TOWN OF GRANITE QUARRY
NORTH CAROLINA

Town of
GRANITE QUARRY
Be an original town.

ADOPTED BUDGET
FOR
FISCAL YEAR 2020-2021

PREPARED BY:
LARRY SMITH
TOWN MANAGER

June 19, 2020

Town Manager's Budget Message
FY 2020-2021

June 19, 2020

Mayor William D. Feather
Board of Aldermen
Town of Granite Quarry 143 N Salisbury Avenue
Granite Quarry, NC 28072

The Honorable Mayor Feather, Town Board Members and Citizens of Granite Quarry:

This budget was prepared to carry out the administrative needs of Town government operations and goals established by the Board of Aldermen. It remains as responsive to the community as possible within the Town's available funds and resources.

If approved, the current tax rate will remain at **$0.4175** per $100 valuation.
The environmental fee will decrease to **$11**/pickup/site/month, effective September 1.

Many factors affected the development of the FY20-21 proposed budget. We are forecasting revenues amid a global pandemic that poses a level of unprecedented uncertainty. FY19-20 fell within a revaluation year, while concurrently seeing significant growth in permits, construction, and planning projects. It saw an additional emphasis on level of services, especially with police, planning, and code enforcement. It was the first year of reconstructing the Town's budget format to meet state and statutory requirements and best practices, and was only the second year of budgeting under amended account codes. Staff and auditors have worked diligently to evaluate and qualify previous years' data into and throughout these transitions.

In light of the current forecasting uncertainty, revenues especially dependent upon the economy were made on a "worst-case scenario". This provided a reasonable target under which the budget officer and staff could tailor their budgets and priorities to ensure a sustainable annual operating budget despite unforeseeable conditions. As economic realities develop and become clearer, the Board of Aldermen can revisit revenues and needs throughout the upcoming fiscal year and relax restrictiveness as needed or desired.

Major projects have been broken out by Capital and Grant Project Ordinances to more accurately budget and track each capital project through its life instead of skewing annual operating budget amounts. The Grant Project Ordinances for an Industrial Development Fund sewer extension at the Granite Industrial Park and a FEMA grant for storm repair damages at Granite Lake Park are reimbursable, but may be advanced funds from the General Fund as reimbursements are authorized and obligated.

Given the decline and unavailability of end users in recycling, like most of our peer municipalities the Granite Quarry Board of Aldermen has proposed ceasing its recycling program in the upcoming FY, and to lower the monthly environmental fee from $12 to $11. The Town's agreement with the recycling contractor will run through August, making the effective dates of the program's termination and the revised environmental fee September 1, 2020.

While we do not have the funds or the manpower to achieve all of our desired goals, this budget prioritizes funding into the areas established by this administration and the Board of Aldermen.

This budget includes:

- Funding for existing debt service on the Village at Granite waterline extension
- Funding for new debt service on the 2020 Capital Streets Improvement Project
- A 2.2% merit pool increase for general town employees
- A 2.2% cost of living adjustment increase for governing board members
- Prioritized capital purchases for departments
- Operation expenses to continue services to citizens at the current levels
- Adjustments to cover any inflation and contractual variations along all line items
- Specific items per department further detailed below.

Budget Overview

After careful consideration the following budget recommendations represent Board goals, departmental input, and community needs within the existing tax rate of **$0.4175** per $100 valuation. The total recommended budget is **$2,674,969**.

General Fund:		$ 2,674,969
Governing Body	$ 129,566	
Administration	$ 524,508	
Police	$ 687,635	
Fire	$ 519,172	
Maintenance	$ 516,671	
Streets – Powell Bill	$ 82,724	
Streets – Non-Powell Bill	$ 34,000	
Parks and Recreation	$ 45,000	
Environmental	$ 135,693	
Total All Funds:		**$ 2,674,969**

FY 2020-2021 Departmental Highlights

Governing Body: The proposed budget for Governing Body is $129,566. This includes $84,858 in Contingency Funds that the Board has directed to hold for reviewing the list of unbudgeted capital expenditures and special funding requests during the fiscal year.

Administration: The proposed budget for Administration is $524,508. This includes carryover of the Ordinance Recodification project, a contract approved for the personnel policy rewrite and salary classification study, and provision for consulting services in finance and planning. This year includes the addition of a Health Reimbursement Account line item to offset some deductible changes from switching health care plans.

