saying that unlike in previous years, preliminary bottom-line numbers were unavailable due to issues with the financial software conversion. He explained that the town is facing significant budget challenges, including projected deficits of over \$800,000 in the upcoming budget year.

Peterson emphasized that, given recent property revaluation frustrations countywide and back-to-back tax rate increases in recent years, he intends to propose a budget with no tax rate increase. This will necessitate difficult decisions and cost control strategies, including:

- Limiting new full-time equivalent positions.
- Carefully evaluating capital project funding and timing.
- Resuming the "ramp up" process for saving for critical capital items like fire trucks.
- Continuing the commitment to affordable housing, reaching the \$320,000 annual contribution goal in Fiscal Year 2026-27.

For water and sewer, Peterson noted significant rate pressure with projected increases of 12.5% for years 2 and 3, though staff is working to reduce these to more manageable levels. The town is still assessing impacts from Tropical Storm Chantal and exploring options to replace lost BRIC funds. Staff is evaluating the possibility of delaying some infrastructure projects to manage rate increases.

C. Fiscal Year 2027-33 Capital Improvement Plan

Budget Director Emily Bradford presented the Capital Improvement Plan, reviewing requests by functional area. She emphasized they were early in the budget process, having received departmental requests but not yet determined funding availability.

D. Fiscal Year 2027-29 Budget and Financial Plan (noteworthy requests, issues, challenges, and opportunities)

The budget director invited commissioner feedback on operating budget requests. During the discussion, commissioners asked questions about various projects:

- Public Space requests, including covered shelters at the Riverwalk Greenway and Cates Creek Park.

- Fire vehicle replacement planning and increasing costs.
- HVAC replacements for various facilities.
- The replacement of water and sewer maintenance equipment.
- Security cameras at the reservoir to monitor water levels and unauthorized access.

Human Resources Manager Haley Thore presented information on health insurance options for the upcoming budget. She said that the town has seen below-average premium increases as part of the North Carolina Health Insurance Pool, with a 7.5% increase projected for the coming year compared to 20-50% increases for entities outside the pool. The significant increase is primarily due to rising pharmacy costs, particularly GLP-1 weight loss drugs.

Thore presented three options for handling the GLP-1 medications, recommending a middle option that would include the RxSave card program to make these drugs more affordable while managing costs. The board generally supported this approach, with final approval to come at the Feb. 23 work session.

The board also discussed the recommendation to have the town absorb the full premium increase rather than passing costs to employees, citing retention concerns and feedback from employee surveys about health insurance costs affecting take-home pay.

E. Nonprofit Funding Process Review

Administrative Services Director Jen Della Valle presented proposed changes to the nonprofit funding process as part of a multi-phase approach:

- Changing the program name from "Community Reinvestment" to "Nonprofit Partnerships" for clarity.
- Adopting financial information requirements aligned with Orange County's process (requiring certified financial audits for organizations with receipts over \$500,000).
- Implementing annual reporting requirements with a Sept. 1 deadline.
- Developing a scoring framework to evaluate applications.

Commissioners supported the name change and financial requirements but raised concerns about the timing of the reporting requirement. They suggested implementing a preliminary or interim report option for organizations applying for renewed funding before their final reports are due. The board also discussed the importance of weighting town objectives most heavily in the scoring criteria and ensuring the process prioritizes transparency and accountability.

F. Information Technology Operations Overview, Updates

Information Technology Manager Chris Johnston presented an overview of the state of Hillsborough's Information Technology systems and priorities. Key focus areas include:

- Optimizing spending by "trimming the fat" on unused software, phones, and internet services.
- Improving server room conditions and physical security.
- Implementing cybersecurity best practices and updated policies.
- Developing an Artificial Intelligence framework for appropriate use of new technologies.
- Evaluating fiber network options for town facilities.

Johnston presented the current fiber rollout plan but said that circumstances have changed with Google Fiber and other vendors now operating in town. He's exploring all possibilities, including potential partnerships with third-party vendors instead of building a town-owned network.

Commissioners asked questions about vendor relationships, security testing practices, and infrastructure hardening. They expressed support for comprehensive physical security measures and careful development of Artificial Intelligence usage policies.

- G. Verify Board Direction on Key Decision Points and Review Parking Lot Items
Outstanding parking lot items were identified for follow-up.
- H. Hot topics for work session Feb. 23, 2026
A second mini-budget retreat is scheduled for the Feb. 23 work session. CASA will present a funding request in support of its Cedar Village project.

6. Updates

- A. Board members
Board members gave updates on the committees and boards on which they serve.
- B. Town manager
There were no additional updates.
- C. Staff (written reports in agenda packet
There were no additional updates.

Motion: Ferguson moved to go into closed session. Commissioner Meaghun Darab seconded.
Vote: 4-0.

7. Closed session

- A. Closed Session as authorized by North Carolina General Statute Section 143-318.11(5) concerning property acquisition
- B. Closed session as authorized by North Carolina General Statute Section 143-318.11(a)(3) to consult with the town attorney regarding pending litigation in order to preserve the attorney-client privilege (Corbinton Commons Association, Inc. v. McKee)

Motion: Ferguson moved to return to open session. Darab seconded.
Vote: 4-0.

8. Adjournment

Motion: Ferguson moved to adjourn at 11:25 p.m. Darab seconded.
Vote: 4-0.

