



**TOWN OF GRANITE QUARRY  
BOARD OF ALDERMEN MEETING  
November 5, 2018 • 7:00 P.M.**

1. **Call to Order** – Mayor Feather
2. **Moment of Silence**
3. **Pledge of Allegiance**
4. **Approval of the Agenda**
5. **Approval of the Consent Agenda**
  - a. **Approval of the Minutes**
    - Regular Board October 1, 2018
  - b. **Departmental Reports** (*Reports in Board packet*)
  - c. **Financial Reports**
6. **Community Events**
  - a. **Food Drive** – continues until December 31<sup>st</sup>
  - b. **Santa In the Park/Christmas Tree Lighting** – Saturday, December 1<sup>st</sup> 3:00 P.M. – 5:00 P.M. @ Granite Lake Park
7. **Citizen Comments** (*All comments are limited to 6 minutes. No sharing of minutes with other citizens*)
8. **Guests and Presentations**
  - a. **Rowan Chamber** – Elaine Spalding
9. **Planning and Zoning**
  - a. **Public Hearing** – **30 minutes** - Rezoning Request for Stoneglen Subdivision from RL to RM. The need for the rezoning is to allow for 70-foot wide lots and smaller lot size.
  - b. **Board Action**: Zoning recommendation from Planning Board

**ACTION NEEDED** – Board approval of the rezoning recommendation from Planning Board: Recommendation to Rezone Parcel 404-068 from RL to RM with the stipulation that the subdivision will be built as shown in the attached site plan including revisions as determined by the Technical Review Committee. Deed restrictions shall be included to advise individual property owners that, “Lots in this subdivision are to be used for single-family residences only. No duplex apartments will be allowed.

**ACTION NEEDED** – If rezoning is approved, adopt Statement of Consistency

### **Statement of Consistency with Comprehensive Plan**

In voting to approve the rezoning of this property, the Granite Quarry Board of Aldermen does find this decision to be in the best interest of the public and to be consistent in general with policies stated in the Town’s Comprehensive Plan.

Specifically, it addresses the following:

- Policy 8- The continued viability of single-family homes as a major housing source shall be encouraged.
- Policy 10- The housing needs of the elderly, handicapped and low to moderate income households shall be particularly recognized in the Town’s policies and actions regarding residential developments.
- Policy 17- Provisions of open space and recreation facilities in private development shall be encouraged to compliment the demand for publicly financed facilities.

### **10. Town Manager’s Update – 10 minutes**

- a. Project updates – Industrial Park, Subdivisions, and Office-Institutional

### **11. Town Clerk’s Update – 10 minutes**

- a. Policy and Procedure Update

**MOTION:** Motion to approve Policy No. 1300-00 Developing Policies and Procedures in Section 1300 – Corporate Governance as presented by Staff.

**MOTION:** Motion to approve Policies No. 1000.00 – 1009.00 in Section 1000 – Administration as presented by Staff.

**Policy No. 1000.00** – General

**Policy No. 1001.00** – Equal Employment Opportunity

**Policy No. 1002.00** – Equal Pay

**Policy No. 1003.00** – Business Ethics and Conduct

**Policy No. 1004.00** – Immigration Law Compliance

**Policy No. 1005.00** – Nepotism

**Policy No. 1006.00** – Conflicts of Interest

**Policy No. 1007.00** – Political Activity

**Policy No. 1008.00** – Americans with Disability Act

**Policy No. 1009.00** – Employee Confidentiality

**12. Finance Officer Update – 10 minutes**

- a. **Purchasing Policy** – Review of Foreword and discuss timeline for reviewing policy.
- b. **Review and Accept Audit**  
**ACTION NEEDED:** Motion to accept the Audit for the for fiscal year ended June 30, 2018.
- c. **Budget Amendment Request #3**  
**ACTION NEEDED:** To transfer funds from Visionary Projects (01-4120-49) to Maintenance Contingency Fund (01-4190-97) in the amount of \$20,000 for Sidewalk Improvements.

**13. Old Business**

- a. **COMMITTEE UPDATES – 10 minutes**
  - Revitalization – Aldermen Constantino and Linker
  - Building - Aldermen Constantino and Linker
  - Parks and Recreation - Alderman LaFevers and Cress

**14. New Business and Action Items – 25 minutes**

- a. **INFORMATION ITEM:** Byrd Property Agreement. *This item for information purposes only.*
- b. **PROCLAMATION** – Veterans Day
- c. **BOARD APPOINTMENT** – Parks and Recreation Committee and Planning Board
- d. **POLICY CHANGE** – Policy 3008.00 Sick Leave  
**MOTION:** To adopt Policy 3008.00 Sick Leave Policy as presented by Staff. This policy supersedes all previous Sick Leave Policies.
- e. **HEALTH INSURANCE PLAN**  
**MOTION:** Approval of the 2019 health insurance plan option and rates as submitted by staff.
- f. **DISCUSSION ITEM:** Electronic P.O. System that we already have and paid for and not using.
- g. **DISCUSSION ITEM:** Administration Fee (5%) for Engineering Services. Possibly consider charging a fee or a late fee.
- h. **DISCUSSION ITEM:** Limb Grinding (Lake Erosion Update)

**15. Board Comments**

**16. Mayor’s Notes – Announcements and Date Reminders**

- a. **Town Hall Offices Closed - Veterans Day Observance** – Monday, November 12<sup>th</sup>
- b. **Planning Board Meeting** – Tuesday, November 13<sup>th</sup> @ 5:30 P.M.
- c. **CCOG Executive Board Meeting** – Wednesday, November 14<sup>th</sup> @ 6:15 P.M.

- d. **Parks and Recreation Committee Meeting** – Monday, November 19<sup>th</sup> @ 5:30 P.M.
- e. **Revitalization Team Meeting** – Tuesday, November 20<sup>th</sup> @ 3:30 P.M.
- f. **Town Hall Offices Closed - Thanksgiving Day Observance** – Thursday, November 22<sup>nd</sup> and Friday, November 23<sup>rd</sup>.
- g. **Cabarrus-Rowan County MPO Meeting** – Wednesday, November 28<sup>th</sup> @ 5:30 P.M.
- h. **CCOG 50<sup>th</sup> Anniversary Region of Excellence Awards Luncheon** – Friday, November 30<sup>th</sup>, 11:00 A.M. – 2:00 P.M., The Speedway Club at Charlotte Motor Speedway.
- i. **Board of Aldermen Meeting** – Monday, December 3, 2018 @ 7:00 P.M.

### **17. Mayor's Action**

CCOG Updates

MPO Updates

Municipal Association Meeting Updates

**A motion is needed as follows: To go into closed session pursuant to NC General Statute Section 143-318.11[a][5] for property issues.**

**A motion is needed to come out of closed session pursuant to NC General Statute Section 143-318.11[a][5] for property issues. The Board takes the following action (if any).**

### **18. Adjournment**



**TOWN OF GRANITE QUARRY  
BOARD OF ALDERMEN MEETING MINUTES  
Monday, October 1, 2018**

**Present:** Mayor Bill Feather, Alderman John Linker, and Alderman Kim Cress, Alderman Jim Costantino

**Not Present:** Mayor Pro Tem Jim LaFevers

**Staff:** Mr. Phil Conrad – Town Manager, Ms. Tanya Word – Town Clerk/HR Officer, Mr. Scott Stewart – Deputy Clerk/Finance/HR Analyst, Mr. Jason Hord – Maintenance Supervisor/Interim Fire Chief, Ms. Shelly Shockley – Finance Officer/Event Coordinator, Mr. Steve Blount – Town Planner, Mr. Mark Cook – Chief of Police, Mr. Brian Peeples – Assistant Fire Chief, Mr. Travis Barnhardt – Deputy Fire Chief, Mr. Sean Dunham – Firefighter, Mr. Chip Short– Town Attorney

**Guests:** There were 13 guests present.

**Call to Order:** Mayor Feather called the meeting to order at 7:00 p.m.

**Moment of Silence:** Mayor Feather opened the meeting with a moment of silence.

**Pledge of Allegiance:** Mayor Feather led the Pledge of Allegiance.

**Approval of the Agenda:**

**ACTION:** Alderman Linker made a motion to approve the agenda as presented with the addition of Closed Session for discussion of property. Alderman Costantino seconded the motion. The motion passed with all in favor.

**Approval of the Consent Agenda:**

**ACTION:** Alderman Costantino made a motion to approve the consent agenda. Alderman Cress seconded the motion. The motion passed with all in favor.

**Special Thank You:** Jason Hord spoke recognizing Chief Dale Brown's four and a half years of service to the Granite Quarry Fire Department. Mr. Hord thanked Chief Brown for his work on behalf of the Staff, Board, and citizens of Granite Quarry. Accomplishments that were mentioned

included the addition of a new fire truck, air pacs, and receipt of a recent grant. Mr. Hord then presented Chief Brown with his helmet. Chief Dale Brown thanked everyone for supporting him stating that his top priority had been serving the citizens of the Town. Mayor Feather stated his appreciation for Chief Brown's service to the Town.

### **Citizen Comments**

Ed Shell of 510 Lewis Street in Granite Quarry spoke about the information packets sent out for Town meetings. Mr. Shell stated that he received the information packet and noticed something about sidewalks. There was another document within the packet about a Highway 52 proposal for \$36,000. Mr. Shell requested that more detailed information be included within the agendas.

Ms. Mary Ponds spoke about Railroad Street; mentioning issues with a patched culvert that is in disrepair after large amounts of water from the recent heavy rains that came from Hurricane Florence. This culvert has been previously patched with gravel. Ms. Ponds also overgrown shrubbery along the sides of the road that is inhibiting the flow of traffic.

Mayor Feather stated that the Railroad Street culvert area had been fixed several times previously, yet continued to fail and now has holes washed out again. Mayor Feather challenged the Town Manager to get this repaired properly; also mentioning that the grass was grown out over the roadway on both sides which does need to be trimmed back. Alderman Linker asked what was causing the issue with the culvert. Mr. Hord replied that another culvert at Maple Street is blocked and there also is a crack in the pipe that he had filled as a temporary patch in preparation for the storm. Mr. Hord thought that there may be additional funds available to repair storm damage areas. The new flail mower is now ready for service and Mr. Hord reported that he had already planned to use it to cut back the vegetation on Railroad Street tomorrow.

### **Guests and Presentations**

There were no guest presentations.

### **Town Manager's Update**

- The Village at Granite subdivision has received the flood plain permit for phase one and engineers have started work on the permit application process for phase two. Mr. Conrad picked up a copy from Rowan County to bring back to the Town.
- Easter Creek phase two involving a 100,000 square foot building has a site plan that has been approved by the Planning Board. Subdivision plans are being reviewed by TRC. Subdivision will be reviewed for approval at the October 8 Planning Board Meeting.
- Stone Glen, a 32-home subdivision on Peeler Street, has been granted a variance for connectivity by the Zoning Board of Adjustment. The site plan is being reviewed by TRC and will also be reviewed at the October 8 Planning Board Meeting. They have requested rezoning from RL to RM in order to allow 70' wide lots, which will be brought before the Board of Aldermen at the November 5 meeting. Mayor Feather inquired about the rezoning and what it would allow. Mr. Blount explained that this would be a conditional rezoning that would not allow for duplexes.

- IOM Enterprises has received site plan approval from the Planning Board for two 30,000 square foot additions at the Heilig Road plant. Engineering drawings for the project are expected soon.
- There is a commercial development project on Highway 52 South across from East Rowan High School that is in preliminary planning stages. The developer is working with Salisbury Rowan Utilities regarding potential connection for sewer service.
- Knight property development at 800 Byrd Road has been cleared and subdivided into two lots. The developer has been advised that they will need to apply for zoning permits before proceeding.

Alderman Linker asked about the status of sewer issue for the second Easter Creek building. Mayor Feather stated that there is a potential business for this location. If that business were to create enough jobs, the sewer issue could be resolved using NC Commerce funds. Mr. Conrad added that there are other potential grant opportunities. There should be an update at the next Board meeting after consultation with a grant writer.

Alderman Linker stated that he feels there needs to be a multi-tenant sign at Chamandy Drive for the Granite Industrial Park. Mayor Feather suggested communicating with Easter Creek to see if a property owners' association could be created as property is divided to create a way to maintain an area for the sign.

Alderman Linker asked if the development on Highway 52 would require rezoning. Mr. Conrad stated that it is currently residential property. Mr. Blount added that he has recently spoken with the developer about rezoning the front of the property for commercial use and the rear of the property remain residential. This mix of commercial uses would cause a conditional rezoning, which would require a site-specific plan. There is a chain restaurant that has approached the property developer, which would require connection to the sewer system. Mr. Blount stated that the Town may wish to consider partnering with the developer on sewer connection. Alderman Linker also mentioned this would require application for annexation. Mr. Blount did not expect any objection from the developer regarding annexation. The potential mix of uses includes a convenience store, some other shops, and a restaurant. The developer is also in contact with NCDOT regarding potential traffic impact.

### **Town Clerk's Update**

- a. Policy and Procedure Update – Ms. Word shared the following:

The Policy and Procedure Committee met on September 18th.

At this meeting we basically defined:

Policy – is a decision-making framework or course of action to achieve a desired effect or change.

Policies are distinct from procedures and guidelines, which are operational instructions or processes for applying a policy decision.

The graph displayed showed the Teamwork of Policy and Procedure.  
Legislative: Policy-making “What”  
Management: Policy Advice and Administrative “How”  
Employees and Service Contractors: Service Delivery “Just Do It”

Stages of Policy Process

- Identification of Issues or Problems
- Policy Formulation – What should be Done
- Policy Adoption – Who has Authority
- Policy Implementation – Enforcement and Execution
- Policy Evaluation – Does it Work

b. Purchasing Policy Update

Ms. Word provided a “draft” copy of the Purchasing Policy to the Board of Aldermen and suggested the following schedule for reviewing and updating sections of the policy. Ms. Word asked each Board Member and the Finance Officer to read through the policy carefully and provide feedback. Below is a schedule suggested by Ms. Word for discussion of policy sections:

November Board Meeting: Foreword

January Board Meeting: Section II - Guidelines

February Board Meeting: Section III – Purchasing Procedure

March Board Meeting:

- Section IV – Vendor Selection
- Section V – Special Procurement Procedure
  - o 5.1 Blanket Purchase
  - o 5.2 Emergency Purchase
  - o 5.3 Sole Source of Supply
  - o 5.4 Single Brand Convenience

April Board Meeting:

- Section V – Special Procurement Procedure continued
  - o 5.5 NC Purchase Contract and Cooperative Purchasing

Agreements

- o 5.6 Piggybacking
- o 5.7 Professional Services
- o 5.8 Service Contracts
- o 5.9 Vendors with Town Accounts

May Board Meeting: Section VI – Delivery and Performance

June Board Meeting: Section VII – Inspection and Training

July Board Meeting:

- Section VIII – Vendor Relations
- Section IX – Sale of Town Property
- Section X – Fuel Cards

August Board Meeting:

- Section XI – Purchase Cards



September Board Meeting:

- Section XII – Fringe Benefits
- Section XIII – Exhibits

Mayor Feather stated that many of the items added are based on NC State Guidelines and Ms. Word spent a lot of time reviewing those expectations. Board members may need to ask the reasoning for any items they have questions on.

Ms. Word also mentioned that Ms. Shockley is selling ribbons in support of Breast Cancer Awareness month.

## **Old Business**

### **a. Committee Updates**

- Revitalization Committee – Alderman Linker shared highlights from the September 25 Revitalization meeting. Chairman Shelton was not present due to his wife’s recent heart transplant. It was noted that she is recovering well. The primary focus areas of the Revitalization Committee has been:
  1. Allocation of \$15,000 for Christmas lights;
  2. Allocation of the remainder of this year’s Revitalization budget to sidewalk improvements in the downtown area; and
  3. Planning improvements at the Town Square involving replacement of the planters at each corner.
- Building Committee – Alderman Linker shared potential improvements to the Town Hall building. The Town has plans that were drawn by an architect that include both changes to the inside of the building and to landscaping at the front of the building. At this point, construction costs have increased about 20% in the last 18 months. There may be some things that can be altered in the plan to reduce costs. Another consideration is relocating staff for 8 to 9 months during remodeling. At this point no actions have been taken and they are waiting for an updated cost estimate.

Mayor Feather shared that remodeling the entire building was going to cause need for sprinklers and an elevator. It may be possible to remodel the office area of the building and the landscaping without the need for those costly upgrades.

- Parks and Recreation – Alderman Cress asked Ms. Shockley to provide an update. Ms. Shockley stated that Food Drive was collecting for donation to local shelters and food banks and includes essential non-food items as well. Adult Fish for Fun event at Granite Lake Park was on Friday, September 28<sup>th</sup>, and had over 30 participants. Family Fun Fest will be on October 27; including a bounce house, food, trick or treating for children, a hayride, and a movie after dark. Christmas trees will go up in the park during the week after Thanksgiving.

- b. Interim Fire Chief Hord presented a request for out of date surplus Fire Department turnout gear to be sold on GovDeals. The request also included the alternate plan to donate gear to Concord High School for their Emergency Services program if it does not sell. In the school program, this outdated gear would never be used for real emergency situations. The request also included surplus disposal of one fire hat for presentation to outgoing Fire Chief Dale Brown.

**ACTION:** Alderman Costantino made a motion to sell surplus turnout gear on GovDeals. Alderman Linker seconded the motion. The motion passed with all in favor.

### **New Business & Action Items**

- a. **316 Main Street Contract for Listing** – Mr. Conrad stated that there is a contract with Victor Poplin to list the property for sale. Mr. Conrad has also discussed the contract with the Town Attorney about the potential to add language regarding expectations of improvement to the property. The Town Attorney asked for more detail on what time frame there would be for improvements and what would be repercussions if improvements were not made by the buyer. Mr. Poplin recommended listing the entire property and let a potential buyer suggest to the Board of Aldermen what they would like to do with the property. Depending on the intended use, it may be necessary to rezone the property.

**ACTION:** Alderman Cress made a motion to list the property at 316 S. Main Street with Victor Poplin including the stipulation that improvements to the property must begin within one year of closing. Alderman Costantino seconded the motion.

Mr. Conrad stated that Mr. Ribelin has agreed to survey the 316 S. Main Street property to identify the corners of the property. The work has been completed, however there needs to be a contract approved. Mayor Feather mentioned that there are some potential discrepancies that the surveyor noted.

**ACTION:** Alderman Cress made a motion to accept Norman Ribelin's contract. Alderman Costantino seconded the motion. The motion passed with all in favor.

- b. **Approval of Funds for Sidewalks on US 52** – Mayor Feather stated that these are funds from the Revitalization budget that they have planned to use toward sidewalk improvements. This includes widening some sidewalks to 5 feet stopping at exit drive to the ATM at F&M, repair to sidewalk adjacent to Town Hall, skipping the area that may change as part of the remodel, and improving the sidewalk in front of M&K. Alderman Cress asked if this would extend sidewalks to the Square. Mayor Feather replied that he thought it would.

**ACTION:** Alderman Linker made a motion to follow recommendation of the Revitalization Committee to appropriate the remainder of their funds to use toward the described sidewalk improvements in the Downtown area. Alderman Costantino seconded the motion. The motion passed with all in favor.

Mayor Feather recommended that once this project is completed, the Town should request discretionary funds from the state to complete additional curbs and gutters along Highway 52.

- c. **Disposal of Maintenance Property** – Mr. Hord requested disposal of the sickle bar that was removed from the tractor. A replacement has been ordered.

**ACTION:** Alderman Costantino made a motion to dispose of the maintenance surplus property as requested. Alderman Cress seconded the motion. The motion passed with all in favor.

- d. **ACTION:** Alderman Linker made a motion to accept funds in the amount of \$142,334 from the Assistance to Firefighters Grant for air pacs. Alderman Costantino seconded the motion. The motion passed with all in favor.

- e. The Air Pac Grant for the Fire Department was acquired with the assistance of JMCM Consulting in completing the grant application. Budget Amendment #1 was presented to the Board in order to move funds to pay JMCM Consulting for Grant Writing Services.

**ACTION:** Alderman Linker made a motion to approve Budget Amendment #1, transferring funds in the amount of \$6,778 from Board Contingency to Fire Department Contracted Services and utilizing those funds to pay JMCM Consulting for Grant Writing Services. Alderman Costantino seconded the motion. The motion passed with all in favor.

- f. Budget Amendment #2 was presented to the Board to transfer funds from Fund Balance Appropriated to Maintenance Capital Outlay Equipment in the amount of \$11,847 to purchase a John Deere Sickle Bar Mower and Swing Boom Flail Mower. Mayor Feather stated that this is based on what was approved at the September Board meeting. Alderman Costantino asked if Alderman Cress had worked with Mr. Hord on selecting the Sickle Bar Mower. Alderman Cress replied that the selected Sickle Bar is a commercial piece of equipment and he approved of the purchase.

**ACTION:** Alderman Costantino made a motion to approve Budget Amendment #2. Alderman Cress seconded the motion. The motion passed with all in favor.

- g. **Grass Mowing** - Mr. Conrad mentioned that there had been recent interest in Maintenance Staff and workload capacity. There has been some consideration of supplemental mowing beginning in 2019 for the Town Parks. There should be an estimate that can be shared at the November Board Meeting.

Alderman Costantino asked why it was necessary to review outside mowing contractors rather than relying on Town staff. Mr. Conrad expressed a desire from board members to provide a higher level of manicuring of grass in the parks and shared that that for 2018 we relied on hiring part-time staff. Alderman Costantino expressed that this may be an expense that is difficult to justify to the public. Alderman Cress shared that he previously had reviewed quotes on mowing parks and it was more expensive than he expected. Mayor

Feather mentioned that there had been recent consideration of professional landscaping for Town Hall. The PERCS committee recommended getting more information on outside contractors for park maintenance. This was for information and no action was taken.