Police: The proposed budget for the Police Department is $687,635. This includes salary adjustments for existing personnel irrespective of the pending salary classification study for Town personnel. The capital purchase of a patrol vehicle will be held off until rollover funds and updated revenue calculations can be evaluated throughout the upcoming fiscal year.

Fire: The proposed budget for the Fire Department is $519,172. This includes $32,500 for obsolete jaws of life replacement, and $38,000 for the purchase of a replacement vehicle for the 2004 Ford Explorer. The originally projected $50,000 for this FY to complete refurbishment of Engine 572 still needs to happen, but due to the prioritized nature of which the above items are needed, the Fire Chief requested holding off on the Engine 572 Refurb until another budget cycle.

Maintenance: The proposed budget for the Maintenance Department is $516,671. The capital purchase of a ½-ton Supervisor/Chief response truck to free up current truck for operations needs and alleviate sharing and response issues will be held off until rollover funds and updated revenue calculations can be evaluated throughout the upcoming fiscal year.

Streets – Powell Bill: The proposed budget for Powell Bill costs is $82,724. This includes $60,233 in debt service toward repayment of the 2020 Capital Streets Improvement project loan, and $14,991 in unappropriated fund balance toward the next capital streets improvement project.

Streets – Non-Powell Bill: The proposed budget for Non-Powell Bill Streets costs is $34,000. This is for the Utilities costs on street lights.

Parks and Recreation: The proposed budget for the Parks and Recreation Department is $45,000.

Environmental: The proposed budget for Environmental costs is $135,693. This includes Garbage service contract and the Recycling agreement through August 2020.

The proposed General Fund budget is balanced with a tax rate of $0.4175 per $100 of valuation. Projected revenues are $2,674,969 and projected expenditures are $2,674,969.

Respectfully Submitted,
Larry Smith
Larry Smith
Town Manager

TOWN OF GRANITE QUARRY, NORTH CAROLINA
Budget Ordinance No. 2020-08
FISCAL YEAR 2020-2021

AN ORDINANCE CONCERNING APPROPRIATIONS AND THE RAISING OF REVENUE FOR THE FISCAL YEAR BEGINNING JULY 1, 2020

BE IT ORDAINED by the Board of Aldermen of the Town of Granite Quarry, North Carolina, that the following anticipated fund revenues and departmental expenditures, certain fee and charge schedules, and with certain restrictions and authorizations, are hereby appropriated and approved for the operation of the Town Government and its activities for the Fiscal Year beginning July 1, 2020 and ending June 30, 2021.

Section 1: Summary

General Fund	$2,674,969
Other Financing Sources and Uses	0
Total Expenditures / Transfers	$2,674,969

Section 2: General Fund

Anticipated Revenues

Current Year Ad Valorem Taxes	$1,038,604
Unrestricted Intergovernmental	899,316
Restricted Intergovernmental	511,799
Permits and Fees	5,700
Sales and Services	138,500
Other General Revenues	81,050
Subtotal	2,674,969
Other Financing Sources and Uses	0
Total Anticipated Revenues	$2,674,969

Authorized Expenditures / Transfers Out
By Department

Governing Body	$129,566
Administration	524,508
Police	687,635
Fire	519,172
Maintenance	516,671
Streets – Powell Bill	82,724
Streets – Non-Powell Bill	34,000
Parks and Recreation	45,000
Environmental	135,693
Total Authorized Expenditures / Transfers	$2,674,969

Section 3: Levy of Taxes

There is hereby levied, for Fiscal Year 2020-2021, an Ad Valorem Tax Rate of **$0.4175** per One Hundred Dollars ($100.00) valuation of taxable property as listed for taxes as of January 1, 2020, for the purpose of maintaining the revenue from current taxes as set forth in the foregoing estimates of revenues, and in order to finance the foregoing applicable appropriations. This rate of tax is based on an estimated assessed valuation of **$255,638,552** and an estimated collection rate of **96.75%**, yielding **$1,038,604** in current year ad valorem tax revenues.

Section 4: Fees Schedule

There is hereby established, for the Fiscal Year 2020-2021, various fees and charges as contained in Attachment A.