Respectfully submitted,

Sarah Kimrey
Town Clerk
Staff support to the Board of Commissioners

Budget Adjustment Report

Adjustment Detail

For Date Range: 01/26/2026 - 02/09/2026

Town of Hillsborough, NC

Account Number	Account Name	Packet Number	Post Date	Original Budget	Budget Adjustments Amount	Current Budget
Budget Code: 2025-2026 - Budget 2025-2026 Fiscal: 2025-2026						
Fund: 10 - GENERAL						
Revenue						
Department: 3100 - TAX LEVY						
10-00-3100-3101225	2025 TAX LEVY			-10,899,000.00	-55,000.00	-10,954,000.00
BA0000290	Adj per actual	GLPKT02567	02/09/2026		-55,000.00	
Department 3100 Total:				-10,899,000.00	-55,000.00	-10,954,000.00
Department: 3400 - FEE REVENUES						
10-10-3400-3401000	PLANNING FEES			-25,000.00	-30,000.00	-55,000.00
BA0000290	Adj per actual	GLPKT02567	02/09/2026		-30,000.00	
Department 3400 Total:				-25,000.00	-30,000.00	-55,000.00
Department: 3800 - NON-DEPARTMENTAL						
10-00-3800-3800350	MISCELLANEOUS			-20,000.00	-250.00	-20,250.00
BA0000252	Allocate donation -Tractor Supply Co Founda...	GLPKT02355	01/26/2026		-250.00	
Department 3800 Total:				-20,000.00	-250.00	-20,250.00
Department: 3850 - INTEREST EARNED						
10-00-3850-3850000	INTEREST EARNED			-400,000.00	-300,000.00	-700,000.00
BA0000290	Adj per actual	GLPKT02567	02/09/2026		-300,000.00	
Department 3850 Total:				-400,000.00	-300,000.00	-700,000.00
Department: 3870 - TRANSFER FROM						
10-71-3870-3870002	TRANSFER FROM FUND 60 GEN CAP IMPRO			0.00	-40,303.00	-40,303.00
BA0000264	Move Connectivity Funds to Committed Fun...	GLPKT02517	02/09/2026		-40,103.00	
BA0000287	Adj per actual	GLPKT02554	02/09/2026		-200.00	
10-71-3870-3870150	TRANSFER FROM GENERAL CRF			-20,500.00	-526,618.00	-547,118.00
BA0000246	Waterstone Station Contribution	GLPKT02339	01/26/2026		-7,118.00	
BA0000261	Move Sustainability to Committed Funds	GLPKT02514	02/09/2026		-519,500.00	
10-71-3870-3870900	TRANSFER FROM FUND 78 GF COMMITTED			-691,174.00	417,621.00	-273,553.00
BA0000262	Adj per actual	GLPKT02515	02/09/2026		352.00	
BA0000263	Adj per actual	GLPKT02516	02/09/2026		32,269.00	
BA0000290	Adj per actual	GLPKT02567	02/09/2026		385,000.00	
Department 3870 Total:				-711,674.00	-149,300.00	-860,974.00
Department: 3900 - FUND BALANCE APPROPRIATION						
10-00-3900-3900000	FUND BALANCE APPROPRIATION			-207,819.00	-21,667.00	-229,486.00
BA0000253	HPD Generator Replacement - gas piping	GLPKT02383	01/26/2026		-15,000.00	
BA0000254	Contracted SW bulk hauling due to truck los...	GLPKT02384	01/26/2026		-6,000.00	
BA0000287	Adj per actual	GLPKT02554	02/09/2026		200.00	
BA0000294	Winter Storm Fern preparations - Fleet Mgmt	GLPKT02607	02/09/2026		-867.00	
Department 3900 Total:				-207,819.00	-21,667.00	-229,486.00
Revenue Total:				-12,263,493.00	-556,217.00	-12,819,710.00
Expense						
Department: 4000 - DISASTER						
10-10-4000-5300570	MISCELLANEOUS			0.00	30,000.00	30,000.00
BA0000272	Adj per actual	GLPKT02532	02/09/2026		30,000.00	
10-10-4000-5700740	CAPITAL - VEHICLES			0.00	0.00	0.00
BA0000262	Adj per actual	GLPKT02515	02/09/2026		-352.00	
BA0000263	Adj per actual	GLPKT02516	02/09/2026		-32,269.00	
BA0000272	Adj per actual	GLPKT02532	02/09/2026		32,621.00	

Budget Adjustment Report

Account Number	Account Name	Packet Number	Post Date	Original Budget	Budget Adjustments	Current Budget
Adjustment Number	Adjustment Description				Amount	
10-10-4000-5700741	CAPITAL - EQUIPMENT			0.00	-62,621.00	-62,621.00
BA0000272	Adj per actual	GLPKT02532	02/09/2026		-62,621.00	
Department 4000 Total:				0.00	-32,621.00	-32,621.00
Department: 4400 - ACCOUNTING						
10-10-4400-5300459	CS - ACCOUNTING ASSISTANCE			41,000.00	-12,000.00	29,000.00
BA0000256	Cover Orange County tax collection service	GLPKT02389	01/26/2026		-12,000.00	
10-10-4400-5300487	TAX COLLECTION			45,000.00	12,000.00	57,000.00
BA0000256	Cover Orange County tax collection service	GLPKT02389	01/26/2026		12,000.00	
Department 4400 Total:				86,000.00	0.00	86,000.00
Department: 5100 - POLICE						
10-20-5100-5300321	SUPPLIES - COMMUNITY POLICING			2,500.00	250.00	2,750.00
BA0000252	Allocate donation -Tractor Supply Co Founda...	GLPKT02355	01/26/2026		250.00	
10-20-5100-5300460	CS - DRIVER SAFTEY TRAINING			4,000.00	500.00	4,500.00
BA0000285	Fall driver training expenses	GLPKT02545	02/09/2026		500.00	
10-20-5100-5300570	MISCELLANEOUS			15,500.00	-500.00	15,000.00
BA0000285	Fall driver training expenses	GLPKT02545	02/09/2026		-500.00	
10-20-5100-5700735	CAPITAL - BUILDINGS & IMPROVEMENTS			0.00	15,000.00	15,000.00
BA0000253	HPD Generator Replacement - gas piping	GLPKT02383	01/26/2026		15,000.00	
Department 5100 Total:				22,000.00	15,250.00	37,250.00
Department: 5350 - FIRE PROTECTION						
10-20-5350-5300482	CS - ORANGE RURAL FIRE			1,972,155.00	7,118.00	1,979,273.00
BA0000246	Waterstone Station Contribution	GLPKT02339	01/26/2026		7,118.00	
Department 5350 Total:				1,972,155.00	7,118.00	1,979,273.00
Department: 5550 - FLEET MAINTENANCE						
10-30-5550-5300130	UTILITIES			12,150.00	-230.00	11,920.00
BA0000244	Cover alarm invoice	GLPKT02335	01/26/2026		-230.00	
10-30-5550-5300330	SUPPLIES - DEPARTMENTAL			30,000.00	867.00	30,867.00
BA0000294	Winter Storm Fern preparations - Fleet Mgmt	GLPKT02607	02/09/2026		867.00	
10-30-5550-5300490	CS - ALARM			3,027.00	230.00	3,257.00
BA0000244	Cover alarm invoice	GLPKT02335	01/26/2026		230.00	
Department 5550 Total:				45,177.00	867.00	46,044.00
Department: 5800 - SOLID WASTE						
10-30-5800-5300421	CS - BULK CONTAINERS RENTAL & HAULI			8,500.00	6,000.00	14,500.00
BA0000254	Contracted SW bulk hauling due to truck los...	GLPKT02384	01/26/2026		6,000.00	
Department 5800 Total:				8,500.00	6,000.00	14,500.00
Department: 6300 - PUBLIC SPACE						
10-71-6300-5982950	TRANSFER TO FUND 78 - COMMITTED FUNDS			340,000.00	559,603.00	899,603.00
BA0000261	Move Sustainability to Committed Funds	GLPKT02514	02/09/2026		519,500.00	
BA0000264	Move Connectivity Funds to Committed Fun...	GLPKT02517	02/09/2026		40,103.00	
Department 6300 Total:				340,000.00	559,603.00	899,603.00
Expense Total:				2,473,832.00	556,217.00	3,030,049.00
Fund 10 Total:				-9,789,661.00	0.00	-9,789,661.00
Fund: 30 - WATER/SEWER						
Revenue						
Department: 3870 - TRANSFER FROM						
30-71-3870-3870010	TRANSFER FROM UTILITIES CAPITAL IMP			-252,884.00	-454,453.00	-707,337.00
BA0000289	Adj per FY26 Budget	GLPKT02561	02/09/2026		-454,453.00	
Department 3870 Total:				-252,884.00	-454,453.00	-707,337.00