- h. Breast Cancer Awareness Month Proclamation – Mayor Feather read the Proclamation declaring October as Breast Cancer Awareness month; also noting that breast cancer affects both men and women and encouraging citizens to participate in activities to increase awareness of breast cancer prevention.
- i. Domestic Violence Awareness Month Proclamation – Mayor Feather read the Domestic Violence Proclamation and proclaimed October 2018 as Domestic Violence Awareness Month.
- j. Red Ribbon Week Proclamation – Mayor Feather read the Proclamation encouraging a drug-free lifestyle and proclaimed October 23 through 31 of 2018 as Red Ribbon Week. This campaign was established by the Young Marines organization.

### **Board Comments**

Alderman Linker expressed concern regarding the workload of the Maintenance Manager and Interim Fire Chief. Alderman Cress agreed with Alderman Linker that the combined position would be challenging. Alderman Cress stated that there is a benefit of having a Fire Chief available throughout the week, but also had concerns about availability of Interim Chief Hord during evening hours. Alderman Costantino stated that he would like to work toward eventually having a full-time Fire Chief. Mayor Feather expressed that he would like to see more planning for the future direction of the Fire Department before considering a full-time Chief.

Mr. Hord stated understanding the concerns and has reduced his role at Rockwell Rural Fire Department to accommodate adding responsibility with the Granite Quarry Fire Department. A new part-time Maintenance employee is doing well and willing to work more if needed. Other towns were cited where combining Maintenance and Fire Chief duties has been successful. Alderman Linker expressed support for the Fire Department; requesting that Interim Chief Hord notify the Board if assistance is needed. Mayor Feather stated concern over perception of the personnel change by staff. Mr. Conrad commented that he and Interim Chief Hord would be working with Chief Parnell of the Salisbury Fire Department to explore staffing options as well.

### **Adjournment**

Alderman Costantino made a motion at 8:53 PM to adjourn the meeting. Alderman Cress seconded the motion. The motion passed with all in favor.

Respectfully Submitted,

*Scott Stewart*

Deputy Clerk



# Town of Granite Quarry Fire Department

Established May 15<sup>th</sup>, 1950

PO Box 351

Granite Quarry, NC



[www.granitequarrync.gov](http://www.granitequarrync.gov)

704/279-5596

## **Board Report    November/2018 Chief Hord**

### Emergency Calls for Service September 2018

24 calls in district

- 12 - EMS (including strokes, falls, diabetic, CPR and other Medical needs)
- 2- Tree Down
- 6- Service Call (non-emergency assistance)
- 1- Fire Alarm
- 1-MVA's (Motor Vehicle Accident)
- 1-Power Lines Down
- 1- Move up to quarters

12 calls to Salisbury

- 10- Alarm/Structure calls canceled en-route
- 1- Working Fire, provided manpower
- 1- Storm damage assessment

6 calls to Rockwell Rural

- 3- Canceled en-route
- 1- Assist with traffic control
- 2- EMS assist with patient care

6 calls to Union

- 3- Alarm/Structure calls canceled en-route
- 2- EMS
- 1- Vehicle fire

1-Call to Faith FD- MVA, Assisted with Manpower

1-Call to Millers Ferry – Canceled en route

6- Calls to Rockwell City – Canceled en route

3-Call to South Salisbury– Canceled en route

1- Call to Spencer – Cancelled en route

**TOTAL – 60**

## **ACTIVITIES**

- Daily activities include apparatus & equipment checks, training, station maintenance, pre-plan development, hose and hydrant maintenance, water points, emergency response, public education, inspections and the assistance of other divisions within the Town of GQ.
- Our monthly training included E.M.T. continuing education. Joint Training with Faith F.D. and Rockwell Rural F.D. Hazardous communication and blood born pathogen annual training.
- Multiple days of driver training, water point training and district familiarization with new members.
- Car Seat Check Station on Thursday from 1 p.m. to 4 p.m. – 3 seats installed/checked.
- 4 Station/Apparatus Tours (nonscheduled, Walkup)
- Site Reviews and Business info updates with part-time and fulltime personnel
- Thursday's communities in school lunch with GQ elementary school students
- Assisted maintenance department with clean up from storms.
- Hose testing
- Fire prevention week. Multiple days at GQES for public education, equipment demos, teaching fire safety.
- Fire prevention education for preschool at Wittenberg Church & Christiana Church.
- Fire prevention education for White Rock Garden Community.
- Attended ribbon cutting for grand reopening of Granite Crossings.
- Open house on 10/13. Good turnout and fire prevention.

## **EQUIPMENT**

- Annual Hose Testing in progress
- Repaired faulty parts on compressor in bay
- Replaced missing cap on wheel hub E-571
- Annual engine pump testing completed
- Annual engine maintenance PM checks completed



## October 2018 Maintenance Report

- Park grounds and bathrooms cleaned weekdays
- Parks mowed weekly
- Right of ways mowed weekly
- Sweeping curbs with sweeper – Ongoing
- Town limbs picked up 1<sup>st</sup> and 3<sup>rd</sup> week
- Leaf pickup started 10/9/18 2<sup>nd</sup> and 4<sup>th</sup> week
- Lake Park bank landscape weeded
- Various pot holes filled
- PM checks HVAC – Town Hall and Legion
- PM check on Baldor Generator
- Reported street light outages to Duke Energy
- Legion cleaned/mopped weekly
- Cut back and cleaned Centennial Park trails
- Right of way spraying -Hwy52 and Old 80
- Trimmed back limbs on various right of ways (flail)
- Gov. deals for surplus items
- Various other small tasks completed
- New LED lights in snowflakes (started)
- New flowers in pots at Town Hall
- Cleaned fountain in lake and changed bulbs/ground fault
- Worked with Cooper construction on sidewalk project
- Storm prep and debris pick up in aftermath

2007 Ford Truck Mileage – 52,543	+392 miles
1990 Chevy Truck Mileage - 106,699	Odometer froze
1995 Ford Dump Truck Mileage – 33,889	+225 miles
2009 Ford Truck Mileage – 48,967	+714 miles



## Planning Department Report For 11/5/2018 Board of Aldermen Meeting

1. Worked with developer of property on South Hwy 52 for commercial development. Will be bringing a rezoning request to Planning Board and Board of Aldermen in near future.
2. Reviewed first draft of Purchasing Policy and offered edits and suggestions for rewrites.
3. Working on suggested UDO amendment concerning day care centers and small schools
4. Drafted memo suggesting Informational Memos be required for all action items on Board of Aldermen meeting agenda
5. Issued zoning permit for Knight property on Byrd/Peeler Rd
6. Planning Board meeting held on 10/8/18. One rezoning (Stoneglen Subdivision), one major site plan (Stoneglen Subdivision), and one subdivision of property (Easter Creek Phase 2) were reviewed and approved.
7. Prepared PowerPoint presentation for Board of Aldermen 11/1/18 meeting on Stoneglen rezoning request.
8. Have begun drafting a revision to the Town's Comprehensive Plan (***4<sup>th</sup> update, no action taken this month.***)
9. Planning Board will begin work on updating the Town's Comprehensive Plan at their August meeting (***1<sup>st</sup> update, Planning Board began discussion and will take additional action at future meetings, 3<sup>rd</sup> update- due to heavy schedule, Planning Board took no action on this item this month.***)
10. Started work on Code Enforcement Survey of Town properties (***1<sup>st</sup> update- continue survey work, approximately 19 violations identified, 10-15% of town surveyed. 2<sup>nd</sup> update- continued survey work identifying several more violations, 3<sup>rd</sup> update- some additional work done on this project this month, 4<sup>th</sup> update- some additional work done this month***)
11. Working with Town Clerk to draft proposed modifications to Code of Ordinances to correctly depict current government structure and lines of authority, and to agree with modifications to Town Charter. (***1<sup>st</sup> update- started accumulating information for Municode per Clerk's request***)
12. Working with Town Clerk to develop proposed Standard Operating Procedures for Board of Aldermen, Town departments and staff. (***1<sup>st</sup> update- Reviewed Purchasing Policy and offered suggested updates and edits.***)
13. Continuing work on engineering drawings for Village at Granite subdivision. (***Issued Zoning Permit to allow initial grading to begin on Phase 1. Grading has begun. 2<sup>nd</sup> update- preliminary grading has begun, 3<sup>rd</sup> update- grading continues, retention ponds***)



*being installed, still working on final submittal approval, 4<sup>th</sup> update- grading continues, final review of engineering drawings complete soon. 5<sup>th</sup> update- contractor having problems with permitting due to floodplain impacts. Continuing with work on Phase 1 and examining options for Phase 2. 6<sup>th</sup> update- stormwater permits issued for Phase 1. Work on Phase 2 submittal has begun. In discussions with developer concerning building standards.)*

14. Prepared project status report on active planning and development projects for Manager's use
15. Working with property owner and engineers to resolve road paving standards for Easter Creek Phase 1&2
16. Began work on Storm Water Management Plan and associated code amendments
17. Worked with Clerk and Manager concerning vacancies on Planning Board and ZBA
18. Continued working with adjacent property owners concerning Peeler Road development of Knight property
19. Working with Faith Town Clerk concerning road repairs due to sewer work in Village at Granite.
20. Signed several "exception plats"
21. Created list of future UDO and Code of Ordinances text amendments
22. Secured updated ESRI retail market information documents for Mayor



# Granite Quarry-Faith Joint Police Authority

P.O. Box 351 • 143 North Salisbury Ave, Granite Quarry, NC 28072  
Office: (704)279-2952 • Fax: (704)209-3047



## Police Department Report

### October 2018

- Call volume report for the month of October 2018:
  - Date of Report: 10/23/18
  - Total calls for service/activities - 278
  - Incident Reports- 12
  - Arrest Reports- 4
  - Crash Reports- 5
  - Traffic Citations- 15
  - See attached reports: Breakout of total calls for service between Townships.
  
- The following is the ending and average mileage for each vehicle by month:
  - 221- End- 54,000 (Out of Service)
  - 222- End- 34,816 (215)
  - 223- End- 70,164 (889)
  - 224- End- 49,529 (1085)
  - 225- End- 38,441 (1020)
  - 226- End- 19,355 (645)
  - 227- End- 25,438 (1377)
  - 228- End- 11,900 (763)
  - 229- End- 12,631 (1291)
  
- The average response time for October calls for service is 4.41 minutes.

# GQPD

## Number of Events by Nature

CFS Faith Oct 2018

Nature	# Events
104D1 RESIDENTIAL BURG ALARM	4
104D2 COMMERCIAL BURG ALARM	1
111D1 DAMAGE TO PROPERTY	1
112D2 DECEASED (SUDDEN)	1
113C1 DISTURBANCE-LOUD PARTY	1
113C2 INTOXICATED/IMPAIRED	1
113D1 DISTURBANCE / PHYSICAL	1
114D2 VERBAL DOMESTIC	2
125B1 CHECK WELFARE - ROUTINE	1
129C1 SUSPICIOUS PERSON	1
129C3 SUSPICIOUS VEHICLE	1
129C5 SUSPICIOUS CIRCUMSTANCE	1
130B2 VEHICLE LARCENY (PAST)	1
132B1 MINOR TRAFFIC VIOLATION	1
132C2 HAZARDOUS ROAD CONDITION	2
133D1 TRESPASSING	1
911 HANG UP	5
ASSIST FIRE DEPT	1
ASSIST MOTORIST	1
BUSINESS OR HOUSE CHECK	16
DELIVER MESSAGE	3
FOLLOWUP	9
MISDIAL	1
POWER CO NOTIFICATION	1
SCHOOL SECURITY CHECK	2
SUBPOENA SERVICE	1
TRAFFIC CONTROL	1
TRAFFIC STOP	5
<b>Total</b>	<b>67</b>

**GQPD****Number of Events by Nature**

CFS Granite Quarry Oct 2018

<b>Nature</b>	<b># Events</b>
104C2 ALARM ACTIVATION	1
104D1 RESIDENTIAL BURG ALARM	6
104D2 COMMERCIAL BURG ALARM	5
104D4 BUSINESS HOLDUP/PANIC	1
105B3 ANIMAL-PAST CRUELTY	1
107B1 ASST OTHER AGENCY-ROUTIN	1
110D2 RESIDENTIAL B&E	1
111B1 PAST DAMAGE TO PROPERTY	1
113B3 NUISANCE COMPLAINT	1
113D1 DISTURBANCE / PHYSICAL	1
113D2 DISTURBANCE / VERBAL	2
114D1 PHYSICAL DOMESTIC	4
115D1 DRIVING UNDER INFLUENCE	2
116A1 DRUGS (PAST USE - POSS)	1
116B1 DRUGS (FOUND-EQUIP)	1
118B1 FRAUD-PAST CRIMINAL	1
118B2 FRAUD-PAST FORGERY	1
118C1 FRAUD (PHONE/MAIL/ELEC)	1
121D1 MENTAL - VIOLENT	1
121O2 MENTAL COMMITMENT	1
123B1 MISSING PERSON	1
125B2 LOCKOUT - ROUTINE	1
125D1 CHECK WELFARE-URGENT	1
125D2 LOCKOUT - URGENT	1
129B3 SUSPICIOUS CIRCUM (PAST)	1
129C1 SUSPICIOUS PERSON	4
129C3 SUSPICIOUS VEHICLE	2
129C5 SUSPICIOUS CIRCUMSTANCE	1
130B1 LARCENY (ALREADY OCC)	2

Nature	# Events
130B3 THEFT FROM VEH (PAST)	1
130D1 LARCENY	2
131B1 TRAFFIC ACCIDENT - PD	2
132C1 SEVERE TRAFFIC VIOLATION	3
132C2 HAZARDOUS ROAD CONDITION	1
135D1 ARMED SUBJECT	1
27B3 ROUTINE STAB / GUNSHOT	1
911 HANG UP	11
ASSIST FIRE DEPT	6
ASSIST MOTORIST	2
ATTEMPT TO LOCATE	2
BUSINESS OR HOUSE CHECK	46
COMMUNITY PROGRAM	1
DELIVER MESSAGE	3
DOMESTIC PROPERTY PICKUP	2
ESCORT FUNERAL OR OTHER	1
FOLLOWUP	22
GENERAL INFORMATION	8
MISDIAL	3
OPEN DOOR	1
PARK CHECK	12
REPOSSESSION	2
SCHOOL LOCKDOWN DRILL	1
SCHOOL SECURITY CHECK	6
STORM DAMAGE REPORT	1
SUBPOENA SERVICE	2
TRAFFIC CHECK	1
TRAFFIC CONTROL	1
TRAFFIC STOP	16
VEHICLE ACCIDENT PROP DAMAGE	3
WARRANT SERVICE	3
<b>Total</b>	<b>215</b>



## Finance Department

Breakdown of Departments:  
As of (10/23/18)

Department	Budgeted	YTD	% Used
Revenues:	\$2,255,843	\$980,004	43%
Total Revenues:	\$2,255,843	\$980,004	43%
Expenses:			
Governing Body	\$60,949.00	\$2,655.55	4%
Administration	\$492,820.16	\$146,116.67	30%
Maintenance	\$252,508.00	\$81,727.35	32%
Police Dept.	\$648,816.00	\$203,686.46	31%
Fire Department	\$414,490.00	\$128,689.78	31%
Sanitation/Environmental	\$178,000.00	\$46,946.59	26%
Parks & Recreation	\$39,000.00	\$9,926.36	25%
Total Expenses	\$2,086,583	\$619,748.76	30%

Please see the Budget Vs. Actual Report attached for specific line items

<b>Revenues:</b>				
Disp Acct	Budget	YTD	Variance	Prcnt
01-3100-12 Taxes - Budget Year	\$784,609.00	\$534,131.07	(\$585,884.45)	25.33
01-3100-17 Tax Penalties & Interest	\$5,000.00	\$1,056.11	(\$4,308.56)	13.83
01-3101-12 Taxes - Prior Years	\$12,000.00	\$5,759.64	(\$9,447.52)	21.27
01-3102-12 Vehicle Tax	\$85,000.00	\$36,765.59	(\$59,502.98)	30.00
01-3230-31 Local Option Sales Tax	\$695,059.00	\$234,917.39	(\$517,037.02)	25.61
01-3260-41 Privilege Licenses/Permit	\$350.00	\$340.00	(\$20.00)	94.29
01-3261-31 Cable Franchise Tax	\$5,000.00	\$1,864.59	(\$3,135.41)	37.29
01-3315-33 Fireman Retirement	\$300.00	\$0.00	(\$300.00)	0.00
01-3316-32 Powell Pave & Patch Funds	\$84,457.00	\$41,695.23	(\$84,457.00)	0.00
01-3322-31 Beer & Wine - State	\$14,000.00	\$0.00	(\$14,000.00)	0.00
01-3324-31 Utilities Franchise Tax	\$100,800.00	\$33,131.60	(\$67,668.40)	32.87
01-3330-84 County First Responders	\$4,020.00	\$1,340.00	(\$3,015.00)	25.00
01-3340-41 Permits	\$1,200.00	\$60.00	(\$1,140.00)	5.00
01-3411-89 Community Appearance Rev	\$200.00	\$5.00	(\$195.00)	2.50
01-3413-89 Miscellaneous Revenue	\$6,100.00	\$213.01	(\$6,100.00)	0.00
01-3431-41 Police Authority Revenue_Faith	\$140,434.00	\$68,638.59	(\$71,795.41)	48.88
01-3431-45 Police Report Revenue	\$100.00	\$25.00	(\$85.00)	15.00
01-3431-89 Police Miscellaneous	\$1,500.00	\$807.83	(\$732.67)	51.16
01-3471-51 Solid Waste Collection - Salisbury	\$165,744.00	\$1,106.82	(\$164,637.18)	0.67
01-3471-53 Recycling - Salisbury	\$0.00	\$10,281.26	\$10,281.26	0.00
01-3491-41 Subdivision & Zoning Fees	\$2,000.00	\$2,400.00	(\$550.00)	72.50
01-3613-41 Parks Miscellaneous	\$0.00	\$993.46	\$993.46	0.00
01-3713-33 Sal. Water/Sewer Reimbursement	\$50,000.00	\$0.00	(\$50,000.00)	0.00
01-3831-89 Interest on Investments	\$2,145.00	\$120.71	(\$2,024.29)	5.63
01-3833-89 Donations/Contributions	\$100.00	\$0.00	(\$100.00)	0.00
01-3834-41 Park Shelter Rentals (Maint)	\$5,000.00	\$1,930.00	(\$3,660.00)	26.80
01-3835-80 Police Surplus Items Sold	\$1,500.00	\$0.00	(\$1,500.00)	0.00
01-3835-81 Surplus items Sold	\$2,000.00	\$215.39	(\$1,784.61)	10.77
01-3837-31 ABC Net Revenue-Co.	\$10,000.00	\$2,206.01	(\$10,000.00)	0.00
01-3991-99 Fund balance Appropriated	\$77,225.16	\$0.00	(\$77,225.16)	0.00
	<b>\$2,255,843.16</b>	<b>\$980,004.30</b>	<b>(\$1,729,030.94)</b>	<b>43%</b>

<b>Governing Body:</b>				
Disp Acct	Budget	YTD	Variance	Prcnt
01-4110-02 Mayor/Alderman Salary	\$12,160.62	\$0.00	\$12,160.62	0.00
01-4110-03 Mayor Expense	\$250.00	\$0.00	\$250.00	0.00
01-4110-08 Board Expense	\$800.00	\$38.16	\$761.84	0.05
01-4110-09 FICA Expense	\$931.00	\$0.00	\$931.00	0.00
01-4110-40 Dues & Subscriptions	\$820.00	\$0.00	\$820.00	0.00
01-4110-45 Insurance & Bonds	\$2,750.00	\$2,617.39	\$132.61	0.95
01-4110-97 Board Contingency	\$43,237.38	\$0.00	\$43,237.38	0.00
	\$60,949.00	\$2,655.55	\$58,293.45	4%

<b>Administration:</b>				
Disp Acct	Budget	YTD	Variance	Prcnt
01-4120-00 Salaries-Regular	\$194,100.00	\$57,729.57	\$136,370.43	0.30
01-4120-02 Salaries-Part Time	\$25,000.00	\$6,720.00	\$18,280.00	0.27
01-4120-07 401K Expense	\$9,750.00	\$4,525.95	\$5,224.05	0.46
01-4120-09 FICA Expense	\$16,800.00	\$4,656.30	\$12,143.70	0.28
01-4120-10 Retirement Expense	\$14,550.00	\$4,850.00	\$9,700.00	0.33
01-4120-11 Group Insurance	\$42,000.00	\$8,411.96	\$33,588.04	0.20
01-4120-18 Professional Services	\$15,400.00	\$2,265.00	\$13,135.00	0.15
01-4120-22 Banquet Expense	\$1,500.00	\$0.00	\$1,500.00	0.00
01-4120-26 Office Expense	\$11,000.00	\$1,313.71	\$9,686.29	0.12
01-4120-29 Supplies & Equipment	\$200.00	\$132.97	\$67.03	0.66
01-4120-31 Training & Schools	\$7,000.00	\$2,641.39	\$4,358.61	0.38
01-4120-32 Telephone/Communications	\$3,000.00	\$852.99	\$2,147.01	0.28
01-4120-33 Utilites	\$6,000.00	\$781.24	\$5,218.76	0.13
01-4120-34 Printing	\$2,500.00	\$1,105.61	\$1,394.39	0.44
01-4120-35 Maint/Repair Equipment	\$500.00	\$0.00	\$500.00	0.00
01-4120-37 Advertising	\$1,500.00	\$757.61	\$742.39	0.51
01-4120-40 Dues & Subscriptions	\$13,000.00	\$9,895.33	\$3,104.67	0.76
01-4120-45 Insurance & Bonds	\$8,500.00	\$3,831.43	\$4,668.57	0.45
01-4120-49 Visionary Projects	\$27,225.16	\$9,667.00	\$17,558.16	0.36
01-4120-50 Community Projects	\$3,000.00	\$2,022.64	\$977.36	0.67
01-4120-52 Cap Outlay-Computer	\$750.00	\$0.00	\$750.00	0.00
01-4120-60 Contracted Services	\$31,145.00	\$22,198.42	\$8,946.58	0.71
01-4120-71 Debt Services - Principal	\$50,000.00	\$0.00	\$50,000.00	0.00
01-4120-72 Debt Services - Interest	\$8,400.00	\$1,757.55	\$6,642.45	0.21
	\$492,820.16	\$146,116.67	\$346,703.49	30%