Section 5: Special Authorization - Budget Officer

A. The Town Manager is hereby authorized to make any budget transfers as may be required within each department if the total appropriation for each fund does not change and contingency funds are not utilized to do so.

B. The Budget Officer is authorized to recommend allocation of funds remaining in each department after all bills are paid and prior to closing of the books.

Section 6: Restrictions - Budget Officer

A. Interdepartmental transfer of monies and Governing Body funds, except as noted in Section 9, shall be accomplished by Board of Aldermen authorizations only.

B. Utilization of appropriations contained in Contingencies and Appropriations from Fund Balance may be accomplished only with specific approval of the Board of Aldermen.

Section 7: Utilization of Budget Ordinance

This ordinance shall be the basis of the financial plan for the Town of Granite Quarry Municipal Government during the 2020-2021 Fiscal Year. The Town Manager shall administer the budget and shall ensure that operating officials are provided guidance and sufficient details to implement their appropriate portion of the Budget.

The Administration Department (Financial Officer) shall establish and maintain all records, which are in consonance with this Budget Ordinance, and the appropriate Statutes of the State of North Carolina.

Section 8: Salary Adjustments

A. Salary adjustment funds resulting from performance evaluations, wage level adjustments or merit increases shall be available beginning with the first payroll in the month of the new Fiscal Year.

B. For the Fiscal Year 2020-2021, a 2.2% merit increase for full time employees shall be as set forth in the 2020-2021 guidelines for salary increases. The Town Manager shall be authorized to approve all merit increases based upon the recommendation of the department heads and the results of performance evaluations held throughout the year.

Section 9: Re-appropriation of Funds Encumbered in FY2020-2021

Appropriations hereinabove authorized and made shall have the amounts of the unearned portion of contracts at June 30, 2020 added to each appropriation as it applied in order to properly account for payment against the fiscal year in which it is paid.

Copies of this ordinance and the attached budgets shall be maintained in the office of the Town Clerk of the Town of Granite Quarry and shall be made available for public inspection.

Adopted June 22, 2020

Aubrey Smith
Town Clerk

OFFICIAL SEAL

William D. Feather
Mayor

Revenue Assumptions for FY2020-2021 Budget

The forecasting of the FY2020-2021 budget comes amid a global pandemic that poses a level of uncertainty unprecedented in most if not all of our lifetimes.

State-shared distributions such as Local Option Sales Taxes and Utilities Franchise Taxes accounted for approximately 37% of our FY19-20 budget. Quarterly distributions by the State are derived from the sales period 90 days prior. State economists broke projections into three levels of assumption: Moderate, Severe, Most Conservative. These revenues were forecasted in this municipal budget under the Most Conservative assumptions.

No one can predict what the actual impacts will be at this point. The general consensus is that the sharp economic decline nationwide will continue at least through June 2020. The vast unemployment impacts caused by business closures will likely result in an additional quarter of negative growth before the economy starts to gradually recover into early 2021. Forecasting by Most Conservative assumption ensures a sustainable annual operating budget despite the unforeseeable conditions.

Ad valorem taxes accounted for approximately 41% of our FY19-20 budget. Unpaid taxes over time tend to be collected at or near the 100% rate, but given the uncertain times and vast unemployment, less confidence was given to the projected FY20-21 collection rate.

Ad Valorem Taxes

Property Taxes – 2019-20 growth and development in Town continued to increase the assessed tax base of the Town to $255,638,552. Once expenditures and all other General Fund revenues were projected, the amount necessary to balance the budget was calculated. Using that figure as the target, a property tax rate applied to the assessed valuation was calculated that would result in that amount of revenue being generated. An uncollectable rate of 3.25% was factored into the calculations.

Prior Year Taxes - Based on historical trends, economic forecasts, anticipated continuation of collection percentages, and adjusted by the size of the 2019 property tax receivable balance projected as of June 30, 2020.

Unrestricted Intergovernmental

Local Option Sales Tax - Based on estimates provided by the North Carolina League of Municipalities (NCLM), historical trends, State legislative changes, local conditions and economic forecasts. Overall, we project finishing FY19-20 at approximately -0.5% above FY18-19 distributions, with continued decline of 3.2% across the local sales tax articles for the FY20-21. Sales Tax proceeds are distributed to Rowan County municipalities on a per capita basis.