Budget Adjustment Report

Account Number	Account Name	Packet Number	Post Date	Original Budget	Budget Adjustments Amount	Current Budget
Department: 3900 - FUND BALANCE APPROPRIATION						
30-80-3900-3900000	FUND BALANCE APPROPRIATION			-675,666.00	-120,000.00	-795,666.00
BA0000241	Lift Station Abandonment Study	GLPKT02327	01/26/2026		-10,000.00	
BA0000242	Distribution System Modeling	GLPKT02328	01/26/2026		-60,000.00	
BA0000243	Bellevue Mill Interceptor	GLPKT02329	01/26/2026		-50,000.00	
Department 3900 Total:				-675,666.00	-120,000.00	-795,666.00
Revenue Total:				-928,550.00	-574,453.00	-1,503,003.00
Expense						
Department: 4000 - DISASTER						
30-80-4000-5300570	MISCELLANEOUS			0.00	30,000.00	30,000.00
BA0000272	Adj per actual	GLPKT02532	02/09/2026		30,000.00	
30-80-4000-5700740	CAPITAL - VEHICLES			0.00	-30,000.00	-30,000.00
BA0000272	Adj per actual	GLPKT02532	02/09/2026		-30,000.00	
Department 4000 Total:				0.00	0.00	0.00
Department: 7220 - UTILITIES ADMINISTRATION						
30-80-7220-5300441	CS - ENGINEERING			150,000.00	70,000.00	220,000.00
BA0000241	Lift Station Abandonment Study	GLPKT02327	01/26/2026		10,000.00	
BA0000242	Distribution System Modeling	GLPKT02328	01/26/2026		60,000.00	
Department 7220 Total:				150,000.00	70,000.00	220,000.00
Department: 8120 - WATER TREATMENT PLANT						
30-71-8120-5982001	TRANSFER TO FUND 69 - UTIL CAP IMPROV			0.00	454,453.00	454,453.00
BA0000289	Adj per FY26 Budget	GLPKT02561	02/09/2026		454,453.00	
Department 8120 Total:				0.00	454,453.00	454,453.00
Department: 8140 - WATER DISTRIBUTION						
30-80-8140-5300505	CS - PLUMBING			45,000.00	20,000.00	65,000.00
BA0000255	Cover on-call plumbing services	GLPKT02388	01/26/2026		20,000.00	
Department 8140 Total:				45,000.00	20,000.00	65,000.00
Department: 8200 - WASTEWATER COLLECTION						
30-80-8200-5300158	MAINT - EQUIPMENT			45,000.00	6,000.00	51,000.00
BA0000259	Service call on pump station generator	GLPKT02467	02/09/2026		6,000.00	
30-80-8200-5300330	SUPPLIES - DEPARTMENTAL			70,000.00	-7,500.00	62,500.00
BA0000251	Upfit new F-350 truck	GLPKT02346	01/26/2026		-1,500.00	
BA0000259	Service call on pump station generator	GLPKT02467	02/09/2026		-6,000.00	
30-80-8200-5300505	CS - PLUMBING			45,000.00	-20,000.00	25,000.00
BA0000255	Cover on-call plumbing services	GLPKT02388	01/26/2026		-20,000.00	
30-80-8200-5700729	CAPITAL - INFRASTRUCTURE			0.00	50,000.00	50,000.00
BA0000243	Bellevue Mill Interceptor	GLPKT02329	01/26/2026		50,000.00	
30-80-8200-5700740	CAPITAL - VEHICLES			85,000.00	1,500.00	86,500.00
BA0000251	Upfit new F-350 truck	GLPKT02346	01/26/2026		1,500.00	
Department 8200 Total:				245,000.00	30,000.00	275,000.00
Department: 8220 - WASTEWATER TREATMENT PLANT						
30-80-8220-5300145	MAINT - BUILDINGS			14,200.00	900.00	15,100.00
BA0000291	Cover overages at WWTP	GLPKT02569	02/09/2026		900.00	
30-80-8220-5300158	MAINT - EQUIPMENT			130,380.00	-2,400.00	127,980.00
BA0000291	Cover overages at WWTP	GLPKT02569	02/09/2026		-2,400.00	
30-80-8220-5300164	MAINT - INSTRUMENTATION			26,390.00	1,500.00	27,890.00
BA0000291	Cover overages at WWTP	GLPKT02569	02/09/2026		1,500.00	
Department 8220 Total:				170,970.00	0.00	170,970.00
Expense Total:				610,970.00	574,453.00	1,185,423.00
Fund 30 Total:				-317,580.00	0.00	-317,580.00