<b>Maintenance:</b>				
Disp Acct	Budget	YTD	Variance	Prcnt
01-4190-00 Salaries - Regular	\$99,000.00	\$30,439.20	\$68,560.80	31%
01-4190-02 Salaries - Part-Time	\$29,000.00	\$7,806.24	\$21,193.76	27%
01-4190-07 401K Expense	\$4,950.00	\$2,431.84	\$2,518.16	49%
01-4190-09 FICA Expense	\$8,660.00	\$2,917.82	\$5,742.18	34%
01-4190-10 Retirement Expense	\$7,455.00	\$2,485.00	\$4,970.00	33%
01-4190-11 Group Insurance	\$22,000.00	\$7,546.44	\$14,453.56	34%
01-4190-20 Motor Fuel	\$5,500.00	\$1,485.05	\$4,014.95	27%
01-4190-21 Uniforms	\$1,500.00	\$302.07	\$1,197.93	20%
01-4190-24 Maint & Repairs Buildings & Ground	\$8,000.00	\$518.34	\$7,481.66	6%
01-4190-25 Maint & Repairs Trucks	\$2,000.00	\$1,087.25	\$912.75	54%
01-4190-26 Office Expense	\$100.00	\$0.00	\$100.00	0%
01-4190-29 Supplies & Equipment	\$5,500.00	\$1,708.70	\$3,791.30	31%
01-4190-31 Training & Schools	\$500.00	\$0.00	\$500.00	0%
01-4190-32 Telephone/Communications	\$1,000.00	\$82.34	\$917.66	8%
01-4190-33 Utilities	\$5,500.00	\$601.73	\$4,898.27	11%
01-4190-34 Printing	\$350.00	\$1.80	\$348.20	1%
01-4190-35 Maint & Repairs Equip	\$7,000.00	\$531.65	\$6,468.35	8%
01-4190-45 Insurance & Bonds	\$9,000.00	\$7,840.64	\$1,159.36	87%
01-4190-51 Tools & Light Equipment	\$2,500.00	\$1,701.90	\$798.10	68%
01-4190-53 C.O.Veteran Memorial	\$6,146.00	\$0.00	\$6,146.00	0%
01-4190-55 C.O. Equipment	\$16,847.00	\$6,800.00	\$10,047.00	40%
01-4190-60 Contracted Services	\$10,000.00	\$5,439.34	\$4,560.66	54%
	\$252,508.00	\$81,727.35	\$170,780.65	32%

<b>Parks &amp; Rec:</b>				
Disp Acct	Budget	YTD	Variance	Prcnt
01-6130-24 Maint/Repair Bldg & Grounds	\$12,000.00	\$3,145.66	\$8,854.34	26%
01-6130-29 Supplies & Equipment	\$6,000.00	\$1,903.30	\$4,096.70	32%
01-6130-33 Utilities	\$18,000.00	\$3,027.40	\$14,972.60	17%
01-6130-60 Contracted Services	\$3,000.00	\$1,850.00	\$1,150.00	62%
	\$39,000.00	\$9,926.36	\$29,073.64	25%

<b>Environmental Protection:</b>				
Disp Acct	Budget	YTD	Variance	Prcnt
01-4710-33 Utilities (Street Lights)	\$36,000.00	\$9,267.46	\$26,732.54	26%
01-4710-64 Recycling	\$28,000.00	\$9,330.00	\$18,670.00	33%
01-4710-65 Garbage Services	\$114,000.00	\$28,349.13	\$85,650.87	25%
	\$178,000.00	\$46,946.59	\$131,053.41	26%

<b>Police Department:</b>				
Disp Acct	Budget	YTD	Variance	Prcnt
01-4310-00 Salaries-Regular	\$334,000.00	\$106,574.48	\$227,425.52	32%
01-4310-02 Salaries-Part Time	\$23,000.00	\$9,633.00	\$13,367.00	42%
01-4310-07 401K Expense	\$16,700.00	\$8,390.46	\$8,309.54	50%
01-4310-09 FICA Expense	\$27,311.00	\$8,696.04	\$18,614.96	32%
01-4310-10 Retirement Expense	\$26,000.00	\$8,666.67	\$17,333.33	33%
01-4310-11 Group Insurance	\$67,005.00	\$18,910.01	\$48,094.99	28%
01-4310-20 Motor Fuel	\$18,000.00	\$4,715.59	\$13,284.41	26%
01-4310-21 Uniforms	\$3,000.00	\$432.63	\$2,567.37	14%
01-4310-25 Maint & Repair-Autos	\$6,000.00	\$2,163.77	\$3,836.23	36%
01-4310-26 Office Expense	\$1,500.00	\$89.47	\$1,410.53	6%
01-4310-29 Supplies & Equipment	\$8,050.00	\$1,437.96	\$6,612.04	18%
01-4310-31 Training & Schools	\$3,000.00	\$252.14	\$2,747.86	8%
01-4310-32 Telephone/Communications	\$8,000.00	\$1,883.91	\$6,116.09	24%
01-4310-33 Utilites	\$3,000.00	\$277.87	\$2,722.13	9%
01-4310-34 Printing	\$3,000.00	\$434.07	\$2,565.93	14%
01-4310-35 Maint & Repair-Equipment	\$2,000.00	\$186.15	\$1,813.85	9%
01-4310-40 Dues & Subscriptions	\$1,850.00	\$576.75	\$1,273.25	31%
01-4310-45 Insurance & Bonds	\$24,000.00	\$16,291.19	\$7,708.81	68%
01-4310-54 C.O. Motor vehicle fund	\$37,500.00	\$0.00	\$37,500.00	0%
01-4310-55 C.O. Equipment	\$11,900.00	\$0.00	\$11,900.00	0%
01-4310-60 Contracted Services	\$24,000.00	\$14,074.30	\$9,925.70	59%
	\$648,816.00	\$203,686.46	\$445,129.54	31%

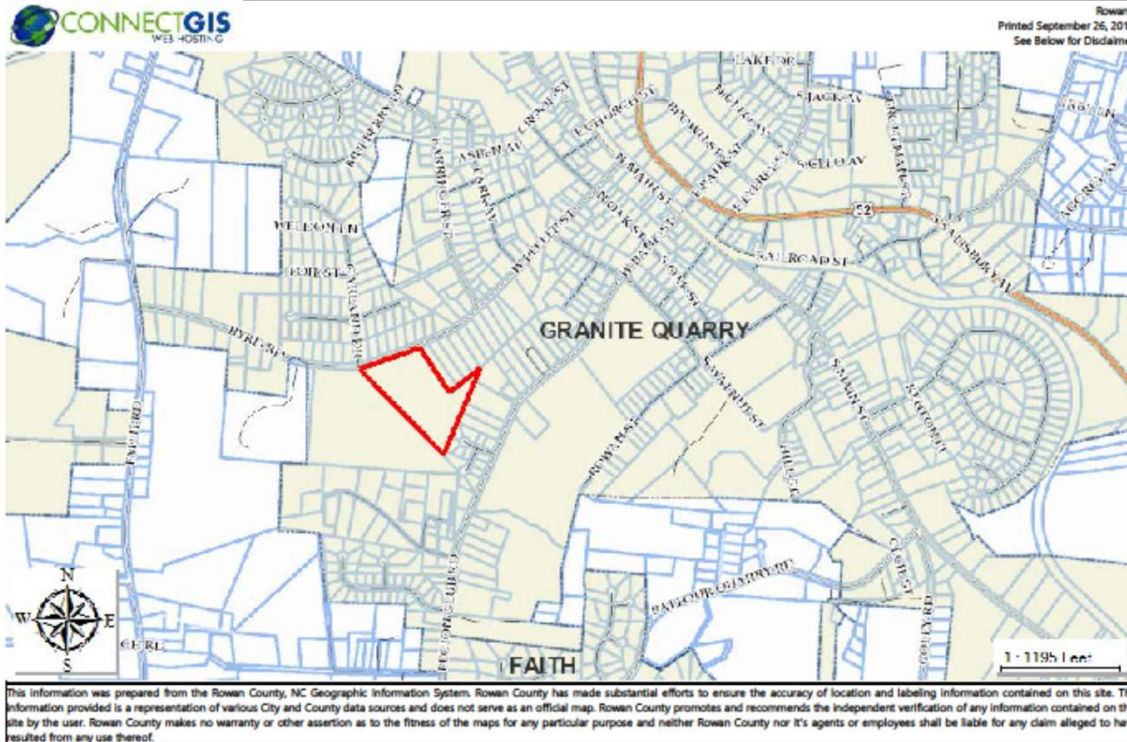
<b>Fire Department:</b>				
Disp Acct	Budget	YTD	Variance	Prcnt
01-4340-00 Salaries - Regular	\$103,292.00	\$31,561.30	\$71,730.70	31%
01-4340-02 Salaries - Part-Time	\$160,000.00	\$42,611.80	\$117,388.20	27%
01-4340-07 401K Expense	\$5,176.00	\$2,537.69	\$2,638.31	49%
01-4340-09 FICA Expense	\$24,200.00	\$5,772.37	\$18,427.63	24%
01-4340-10 Retirement Expense	\$7,765.00	\$2,588.33	\$5,176.67	33%
01-4340-11 Group Insurance	\$23,500.00	\$8,122.21	\$15,377.79	35%
01-4340-17 Firemen's Pension Fund	\$2,620.00	\$0.00	\$2,620.00	0%
01-4340-20 Motor Fuel	\$4,000.00	\$974.44	\$3,025.56	24%
01-4340-21 Uniforms	\$3,000.00	\$494.86	\$2,505.14	16%
01-4340-25 Maint & Repairs-Trucks	\$12,000.00	\$3,435.57	\$8,564.43	29%
01-4340-26 Office Expense	\$500.00	\$0.00	\$500.00	0%
01-4340-29 Supplies & Equipment	\$20,000.00	\$1,537.50	\$18,462.50	8%
01-4340-31 Training & Schools	\$2,000.00	\$147.52	\$1,852.48	7%
01-4340-32 Telephone/Communications	\$3,000.00	\$1,047.86	\$1,952.14	35%
01-4340-33 Utilities	\$7,400.00	\$1,035.54	\$6,364.46	14%
01-4340-34 Printing	\$700.00	\$99.65	\$600.35	14%
01-4340-35 Maint. & Repairs-Equipmen	\$3,000.00	\$524.78	\$2,475.22	17%
01-4340-40 Dues & Subscriptions	\$1,400.00	\$426.86	\$973.14	30%
01-4340-45 Insurance & Bonds	\$14,000.00	\$13,763.47	\$236.53	98%
01-4340-60 Contracted Services	\$14,778.00	\$9,849.36	\$4,928.64	67%
01-4340-72 Debt Services - Interest	\$2,159.00	\$2,158.67	\$0.33	100%
	\$414,490.00	\$128,689.78	\$285,800.22	31%

# Stoneglen Subdivision

## Rezoning Request

## Project History:

- We have drawings for the proposed subdivision at this location dating back to 1992
- Detailed drawings for a 33 lot subdivision were approved by the Town on October 1, 2007
- Project was put on hold due to State and national economic downturn
- Developer contacted Planner in November of 2017 indicating desire to revive project
- Met with developer on 12/6/17 and advised project would have to be revised to meet current UDO standards
- Numerous emails were exchanged starting in January 2018 attempting to resolve all issues
- A preliminary drawing showing 33 lots was submitted for comment on 2/1/18
- Common Open Space (UDO Section 7.3) and Connectivity (UDO Section 10.1.9.9) were identified as issues difficult to solve. The developer decided to use the payment-in-lieu of option for the open space requirement and was going to request a variance to resolve the connectivity issues
- Variance application on connectivity issue received on or about 8/3/18
- Original drawings indicated all lots would meet UDO size requirements. On or about 9/6/18 the developer realized that some number of lots did not meet the lot width requirements for the RL zoning classification. This problem prompted this rezoning request.



Site Location Map



Rowan2  
Printed September 26, 2018  
See Below for Disclaimer



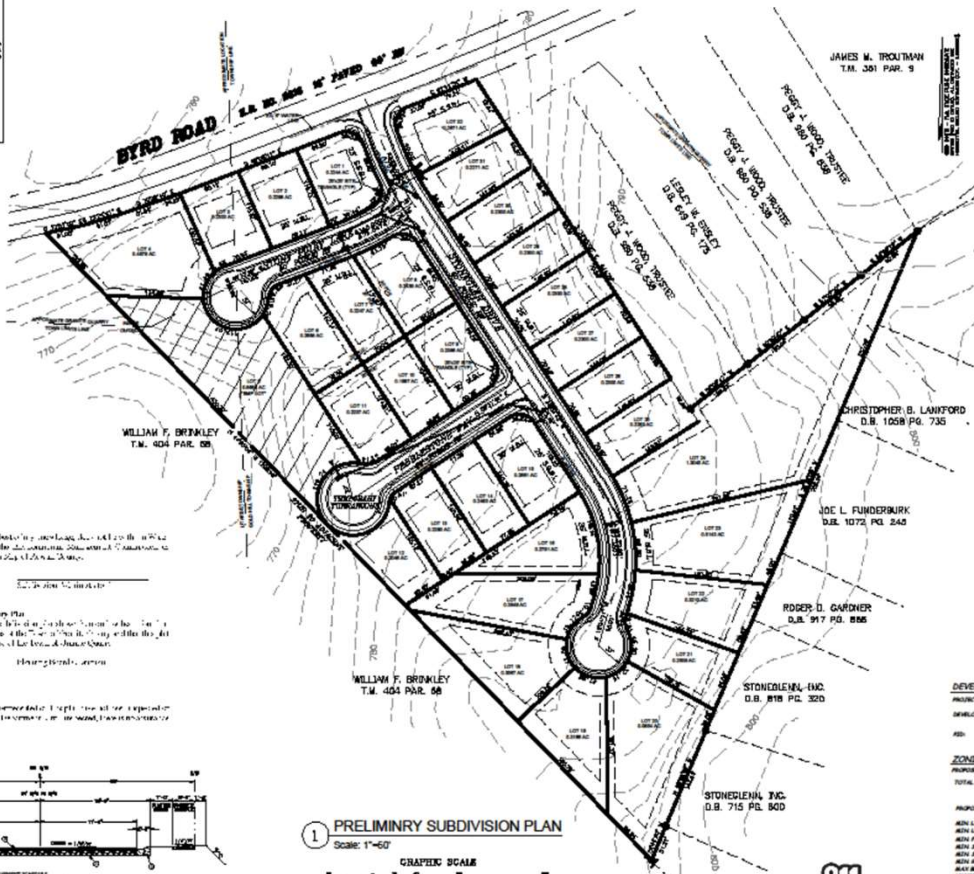
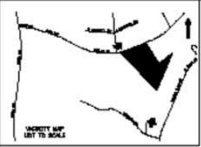
This information was prepared from the Rowan County, NC Geographic Information System. Rowan County has made substantial efforts to ensure the accuracy of location and labeling information contained on this site. The information provided is a representation of various City and County data sources and does not serve as an official map. Rowan County promotes and recommends the independent verification of any information contained on this site by the user. Rowan County makes no warranty or other assertion as to the fitness of the maps for any particular purpose and neither Rowan County nor its agents or employees shall be liable for any claim alleged to have resulted from any use thereof.

Site Location Map with Surrounding Development Shown



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Parcel Map



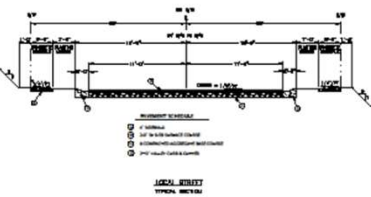
**GENERAL NOTES**

- 1. ALL LOTS TO BE OPEN TO ADJACENT LOTS FOR THE PURPOSE OF CROSSING UNDER THE ROAD AS SHOWN ON THE PLAN. THE ROAD DESIGN SHALL BE IN ACCORDANCE WITH THE STANDARD SPECIFICATIONS FOR HIGHWAY CONSTRUCTION AS SET FORTH IN THE MANUAL OF PRACTICE FOR ROAD DESIGN, 2002 EDITION, PUBLISHED BY THE INSTITUTE OF TRANSPORTATION ENGINEERS AND ROAD BUILDERS, INC.
- 2. THE OWNER SHALL BE RESPONSIBLE FOR THE DESIGN AND CONSTRUCTION OF ALL UTILITIES AND SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL UTILITIES EXISTING OR TO BE INSTALLED UNDER THE ROAD DESIGN. THE OWNER SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL UTILITIES EXISTING OR TO BE INSTALLED UNDER THE ROAD DESIGN.
- 3. THE OWNER SHALL BE RESPONSIBLE FOR THE DESIGN AND CONSTRUCTION OF ALL UTILITIES AND SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL UTILITIES EXISTING OR TO BE INSTALLED UNDER THE ROAD DESIGN.
- 4. THE PROPERTY IS NOT LOCATED WITHIN A PLANNED UNIT DEVELOPMENT.
- 5. THE PROPERTY IS ZONED R-1000. THE PROPOSED DEVELOPMENT IS IN ACCORDANCE WITH THE ZONING ORDINANCES OF ROWAN COUNTY, NC.

**Water Supply Subdivision Easement**  
 The water supply easement shall be in accordance with the provisions of the Water Supply Subdivision Easement Act, Chapter 215 of the General Statutes of North Carolina, as amended, and shall be subject to the provisions of the Water Supply Subdivision Easement Act, Chapter 215 of the General Statutes of North Carolina, as amended.

**Certificate of Approval for Preliminary Plan**  
 This plan is submitted for approval to the Planning Board of Rowan County, North Carolina, and is subject to the provisions of the Planning Board of Rowan County, North Carolina, and is subject to the provisions of the Planning Board of Rowan County, North Carolina, as amended.

**Private Water Sewer Easement**  
 The private water sewer easement shall be in accordance with the provisions of the Private Water Sewer Easement Act, Chapter 216 of the General Statutes of North Carolina, as amended, and shall be subject to the provisions of the Private Water Sewer Easement Act, Chapter 216 of the General Statutes of North Carolina, as amended.



**1 PRELIMINARY SUBDIVISION PLAN**  
 Scale: 1"=50'  
 GRAPHIC SCALE  
 1 inch = 50 ft.



**DEVELOPMENT INFORMATION**  
 PROJECT: STONEGLEN SUBDIVISION  
 PREPARED BY: STONEGLEN PARTNERS, LLC  
 DATE: 10/2/18

**ZONING INFORMATION**  
 PROPOSED ZONING: R-1000  
 TOTAL AREA: 214.17 ACRES (214.17 ACRES)  
 PROPOSED LOTS: 100 LOTS

**NE**  
**NORHEAST ENGINEERING**  
 NC Firm Lic. No. C-2884  
 41 Edgewood Avenue, NE  
 Concord, NC 28025  
 P 704.786.8372  
 F 704.786.4762  
 www.northeast-engineering.com

Prepared for:  
**STONEGLEN PARTNERS, LLC**  
 PO Box 280  
 China Grove, NC 28023

**STONEGLEN W. PEELER STREET LITAKER AND GOLDHILL TOWNSHIPS ROWAN COUNTY, NC PRELIMINARY SUBDIVISION PLAN**

NO.	DATE	REVISION

SCALE: 1"=50'  
 DATE: 10/2/18  
 JOB #: 2018-004  
 C - 1.0  
 SHEET 1 OF 1

Site Plan Showing Streets and Lot Layouts



**Project description:**

- Project will consist of a 31 lot subdivision of a 12.44 acre parcel 404 012. Single family homes will be built on these lots
- An internal road system will access onto Byrd Rd approximately 500 feet east of Garland Dr.

**Rezoning Request:**

- The property owner is requesting rezoning from RL to RM. While the Table of Allowed Uses (Table 3.3 in the UDO) is very similar for RL and RM zoning, there are some differences in the Dimensional Table (Table 3.4.2 in UDO) which will be explained in another slide.
- The need for the rezoning is to allow for 70 foot wide lots and smaller lot size.

**Zoning Classification Definitions:**

**3.2.2 Residential Low Density (RL) District**

The Residential Low Density District is established for conventional subdivision development of low density single-family residences and their customary accessory uses.