Solid Waste Disposal - Based on forecast projections. The State levies a $2/ton "tipping fee" on municipal solid waste and construction / demolition materials deposited in all NC landfills (and/or passing through transfer stations for any out of state disposal). It applies proceeds to different programs and then distributes 18.75% of the proceeds back to municipalities and counties on a per capita basis. Housing construction starts were up 21% in January 2020 over the year prior. However, this is likely to remained slowed for a time due to the COVID-19 pandemic. Distributions for FY20-21 distribution is projected to increase by approximately 1.0% over FY18-19.

Beer & Wine Tax - Based on national market research forecast projections of beer and wine sales, against state distribution formulas. These sales taxes are distributed from the NC Department of Revenue to municipalities based on population. We expect distribution to see little to no growth in FY20-21.

Utility Franchises - Based on estimates provided by the NCLM and historical trends. This category includes Electricity, Piped Natural Gas, Telecommunications, and Video Programming Franchise Taxes & Fees.

Restricted Intergovernmental Revenues

Powell Bill revenues - Based on estimates provided by the NCLM and the Office of State Budget and Management. The population-based portion of the distribution formula (75% of the distribution) was calculated at $19.11 per capita at our most recent certified census population of 3,120. The mileage-based portion (25% of the distribution) was calculated at $1,580.13 per mile over our 14.62 miles of streets.

Joint Police Authority revenues - Based on a flat rate agreement of $136,000.

Permits and Fees

Local revenues - Based on historical trends and economic forecasts. The Business Registration program was evaluated during 2019 and proved to cost more than it benefitted. For the FY20-21, Business Registration Fees are cancelled.

Sales and Services

Solid Waste/Recycling Collection - Based on current environmental fee of $12 per month per household through August 31, then $11 effective September 1.

Other General Revenues

Local revenues - Based on fee schedule and current trends.

Investments Interest - Based on estimated cash balances & interest rate projections.

Surplus Items – Will be reevaluated in the upcoming FY quarters when rollover funds and updated revenue calculations can be evaluated against capital requests.

ATTACHMENT A **FEES AND CHARGES**

FISCAL YEAR 2020-2021

TOWN OF GRANITE QUARRY

BUILDING AND RELATED ACTIVITIES			
Building Type	**Rental Times and Description**	**Rental Fee**	
		Residents	**Non-Residents**
Shelter or Gazebo	Up to 4 hours	$35	$50
	Up to 8 hours	$50	$75
	8 hour or more	$75	$100
	Electricity Fee	$25 per 4 hours of use	
Civic Park	Kitchen Rental	$15	$50
	Kitchen key deposit	$25	
Legion Building	Up to 6 hours	$100	$250
	6 hours or more	$150	$350
Civic Groups or churches	Up to 6 hours	$50	$150
	6 hours or more	$75	$200
	Rental Deposit (no discount)	$150	
No fees are charged for Nationally Chartered Granite Quarry Youth or School Organizations.			

PLANNING, ZONING AND SUBDIVISION FEES		
Item	**Description**	**Fees**
Subdivision Plats	Exception Plat Review	$50
	Minor Subdivision Plat Review	$75
	Major Subdivision, Preliminary Plat Review	Engineer Costs, plus: • Up to 25 lots: $250 • 26-50 lots: $500 + $5/lot (over 25) • > 50 lots: $750 + $5/lot (over 25)
	Major Subdivision, Final Plat Review*	$150 per Map + Engineer Costs
	Letter of Credit Review	$100 + Engineer Costs
	Letter of Credit, Partial Release	$100 + Engineer Costs
	**If a third review is required, an addition review fee will be charged.*	
Zoning Review/Approval	Zoning / Use Permit	$50 unless otherwise specified below
	Home Occupation	$25
	Sign - Temporary	$10/sign
	Sign - Permanent	$50/sign
	Conditional Use Permit	$500
	Variance	$400
	Engineering Drawing Review	Engineer Costs
	Site Plan Review	(Minor) $200 (Major) $400
	Technical Review Committee Review	$100 + Engineer Costs
	Zoning Administrator's Decision Appeal	$250 + Advertising and Notification Costs
	Zoning Map Amendment	$600 + Advertising and Notification Costs
	Zoning Text Amendment	$400 + Advertising and Notification Costs
	Site Inspection Costs	$100 + Engineer Costs
	Vested Rights Process	$250
Plotted Maps, Ordinance Copies, Etc.		Production Cost
Nuisance Citation/Fine – Warning Issued First		$50 first offense $100 second offense $200 third & subsequent offense