Budget Adjustment Report

Account Number	Account Name	Packet Number	Post Date	Original Budget	Budget Adjustments Amount	Current Budget
Fund: 35 - STORMWATER						
Expense						
Department: 5900 - STORMWATER						
35-30-5900-5300112	POSTAGE			100.00	120.00	220.00
BA0000258	To cover postage	GLPKT02435	01/26/2026		120.00	
35-30-5900-5300165	MAINT - INFRASTRUCTURE			187,000.00	-120.00	186,880.00
BA0000258	To cover postage	GLPKT02435	01/26/2026		-120.00	
35-30-5900-5300320	SUPPLIES - OFFICE			300.00	1,000.00	1,300.00
BA0000245	Office Chairs	GLPKT02338	01/26/2026		1,000.00	
35-30-5900-5300570	MISCELLANEOUS			12,000.00	-1,000.00	11,000.00
BA0000245	Office Chairs	GLPKT02338	01/26/2026		-1,000.00	
Department 5900 Total:				199,400.00	0.00	199,400.00
Expense Total:				199,400.00	0.00	199,400.00
Fund 35 Total:				199,400.00	0.00	199,400.00
Fund: 60 - GENERAL CAPITAL IMPROVEMENTS						
Revenue						
Department: 3870 - TRANSFER FROM						
60-27-3870-3870407	TRANSFER FROM GF - SKATE PARK			-350,000.00	349,800.00	-200.00
BA0000286	Adj per actual	GLPKT02550	02/09/2026		349,800.00	
Department 3870 Total:				-350,000.00	349,800.00	-200.00
Revenue Total:				-350,000.00	349,800.00	-200.00
Expense						
Department: 5350 - FIRE PROTECTION						
60-31-5350-5700923	FIRE STATION			750,000.00	-1,050,000.00	-300,000.00
BA0000268	Project Accounting Setup	GLPKT02522	02/09/2026		-1,050,000.00	
Department 5350 Total:				750,000.00	-1,050,000.00	-300,000.00
Department: 5600 - STREETS						
60-32-5600-5700852	EXCHANGE CLUB RD BRIDGE REPAIRS			170,000.00	-170,000.00	0.00
BA0000269	Project Accounting Setup	GLPKT02523	02/09/2026		-170,000.00	
Department 5600 Total:				170,000.00	-170,000.00	0.00
Department: 6100 - PROJECTS (GL)- MULTI-YEAR						
60-00-6100-5300570	MISCELLANEOUS			0.00	145,500.00	145,500.00
BA0000271	Project Accounting Setup	GLPKT02525	02/09/2026		145,500.00	
BA0000292	Project Accounting Setup	GLPKT02574	02/09/2026		200,000.00	
BA0000293	Project Accounting Setup	GLPKT02575	02/09/2026		-200,000.00	
60-00-6100-5700717	PROFESSIONAL SERVICES			0.00	75,000.00	75,000.00
BA0000268	Project Accounting Setup	GLPKT02522	02/09/2026		75,000.00	
60-00-6100-5700720	CONSTRUCTION			0.00	10,526,003.00	10,526,003.00
BA0000267	Project Accounting Setup	GLPKT02521	02/09/2026		450,000.00	
BA0000268	Project Accounting Setup	GLPKT02522	02/09/2026		225,000.00	
BA0000269	Project Accounting Setup	GLPKT02523	02/09/2026		150,000.00	
BA0000270	Project Accounting Setup	GLPKT02524	02/09/2026		341,003.00	
BA0000271	Project Accounting Setup	GLPKT02525	02/09/2026		9,360,000.00	
BA0000292	Project Accounting Setup	GLPKT02574	02/09/2026		6,300,000.00	
BA0000293	Project Accounting Setup	GLPKT02575	02/09/2026		-6,300,000.00	
60-00-6100-5700745	DESIGN			0.00	2,161,000.00	2,161,000.00
BA0000267	Project Accounting Setup	GLPKT02521	02/09/2026		50,000.00	
BA0000268	Project Accounting Setup	GLPKT02522	02/09/2026		750,000.00	
BA0000269	Project Accounting Setup	GLPKT02523	02/09/2026		20,000.00	
BA0000270	Project Accounting Setup	GLPKT02524	02/09/2026		450,000.00	
BA0000271	Project Accounting Setup	GLPKT02525	02/09/2026		891,000.00	
BA0000292	Project Accounting Setup	GLPKT02574	02/09/2026		795,600.00	
BA0000293	Project Accounting Setup	GLPKT02575	02/09/2026		-795,600.00	
60-00-6100-5700746	LEGAL			0.00	42,500.00	42,500.00

Budget Adjustment Report

Account Number	Account Name	Packet Number	Post Date	Original Budget	Budget Adjustments	Current Budget
Adjustment Number	Adjustment Description				Amount	
BA0000271	Project Accounting Setup	GLPKT02525	02/09/2026		42,500.00	
Department 6100 Total:				0.00	12,950,003.00	12,950,003.00
Department: 6300 - PUBLIC SPACE						
60-03-6300-5700728	CONNECTIVITY INFRASTRUCTURE			40,102.96	-40,102.96	0.00
BA0000257	Project Closeout	GLPKT02434	01/26/2026		-40,102.96	
60-03-6300-5970910	TRANSFER TO FUND 10 - GENERAL FUND			0.00	40,102.96	40,102.96
BA0000257	Project Closeout	GLPKT02434	01/26/2026		40,102.96	
60-27-6300-5700780	SKATE PARK			350,000.00	-350,000.00	0.00
BA0000286	Adj per actual	GLPKT02550	02/09/2026		-350,000.00	
60-27-6300-5970910	TRANSFER TO FUND 10 - GENERAL FUND			0.00	200.00	200.00
BA0000286	Adj per actual	GLPKT02550	02/09/2026		200.00	
60-28-6300-5700782	RIDGEWALK GREENWAY			458,003.00	-791,003.00	-333,000.00
BA0000270	Project Accounting Setup	GLPKT02524	02/09/2026		-791,003.00	
Department 6300 Total:				848,105.96	-1,140,803.00	-292,697.04
Department: 6510 - RAIL STATION						
60-23-6510-5300570	MISCELLANEOUS			505,500.00	-505,500.00	0.00
BA0000271	Project Accounting Setup	GLPKT02525	02/09/2026		-505,500.00	
60-23-6510-5700000	CONTINGENCY			800,000.00	-800,000.00	0.00
BA0000271	Project Accounting Setup	GLPKT02525	02/09/2026		-800,000.00	
60-23-6510-5700720	CONSTRUCTION			8,200,000.00	-8,200,000.00	0.00
BA0000271	Project Accounting Setup	GLPKT02525	02/09/2026		-8,200,000.00	
60-23-6510-5700745	DESIGN			891,000.00	-891,000.00	0.00
BA0000271	Project Accounting Setup	GLPKT02525	02/09/2026		-891,000.00	
60-23-6510-5700746	LEGAL			42,500.00	-42,500.00	0.00
BA0000271	Project Accounting Setup	GLPKT02525	02/09/2026		-42,500.00	
Department 6510 Total:				10,439,000.00	-10,439,000.00	0.00
Department: 6610 - INFORMATION TECHNOLOGY						
60-04-6610-5700747	FIBER LOOP			450,000.00	-500,000.00	-50,000.00
BA0000267	Project Accounting Setup	GLPKT02521	02/09/2026		-500,000.00	
Department 6610 Total:				450,000.00	-500,000.00	-50,000.00
Expense Total:				12,657,105.96	-349,800.00	12,307,305.96
Fund 60 Total:				12,307,105.96	0.00	12,307,105.96
Fund: 69 - UTILITIES CAPITAL IMPROVEMENTS						
Revenue						
Department: 3870 - TRANSFER FROM						
69-13-3870-3870500	TRANSFER FROM WSF - S ZONE BPS			-144,405.51	144,405.51	0.00
BA0000265	Project Closeout	GLPKT02518	02/09/2026		144,405.51	
69-26-3870-3870510	TRANSFER FROM WSF - WTP FILTERS #S2&3			-5,000.00	5,000.00	0.00
BA0000266	Project Closeout	GLPKT02520	02/09/2026		5,000.00	
Department 3870 Total:				-149,405.51	149,405.51	0.00
Revenue Total:				-149,405.51	149,405.51	0.00
Expense						
Department: 8100 - PROJECTS (W&S\SW) MULTI-YEAR						
69-00-8100-5300570	MISCELLANEOUS			0.00	200,000.00	200,000.00
BA0000293	Project Accounting Setup	GLPKT02575	02/09/2026		200,000.00	
69-00-8100-5700716	LAND ACQUISITION PROJECTS			0.00	550,000.00	550,000.00
BA0000274	Project Accounting Setup	GLPKT02534	02/09/2026		200,000.00	
BA0000275	Project Accounting Setup	GLPKT02535	02/09/2026		50,000.00	
BA0000278	Project Accounting Setup	GLPKT02538	02/09/2026		200,000.00	
BA0000281	Project Accounting Setup	GLPKT02541	02/09/2026		100,000.00	
69-00-8100-5700717	PROFESSIONAL SERVICES			0.00	615,000.00	615,000.00
BA0000274	Project Accounting Setup	GLPKT02534	02/09/2026		50,000.00	