**3.2.3 Residential Medium Density (RM) District**

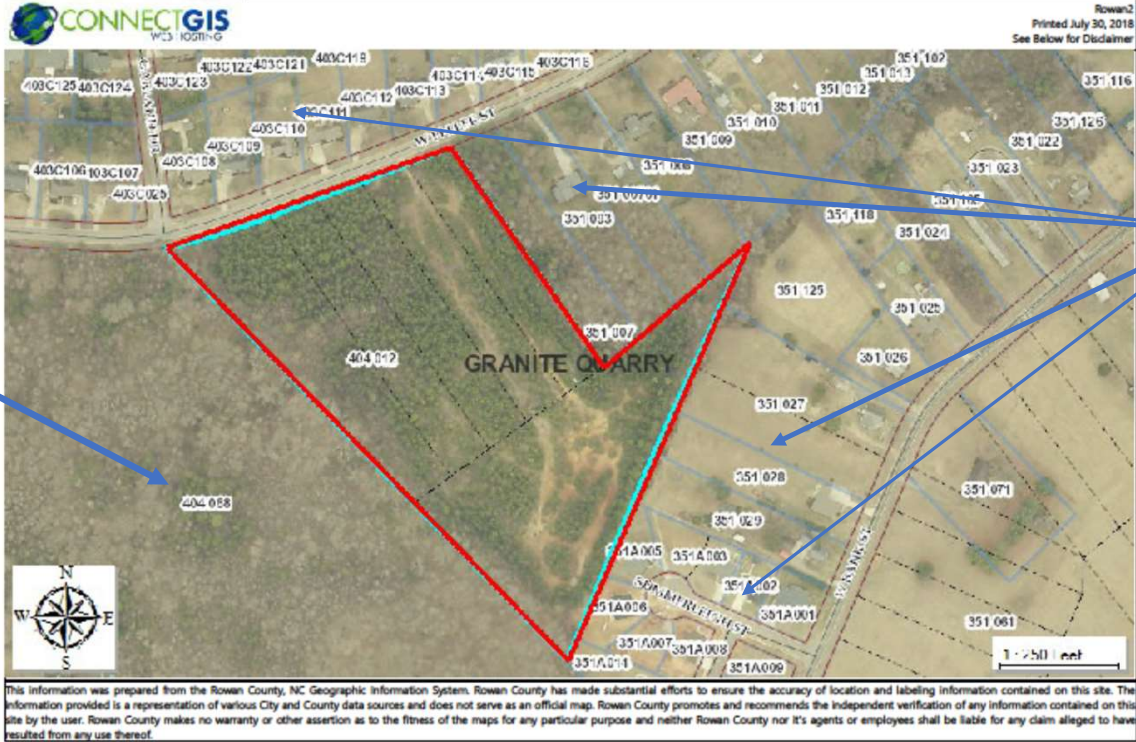
The Residential Medium Density District is intended to create medium density residential areas providing for a mix of housing types including single-family and two-family dwellings along with their customary accessory uses.

## CHAPTER 3: ZONING DISTRICTS

### 3.4.2 Dimensional Table

District	Uses	Lot size & Density				Min. setback requirements				Max. height (feet)
		Max. Dwelling Units per Acre (DUA)	Min. Lot Area (sq. ft.)		Min. Lot width (feet)	Min. Front (feet)	Min. Front Corner (feet)	Min. Side (feet)	Min. Rear (feet)	
RR	Single-Family	2	20,000		100	40	30	15	40	40
	Other Uses*	NA	40,000		100	40	30	15	40	40
RL	Single-Family	4	10,000		80	30	25	10	25	40
	Other Uses*	NA	20,000		80	30	25	10	25	40
RM	Single-Family	6	7,500		60	10 (alley access) 25 (front access)	10	10	25	40
	Two-Family		12,000		80	10 (alley access) 25 (front access)	10	10	25	40
	Other Uses*		20,000		80	25	10	10	25	40
	Single-Family	NA	NA		60	10 (alley access) 25 (front access)		10	25	40
RH	Two-Family		NA		80	10 (alley access)		10	25	40

	<b>Units/Acre</b>	<b>Min. Lot Size</b>	<b>Min. Lot Width</b>	<b>Min Front Setback</b>
RL	4	10000	80	30
RM	6	7500	60	25
Proposed Subdivision	2.428	8947	70.56	30



Undeveloped Property

Developed Properties

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Rowan2  
Printed September 26, 2018  
See Below for Disclaimer

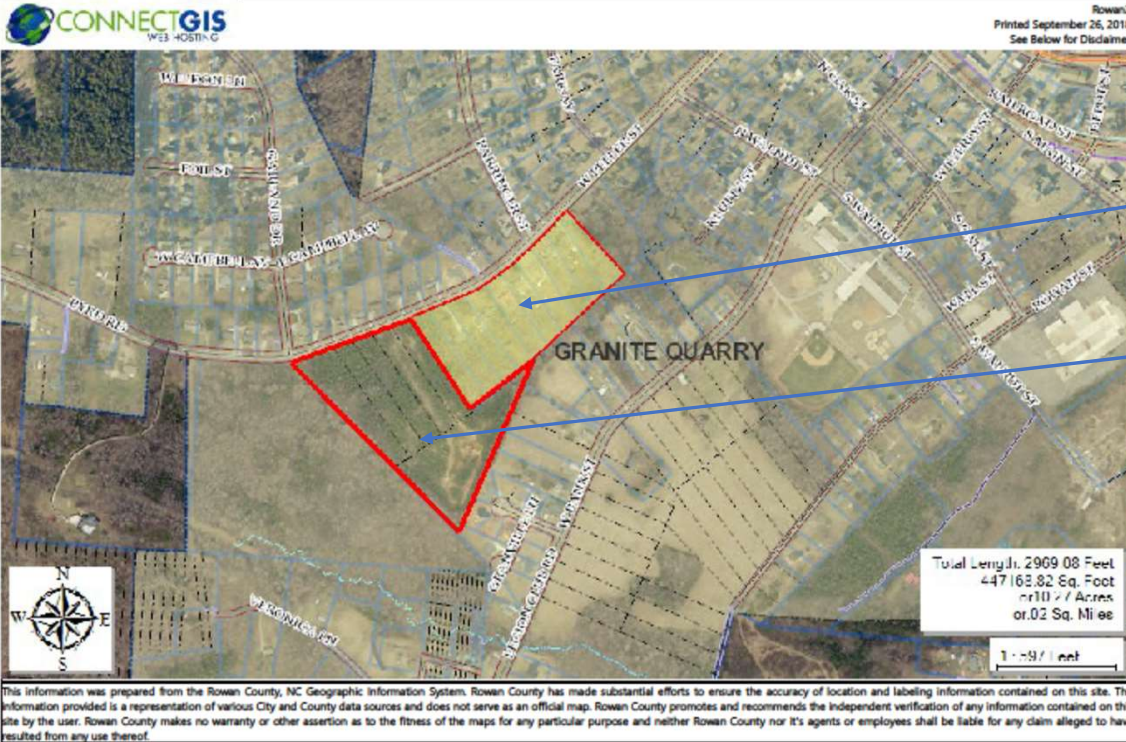


Existing Subdivision:  
 45 acres/74 lots = 1.644 lots/acre

Proposed Subdivision:  
 12.77 acres/31 lots = 2.428 lots per acre

Some homes in existing subdivision are built on multiple lots so original lot count and lots per acre would have been higher

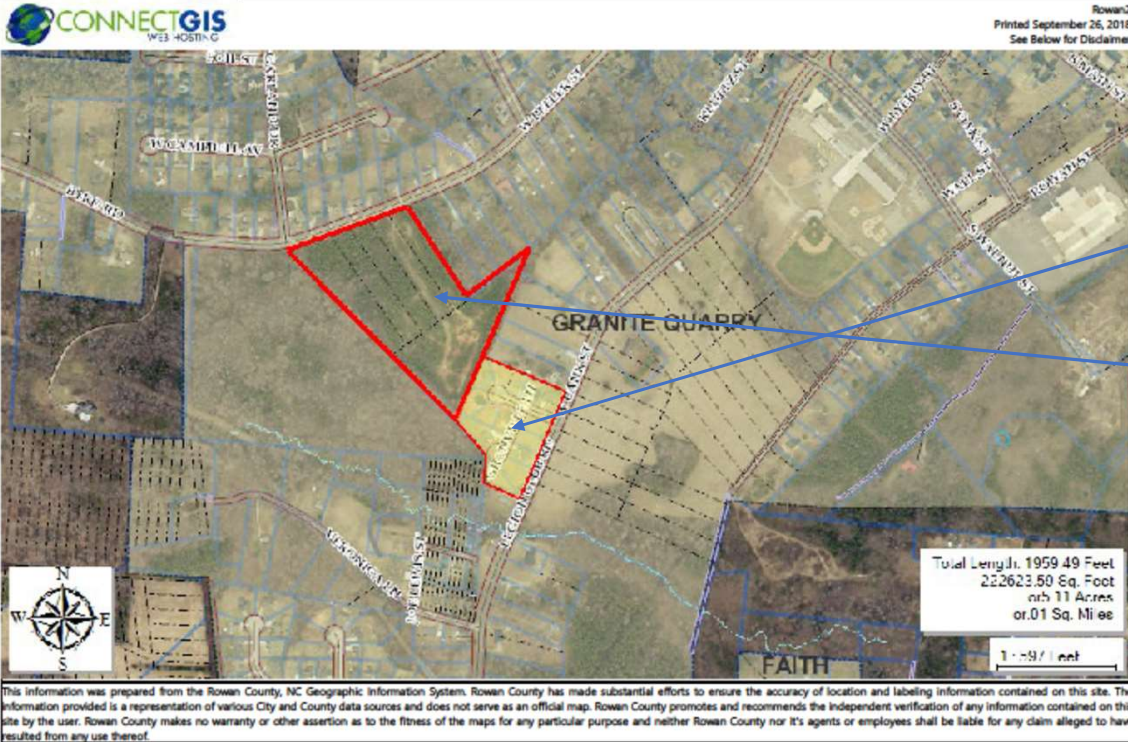
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Existing Subdivision:  
 10.27 acres/7 lots = .662 lots/acre

Proposed Subdivision:  
 12.77 acres/31 lots = 2.428 lots per acre

This comparison may not be very representative as the existing homes are all built on the first third or half of their lots



Existing Subdivision:  
 5.11 acres/14 lots = 2.74 lots/acre

Proposed Subdivision:  
 12.77 acres/31 lots = 2.428 lots per acre

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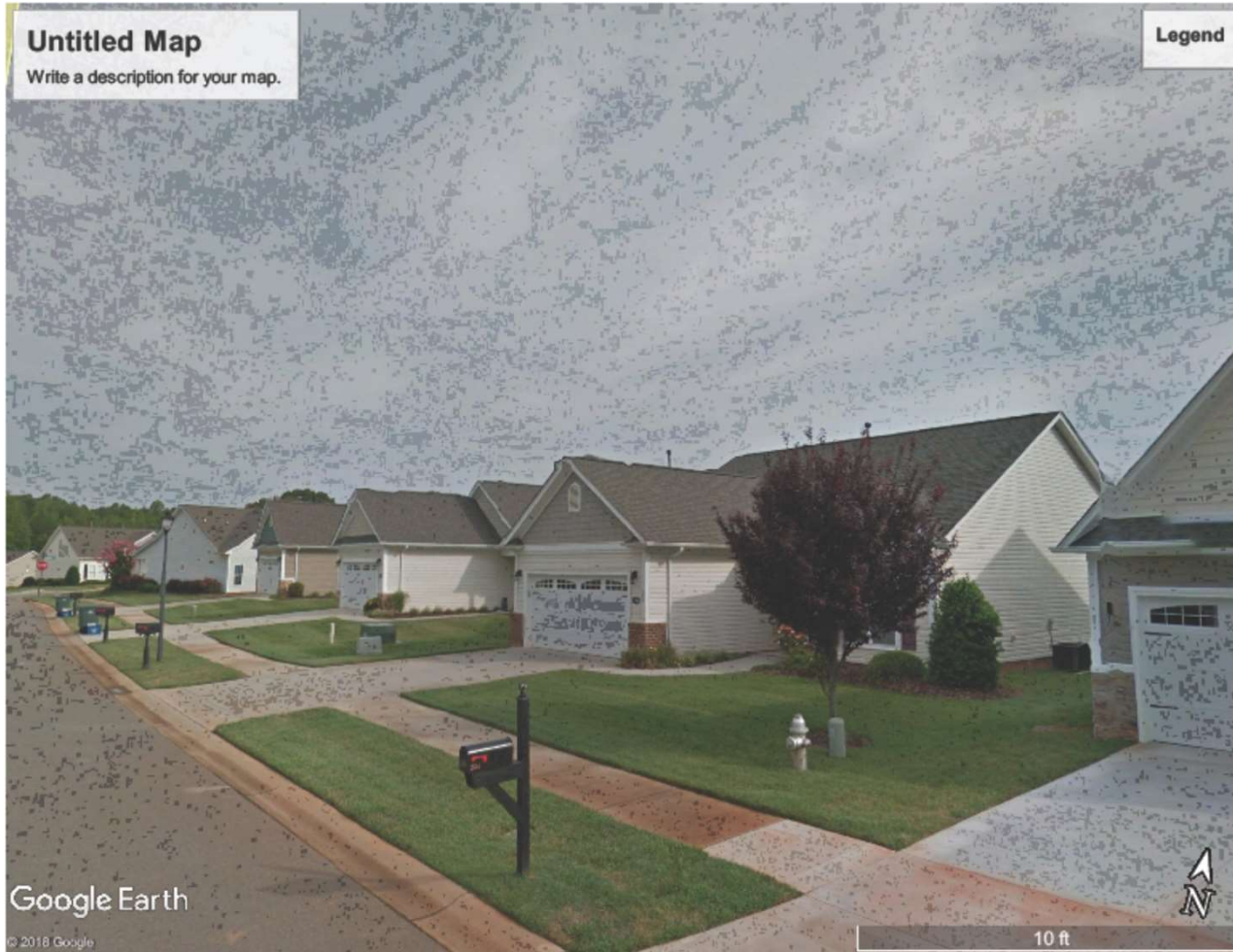
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Village at Granite Subdivision-  
250 lots on 99 acres= 2.52 units  
per acre

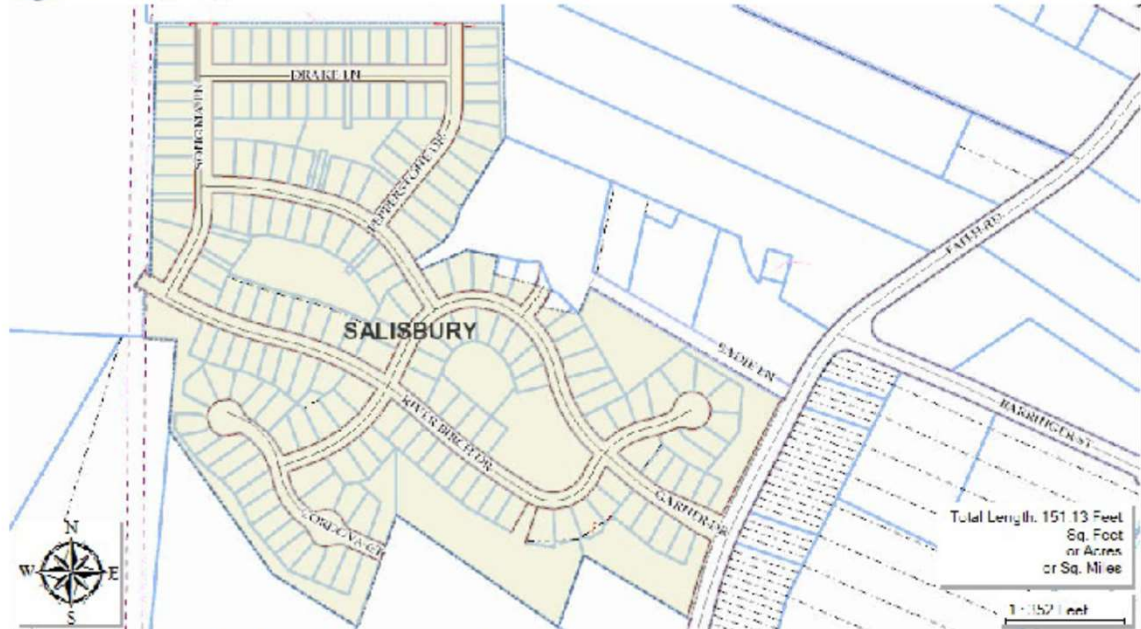




Gables on Faith Rd

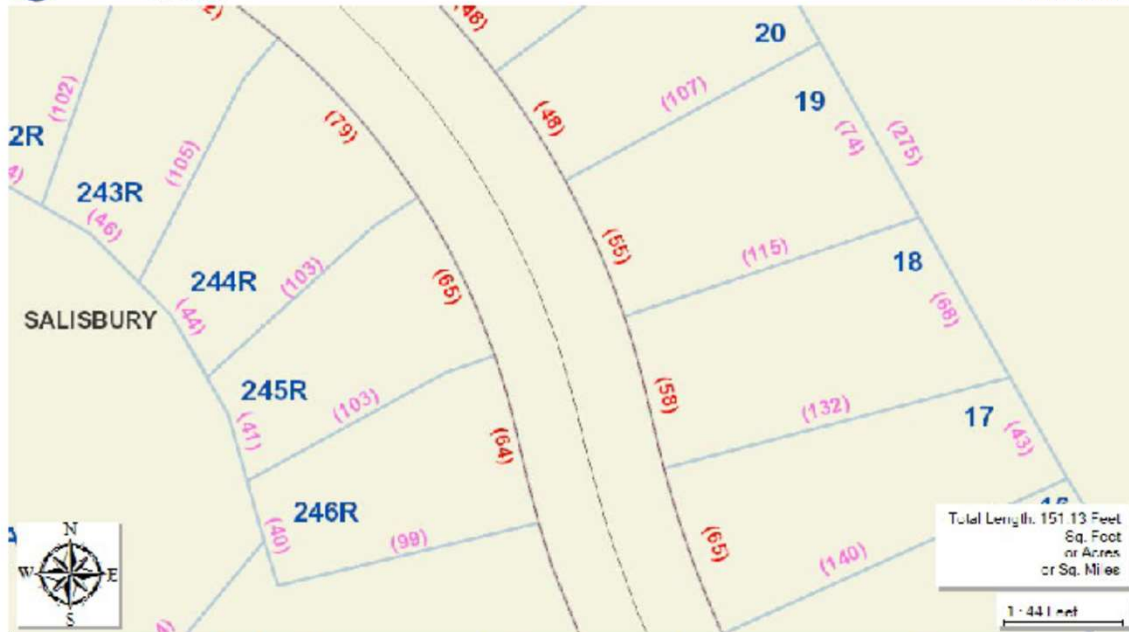


## Houses at Gables



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# Site Plan for Gables

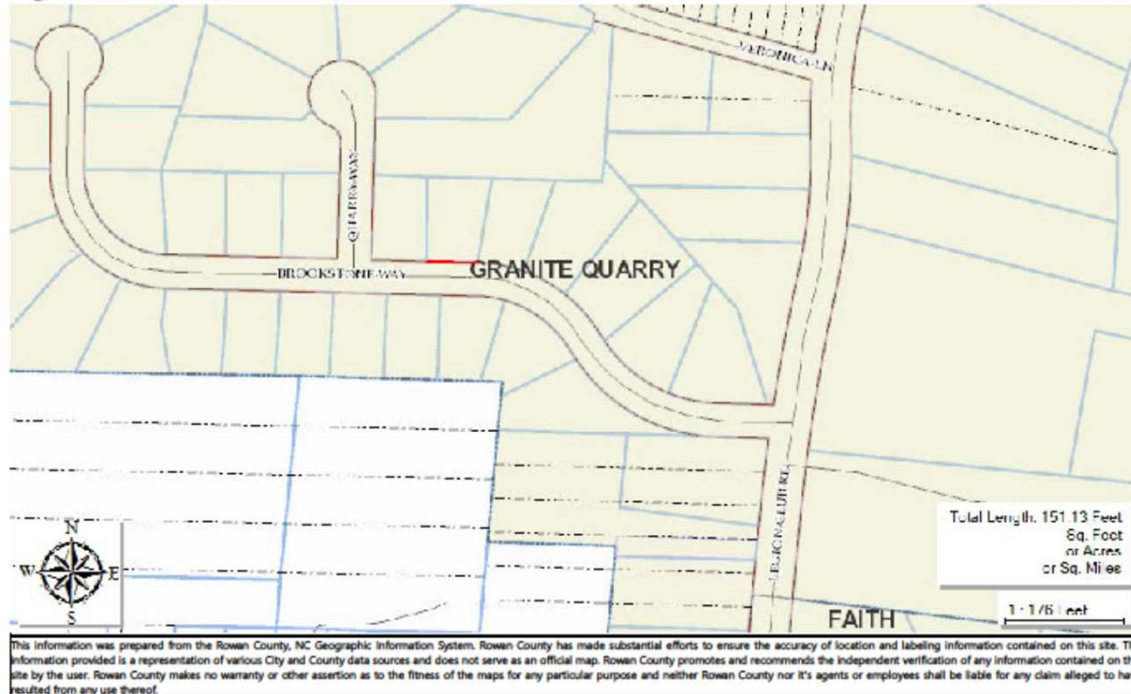


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Lot Sizes- some as small as 48'