ADMINISTRATIVE AND OTHER FEES	
Item Description	**Fees**
All Copies	$.10 per page
Copy of Current Town Budget	$.10 per page
Fax Service	$.25 per page
Copy of Municipal Code of Ordinances	$50.00
Golf Cart Registration	$10 per cart
Golf Cart violation	$150 per violation
Environmental Fee Resident and Non-Dumpster Commercial	$12/mo thru Aug 31, $11/mo eff Sept 1
FIRE DEPARTMENT FEES *(Article 4 Section 10-47 from the Town of Granite Quarry's Code of Ordinances)*	
Re-inspections (third and subsequent)	$30
Fireworks (stand-by)	$100
Fire watches	$100
Assembly Stand-by	$25
Plans Review	$25
Hydrant Testing	$30 per hydrant
Fire Flow report	$200
Fire Department services fees	Market rate set by insurance company
Report Copies	$5
FIRE DEPARTMENT PERMITS *(Article 4 Section 10-47 from the Town of Granite Quarry's Code of Ordinances)*	
Fireworks	$130
Burning	$35
Annual Haz-Mat Storage	$120
Tent	$40
Tank Removal/Installation	$50
POLICE DEPARTMENT FEES	
Police Off-Duty Services *(Entity pays the officer directly)*	$30 per hour
Police Reports	$5 per report
MAINTENANCE DEPARTMENT FEES (Including for Town abatements)	
Heavy Equipment/Tractors	$100 per hour with operator
Light Equipment	$65 per hour with operator
Brush pickup, second load for citizens or brush commercial cut	$50 per load

ATTACHMENT B

FY20/21 SALARY SCHEDULE*

Position	# Positions	Minimum	Maximum	Notes
Mayor	1	$2,050	$6,050	
Mayor Pro-Tem	1	1,650	3,650	
Alderman	3	1,500	3,500	
Town Manager	1	61,000	71,000	
Town Clerk	1	43,000	53,000	
Office Assistant	1	33,000	43,000	Position unfrozen for the FY20/21
Finance Officer	1	45,000	55,000	
Planner (PT)	1			
Police Chief	1	57,000	67,000	
Police Investigator	1	38,000	48,000	
Police Sergeant	1	35,000	45,000	
Police Officer	7	31,000	39,000	1 position frozen for the FY20/21
Police Officer (PT)(avg)	5	12/hr	15/hr	# positions may vary
Maintenance Supervisor	1	39,000	49,000	
Maint Tech Crew Leader	1	27,000	37,000	
Maint Tech	1	20,000	28,000	
Maint Tech (PT)(avg)	3	8.50/hr	13.50/hr	# positions may vary
Fire Chief (PT)	1	20/hr	24/hr	
Deputy Fire Chief (PT)	1	12/hr	16/hr	
Assistant Fire Chief	1	22,880	31,200	
Assistant Fire Chief (PT)	1	11/hr	15/hr	
Fire Captain (PT)(avg)	4	10.50/hr	12/hr	
Fire Lieutenant	1	28,000	38,000	
Fire Lieutenant, Public Ed	1	28,000	38,000	
Firefighter (PT)(avg)	27	10/hr	13/hr	# positions may vary
EMT Paramedic (PT)	4	8/hr	11/hr	# positions may vary
Volunteer Fire Fighters paid on incident reimbursement are reimbursed as follows:				
Junior Firefighter (VOL)	2	5.50/call	5.50/call	
EMS Responder/1403 FF (VOL) (exterior fire only)	6	8/call	10/call	
Firefighter, Regular (VOL)	10	11/call	12/call	
Firefighter, Officer (VOL)	5	11.50/call	12.50/call	

* A salary classification study has been commissioned for the FY20/21, so this schedule is anticipated to be reevaluated following completion of that study.