Budget Adjustment Report

Account Number	Account Name	Original Budget	Budget Adjustments	Current Budget
Adjustment Number	Adjustment Description	Packet Number	Post Date	Amount
BA0000275	Project Accounting Setup	GLPKT02535	02/09/2026	20,000.00
BA0000276	Project Accounting Setup	GLPKT02536	02/09/2026	375,000.00
BA0000277	Project Accounting Setup	GLPKT02537	02/09/2026	75,000.00
BA0000280	Project Accounting Setup	GLPKT02540	02/09/2026	15,000.00
BA0000281	Project Accounting Setup	GLPKT02541	02/09/2026	40,000.00
BA0000283	Project Accounting Setup	GLPKT02543	02/09/2026	10,000.00
BA0000284	Project Accounting Setup	GLPKT02544	02/09/2026	30,000.00
<u>69-00-8100-5700720</u>	CONSTRUCTION			0.00
BA0000275	Project Accounting Setup	GLPKT02535	02/09/2026	170,000.00
BA0000278	Project Accounting Setup	GLPKT02538	02/09/2026	8,608,096.00
BA0000279	Project Accounting Setup	GLPKT02539	02/09/2026	2,100,000.00
BA0000280	Project Accounting Setup	GLPKT02540	02/09/2026	1,650,600.00
BA0000283	Project Accounting Setup	GLPKT02543	02/09/2026	462,647.40
BA0000293	Project Accounting Setup	GLPKT02575	02/09/2026	6,300,000.00
<u>69-00-8100-5700745</u>	DESIGN			0.00
BA0000273	Project Accounting Setup	GLPKT02533	02/09/2026	750,000.00
BA0000274	Project Accounting Setup	GLPKT02534	02/09/2026	500,000.00
BA0000275	Project Accounting Setup	GLPKT02535	02/09/2026	140,000.00
BA0000278	Project Accounting Setup	GLPKT02538	02/09/2026	450,000.00
BA0000281	Project Accounting Setup	GLPKT02541	02/09/2026	70,000.00
BA0000282	Project Accounting Setup	GLPKT02542	02/09/2026	160,000.00
BA0000283	Project Accounting Setup	GLPKT02543	02/09/2026	15,000.00
BA0000284	Project Accounting Setup	GLPKT02544	02/09/2026	275,000.00
BA0000293	Project Accounting Setup	GLPKT02575	02/09/2026	795,600.00
Department 8100 Total:				0.00
				23,811,943.40
				23,811,943.40
Department: 8120 - WATER TREATMENT PLANT				
<u>69-26-8120-5970920</u>	TRANSFER TO FUND 30 - WATER & SEWER			5,000.00
BA0000266	Project Closeout	GLPKT02520	02/09/2026	-5,000.00
<u>69-47-8120-5700866</u>	SODIUM HYPOCHLORIDE CONVERSION			0.00
BA0000276	Project Accounting Setup	GLPKT02536	02/09/2026	-375,000.00
Department 8120 Total:				5,000.00
				-380,000.00
				-375,000.00
Department: 8140 - WATER DISTRIBUTION				
<u>69-13-8140-5970920</u>	TRANSFER TO FUND 30 - WATER & SEWER			144,405.51
BA0000265	Project Closeout	GLPKT02518	02/09/2026	-144,405.51
<u>69-34-8140-5700853</u>	STARFIELD BOOSTER PUMP STATION			1,665,600.00
BA0000280	Project Accounting Setup	GLPKT02540	02/09/2026	-1,665,600.00
<u>69-35-8140-5700854</u>	US-70 WATER IMPROVEMENTS			305,000.00
BA0000284	Project Accounting Setup	GLPKT02544	02/09/2026	-305,000.00
<u>69-38-8140-5700857</u>	HASELL WATER TANK REPLACEMENT			115,000.00
BA0000281	Project Accounting Setup	GLPKT02541	02/09/2026	-210,000.00
<u>69-41-8140-5700859</u>	GALVANIZED WATER MAIN REPLACEMENT			160,000.00
BA0000282	Project Accounting Setup	GLPKT02542	02/09/2026	-160,000.00
<u>69-42-8140-5700860</u>	HYDRANT & VALVE PROJECT			487,647.40
BA0000283	Project Accounting Setup	GLPKT02543	02/09/2026	-487,647.40
Department 8140 Total:				2,877,652.91
				-2,972,652.91
				-95,000.00
Department: 8200 - WASTEWATER COLLECTION				
<u>69-18-8200-5700723</u>	ADRON THOMPSON FACILITY RENOVATION			7,295,600.00
BA0000292	Project Accounting Setup	GLPKT02574	02/09/2026	-7,295,600.00
<u>69-22-8200-5700738</u>	RIVER PUMP STATION			9,258,096.00
BA0000278	Project Accounting Setup	GLPKT02538	02/09/2026	-9,258,096.00
<u>69-33-8200-5700786</u>	ENO RIVER INTERCEPTORS			750,000.00
BA0000274	Project Accounting Setup	GLPKT02534	02/09/2026	-750,000.00
<u>69-36-8200-5700855</u>	ELIZABETH BRADY PS & FORCE MAIN UPG			300,000.00
BA0000273	Project Accounting Setup	GLPKT02533	02/09/2026	-750,000.00