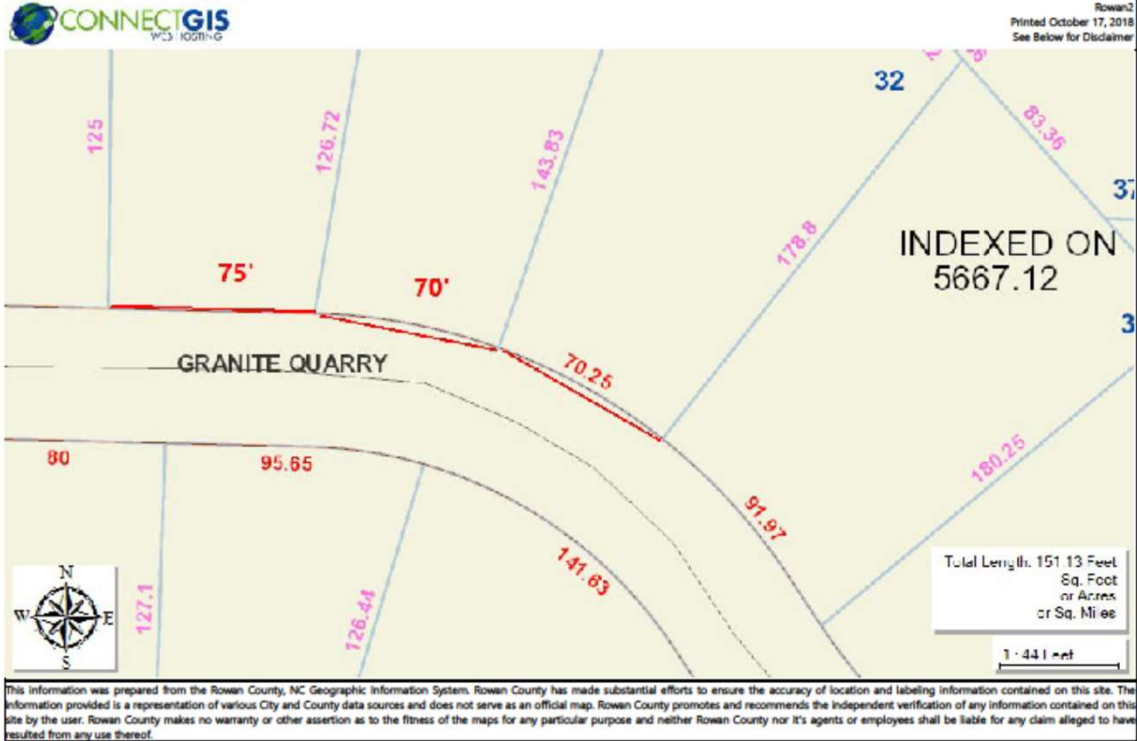


## Brookstone Road Subdivision



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# Site Plan

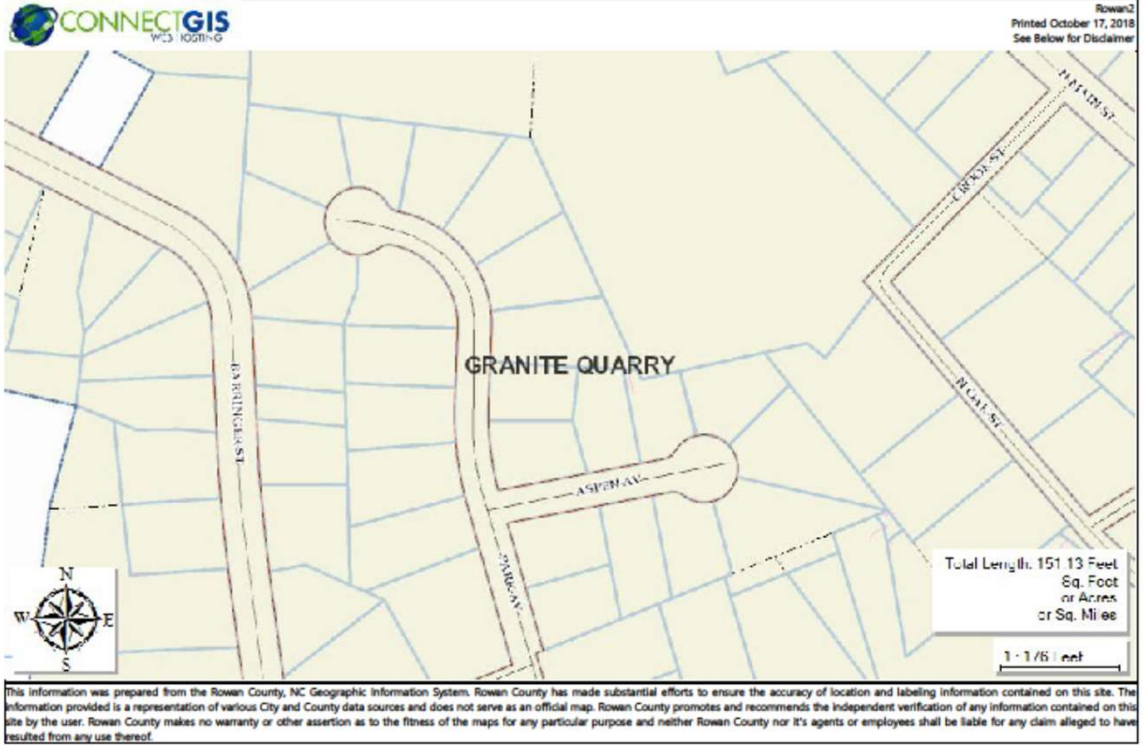


Some Lots 70'-75' wide



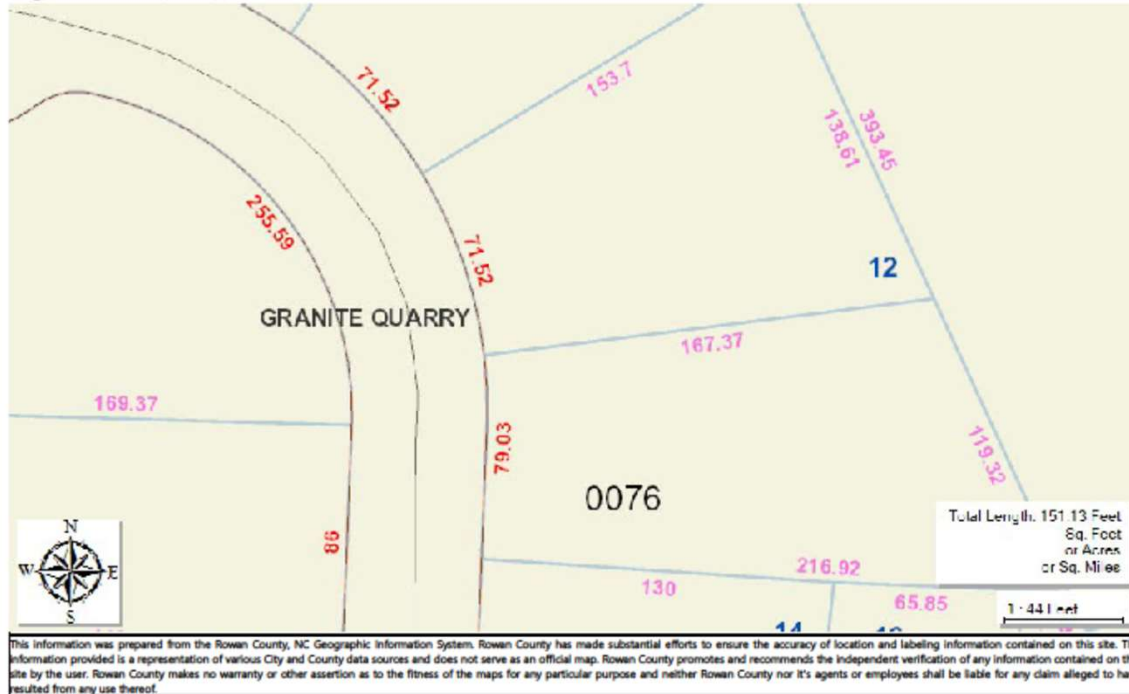
## Park GQ Ave Subdivision





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# Site Plan



Some Lots with 71' frontage



Walnut Street  
in front of school



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# Site Plan



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Lot Sizes from 65'-85' Wide

NCDOT will consider impact of traffic increase when granting a driveway permit for the subdivision. While an obvious concern to existing families living on an already busy Byrd Road, from a planning perspective, the increase in traffic volumes caused by 31 homes would likely be considered minimal and it is unlikely a turn lane or other traffic management systems would be required by NCDOT.

## Comments:

- The density increase from RL to RM is usually achieved by the use of duplex units which are not allowed in the RL zoning classification. By attaching a site specific plan to the rezoning request, however, the developer is limited to the 31 single family homes shown.
- The actual density of the proposed subdivision (2.428 homes per acre) is considerably less than the 4 homes per acre that is allowed in the current RL zoning classification
- Higher density development (1/4 to 1/2 acre lots) is becoming more common than the once more highly desired 1 to 1 1/2 acre lot size.
- A mix of housing sizes and development types is beneficial to the community as it provides a range of affordable price-points for all potential homeowners.

## Planning Milestones:

1. Preliminary site plan submitted February 1, 2018
2. Variance for connectivity issue granted September 4, 2018
3. Technical Review Committee approval September 26, 2018
4. Planning Board reviewed, held public hearing, and approved site plan (subject to rezoning) October 8, 2018
5. Planning Board reviewed and **voted unanimously** to recommend approval to Board of Aldermen for rezoning October 8, 2018



**Staff Recommendation:**

1. Board should vote to approve the rezoning from RL to RM as requested with the stipulation that the subdivision will be built as shown in the attached site-specific site plan including required revisions as determined during the Technical Review Committee and Engineering Drawing review processes.
2. Deed restrictions shall be included to advise individual property owners that, “Lots in this subdivision are to be used for single-family residences only. No duplex apartments will be allowed.”
3. If the rezoning is approved, adopt the following Statement of Consistency

### **Statement of Consistency with Comprehensive Plan**

In voting to approve the rezoning of this property, the Granite Quarry Board of Aldermen does find this decision to be in the best interest of the public and to be consistent in general with policies stated in the Town's Comprehensive Plan. Specifically it addresses the following:

- **Policy 8-** The continued viability of single family homes as a major housing source shall be encouraged.
- **Policy 10-** The housing needs of the elderly, handicapped and low to moderate income households shall be particularly recognized in the Town's policies and actions regarding residential developments.
- **Policy 17-** Provisions of open space and recreation facilities in private development shall be encouraged to compliment the demand for publicly financed facilities.



## TOWN OF GRANITE QUARRY

### REFERENCE MANUAL FOR DEVELOPING POLICIES AND PROCEDURES

---

Issued by: Town Clerk  
September 18, 2018

Adopted by the Town Board of Aldermen  
November 5, 2018



# TOWN OF GRANITE QUARRY POLICY

<b>Policy No.:</b> 1300-00	<b>Board Approval Date:</b> November 5, 2018 <b>Effective Date:</b> November 5, 2018 <b>Revision Date:</b> November 1, 2021
<b>Policy Title:</b> Developing Policies and Procedures	<b>Department:</b> Corporate Governance
<b>Board Approved:</b>	<b># of Pages:</b>

## Policy Statement

Board policies are statements from the Board of Aldermen governing duties or standards of performance imposed by the Town or legislation.

### 1. Reason for Policy

Policies will address recurring issues providing guidelines or boundaries and setting the means for achieving obligations.

### 2. Related Information

Reference Manual for Developing Policies and Procedures (Appendix A)

### 3. Definitions

Policy is a guide for decision-making and is accompanied by procedures. The function of a policy is to ensure that decisions and actions are being undertaken in a consistent manner throughout the organization

Procedure is a guide for *doing*. A procedure outlines the means in which Town employees are to carry out a particular policy. A procedure requires the Town Managers approval.

Responsible Department means the office or department that will develop and administer a particular policy and procedures and will be accountable for the accuracy of its subject matter, issuance and timely updating.

#### 4. Responsibilities

**Town Board to:**

- A. Approve by Resolution this policy and any amendments.
- B. Consider the allocation of resources for successful implementation of this policy in the annual budget process.

**The Town Manager to:**

- A. Implement this policy and approve procedures.
- B. Ensure policy and procedure reviews occur and verify the implementation of policies and procedures.

**Department Head to:**

- A. Ensure implementation of this policy and procedure
- B. Ensure that this policy and procedure is reviewed every three years.
- C. Make recommendations to the Town Manager of necessary policy or procedure amendments.

**Supervisor to:**

- A. Understand, and adhere to this policy and procedure.
- B. Ensure employees are aware of this policy and procedure.

**All Employees to:**

- A. Understand and adhere to this policy and procedure.

**Town Clerk to:**

- A. Ensure implementation of this policy and related procedures.



# TOWN OF GRANITE QUARRY ADMINISTRATIVE PROCEDURE

<b>Subject:</b> Developing Policies and Procedures	<b>Previous Version Date:</b> <b>Effective Date: November 5, 2018</b> <b>Revision Date: November 1, 2021</b>
<b>Department:</b> Corporate Governance	<b>Policy No.:</b> 1300-00
<b>Approved By:</b> Phil Conrad, City Manager	<b># of Pages:</b>

**1. General Guidelines**

The Reference Manual will be used by Administration for Developing Policies and Procedures (Appendix A)

**2. End of Procedure**

## I. Guide to Developing Policies and Procedures

### About this Guide

This guide contains information regarding the development, approval and maintenance of policies and procedures for the Town of Granite Quarry.

The policies and procedures that are approved will become part of the Town's Policies and Procedure Library. A hard copy will be maintained by the Town Clerk's Office and an electronic version will be accessible for viewing at [www.granitequarrync.gov](http://www.granitequarrync.gov)

For Town policies and procedures to be consistent and relevant, it is recommended that staff follow the guidelines set out in this reference manual. For staff use, policy and procedure and procedure templates will be available in the POLICY AND PROCEDURE FOLDER in the ADMINISTRATION FOLDER on the Common Z: drive.

Clarification and/or assistance is available through the Town Clerk's Office.

### What is a Policy/Procedure?

**Policy** forms the written basis of operation, secondary to legislation and bylaw, which serves as a guide to decision-making, proscribes limits and assigns responsibilities within an organization. Policies are often viewed as rules related to the overall mission, goals and objectives of an organization.

In general, a policy is a guiding or governing principle. Policies, and any amendments, must be approved by Town Board through Resolution.

A Town policy will meet the following criteria:

- Has broad application throughout the organization.
- Helps to ensure compliance with laws and regulations while improving efficiency.
- Enhances the Town's missions and operating philosophy.
- Mandates specific action or constraint and contains procedures for compliance.
- Subject matter requires Town Board's review and approval.

If a policy fits these criteria, it is a policy. If it does not, it is an administrative directive.

**Procedure** gives directions according to which operations are conducted within the framework of a policy. It is a series of steps that outline sequences to be followed in the implementation of a policy.

Procedures, and any amendments, must be approved by the Town Manager. Any relevant instructions and/or forms are to be attached to procedures.

### 1.1 General Guidelines

A standard, yet flexible template will ensure consistency is maintained throughout all Town policies and procedures (template available in the POLICY AND PROCEDURE FOLDER in the ADMINISTRATION FOLDER on the Common Z: drive).

Arrange all details of the policies and procedures in a clear and logical manner that readers can easily assess at first glance. ***The writing style should stress clarity, consistency, and simplicity.***

Group the information being presented into subjects. Use bold headings to identify sections. Use numbers and indents to itemize steps or show a chronological progression. Avoid repeating the same information.

## II. Policy

### Numbering

Each policy will be assigned a policy number by the Town Clerk. The numbering will be as follows:


- 1000 – 1099: Administration  
*Subjects of a general administrative nature that cannot be classified elsewhere.*
- 1100 – 1199: Communications/Public Affairs  
*Public relations functions such as internal and external communications, community and media relations.*
- 1200 – 1299: Community Services  
*Services offered to the public such as recreation and family service programs, as well as animal handling and cemetery functions.*
- 1300 – 1399: Corporate Governance  
*Governing guidelines for the Town, such as policies and procedures, boards and committees, legislation and strategic planning.*
- 1400 – 1499: Emergency Services  
*Protective services such as ambulance, fire and policing.*
- 1500 – 1599: Equipment and Vehicles  
*Use, service and repair of all equipment and vehicles.*



- 1600 – 1699: Finance  
*Financial Matters including banking, accounting, budgets, tendering process, taxes and grants.*
- 1700 – 1799: Human Resources  
*Human Resources Management*
- 1800 – 1899: Information Management  
*Information services including computer systems, network and web administration; and records management.*
- 1900 – 1999: Land Use and Planning  
*Land use and planning, including subdivision and new development planning.*
- 2000 – 2099: Legal  
*Bylaw enforcement, litigation, agreements and contracts, leases, and insurance and risk management.*
- 2100 – 2199: Property Management  
*Maintenance and operation of all facilities and properties owned or leased by the Town, including athletic fields, parks, etc.*
- 2200 – 2299: Public Works  
*Municipal infrastructure including water supply and distribution, sewer, and wastewater, as well as roads and signage.*

## Title Block

The first page of each policy is to contain the following title block:

	<h1>TOWN OF GRANITE QUARRY POLICY</h1>	
<b>Policy No.:</b> 1300-00	<b>Board Approval Date:</b> November 5, 2018 <b>Effective Date:</b> November 5, 2018 <b>Revision Date:</b> November 1, 2021	
<b>Policy Title:</b> Developing Policies and Procedures	<b>Department:</b> Corporate Governance	
<b>Board Approved:</b>	<b># of Pages:</b>	

## Content

In addition to the Title Block, each standard policy shall contain at least the following three headings:

**Purpose** refers to why we are doing it:

- Legal description or regulatory reasons.
- Description of conflict or problem the policy will resolve.
- Recognizes the legitimate interests of all parties.
- Overall benefits.

**Scope** the purpose of the Policy Scope Statement is to guide the development of a policy, provide a summary of a **proposed** policy, and ensure that those who might be affected by a policy are identified, considered, and consulted.

**Definitions** will only be used to describe unique terms that, by being defined, will add to the reader’s understanding of the basic policy.

- Define unfamiliar terms or technical terms.
- Define terms with special meaning.
- List terms in alphabetical order.

**Legislation** is law which has been promulgated by a **legislative** or other governing body.

**Policy** forms the written basis of operation, secondary to legislation and bylaw, which serves as a guide to decision-making, proscribes limits and assigns responsibilities within an organization. Policies are often viewed as rules related to the overall mission, goals and objectives of an organization.

In general, a policy is a guiding or governing principle. Policies, and any amendments, must be approved by Town Board through Resolution.

In addition to the basic headings required above, a policy may include one or more of the following headings:

**Related Information** will list only information that is in the policy, such as:

- Related Town policies.
- Documents required to complete the procedures.
- Documents that provide helpful, relevant information.
- Provincial statutes, regulations or bylaws.

**Exclusions** list any locations, organizations, funding sources or job classifications that are excluded from the policy.

**Special Situations** contain information about important circumstances that affect only a few people or circumstances that occur infrequently. These items will be listed in order of importance and, if applicable, they may include procedures relative to the special situation.


**Responsibilities** will summarize the duties of any person, group or organization participating in the given policy. It will also refer to the scope of the authority vested in a group or individual.

**Appendices** will contain lengthy or complex reference information that would otherwise disrupt the flow of other sections.

## 1. Procedure

### 1.1 Title Block

Each procedure will include the following Title Block:

	<b>TOWN OF GRANITE QUARRY ADMINISTRATIVE PROCEDURE</b>	
<b>Procedure No.:</b> 1300-00	<b>Previous Version Date:</b> <b>Effective Date:</b> November 5, 2018 <b>Revision Date:</b> November 1, 2021	
<b>Subject:</b> Developing Policies and Procedures	<b>Department:</b> Corporate Governance	

### Content

**Procedure** describes a chronological series of interrelated steps and will:

- List steps to follow in order to comply with the policy.
- Usually be divided into sections marked by indented headings.
- Use an introductory section for complex procedures or those with options.
- Clearly identify cautions or warnings.
- Refer the reader to:
  - Related documents;
  - Related appendix entries;
  - Relevant Special Situations

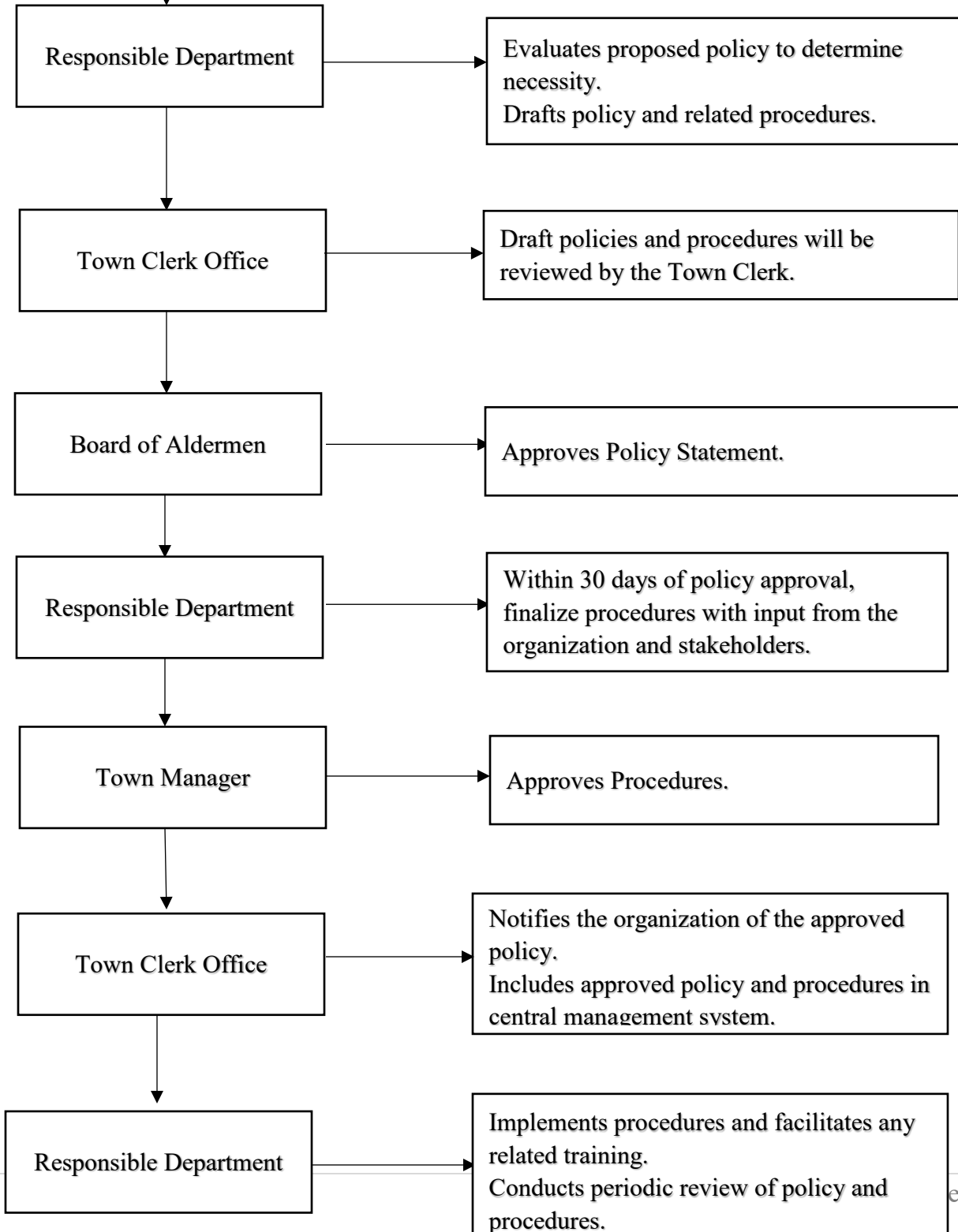
### Approval

Procedures must be submitted to the Town Manager for approval within 30 days following a policy being approved by the Board.

