



Cary Town Council  
Thursday, February 5, 2026  
6:30 PM

Council Chambers  
316 N. Academy Street, Cary Town Hall, Cary, NC 27513

## 1. COMMENCEMENT

1.1 Call to Order

1.2 Ceremonial Opening led by Mayor Pro Tem Bush

1.3 Adoption of agenda

## 2. RECOGNITIONS, REPORTS, AND PRESENTATIONS

2.1 Lunar New Year Proclamation

2.2 Ramadan Proclamation

### 2.3 **2025 Annual Comprehensive Financial Report (ACFR), Independent Audit Results, and Presentation of Annual Financial Results (Update)**

**Speaker:** Kimberly Branch, Finance, and Lee Ann Watters, audit director from Cherry Bekaert LLP (auditors)

**Executive Summary:** Each year, Cary prepares year-end financial statements to report on financial outcomes and to ensure accountability in the utilization of funds. Those statements are audited by an independent auditor, who then provides an opinion. The audited annual financial statements for the fiscal year ending June 30, 2025, indicate that Cary remains in solid financial condition. This report presents the financial section of the Annual Comprehensive Financial Report (ACFR) to Council and provides an opportunity for the external independent auditors to make required communications, discuss the audit process, and respond to questions.

The external independent auditor reviews for two primary concerns: financial reporting and compliance related to federal



funds and internal controls. This year, at the request of Cary leadership, additional testing was done on purchase card (P-Card) usage from July 1, 2024, through June 30, 2025. This staff report focuses on financial reporting and the additional testing. The compliance and internal control portion of the audit was delayed as a result of postponed federal guidance during the federal government shutdown in the fall and winter. As a result, certain federal confirmations, data validations, and compliance-related information are not available within the normal audit timeline. This delay is procedural in nature and is not associated with any identified issues related to Cary's financial records or internal controls. Guidance has been provided, and the auditors are working to complete and issue the compliance report prior to the revised deadline for the completed audit report. The final deadline for submitting the completed ACFR to the North Carolina Local Government Commission (LGC) is Feb. 12.

**Recommendation:** That Council receive the audit status update, including the auditor's reporting on the financial section and additional P-card testing, as well as an update on the delayed compliance opinion resulting from the federal government shutdown and information on the revised ACFR filing deadline.

## 2.4 Manager's Update

### 3. PUBLIC SPEAKS OUT (one-hour time limit)

*Public Speaks Out is the Town Council's opportunity to hear comments from as many citizens as possible. During Public Speaks Out, the Town Council receives comments and refrains from speaking. If a citizen comments about an issue that appears to be something that can be addressed by staff members, Council may ask the manager to have an appropriate staff person follow up.*

*Thanks to everyone in the audience for respecting the business meeting by refraining from speaking from the audience, applauding speakers, or other actions that distract the meeting.*



Anyone who wants to speak during Public Speaks Out should do the following:

- Take a seat in the reserved seats;
- Complete the contact information card located at the seat;
- When it is your turn to speak, proceed to the town clerk from the aisle behind the clerk, and give the clerk your completed contact information card and any handouts you have for the Town Council;
- Step to the podium next to the clerk; state your name clearly;
- Be concise; avoid repetition; limit comments to three minutes or less; designate a spokesperson for large groups; direct comments to the full Town Council and not to an individual Town Council member;
- Speakers may return to their regular seats from any aisle.

#### 4. CONSENT AGENDA

CONSENT AGENDA items are non-controversial items unanimously recommended for approval by all involved parties. A single vote may be taken for the approval of ALL consent agenda items. Any individual council member may pull items off the consent agenda to discuss them. Items pulled off the consent agenda will be handled with the “DISCUSSION ITEMS” agenda topic.

##### 4.1 Minutes

##### 4.2 Walnut Street Parking Deck Gravel Lot Improvements Amended Proposal

**Speaker:** Jimmy Simpson, Public Works

**Executive Summary:** During the repair of the Walnut Street Parking Deck, Cary constructed a gravel parking lot for overflow and construction vehicle parking on adjacent property owned by Academy Park Commercial LLC. Per the amendment to the Downtown Development Project Agreement with Academy Park Commercial LLC approved by Council June 26, 2025, Cary is permitted to maintain the gravel lot until a new building is



constructed on that site, provided visual and safety upgrades are made. Should Cary not make improvements, per the agreement, the lot must be removed by Sept. 11, 2026. Council direction is requested as to whether to improve or remove the gravel parking lot. On Jan. 8, 2026, Council authorized staff to use up to \$125,000 of General Fund midyear appropriation funding to improve the lot; Council rescinded this authorization on Jan. 22, 2026, and requested that staff provide a lower-cost solution. The revised recommended improvements are expected to cost \$75,000.

**Recommendation:** Staff recommends Council utilize up to \$75,000 of funding budgeted within the General Fund for midyear appropriation for the purposes of improving the Walnut Street Parking Deck gravel lot.

#### **4.3 Adjustment to Adopted Meeting Schedule**

**Speaker:** Virginia Johnson, Clerk

**Executive Summary:** The Council's 2026 Meeting Schedule was adopted In December 2025 According to G.S. 143-318.12, changes to the adopted schedule should be announced in open session and posted to the website.

**Recommendation:** Staff recommends the adoption of the adjusted meeting schedule as attached.

### **5. PUBLIC HEARINGS**

**The rules printed on the agenda for "Public Speaks Out" apply to the remainder of the public hearings, except that speakers are allowed five minutes. Thank you for respecting the business meeting by refraining from speaking from the audience, applauding speakers, or other actions that distract the meeting.**

### **6. DISCUSSION ITEMS** (any item pulled from the **CONSENT AGENDA** [item 4 on this agenda] will be discussed during this portion of the agenda)

#### **6.1 Fiscal Year 2026 Budget Adjustment to Restore Funding to the Employee Merit Program**



**Speaker:** Russ Overton, Town Manager's Office

**Executive Summary:** At the recommendation of Cary's prior town manager, the fiscal year 2026 budget only funds Cary's pay-for-performance employee compensation program at an average 3% merit-based increase, a 2% decrease from last year.

Underfunding the merit program makes it difficult for Cary to offer competitive compensation in our regional market, and given the escalating cost of living in our area, along with the number of open positions and historically low staff-to-citizen ratios, the strain on many Cary employees is great. This staff report recommends restoring the merit program budget to a 5% average through a series of actions, including reallocating existing funds, to support this adjustment without requiring additional taxes, fees, or other fiscal year 2026 appropriations.

**Recommendation:** *That Council recognize and appropriate \$750,000 of miscellaneous utility revenue to cover an additional indirect cost reimbursement from the Utility Fund to the General Fund. Additionally, that Council reallocate \$1.75 million from the General Fund, \$280,000 from the Utility Fund, and \$35,000 from the Fleet Fund to increase the fiscal year 2026 pay-for-performance employee compensation program budget from an average 3% to 5% award based on the figures in Tables 1-3 of this staff report.*

## 7. CLOSED SESSION

Closed Session will be called if necessary.

## 8. ADJOURNMENT

*Please contact Town Clerk Virginia Johnson with any questions about this agenda or to request an auxiliary aid or service to participate in the meeting: [virginia.johnson@townofcary.org](mailto:virginia.johnson@townofcary.org), 919-469-4011, TDD 919-469-4012.*



*Meetings are cablecast live on Cary TV on the following channels: AT&T Uverse Channel 99, Google Channel 142 and Spectrum Channel 11. Meetings are available the following day at [www.youtube.com/TownofCaryChannel](http://www.youtube.com/TownofCaryChannel).*