Budget Adjustment Report

Account Number	Account Name	Packet Number	Post Date	Original Budget	Budget Adjustments	Current Budget
Adjustment Number	Adjustment Description				Amount	
69-37-8200-5700856	EXCHANGE CLUB INTERCEPTORS			380,000.00	-380,000.00	0.00
BA0000275	Project Accounting Setup	GLPKT02535	02/09/2026		-380,000.00	
69-44-8200-5700862	LAWNDALE BASIN REHABILITATION			2,100,000.00	-2,100,000.00	0.00
BA0000279	Project Accounting Setup	GLPKT02539	02/09/2026		-2,100,000.00	
69-48-8200-5700865	CATES CREEK OUTFALL UPGRADE			0.00	-75,000.00	-75,000.00
BA0000277	Project Accounting Setup	GLPKT02537	02/09/2026		-75,000.00	
Department 8200 Total:				20,083,696.00	-20,608,696.00	-525,000.00
Expense Total:				22,966,348.91	-149,405.51	22,816,943.40
Fund 69 Total:				22,816,943.40	0.00	22,816,943.40
Fund: 71 - CAPITAL RESERVE FUND - GENERAL FUND						
Expense						
Department: 6300 - PUBLIC SPACE						
71-10-6300-5700851	SUSTAINABILITY			565,000.00	-540,000.00	25,000.00
BA0000250	Energy Mgmt Software	GLPKT02345	01/26/2026		-20,500.00	
BA0000260	Move Sustainability to Committed Funds	GLPKT02513	02/09/2026		-519,500.00	
Department 6300 Total:				565,000.00	-540,000.00	25,000.00
Department: 6900 - SPECIAL APPROPRIATIONS						
71-20-6900-5700750	WATERSTONE POLICE			115,128.00	-7,118.00	108,010.00
BA0000247	Waterstone Station Contribution	GLPKT02340	01/26/2026		-7,118.00	
71-71-6900-5970910	TRANSFER TO FUND 10 - GENERAL FUND			397,322.00	547,118.00	944,440.00
BA0000247	Waterstone Station Contribution	GLPKT02340	01/26/2026		7,118.00	
BA0000250	Energy Mgmt Software	GLPKT02345	01/26/2026		20,500.00	
BA0000260	Move Sustainability to Committed Funds	GLPKT02513	02/09/2026		519,500.00	
Department 6900 Total:				512,450.00	540,000.00	1,052,450.00
Expense Total:				1,077,450.00	0.00	1,077,450.00
Fund 71 Total:				1,077,450.00	0.00	1,077,450.00
Fund: 78 - COMMITTED FUNDS - GENERAL FUND						
Revenue						
Department: 3870 - TRANSFER FROM						
78-71-3870-3870422	TRANSFER FROM GF - VEH-POLICE			0.00	-250,000.00	-250,000.00
BA0000288	Adj per FY26 Budget	GLPKT02559	02/09/2026		-250,000.00	
Department 3870 Total:				0.00	-250,000.00	-250,000.00
Revenue Total:				0.00	-250,000.00	-250,000.00
Expense						
Department: 5100 - POLICE						
78-71-5100-5970914	TRANSFER TO GF - VEH-POLICE			0.00	250,000.00	250,000.00
BA0000288	Adj per FY26 Budget	GLPKT02559	02/09/2026		250,000.00	
Department 5100 Total:				0.00	250,000.00	250,000.00
Expense Total:				0.00	250,000.00	250,000.00
Fund 78 Total:				0.00	0.00	0.00
Budget Code 2025-2026 Total:				26,293,658.36	0.00	26,293,658.36

Budget Adjustment Report

Description

Fund Summary

Description	Fund	Original Budget	Budget Adjustments	Current Budget
Budget Code: 2025-2026 - Budget 2025-2026 Fiscal: 2025-2026				
	10	-9,789,661.00	0.00	-9,789,661.00
	30	-317,580.00	0.00	-317,580.00
	35	199,400.00	0.00	199,400.00
	60	12,307,105.96	0.00	12,307,105.96
	69	22,816,943.40	0.00	22,816,943.40
	71	1,077,450.00	0.00	1,077,450.00
	78	0.00	0.00	0.00
Budget Code 2025-2026 Total:		26,293,658.36	0.00	26,293,658.36

APPROVED: 4/0

DATE: 2/9/26

VERIFIED: _____

Shawn E. Kinney

DRAFT



PROCLAMATION In Honor of Black History Month 2026

WHEREAS, the Hillsborough Board of Commissioners takes pride in recognizing February 2026 as Black History Month, celebrating the many notable contributions that people of African descent have made to our community, state, and country; and

WHEREAS, African Americans have played significant roles in the history of North Carolina's economic, cultural, spiritual, and political development while working tirelessly to maintain and promote their culture and history; and

WHEREAS, in 1976, Black History Month was formally adopted to honor and affirm the importance of Black history throughout our American experience and includes some of the greatest, most advanced and innovative societies that we can all draw inspiration from; and

WHEREAS, since 1976, every American president has designated February as Black History Month; and

WHEREAS, the theme for the 2026 Black History Month, designated by the Association for the Study of African American Life and History (ASALH), is "A Century of Black History Commemoration"; and

WHEREAS, this theme marks the 100th anniversary of the first "Negro History Week," established by Dr. Carter G. Woodson in 1926; and

WHEREAS, African Americans living and working in Hillsborough — from the time of legalized slavery to the present day — have shown a steadfast determination to live freely and equally and to press the town and the community to make manifest an equitable Hillsborough where race is not a determining factor of outcomes; and

WHEREAS, this observance presents a special opportunity to become more knowledgeable about black heritage and to honor the many black leaders who have played a part in the progress of our community;

NOW, THEREFORE, I, Mark Bell, mayor of the Town of Hillsborough, do hereby proclaim February 2026 as Black History Month in Hillsborough and encourage all residents of the town to celebrate the collective ingenuity, creativity, culture, traditions, and achievements of African Americans and to participate in community events honoring their lasting contributions.