## 2. Policy/Procedure Development Process

### Need for Policy/Procedure:

*Anyone can identify issues that may require a policy and procedure, but every policy should fall within the jurisdiction of one specific department.*



### 3. Writing Tips

Because policies are written for a diverse audience, they must be complete yet simple and easy to read. A policy is NOT a law and lawyer should not be needed to interpret it.

Select your words carefully. Words like should and may imply a choice. For example,  
**“Staff should not smoke in the Town Hall.”**

This means they should not smoke but it is acceptable if they do.

Always attempt to use as few words as possible to state a case. For example,  
**“All staff...”**

The word “all” is redundant. Simply using “staff” implies all unless an explanation is given.

Do not use long words when short words will do.

<b>Don't Use</b>	<b>Use</b>
accomplish	do
attempt	try
utilize	use
construct	build
deficiency	lack
equitable	fair
infrequent	rare
occurrence	event
terminate	end
requisite	required

Do not use extra syllables.

<b>Don't Use</b>	<b>Use</b>
discontentment	discontent
experimentalize	experiment
irregardless	regardless
orientated	oriented
preventative	prevent
administrate	administer

Use compact substitutes for wordy phrases.

<b>Don't Use</b>	<b>Use</b>
in the nature of	like
in view of the fact that	since
give encouragement to	encourage
make an adjustment in	adjust
is equipped with	has
a majority of	most
large number of	many


Avoid the use of words that duplicate the meaning of a word or words already used.

**Don't Use**

basic principles  
mutual cooperation  
personal opinion  
consensus of opinion  
past history  
ask the question

**Use**

principles  
cooperation  
opinion  
consensus  
history  
ask

	<h2>TOWN OF GRANITE QUARRY POLICY</h2>	
<b>Policy No.:</b> 1300-00	<b>Board Approval Date:</b> November 5, 2018 <b>Effective Date:</b> November 5, 2018 <b>Revision Date:</b> November 1, 2021	
<b>Policy Title:</b> Developing Policies and Procedures	<b>Department:</b> Corporate Governance	
<b>Board Approved:</b>	<b># of Pages:</b>	

**I. Purpose**

**II. Scope**

**III. Background**

**IV. Definitions**  
None

**V. Legislation**

**VI. Policy**  
It is the Policy of the Town of Granite Quarry to provide all Town employees with personnel policies and procedures for an efficient work environment.

**VII. Responsibilities**

**Board of Aldermen to:**

- a. Approve by Resolution this policy and any amendments.
- b. Consider the allocation of resources for successful implementation of this policy in the annual budget process.



**b. Town Manager to:**

- a. Implement this policy and approve procedures.
- b. Ensure policy and procedure reviews occur and verify the implementation of policies and procedures.

**c. Director of Department to:**


- a. Ensure implementation of this policy and procedure.
- b. Ensure that this policy and procedure is reviewed every three years.
- c. Make recommendations to the Town Manager of necessary policy or procedure amendments.

**d. Supervisor to:**

- a. Understand, and adhere to this policy and procedure.
- b. Ensure employees are aware of this policy and procedure.

**e. All Employees to:**

- a. Understand and adhere to this policy and procedure.

	<h2>TOWN OF GRANITE QUARRY ADMINISTRATIVE PROCEDURE</h2>	
<b>Procedure No.:</b> 1300-00	<b>Previous Version Date:</b> <b>Effective Date:</b> November 5, 2018 <b>Revision Date:</b> November 1, 2021	
<b>Subject:</b> Developing Policies and Procedures	<b>Department:</b> Corporate Governance	
<b>Management Approved:</b>	<b># of Pages:</b>	

I.

- a.
- b.
- c.

II.

- a.
- b.
- c.

III.

- a.
- b.
- c.

IV.

- a.
- b.
- c.

**5. End of Procedure**



# TOWN OF GRANITE QUARRY POLICY

Policy No.: 1000.00	Board Approval Date: Effective Date: Revision Date: November 1, 2021
Policy Title: General Provisions	Department: Administration
Board Approved:	# of Pages: 3

**I. Purpose**

This policy establishes a uniform and efficient human resources management system for the fair treatment of applicants and employees in all aspects of personnel administration.

**II. Scope**

These Town Personnel Policies and Procedures shall apply to all persons holding a paid position as an employee of the Town, except a member of any appointed or volunteer board or committee, or any others that may be excluded by the Town Board. For this purpose, and subject to the exceptions set out herein, Town employees shall be defined as those employees in departments and offices for which the Town Board serves as the final budget authority.

The Town Board must reappoint certain positions within the Town upon election of a new Town Board or upon termination. These positions are:

- Town Manager
- Town Attorney
- Town Clerk
- Finance Officer
- Town Accountant/Auditor

**III. Background**

These policies have been written with the realization that the strength of the Town government depends directly on the individual contributions made by every employee. In return, the Town expects that each employee shall attempt to achieve high levels of productivity and efficiency in carrying out the employee’s job in the spirit of job satisfaction, service to the Town, and assuring accountability in the services provided to the public.

The intent of these Personnel Policies is to:

- A. Promote and increase efficiency, responsiveness to the public, and economy in Town service;
- B. Provide opportunity for qualified persons to enter and progress in Town service based on merit and ability;
- C. Maintain recruitment, advancement, and longevity practices enhancing the attractiveness of a Town career and encouraging all employees to give their best efforts to the Town and the public;
- D. Maintain consistent, up-to-date position classification and compensation plans based on the relative duties and responsibilities of jobs in Town service; and
- E. Promote morale among Town employees by fostering good working relationships and providing uniform human resource policies.

**IV. Definitions**

None

**V. Legislation**

Article 7 of Chapter 160A of the North Carolina General Statutes

**VI. Policy**

It is the Policy of the Town of Granite Quarry to provide all Town employees with personnel polices and procedures for an efficient work environment.

**VII. Provisions**

**A. Revocation or Modification**

The Town Board may add, revoke, or modify the Policies and Procedures at any time without prior notice. Every attempt will be made to keep the policies current; however, there may be times when policy changes are enacted before the written materials can be revised. This document supersedes all other previous versions of personnel policies and procedures.

**B. Responsibilities**

**i. Town Board**

The Town Board is responsible for establishing and approving plans for compensation, position classifications, and benefits for Town employees, which may be amended from time to time.

**ii. Town Manager**

The general and final authority for human resource management rests with the Town Manager, who may delegate it as necessary, except for matters reserved to the Town Board. The Board and Town Manager may unilaterally amend, modify, or delate these policies at any time without notice.

**iii. Human Resources Director**

The Human Resources Director shall advise and support management in all personnel related areas, including employee-management

relations; training and career development; classification; compensation benefits; retirement programs; and employee morale.

**iv. Department Heads**

Department Heads are responsible for enforcing these policies, notifying their employees of changes to the policies, and for cooperating with the Human Resources Director and his/her designee on all matters pertinent to their organizational units.

**v. Employees**

Each employee has a duty to report any information that assists the Town in administering these policies. Examples include, but are not limited to, reporting possible violations and imminent safety threats. The employee shall report this information to his or her immediate supervisor, Department Head, or the Human Resources Director.

**C. Departmental Rules and Regulations**

Each department is authorized to establish supplemental rules and regulations applicable only to the personnel of that department, subject to approval by the Town Manger. Any such rules and regulations shall not conflict with the provisions of this policy, but shall be considered as a supplement to this policy. In the event of a conflict, this personnel and procedure manual shall prevail.

**D. Policy Distribution**

The Personnel Policies and Procedures will be distributed to all Town employees electronically by the Town's website and are available in a paper format upon request.

**E. Manual Revision and Maintenance**

The Town Clerk/Human Resources Director is delegated the responsibility for developing, administering, interpreting, and maintaining the Personnel Policies and Procedures. The policies and procedures are subject to review and approval by the Town Manager. All employees are responsible for updating the Personnel Policies and Procedures manuals in their custody upon notification of changes. Any employee may recommend a revision to an existing personnel policy or procedure, or suggest a new policy or procedure. This may be accomplished by submitting a request and draft of the proposal or revision to the Human Resources Director or his/her designee.

**F. Disclaimer**

This manual (including any modifications) is prepared for informational and guideline purposes only and does not constitute a contract in any respect between the Town and its employees. Employment with the Town is At-Will, and either the employee or employer may terminate the relationship at any time for any or no reason.



# TOWN OF GRANITE QUARRY POLICY

Policy No.: 1001.00	Board Approval Date: Effective Date: Revision Date: November 1, 2021
Policy Title: Equal Employment Opportunity	Department: Administration
Board Approved:	# of Pages: 2

**I. Purpose**

This policy establishes guidelines for Equal Employment Opportunity.

**II. Scope**

This policy shall apply to all persons holding a paid position as an employee of the Town, except the Town Manager, Town Attorney, a member of any appointed or volunteer board or committee, or any others that may be appointed or hired by the Town Board. For this purpose, and subject to the exceptions set out herein, Town employees shall be defined as those employees in departments and offices for which the Town Board serves as the final budget authority.

**III. Background**

None

**IV. Definitions**

None

**V. Legislation**

None

**VI. Policy**

It is the policy of the Town of Granite Quarry that it shall provide for equal opportunity in employment and human resources management for all persons; to provide access to, and full utilization and benefit of, training and promotional opportunities without discrimination because of race, color, national origin, religion, age, disability, marital status, military status, gender, or based on any other consideration made unlawful by applicable federal, state or local laws; and to encourage that persons applying for or currently employed by, or applying for future vacancies in the employ of the Town shall be considered on the basis of individual ability and merit without discrimination or favor.

## **VII. Implementation**

All personnel responsible for recruitment and employment will continue to regularly review the implementation of this policy and relevant practices to assure that equal employment opportunity based on reasonable, job-related requirements is being actively observed so that no employee or applicant for employment shall suffer discrimination because of age, sex, race, color, religion, disability, national origin, political affiliation, or marital status. Notices with regard to equal employment matters shall be posted in conspicuous places on Town premises in places where notices are customarily posted.



# TOWN OF GRANITE QUARRY POLICY

Policy No.: 1002.00	Board Approval Date: Effective Date: Revision Date: November 1, 2021
Policy Title: Equal Pay	Department: Administration
Board Approved:	# of Pages: 2

**I. Purpose**

This policy establishes guidelines for Equal Pay.

**II. Scope**

This policy shall apply to all persons holding a paid position as an employee of the Town, except the Town Manager, Town Attorney, a member of any appointed or volunteer board or committee, or any others that may be appointed or hired by the Town Board. For this purpose, and subject to the exceptions set out herein, Town employees shall be defined as those employees in departments and offices for which the Town Board serves as the final budget authority.

**III. Background**

None

**IV. Definitions**

None

**V. Legislation**

None

**VI. Policy**

In accordance with The Equal Pay Act, the Town will not pay an employee of one sex less than it pays an employee of the opposite sex for work that is performed in similar working conditions, that requires equal skill, effort and responsibility.

The above may be defined as follows:

- Equal skills may be measured in terms of job performance, taking into consideration experience, training, education, and ability.
- Equal effort may be measured in terms of the amount of physical or mental exertion that is needed for adequate job performance,
- Equal responsibility may be measure in terms of job accountability.



The only exception to the above is merit.



# TOWN OF GRANITE QUARRY POLICY

Policy No.: 1003.00	Board Approval Date: Effective Date: Revision Date: November 1, 2021
Policy Title: Business Ethics and Conduct	Department: Administration
Board Approved:	# of Pages: 2

**I. Purpose**

It is the intent of the Town of Granite Quarry to conduct business in accordance with the highest standards of ethical conduct.

**II. Scope**

This policy shall apply to all persons holding a paid position as an employee of the Town, except the Town Manager, Town Attorney, a member of any appointed or volunteer board or committee, or any others that may be appointed or hired by the Town Board. For this purpose, and subject to the exceptions set out herein, Town employees shall be defined as those employees in departments and offices for which the Town Board serves as the final budget authority.

**III. Background**

None

**IV. Definitions**

None

**V. Legislation**

None

**VI. Policy**

It is the policy of the Town of Granite Quarry, that all Town employees maintain the utmost standards of personal integrity, truthfulness, and fairness in carrying out their duties, avoiding real or perceived improprieties in their roles as public servants, and never using their positions or powers for improper personal or professional gain.

**VII. Provisions**

**A. Management Values**

We exist to serve our internal and external customers, recognizing that, the citizens of Granite Quarry are our ultimate customers. Our community provides,

through the Town Board, our organizational vision. In support of the organization's vision, management provides direction and leadership. Therefore:

1. We recognize that employees are Town's greatest asset.
2. We, as stewards of the Town's resources, complete our work in a quality, conscious, cost-effective, and expeditious manner.
3. We promote, foster, and practice empowerment and teamwork. Employees are provided with the tools to do their jobs safely and effectively.
4. We foster two-way communication with citizens and employees.
5. We communicate expectations and reward achievement.
6. We value creativity, innovation and positive risk-taking.
7. We hold ourselves and others to the highest ethical and professional standards.
8. We base decisions on facts and strive to solve problems.
9. We strive to continuously improve by developing our employees, simplifying processes, and refining systems.
10. We believe all employees participate in the management of the Town and are responsible for ensuring quality service.

**B. Assistance in Determining Unethical Behavior and Making Ethical Decisions**

The Town recognizes that it is not always clear what the "right" or ethical choice is, when making a decision. The following are guidelines that may assist employees in determining appropriate behavior and conduct. This list is not exhaustive.

1. Is the action lawful?
2. Is it in line with the Town Management Values (see above)?
3. If you do it, will you feel good about what you have done?
4. How would you feel if your name was associated with the action on the front page of the newspaper?

**C. Violations**

Violations of the Business Ethics and Conduct as determined by the Town may result in disciplinary action, up to and including termination.



# TOWN OF GRANITE QUARRY POLICY

Policy No.: 1004.00	Board Approval Date: Effective Date: Revision Date: November 1, 2021
Policy Title: Immigration Law Compliance	Department: Administration
Board Approved:	# of Pages: 2

**I. Purpose**

The Town is committed to employing only United States citizens and aliens who are authorized to work in the United States and does not unlawfully discriminate on the basis of citizenship or national origin.

**II. Scope**

This policy shall apply to all persons holding a paid position as an employee of the Town, except the Town Manager, Town Attorney, a member of any appointed or volunteer board or committee, or any others that may be appointed or hired by the Town Board. For this purpose, and subject to the exceptions set out herein, Town employees shall be defined as those employees in departments and offices for which the Town Board serves as the final budget authority.

**III. Background**

None

**IV. Definitions**

None

**V. Legislation**

None

**VI. Policy**

The Town is committed to employing only United States citizens and aliens who are authorized to work in the United States and does not unlawfully discriminate on the basis of citizenship or national origin.

In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also

complete the form if they have not completed an I-9 with the City within the past three years, or if their previous I-9 is no longer retained or valid.

Employees with questions or seeking more information on immigration law issues are encouraged to contact the Town Clerk or Town Manager.



# TOWN OF GRANITE QUARRY POLICY

Policy No.: 1005.00	Board Approval Date: Effective Date: Revision Date: November 1, 2021
Policy Title: Nepotism	Department: Administration
Board Approved:	# of Pages: 2

**I. Purpose**

For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage, and including cohabitating couples/significant others.

**II. Scope**

This policy shall apply to all persons holding a paid position as an employee of the Town, except the Town Manager, Town Attorney, a member of any appointed or volunteer board or committee, or any others that may be appointed or hired by the Town Board. For this purpose, and subject to the exceptions set out herein, Town employees shall be defined as those employees in departments and offices for which the Town Board serves as the final budget authority.

**III. Background**

None

**IV. Definitions**

None

**V. Legislation**

None

**VI. Policy**

The Town shall not employ members of an employee’s immediate family in the same Department without prior approval from the Town Board of Aldermen. Neither may an employee be in a position to supervise an immediate member of his/her family, unless employee is employed by the Fire Department and an emergency situation arises. This policy applies to promotions, demotions, transfers, reinstatements and new appointments.

Immediate family is defined as an employee's spouse, parent(s), child(ren), siblings, grandparent(s), grandchild(ren), half-brother, stepmother, stepfather, stepson, stepdaughter, mother-in-law, father-in-law, daughter-in-law, son-in-law, sister-in-law, brother-in-law, grandfather-in-law and grandmother-in-law.



# TOWN OF GRANITE QUARRY POLICY

Policy No.: 1006.00	Board Approval Date: Effective Date: Revision Date: November 1, 2021
Policy Title: Conflicts of Interest	Department: Administration
Board Approved:	# of Pages: 2

**I. Purpose**

This policy describes the Town of Granite Quarry’s policy regarding conflicts of interest in outside employment and the acceptance of gifts and favors.

**II. Scope**

This policy shall apply to all persons holding a paid position as an employee of the Town, except the Town Manager, Town Attorney, a member of any appointed or volunteer board or committee, or any others that may be appointed or hired by the Town Board. For this purpose, and subject to the exceptions set out herein, Town employees shall be defined as those employees in departments and offices for which the Town Board serves as the final budget authority.

**III. Background**

None

**IV. Definitions**

Thing of Value – Anything that exceeds \$50.00 in either monetary or fair market value.

**V. Legislation**

None

**VI. Policy**

**A. Outside Employment**

Employees must report all outside employment for salaries, wages, or commission and self-employment to their supervisor. The Town Manager will review such employment, as appropriate, to determine whether their outside job conflicts with the Town’s interest. An employee may hold a job with another organization if he/she gives notice to his/her supervisor and the Town Manager. The employee must continue to satisfactorily perform his/her job responsibilities with the Town. All employees will be judged by the same performance standards



and will be subject to the Town's scheduling demands, regardless of any existing outside work requirements.

If the Town determines that an employee's outside work interferes with performance or the ability to meet the requirements of the Town, as they are modified from time to time, the employee may be asked to terminate the outside employment if he/she wishes to remain with the Town.

Employees may not be additionally "employed" by another Town department without advance review and approval by the Town Manager.

In addition to these conditions, law enforcement and firefighters must adhere to departmental rules that regulate off-duty employment.

**B. Gifts and Favors**

1. No employee of the Town shall accept any gift, whether in the form of a service, loan, a thing of value, or a promise from any person, firm, or corporation that, in the employee's knowledge, is interested directly or indirectly in any manner whatsoever in business dealings with the Town.
2. No employee shall accept any gift, favor or thing of value that may tend to influence that employee in the discharge of duties.
3. No employee shall grant any improper favor, service or thing of value in the discharge of duties.
4. Gratuities shall be refused by all employees.



# TOWN OF GRANITE QUARRY POLICY

Policy No.: 1007.00	Board Approval Date: Effective Date: Revision Date: November 1, 2021
Policy Title: Political Activity	Department: Administration
Board Approved:	# of Pages: 2

**I. Purpose**

This policy establishes guidelines for the political activities of employees.

**II. Scope**

This policy shall apply to all persons holding a paid position as an employee of the Town, except the Town Manager, Town Attorney, a member of any appointed or volunteer board or committee, or any others that may be appointed or hired by the Town Board. For this purpose, and subject to the exceptions set out herein, Town employees shall be defined as those employees in departments and offices for which the Town Board serves as the final budget authority.

**III. Background**

None

**IV. Definitions**

On Duty – that time period when an employee is engaged in the duties of his or her employment.

Workplace – any place where an employee engages in his or her job duties.

**V. Legislation**

G.S. 160A-169

**VI. Policy**

It is the policy of the Town of Granite Quarry to encourage and support good government.