IN WITNESS WHEREOF, I have hereunto set my hand and caused this seal of the Town of Hillsborough to be affixed this 9th day of February in the year 2026.



Mark Bell

Mark Bell, Mayor
Town of Hillsborough



ORDINANCE

Amending Article VII: Recreation

Section 3-49 through 3-50 of the Code of Ordinances

The Hillsborough Board of Commissioners ordains:

Section 1. The Code of Ordinances shall be amended as follows:

Section 3-49. Rules and regulations for town parks and greenways.

Item 4 updated as follows:

Non-motorized vehicles may use town parks and greenways so long as any user of such a vehicle complies with all traffic regulations and so long as the operator shall stop or otherwise yield the right of way to pedestrian traffic. No nonmotorized vehicle shall exceed a speed of ten (10) miles per hour while being operated in parks or greenways.

Items 4 through 9 renumbered to 5 through 10.

Item 11 updated as follows:

Dogs are prohibited from being in any playground area in a town park. A playground area is a fenced or unfenced area containing manufactured or naturally derived play equipment or elements used by children. A playground area may also contain adult equipment or elements if developed as an intergenerational play space. Play equipment has prescribed use zones requiring safety surfacing to protect against impact injury. The area may have associated features such as a sand play area, play lawn or water play feature, as well as amenities such as benches, picnic tables, waste receptacles and signage.

Items 10 through 12 renumbered to 12 through 14.

Section 3-50. Reservation of facilities within town parks.

Item j added as follows:

Town greenways, including greenway trails within Gold Park, may not be reserved for special events on Saturdays between the hours of 10 a.m. and 3 p.m.

Section 2. All provisions of any town ordinance in conflict with this ordinance are repealed.

Section 3. This ordinance shall become effective upon adoption.

The foregoing ordinance, having been submitted to a vote, received the following vote and was duly adopted this 9th day of February in the year 2026.

Ayes: 4
Noes: 0
Absent or excused: 1



Sarah E. Kimrey

Sarah E. Kimrey, Town Clerk



ORDINANCE

Amending Section 9-4: Publication of Proclamation

The Hillsborough Board of Commissioners ordains:

Section 1. The Code of Ordinances shall be amended as follows:

Section 9-4. Publication of proclamation.

Item a updated as follows:

For the purpose of making effective the prohibitions and restrictions imposed by the proclamation, publication shall include posting of a signed copy of the declaration conspicuously on the municipal website and submittal of a signed copy of the declaration to the Department of Public Safety's critical management system. Publication may also consist of reports of the substance of the proclamation's contents, including prohibitions and restrictions, in the mass communications media serving the affected area or other effective methods of disseminating the necessary information quickly.

Item b repealed.

Section 2. All provisions of any town ordinance in conflict with this ordinance are repealed.

Section 3. This ordinance shall become effective upon adoption.

The foregoing ordinance, having been submitted to a vote, received the following vote and was duly adopted this 9th day of February in the year 2026.

Ayes: 4

Noes: 0

Absent or excused: 1



A handwritten signature in black ink, reading "Sarah E. Kimrey".

Sarah E. Kimrey, Town Clerk



ORDINANCE

Amending Section I4-I: Definitions

The Hillsborough Board of Commissioners ordains:

Section 1. Section 14-1 Definitions is amended as follows:

(4a) *Building sewer* means sewer conveying wastewater from the premises of a user to a POTW.

(5) ***Bedroom means any room that has at least 100 square feet, and at least 50% of the room has a ceiling height of greater than 7', has a closet, is not used for food preparation, and has at least two means of ingress and egress including windows. This definition shall apply even if the room is not labeled as a bedroom on building permit applications and will apply when all fees are assessed.***

(6) *Categorical standards* means National Categorical Pretreatment Standards.

Added text is in bold and italics. This section shall be renumbered as described.

Section 2. All provisions of any town ordinance in conflict with this ordinance are repealed.

Section 3. This ordinance shall become effective upon adoption.

The foregoing ordinance having been submitted to a vote, received the following vote and was duly adopted this 9th day of February in the year 2026.

Ayes: 4

Noes: 0

Absent or excused: 1





Sarah E. Kimrey, Town Clerk



ORDINANCE

Amending Section I4-60: Extensions Outside of Town

The Hillsborough Board of Commissioners ordains:

Section 1. Section 14-60 Extensions outside of Town is amended as follows:

- (a) The town has no responsibility to provide water or sewer service to property located outside the corporate limits. However, upon request, the town may allow extensions, as defined in section 14-57(b), of its water or sewer lines to serve properties outside the town when it determines that it is in the town's best interest to do so. ***All water and sewer service extension to areas outside the Recommended Urban Service Boundary as shown in the Comprehensive Sustainability Plan adopted June 12, 2023 shall be performed in accordance with part f of this section.***
- (b) Town approval of extensions to property located outside of the town's extraterritorial planning jurisdiction shall be in conformity with all applicable county policies and regulations.
- (c) Any owner of property outside the corporate limits who seeks an extension of the town's water or sewer system to serve his property may make an application for such extension to the town. The owner shall provide all information the town deems necessary to determine whether the requested extension is feasible and in the town's best interest.
- (d) Subject to section 14-61, the responsibility for and the entire cost of extending a water or sewer line to serve property outside the town shall be borne by the property owner requesting the extension. The cost of extending the town's water or sewer system shall include the cost of installing oversized lines which may be required by the town to meet system-wide needs. In addition, the entire cost of extending lines within new subdivisions or developments outside of town shall be borne by the subdivider or developer.
- (e) It shall be unlawful to begin construction of buildings or project infrastructure ***until a construction permit issued by the town engineer formal, written approval is provided by the town.*** This ***permit written approval*** will be contingent upon approval of the final development plans for the project by ***town engineer town staff***; execution of a water and sewer agreement, if applicable, and the ***ascertaining issuance*** of all necessary permits for construction by other agencies.
- (f) ***The town shall not extend water lines and/or sewer lines across the Recommended Urban Service Boundary, and shall not assume ownership or maintenance of new water and/or sewer lines outside of the Recommended Urban Service Boundary. All resale of water outside of the Recommended Urban Service Boundary not associated with existing interconnections to adjacent publicly owned and operated utilities is prohibited. Resale of water outside the Recommended Urban Service Boundary to community-owned water systems, privately-held utilities, homeowners associations and condominium associations, and other non-governmentally owned utilities or authorities is prohibited. The town will allow single family homes, duplexes, triplexes, and accessory dwelling units to establish a connection to an existing water line outside of the Recommended Urban Service Boundary provided no waterline extension is required to serve the proposed residence. The town reserves the right to reject any proposed water connection to existing infrastructure outside of the Recommended Urban***

Service Boundary if adequate water pressure and/or water quality are not available or if the proposed connection does not meet other applicable town requirements.