**VII. Provisions**

**A. Off Duty Activities**

Each employee may join or affiliate with civic organizations of a partisan or political nature, may attend political meetings, and may advocate and

support the principles of policies of civic or political organizations in accordance with the Constitution and laws of the United States.

### **B. On Duty Activities**

No employee, while on duty or in the workplace shall:

1. Engage in any political or partisan activity;
2. Use his or her official activity or influence for the purpose of interfering with or affecting the result of a nomination or an election for political office; or
3. Coerce, solicit or compel contributions from another employee of the Town for political or partisan purposes.
4. Solicit or act as custodian of funds for political or partisan purposes while on duty as an employee of the Town.

### **C. General Provisions**

1. No employee may be required as a duty of employment or as a condition for employment, promotion, or tenure of office to contribute funds for political or partisan purposes.
2. No employee may use Town funds, supplies, or equipment of the Town for political or partisan purposes except where such political uses are otherwise permitted by law.
3. An employee cannot be a candidate for, or hold a seat on, the Town Board.
4. Violations of this policy can subject the employee to disciplinary action up to and including dismissal.



# TOWN OF GRANITE QUARRY POLICY

Policy No.: 1008.00	Board Approval Date: Effective Date: Revision Date: November 1, 2021
Policy Title: Americans with Disability Act	Department: Administration
Board Approved:	# of Pages: 2

**I. Purpose**

This policy establishes guidelines for compliance with the Americans with Disabilities Act.

**II. Scope**

This policy shall apply to all persons holding a paid position as an employee of the Town, except the Town Manager, Town Attorney, a member of any appointed or volunteer board or committee, or any others that may be appointed or hired by the Town Board. For this purpose, and subject to the exceptions set out herein, Town employees shall be defined as those employees in departments and offices for which the Town Board serves as the final budget authority.

**III. Background**

None

**IV. Definitions**

None

**V. Legislation**

The Americans with Disabilities Act of 1990

**VI. Policy**

The Americans with Disabilities Act prohibits discrimination in any terms or conditions of employment for qualified individuals with a disability. The Americans with Disabilities Act requires that employment decisions be based on the ability of a person to perform the essential functions of a job and not a person's disability or limitations. Further, it requires management to reasonably accommodate individuals with disabilities, if possible.

## **VII. Provisions**

### **A. Compliance**

To comply with the employment provisions of the Americans with Disabilities Act, the Town will:

1. Evaluate whether a person with a disability is qualified to perform the essential functions of his or her position with or without reasonable accommodation; and
2. Determine whether a reasonable accommodation can be made for a qualified individual.

### **B. Accommodation**

If an employee believes he or she is protected by the provisions of the Americans with Disabilities Act and needs some type of accommodation, the Human Resources Director should be notified. The Town will work with the employee to determine if a reasonable accommodation is necessary or possible.



# TOWN OF GRANITE QUARRY POLICY

Policy No.: 1009.00	Board Approval Date: Effective Date: Revision Date: November 1, 2021
Policy Title: Employee Confidentiality	Department: Administration
Board Approved:	# of Pages: 2

**I. Purpose**

This policy establishes guidelines for Employee Confidentiality.

**II. Scope**

This policy shall apply to all persons holding a paid position as an employee of the Town, except the Town Manager, Town Attorney, a member of any appointed or volunteer board or committee, or any others that may be appointed or hired by the Town Board. For this purpose, and subject to the exceptions set out herein, Town employees shall be defined as those employees in departments and offices for which the Town Board serves as the final budget authority.

**III. Background**

None

**IV. Definitions**

None

**V. Legislation**

None

**VI. Policy**

During the course of employment, employees may learn, see or acquire confidential information about the Town of Granite Quarry, other employees, or our citizens. Such information is to be handled in strict confidence and is to be shared only with those persons within the Town of Granite Quarry who need to know such information. Employees are expected to deal with confidential information in a manner which complies with state and federal laws and regulations. Unauthorized access to confidential information is prohibited.

Confidential information may include, but is not limited to:

1. Medical Records
2. Citizen Related Discussions
3. Employee records
4. Other Personal Information Regarding Town Employees or Former Employees
5. Utility Billing Records
6. Economic Development Information
7. Records of Criminal Investigations

Unless required by law, no employee may, during the term of employment or thereafter, use or disclose to others outside of the Town of Granite Quarry any confidential information. We recognize the need to comply with reporting requirements as mandated by federal, state and Town laws and regulation.

**Town of Granite Quarry  
Granite Quarry, North Carolina  
For the year ended  
June 30, 2018**

**Independent Auditors' Reports  
Basic Financial Statements  
And  
Information Accompanying the  
Basic Financial Statements**



## Board of Governance

**Mayor**                      **William Feather**

**Mayor Pro-tem**           **Jim Lefevers**

**Alderman**                   **John Linker**  
**Alderman**                   **Jim Costantino**  
**Alderman**                   **Kim Cress**

## Administration

**Town Manager**           **Phil Conrad**  
**Town Clerk**               **Tanya Word**  
**Finance Officer**        **Shelly Shockley**

Town of Granite Quarry

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June 30, 2018

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**EDDIE CARRICK, CPA, PC**  
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

To Honorable Mayor  
and Board of Aldermen  
Town of Granite Quarry, North Carolina

We have audited the accompanying financial statements of the governmental activities and each major fund of the Town of Granite Quarry, North Carolina, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town of Granite Quarry, North Carolina, as of June 30, 2018, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12, the Law Enforcement Officers' Special Separation Allowance Schedule of Funding Progress and Schedule of Employer Contributions on page 39, and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset (Liability) and Contributions, on page 40, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Granite Quarry, North Carolina's basic financial statements. The individual fund financial statements, budgetary schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements, budgetary schedules, and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the individual fund financial statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Eddie Carrick CPA, PC



Lexington, North Carolina  
September 29, 2018

# TOWN OF GRANITE QUARRY

P. O. Box 351  
Granite Quarry, NC 28072-0351



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## Management's Discussion and Analysis

As management of the Town of Granite Quarry, we offer the readers of the Town of Granite Quarry's financial statements this narrative overview and analysis of the financial activities of the Town of Granite Quarry for the fiscal year ended June 30, 2018. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

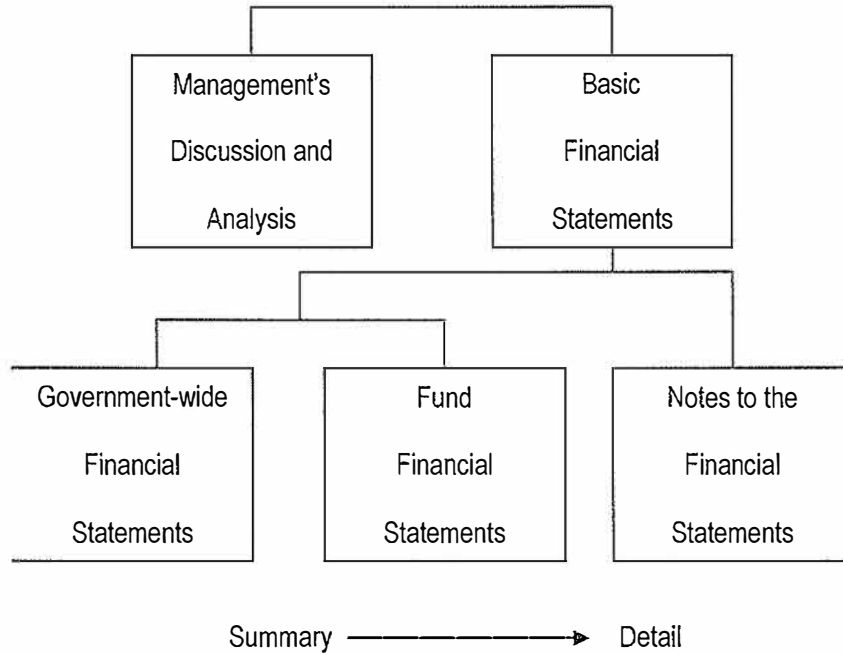
### Financial highlights

- The assets and deferred outflows of resources of the Town of Granite Quarry exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$4,313,276 (*net position*).
- The government's total net position decreased by \$125,820 primarily due to increases in street maintenance expenses.
- As of the close of the current fiscal year, the Town of Granite Quarry's governmental funds reported combined ending fund balances of \$2,044,080, with a net decrease of \$187,456 in fund balance. Approximately 20% of this total amount, or \$406,538, is restricted or assigned.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,637,542 or 68 percent of total general fund expenditures for the fiscal year.
- The Town of Granite Quarry's total debt decreased by \$212,393 during the current fiscal year. The key factors in this decrease was principal payments of \$196,960, an increase in compensated absences of \$3,110, a decrease in net pension liability (LGERS) of \$47,315, and increase in pension obligation (LEO) of \$28,772.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as introduction to the Town of Granite Quarry's basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of Granite Quarry.

**Required Components of Annual Financial Report**  
**Figure 1**



**Basic Financial Statements**

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Town's financial status.

The next statements (Exhibit 3 through 5) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental fund statements; and 2) the budgetary comparison statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Town's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net position and how they have changed. Net position is the difference between the Town's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

The government-wide statements include one category: governmental activities. The governmental activities include most of the Town's basic services such as safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

### **Fund Financial Statements**

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Granite Quarry, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as General Statutes or the Town's budget ordinance. All of the funds of the Town of Granite Quarry are included in one category: governmental funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is part of the fund financial statements.

Management Discussion and Analysis  
Town of Granite Quarry

The Town of Granite Quarry adopts an annual budget for the General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance the current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented in the same format, language and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board 2) the final budget as amended by the Board 3) the actual resources, charges to appropriations, and ending balances in the General Fund, and 4) the differences or variance between the final budget and actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

**Notes to the Financial Statements** – The notes provide additional information that is essential to the full understanding of data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 19 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain supplemental information detailing the information provided in the basic financial statements and is presented to allow the reader to gain an in-depth understanding of the financial information presented.

**Interdependence with Other Entities** – The Town depends on financial resources flowing from, or associated with, both the Federal Government and the State of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign government and other holders of publicly held U.S. Treasury Securities



Town of Granite Quarry's Net Position (Figure 2)

	<i>Governmental Activities</i>		<i>Total</i>	
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
Current and other assets	\$ 2,135,544	\$ 2,312,353	\$ 2,135,544	\$ 2,312,353
Noncurrent assets	2,627,234	2,709,843	2,627,234	2,709,843
Deferred outflow of resources	109,529	183,346	109,529	183,346
Total assets and deferred outflow of resources	<u>4,872,307</u>	<u>5,205,542</u>	<u>4,872,307</u>	<u>5,205,542</u>
Long-term liabilities	250,000	446,960	250,000	446,960
Other Liabilities	284,712	284,755	284,712	284,755
Deferred inflow of resources	24,319	34,731	24,319	34,731
Total liabilities	<u>559,031</u>	<u>766,446</u>	<u>559,031</u>	<u>766,446</u>
Net position:				
Net investment in capital assets	2,377,234	2,262,883	2,377,234	2,262,883
Restricted for:				
Stabilization by State Statute	319,024	293,139	319,024	293,139
Streets	10,289	95,832	10,289	95,832
Unrestricted	<u>1,606,729</u>	<u>1,787,242</u>	<u>1,606,729</u>	<u>1,787,242</u>
Total net position	<u>\$ 4,313,276</u>	<u>\$ 4,439,096</u>	<u>\$ 4,313,276</u>	<u>\$ 4,439,096</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the Town exceeded liabilities and deferred inflows of resources by \$4,313,276 as of June 30, 2018. The Town's net position decreased by \$125,820 for the fiscal year ended June 30, 2018. However, the largest portion, \$2,377,234, 55%, reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's net investment in capital assets is reported net of the outstanding debt, the resources needed to repay that debt must be provided by other sources, since capital assets cannot be used to liquidate these liabilities. An additional portion of the Town's net position \$329,313, 8%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$1,606,729 or 37% is unrestricted.

Management Discussion and Analysis  
Town of Granite Quarry

Several particular aspects of the Town's financial operations positively influenced the total unrestricted government net position:

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 98%, which is above to the statewide average
- Increased spending for street improvements
- Conservative spending by management in other areas.

Town of Granite Quarry's Changes in Net Position (Figure 3)

	<i>Governmental</i>		<i>Total</i>	
	<i>Activities</i>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues				
Program revenues:				
Charges for services	\$ 141,115	\$ 151,918	\$ 141,115	\$ 151,918
Operating grants and contrib.	133,761	147,316	133,761	147,316
Capital grants and contrib.	93,461	88,357	93,461	88,357
General revenues:				
Property taxes	883,674	862,270	883,674	862,270
Investment earnings	3,206	3,059	3,206	3,059
Grants and contrib. unrestricted to specific programs	836,496	821,108	836,496	821,108
Gain on disposal of assets	-	-	-	-
Other	137,653	34,536	137,653	34,536
Total revenues	<u>2,229,366</u>	<u>2,108,564</u>	<u>2,229,366</u>	<u>2,108,564</u>
Expenses:				
General government	540,638	557,640	540,638	557,640
Public safety	1,040,317	976,067	1,040,317	976,067
Transportation	536,790	263,133	536,790	263,133
Environmental protection	176,241	160,003	176,241	160,003
Cultural and recreational	53,515	60,875	53,515	60,875
Interest on long-term debt	7,685	10,195	7,685	10,195
Total expenses	<u>2,355,187</u>	<u>2,027,913</u>	<u>2,355,187</u>	<u>2,027,913</u>
Increase (decrease) in net position	(125,820)	80,651	(125,820)	80,651
Net position, July 1	4,439,096	4,358,444	4,439,096	4,358,444
Net position, June 30	<u>\$ 4,313,276</u>	<u>\$ 4,439,096</u>	<u>\$ 4,313,276</u>	<u>\$ 4,439,096</u>

Management Discussion and Analysis  
Town of Granite Quarry

**Governmental Activities.** Governmental activities decreased the Town's net position by \$125,820, thereby accounting for 100% of the total decrease in net position of the Town. Though a recession affected the Town, the increase in net position was the result of a concerted effort to control costs and manage expenditures to minimize the impact of the recession on its citizens. Town management reduced non-essential programs to a minimum and implemented cost saving strategies across Town departments. Certain nonrecurring expenses were either postponed or renegotiated in an attempt to maintain a healthy net position. Management believes healthy investment in the Town will result in additional revenues, and in that vein added to the Town's net position by investing in capital assets. Increased efforts to maximize tax collections also contributed to the favorable net position. Though many of the Town's residents were hit hard by the recession, tax revenue did not appreciably decline in the current year. Town management acknowledges that 2018 was a successful year and plans on improving upon these approaches as a long-term strategy to realize continued fiscal health.

### Financial Analysis of the Town's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, the Town of Granite Quarry's fund balance available in the General Fund was \$1,637,542, while total fund balance reached \$2,044,080. The Town currently has an available fund balance of 68% of general fund expenditures, while total fund balance represents 84% of the same amount.

At June 30, 2018, the governmental funds of the Town reported a combined fund balance of \$2,044,080 with a net decrease in fund balance of \$187,456. Included in this change in fund balance are decreases in fund balance in the General Fund.

**General Fund Budgetary Highlights:** During the fiscal year, the Town made several revisions to the budget. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Revenues were more than anticipated, primarily from economy driven taxes exceeding expectations. Expenditures were held in check to comply with its budgetary requirements.

**Capital Asset and Debt Administration**

**Capital Assets.** The Town's investment in capital assets for its governmental activities as of June 30, 2018, totals \$2,627,234 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year included the following additions and (disposals):

- Equipment \$117,944 (72,598)

**Town of Granite Quarry's Capital Assets (net of depreciation) (Figure 4)**

	<i>Governmental</i>			
	<i>Activities</i>		<i>Total</i>	
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
Land	\$ 630,725	\$ 630,725	\$ 630,725	\$ 630,725
Buildings and systems	219,931	228,800	219,931	228,800
Machinery / equipment	197,511	99,945	197,511	99,945
Infrastructure	1,129,538	1,229,578	1,129,538	1,229,578
Vehicles / motorized equip.	449,529	520,795	449,529	520,795
	<u>\$ 2,627,234</u>	<u>\$ 2,709,843</u>	<u>\$ 2,627,234</u>	<u>\$ 2,709,843</u>

Additional information on the Town's capital assets can be found in the Note III.A.4 of the Basic Financial Statements.

**Long-term Debt.** As of June 30, 2018 the Town of Granite Quarry had total debt outstanding of \$479,435. Of this, \$479,435 is debt backed by the full faith and credit of the Town.

**Town of Granite Quarry's Outstanding Debt (Figure 5)**

	<i>Governmental</i>			
	<i>Activities</i>		<i>Total</i>	
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
Compensated absences	\$ 23,978	\$ 20,868	\$ 23,978	\$ 20,868
Net pension liability(LGERS)	163,008	210,323	163,008	210,323
Pension obligation (LEO)	42,449	13,677	42,449	13,677
Notes payable	250,000	446,960	250,000	446,960
	<u>\$ 479,435</u>	<u>\$ 691,828</u>	<u>\$ 479,435</u>	<u>\$ 691,828</u>

### **Town of Granite Quarry's Outstanding Debt**

The Town of Granite Quarry's total debt decreased by \$212,393 during the current fiscal year. The key factors in this decrease was principal payments of \$196,960, an increase in compensated absences of \$3,110, a decrease in net pension liability (LGERS) of \$47,315, and increase in pension obligation (LEO) of \$28,772.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of property located within that government's boundaries. The legal debt margin for the Town is \$16,847,693.

Additional information regarding the Town's long-term debt can be found in the Note III.B.4 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

The following key indicators reflect the growth and prosperity of the Town.

Increased collections in local option sales tax and utility franchise fees indicate continued economic growth for the surrounding area.

### **Budget Highlights for the Fiscal Year Ending June 30, 2019**

#### **Governmental Activities:**

The Town has continued the process of working with Rowan County and Easter Creek Partners to implement an Economic Development Commission plan to clear 75 acres of wooded land south of Chamandy Drive in the Granite Industrial Park. An initial contract has been signed by all parties between the Town, County, and Easter Creek to proceed with the project including the performance contract. Construction began in 2018 with the first building close to completion. In addition, the Town ran a water line to a proposed planned unit development (PUD) off Faith Road in 2015. This property was recently bought by LGI Homes, a national builder that has submitted plans for housing and commercial to follow the original PUD layout and plan. The Town completed the rezoning process for a State Employees Credit Union near Dunn's Mountain Church Road and US 52 and is awaiting construction. The Town recently completed a resurfacing project totaling \$235,000 for several key streets in Town using Powell Bill funds. The Town also expended funds for architectural drawings to remodel the Town Hall, which houses all departments including the joint Policy Authority. Discussions are ongoing with USDA for financing this project, but final design has been completed. Budgetary provisions include \$27,225 for downtown revitalization and visioning. A portion of these funds went to purchase Welcome to Granite Quarry banners for the US 52 Corridor as well as new Christmas lights. Other capital purchases include the outfit of a new police vehicle as well as extra mowing equipment that included a boom flail mower and 3 point sickle bar for the Maintenance Department. The Fire Department has also successfully applied for an AFG federal grant to purchase new self-contained breathing apparatus packs in the next fiscal year.

Management Discussion and Analysis  
Town of Granite Quarry

Management believes that increased revenues and continued restrictions on spending will maintain the Town's financial position. As the Town considers future revenue sources, it has determined that a \$0.01 increase in the property tax rate will result in additional revenues of approximately \$20,748 at current values and collection rate. Though management believes current growth will generate enough revenue to support Town operations, a careful analysis of property tax revenue will be considered in future years' budgets.

**Requests for Information** This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Town Clerk, Town of Granite Quarry, P.O. Box 351, Granite Quarry, NC 28072.