Added text is in bold and italics

Section 2. All provisions of any town ordinance in conflict with this ordinance are repealed.

Section 3. This ordinance shall become effective upon adoption.

The foregoing ordinance having been submitted to a vote, received the following vote and was duly adopted this 9th day of February in the year 2026.

Ayes: 4
Noes: 0
Absent or excused: 1





Sarah E. Kimrey, Town Clerk

DRAFT



ORDINANCE
Capital Project Amendment
Adron F. Thompson Facility Renovation

The Hillsborough Board of Commissioners ordains that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby amended:

Section 1. Revenues anticipated to be available to the town to complete the project are hereby amended as follows.

	<i>Current Budget</i>	<i>+/-</i>	<i>Amended Budget</i>
Adron F. Thompson Facility Renovation	\$7,295,600	\$1,204,400	\$8,500,000

Section 2. Amounts appropriated for the capital project are hereby amended as follows.

	<i>Current Budget</i>	<i>+/-</i>	<i>Amended Budget</i>
Adron F. Thompson Facility Renovation	\$7,295,600	\$1,204,400	\$8,500,000

Section 3. This ordinance shall be amended in any manner to add additional appropriations, modify or eliminate existing capital projects, and/or add new capital project, so long as it continues to fulfill the requirements of G.S. 159-13.2 and other applicable laws.

Section 4. This capital project will close automatically upon projection completion.

Section 5. Copies of this ordinance should be furnished to the clerk, budget officer and finance officer to be kept on file by them for their direction in carrying out this project.

The foregoing ordinance having been submitted to a vote, received the following vote and was duly adopted this 9th day of February in the year 2026.

Ayes: 4
 Noes: 0
 Absent or excused: 1



Sarah E. Kimrey

 Sarah E. Kimrey, Town Clerk

Budget Adjustment Report

Description

Fund Summary

Description	Fund	Original Budget	Budget Adjustments	Current Budget
Budget Code: 2025-2026 - Budget 2025-2026 Fiscal: 2025-2026				
	69	-6,500,000.00	0.00	-6,500,000.00
Budget Code 2025-2026 Total:		-6,500,000.00	0.00	-6,500,000.00

DRAFT

**Resolution Supporting an Application to the Local Government
Commission for its Approval of Town Revenue Bonds
-- 2026 Thompson Building Project**

Introduction --

The Board of Commissioners of the Town of Hillsborough has previously determined to carry out a project to renovate and expand the Adron F. Thompson building. This project is planned to include a new welding shop, stockroom for inventory, additional office space, storage and restrooms.

The town has also made a preliminary determination to issue utility revenue bonds to pay some or all of these project costs. Revenue bonds are not secured by a pledge of the town's taxing power or by a lien on any town real estate. Instead, the bonds are payable only from the net operating revenues of the town's water and sewer system.

State law requires that the town's issuance of the bonds be approved by the North Carolina Local Government Commission, a division of the North Carolina State Treasurer's office. Under the Local Government Commission's guidelines, this governing body must make certain findings of fact to support the town's application for the commission's approval of the bonds.

1. The Town of Hillsborough Board of Commissioners RESOLVES, as follows:

(a) The town makes a preliminary determination to finance approximately \$8,500,000 to pay project costs.

(b) The town has solicited proposals from banks and other financial institutions provide the financing. Town staff recommends, and the board approves, a proposal from Webster Bank to provide 20-year financing for the project. The final

details of the financing, and the financing documents, are subject to this board's approval at a later meeting.

(c) The board will determine the final amount to be financed by a later resolution. The final amount financed may be higher or lower than \$8,500,000. Some of the financing proceeds may represent reimbursement to the town for prior expenditures on project costs, and some proceeds may be used to pay financing expenses or to provide any appropriate reserves.

2. The board makes the following findings of fact in support of the town's application to the Local Government Commission:

(a) The project is feasible. The town believes that the customer utility bills that will be necessary to provide for bond payments will be reasonable under the circumstances.

(b) The estimated sums to fall due are adequate and not excessive for the proposed purpose. The town will be able to market the bonds at reasonable rates of interest. The town will closely review proposed bond rates against market rates with guidance from the Local Government Commission and the town's financial adviser. All amounts financed will reflect either approved contracts, professional estimates or previous actual expenditures.

(c) As confirmed by the town's finance officer, (i) the town's debt management procedures and policies are sound and in compliance with law, and (ii) the town is not in default under any of its debt service obligations.

(d) The town attorney is of the opinion that the proposed project is authorized by law and is a purpose for which public funds of the town may be expended pursuant to the Constitution and laws of North Carolina.

3. Additionally, the board resolves as follows:

(a) The town intends that the adoption of this resolution will be a declaration of the town's official intent to reimburse project expenditures from financing proceeds. The town intends that funds that have been advanced for project costs, or which may be so advanced, from the town's general fund, or any other town fund, may be reimbursed from the financing proceeds.

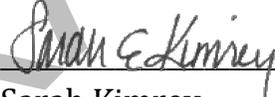
(b) The board directs the town manager and the finance officer to take all appropriate steps toward the completion of the financing, including completing an application to the Local Government Commission for its approval of the proposed financing. The board ratifies all prior actions of town representatives in this regard.

(c) This resolution takes effect immediately.

I certify as follows: that the foregoing resolution was properly adopted at a meeting of the Board of Commissioners of the Town of Hillsborough, North Carolina; that this meeting was properly called and held on February 9, 2026; that a quorum was present and acting throughout this meeting; and that this resolution has not been modified or amended, and remains in full effect as of today.

Dated this 9th day of February, 2026.





Sarah Kimrey
Town Clerk
Town of Hillsborough, North Carolina