**Town of Granite Quarry, North Carolina**  
**Statement of Net Position**  
**June 30, 2018**

	<u>Governmental Activities</u>	<u>Total</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents - unrestricted	\$ 1,770,042	\$ 1,770,042
Receivables, net:		
Taxes	36,187	36,187
Accounts receivable - county	36,313	36,313
Sales and use taxes	46,681	46,681
Accounts	420	420
Prepaid expenses	-	-
Due from other governments	235,612	235,612
Restricted cash and cash equivalents	10,289	10,289
Total current assets	<u>2,135,544</u>	<u>2,135,544</u>
Noncurrent assets:		
Capital Assets:		
Land, non-depreciable improvements	630,725	630,725
Other capital assets, net of depreciation	1,996,509	1,996,509
Total capital assets	<u>2,627,234</u>	<u>2,627,234</u>
Total assets	<u>4,762,778</u>	<u>4,762,778</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension deferrals	109,529	109,529
Total deferred outflows of resources	<u>109,529</u>	<u>109,529</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued liabilities	55,277	55,277
Current portion of long-term liabilities	50,000	50,000
Long-term liabilities:		
Net pension liability	163,008	163,008
LEO separation allowance	42,449	42,449
Compensated absences	23,978	23,978
Due in more than one year	200,000	200,000
Total liabilities	<u>534,712</u>	<u>534,712</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension deferrals	24,319	24,319
Total deferred inflows of resources	<u>24,319</u>	<u>24,319</u>
<b>NET POSITION</b>		
Net investment in capital assets	2,377,234	2,377,234
Restricted for:		
Stabilization by State Statute	319,024	319,024
Streets	10,289	10,289
Unrestricted	1,606,729	1,606,729
Total net position	<u>\$ 4,313,276</u>	<u>\$ 4,313,276</u>

Notes to financial statements are an integral part of this statement

**Town of Granite Quarry, North Carolina**  
**Statement of Activities**  
**For the Year Ended June 30, 2018**

**EXHIBIT 2**

Function / Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position	
					Governmental Activities	Total
<b>Primary government:</b>						
Governmental Activities:						
General government	\$ 540,638	\$ -	\$ -	\$ -	\$ (540,638)	\$ (540,638)
Public Safety	1,040,317	-	133,761	9,003	(897,553)	(897,553)
Transportation	536,790	-	-	84,458	(452,332)	(452,332)
Environmental protection	176,241	141,115	-	-	(35,126)	(35,126)
Culture and recreation	53,515	-	-	-	(53,515)	(53,515)
Interest on long-term debt	7,685	-	-	-	(7,685)	(7,685)
Total governmental activities (see Note 1)	<u>\$ 2,355,187</u>	<u>\$ 141,115</u>	<u>\$ 133,761</u>	<u>\$ 93,461</u>	(1,986,850)	(1,986,850)
General revenues:						
Taxes:						
Property taxes levied for general purposes					883,674	883,674
Grants and contributions not restricted to specific programs					836,496	836,496
Unrestricted investment earnings					3,207	3,207
Gain on disposal of assets					-	-
Miscellaneous					137,653	137,653
Total general revenues and transfers					<u>1,861,030</u>	<u>1,861,030</u>
Change in net position					(125,820)	(125,820)
Net position-beginning					<u>4,439,096</u>	<u>4,439,096</u>
Net position-ending					<u>\$ 4,313,276</u>	<u>\$ 4,313,276</u>

Notes to financial statements are an integral part of this statement



*Town of Granite Quarry, North Carolina*  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2018**

	Major Fund General	Total Governmental Fund
<b>Assets</b>		
Cash and cash equivalents - unrestricted	\$ 1,770,042	\$ 1,770,042
Cash and cash equivalents - restricted	10,289	10,289
Receivables, net:		
Taxes Ad Valorem	36,187	36,187
Accounts receivable - county	36,313	36,313
Sales and use taxes	46,681	46,681
Accounts	420	420
Prepaid expenses	-	-
Due from other governments	235,612	235,612
Total assets	\$ 2,135,544	\$ 2,135,544
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	\$ 55,277	\$ 55,277
Notes payable	-	-
Total liabilities	55,277	55,277
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property taxes receivable	36,187	36,187
Total deferred inflows of resources	36,187	36,187
<b>Fund balance:</b>		
<b>Restricted:</b>		
Stabilization by State Statute	319,024	319,024
Streets	10,289	10,289
Assigned for subsequent year's expenditures	77,225	77,225
Unassigned	1,637,542	1,637,542
Total fund balance	2,044,080	2,044,080
Total liabilities, deferred inflows of resources and fund balance	\$ 2,135,544	

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Gross capital assets at historical cost	\$ 4,972,411
Accumulated depreciation	(2,345,177)
Deferred outflows of resources related to pensions are not reported in the funds	109,529
Liabilities for earned revenues considered deferred inflows of resources in fund statements	36,187
Deferred inflows of resources related to pensions are not reported in the funds	(24,319)
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds.	
Net pension liability	(163,008)
LEO separation allowance	(42,449)
Long-term debt	(250,000)
Accrued vacation	(23,978)
Net position of governmental activities	\$ 4,313,276

Notes to financial statements are an integral part of this statement

*Town of Granite Quarry, North Carolina*  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2018**

	<u>Major Fund General</u>	<u>Total Governmental Fund</u>
<b>Revenues:</b>		
Ad valorem taxes	\$ 888,417	\$ 888,417
Other taxes and licenses	1,200	1,200
Unrestricted intergovernmental revenues	836,496	836,496
Restricted intergovernmental revenues	93,461	93,461
Sales and services	141,115	141,115
Investment earnings	3,207	3,207
Other general revenues	270,214	270,214
Total revenues	<u>2,234,110</u>	<u>2,234,110</u>
<b>Expenditures:</b>		
Current:		
General government	470,793	470,793
Public Safety	1,115,479	1,115,479
Transportation	570,904	570,904
Environmental protection	176,241	176,241
Culture and recreation	30,463	30,463
Debt service:		
Principal retirement	50,000	50,000
Interest and other charges	7,685	7,685
Total expenditures	<u>2,421,566</u>	<u>2,421,566</u>
Revenues over expenditures	<u>(187,456)</u>	<u>(187,456)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Proceeds from long-term debt	-	-
Fund balance appropriated	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balance	(187,456)	(187,456)
Fund balance - beginning of year	<u>2,231,537</u>	<u>2,231,537</u>
Fund balance - end of year	<u>\$ 2,044,080</u>	<u>\$ 2,044,080</u>

Notes to financial statements are an integral part of this statement

**Town of Granite Quarry, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2018**

Amounts reported for governmental activities in statement of activities are different because:

Net changes in fund balances - total governmental funds		\$ (187,456)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period</p>		
Capital outlay	\$ 117,944	
Depreciation	<u>(200,553)</u>	(82,609)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Charge in unavailable revenue for tax revenues		(4,743)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Payment on long-term debt		196,960
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Changes in compensated absences		(3,110)
<p>Change in pension expense:</p>		
Changes in net pension assets	-	
Changes in deferred outflows	(82,922)	
Changes in net pension liability	47,315	
Changes in deferred inflows	<u>12,684</u>	(22,923)
<p>Change in LEO separation allowance expense:</p>		
Changes in net pension assets	-	
Changes in deferred outflows	9,105	
Changes in net pension liability	(28,772)	
Changes in deferred inflows	<u>(2,272)</u>	(21,939)
Total changes in net position of governmental activities		<u>\$ (125,820)</u>

Notes to financial statements are an integral part of this statement

*Town of Granite Quarry, North Carolina*  
General Fund

**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2018**

	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>				
Ad valorem taxes	\$ 836,309	\$ 908,259	\$ 888,417	\$ (19,842)
Other taxes and licenses	1,750	4,500	1,200	(3,300)
Unrestricted intergovernmental	701,300	809,850	836,496	26,646
Restricted intergovernmental	532,800	83,300	93,461	10,161
Sales and services	156,288	156,288	141,115	(15,173)
Investment earnings	1,950	1,150	3,207	2,057
Other general revenues	178,892	236,099	270,214	34,115
Total revenues	2,409,289	2,199,446	2,234,110	34,664
<b>Expenditures:</b>				
<b>Current:</b>				
General government	458,583	476,793	470,793	6,000
Public Safety	1,023,159	1,203,643	1,115,479	88,164
Transportation	708,758	728,637	570,904	157,733
Environmental protection	174,000	177,000	176,241	759
Culture and recreation	42,455	38,815	30,463	8,352
<b>Debt service:</b>				
Principal retirement	50,000	50,000	50,000	-
Interest and other charges	8,334	8,334	7,685	649
Total expenditures	2,465,289	2,683,222	2,421,566	261,656
Revenues over (under) expenditures	(56,000)	(483,776)	(187,456)	296,320
<b>Other financing sources (uses):</b>				
Proceeds from long-term debt	-	-	-	-
Appropriated Fund Balance	56,000	483,776	-	(483,776)
Total other financing sources (uses)	56,000	483,776	-	(483,776)
Revenues and other financing sources over (under) expenditures	\$ -	\$ -	(187,456)	\$ (187,456)
Fund balance, beginning of year			2,231,537	
Fund balance, end of year			\$ 2,044,080	

Notes to financial statements are an integral part of this statement

*Town of Granite Quarry, North Carolina*

**NOTES TO FINANCIAL STATEMENTS**  
*As of or for the Year Ended June 30, 2018*

***Description of the Unit***

The Town of Granite Quarry is located in Rowan County, which is in the Piedmont area of North Carolina. The Town has a population of approximately 3,058.

***I. Summary of Significant Accounting Policies***

The accounting policies of the Town of Granite Quarry conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies.

***A. Reporting entity***

The Town of Granite Quarry is a municipal corporation governed by an elected mayor and a four member Board of Aldermen. As required by generally accepted accounting principles, these financial statements present the Town, a single entity with no other legally separate entities for which the Town is financially accountable.

***B. Basis of presentation***

*Government-wide Statements:* The statement of net position and the statement of activities display the information about the primary government. These statements include the activities of the overall government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational and capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the Town's fund. A separate statement for each fund category – governmental – is presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. The Town of Granite Quarry, North Carolina, only has one fund, the general fund, and is presented as a major fund.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### **B. Basis of presentation (continued)**

The Town reports the following major governmental fund:

#### **General Fund**

The General Fund is the general operating fund of the Town. It is used to account for all financial resources. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, and sanitation services.

### **C. Measurement Focus and Basis of Accounting**

In accordance with North Carolina General Statutes, all funds of the Town are maintained during the year using the modified basis of accounting.

*Government-wide Financial Statements:* The government-wide is reported using the economic resources measurement focus. The government-wide financial statement is reported using the accrual basis of accounting. Revenues are recorded when earned and expenses recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, includes property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

*Governmental Fund Financial Statements:* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financial sources.

The Town considers all revenue available if they are collected within 90 days after year end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **C. Measurement Focus and Basis of Accounting (continued)**

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Granite Quarry because the tax is levied by Rowan County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

### **D. Budgetary data**

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund. All annual appropriations lapse at the fiscal-year end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$1,000. All amendments must be approved by the governing board. During the year, several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

### **E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity:**

#### **1. Deposits and Investments**

All deposits of the Town are made in board-designated official depositories and are secured as required by State law (G.S. 159-31). The Town may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT). The Town's investments are reported at fair value. Non-participating interest earning investment contracts are accounted for at cost. The NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT- Term Portfolio's securities are valued at fair value. The Town does not have a formal investment or credit risk policy.

#### **2. Cash and Cash Equivalents**

The Town pools money from several funds to facilitate disbursements and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**3. Restricted Assets**

Powell Bill funds are classified as restricted cash because it can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4

Town of Granite Quarry Restricted Cash

Governmental Activities			
General Fund	Streets		\$ 10,289
Total Restricted Cash			\$ 10,289

**4. Ad Valorem Taxes Receivable**

In accordance with State law (G.S. 105-347 and G.S. 159-13(a)), the Town levies ad valorem taxes on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2017. As allowed by State law, the Town has established a schedule of discounts that apply to taxes, which are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

**5. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

**6. Capital Assets**

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life of more than two years. Minimum capitalization costs are for purchases or construction in excess of \$5,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Infrastructure	30 years
Buildings	40
Improvements	20
Vehicles	10-20
Furniture and equipment	5-10
Computer equipment	5



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 7. *Deferred Outflows / Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has one item that meet this criterion, contributions made to the pension plan in the 2018 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has two items that meet the criterion for this category – property taxes receivable, and deferrals of pension expense that result from the implementation of GASB Statement 68.

### 8. *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position.

### 9. *Compensated Absences*

The Personal Time Off (PTO) policy of the Town provides for the accumulation of up to 40 hours earned PTO leave. For the Town's government-wide fund, an expense and a liability for compensated absences and the salary-related payments is recorded. Since the accrued PTO leave time may be carried over into the following year, the liability has been designed as a current and a noncurrent liability in the government-wide financial statements.

### 10. *Net position / Fund Balances*

#### Net position

Net position in government-wide financial statements is classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

#### Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 10. Net position / Fund Balances (continued)

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

*Restricted for Stabilization by State statute* - portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

*Restricted for Streets - Powell Bill* portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balance – portion of fund balance that the Town of Granite Quarry intends to use for specific purposes.

*Subsequent year's expenditures* – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds up to \$1,000.

Unassigned fund balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The Town of Granite Quarry has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-town funds, town funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Town.

### 11. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town's employer contributions are recognized when due and the Town has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**II. Stewardship, Compliance, and Accountability:**

**A. Material Violations of Finance-Related Legal and Contractual Provisions:**

1. *Noncompliance with North Carolina General Statutes:* None
2. *Contractual Violations:* None

**B. Deficit Fund Balance or Retained Earnings of Individual Funds:** None

**C. Excess of Expenditures over Appropriations:** None

**III. Detail Notes on All Funds and Account Groups:**

**A. Assets:**

**1. Deposits**

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agents in the Town's name. The amount of the pledged collateral is based on an approval averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists to undercollateralize, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no policy regarding custodial credit risk for deposits but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2018, the Town's deposits had a carrying amount of \$1,780,220 and a bank balance of \$1,806,310 which \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2018, the Town's petty cash fund totaled \$111.

**2. Investments**

None

**3. Due from Other Governments**

There are currently no outstanding amounts due from other governments other than normal state and county distributions.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4. Capital assets**

**Primary Government**

Capital asset activity for the Primary Government for the year ended June 30, 2018:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 630,725	\$ -	\$ -	\$ 630,725
Capital assets being depreciated:				
Buildings	574,362	-		574,362
Equipment	625,395	117,944	(72,598)	670,741
Vehicles and motorized equipment	1,354,327	-	-	1,354,327
Infrastructure	1,742,256	-	-	1,742,256
Total capital assets being depreciated:	<u>4,296,338</u>	<u>117,944</u>	<u>(72,598)</u>	<u>4,341,686</u>
Less, accumulated depreciation for:				
Buildings	345,561	8,870		354,431
Equipment	525,450	20,378	(72,598)	473,230
Vehicles and motorized equipment	833,532	71,266	-	904,798
Infrastructure	512,679	100,039	-	612,718
Total accumulated depreciation	<u>2,217,222</u>	<u>200,553</u>	<u>(72,598)</u>	<u>2,345,177</u>
Total capital assets being depreciated, net	<u>2,079,116</u>			<u>1,996,509</u>
Governmental activity capital assets, net	<u>\$ 2,709,843</u>			<u>\$ 2,627,234</u>

Depreciation expense was charged to functions of the primary government as follows:

General government	\$ 74,556
Public safety	75,885
Transportation	27,060
Cultural and recreational	<u>23,052</u>
	<u>\$200,553</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### **B. Liabilities:**

#### **1. Pension Plan Obligations:**

##### **a. Local Governmental Employees' Retirement System**

*Plan Description.* The Town of Granite Quarry is a participating employer in the statewide Local Governmental Employee's Retirement System (LGERS), a cost-sharing multiple employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of GS Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplemental information for LGERS. The report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, NC 27699-1410, by calling 919-981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

*Benefits Provided (Continued).* LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**a. Local Governmental Employees' Retirement System (continued)**

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town's contractually required contribution rate for the year ended June 30, 2018, was 7.58% of compensation for law enforcement officers and 8.25% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town were \$56,113 for the year ended June 30, 2018.

*Refunds of Contributions* – Town employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2018, the Town reported a liability of \$163,008 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2017, the Town's proportion was 0.01067%, which was an increase of 0.00076% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Town recognized pension expense of \$48,674. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 9,391	\$ 4,614
Changes of assumptions	23,280	-
Net difference between projected and actual earnings on pension plan investments	39,579	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	3,820	17,433
Town contributions subsequent to the measurement date	24,354	-
Total	<u>\$ 100,424</u>	<u>\$ 22,047</u>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**a. Local Governmental Employees' Retirement System (continued)**

\$100,424 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2019	\$	2,418
2020		41,928
2021		20,869
2022		(11,193)
2023		-
Thereafter		-
	<u>\$</u>	<u>54,022</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.20 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2017 are summarized in the following table:

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**a. Local Governmental Employees' Retirement System (continued)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Town's proportionate share of the net pension asset to changes in the discount rate.* The following presents the Town's proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.20 percent) or one percentage point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Town's proportionate share of the net pension liability (asset)	\$ 489,354	\$ 163,008	\$ (109,388)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**b. Law Enforcement Officers Special Allowance**

**1. Plan Description.** The Town administers a public employee retirement system (the *Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the Town's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2017, the Separation Allowance's membership consisted of:

Retirees receiving benefits	0
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	8
Total	8

**2. Summary of Significant Accounting Policies. Basis of Accounting.** The Town has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the criteria which are outlined in GASB Statement 73.

**3. Actuarial Assumptions.** The entry age actuarial cost method was used in the December 31, 2016 valuation. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent	
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor	
Discount rate	3.86 percent	

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2017.

Mortality rates are based on the RP-2000 Mortality tables with adjustments for mortality improvements based on Scale AA.

**3. Contributions.** The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The Town paid \$ 0 as benefits came due for the reporting period

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**b. Law Enforcement Officers Special Allowance (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2018, the Town reported a total pension liability of \$42,449. The total pension liability was measured as of December 31, 2017 based on a December 31, 2016 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2017 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2018, the Town recognized pension expense of \$21,939.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,261	\$ -
Changes of assumptions	7,844	2,272
County benefit payments and plan administrative expense made subsequent to the measurement date	-	-
Total	<u>\$ 9,105</u>	<u>\$ 2,272</u>

\$ 9,105 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2019	\$ 442
2020	442
2021	442
2022	442
2023	442
Thereafter	62

\$ 0 paid as benefits came due and \$ 0 of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**b. Law Enforcement Officers Special Allowance (continued)**

*Sensitivity of the Town's total pension liability to changes in the discount rate.* The following presents the Town's total pension liability calculated using the discount rate of 3.16 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.16 percent) or 1-percentage-point higher (4.16 percent) than the current rate:

	<u>1% Decrease (2.16%)</u>	<u>Discount Rate (3.16%)</u>	<u>1% Increase (4.16%)</u>
Total pension liability	\$ 45,970	\$ 42,449	\$ 39,176

**Schedule of Changes in Total Pension Liability  
Law Enforcement Officers' Special Separation Allowance**

	<u>2018</u>
Beginning balance	\$ 13,677
Service Cost	6,360
Interest on the total pension liability	4,871
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	1,483
Changes of assumptions or other inputs	9,225
Benefit payments	-
Other changes	6,833
Ending balance of the total pension liability	<u>\$ 42,449</u>

The plan currently uses mortality tables that vary by age, and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2011 through December 31, 2015.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**Total Expense, Liabilities, and Deferred Outflows and Inflows of Resources of Related to Pensions**

Following is information related to the proportionate share and pension expense for all pension plans:

	LGERS	LEOSSA	Total
Pension Expense	\$ 48,674	\$ 21,939	\$ 70,613
Pension Liability	163,008	42,449	205,457
Proportionate share of the net pension liability	0.01067%	n/a	
 Deferred of Outflows of Resources			
Differences between expected and actual experience	9,391	1,261	10,652
Changes of assumptions	23,280	7,844	31,124
Net difference between projected and actual earnings on plan investments	39,579	-	39,579
Changes in proportion and differences between contributions and proportionate share of contributions	3,820	-	3,820
Benefit payments and administrative costs paid subsequent to the measurement date	24,354	-	24,354
 Deferred of Inflows of Resources			
Differences between expected and actual experience	4,614	-	4,614
Changes of assumptions	-	2,272	2,272
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	17,433	-	17,433

**c. Supplemental Retirement Income Plan for Law Enforcement Officers and Other Employees**

*Plan Description.* The Town contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers and others employed by the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy.* Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan.

The Town also contributes each month an amount equal to five percent of each other employee's salary, and all amounts contributed are vested immediately. Also, the other employees may make voluntary contributions to the plan. The Town made contributions of \$25,230 for the reporting year. No amounts were forfeited.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**d. Other Employment Benefits**

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the Town, the Town does not determine the number of eligible participants. The Town has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payrolls based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Town considers these contributions to be immaterial.

**2. Deferred Outflows and Inflows of Resources**

Deferred outflows of resources at year-end are comprised of the following:

Source	Amount
Differences between expected and actual experience	\$ 10,652
Changes in assumptions	31,124
Net difference between projected and actual earnings on pension plan investments	39,579
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,820
Town contribution subsequent to the measurement date	24,354
<b>Total</b>	<b>\$ 109,529</b>

Deferred inflows of resources at year-end are comprised of the following:

	Statement of Net Position	General Fund Balance Sheet
Taxes Receivable, less penalties (General Fund)	\$ -	\$ 36,187
Changes in assumptions	2,272	-
Differences between expected and actual experience	4,614	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	17,433	-
<b>Total</b>	<b>\$ 24,319</b>	<b>\$ 36,187</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**3. Risk Management**

The Town is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in three self-funded risk financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$2 million per occurrence, property coverage up to the total insurance values of the property policy, worker's compensation coverage up to the statutory limits, and employee health claims in excess of \$150,000. The property liability pool has an aggregate limit for the total property losses in a single year, with the reinsurance limit based upon a percentage of the total insurance values.

The Town carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

The Town carries no flood insurance for the year because the Town of Granite Quarry is not considered to be in a flood area, therefore the cost of this type insurance would outweigh the benefit.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The finance officer is bonded for \$50,000. The Town does not have a bond on the tax collector in that they have outsourced tax collection to Rowan County. The remaining employees that have access to funds are bonded under a blanket bond for \$50,000.

**4. Long-term Obligations:**

**a. Installment Purchase**

In June 2016, the Town entered into an installment purchase contract with F&M Bank to finance a waterline extension for the amount of \$350,000. The financing contract requires 83 monthly consecutive interest payments beginning June 30, 2016, with interest calculated on the unpaid principal balances using an interest rate of 2.740% per annum: 6 annual consecutive principal and interest payments of \$50,000 each beginning June 30, 2016 and one principal and interest payment of \$50,114 on May 30, 2023.

The future minimum payments of the installment contract as of June 30, 2018, based on the \$350,000 balance as of that date and scheduled annual payments of principal and interest which include \$20,733 of interest, are as follows:

	Principal	Interest	Total
2019	\$ 50,000	\$ 6,945	\$ 56,945
2020	50,000	5,571	55,571
2021	50,000	4,167	54,167
2022	50,000	2,778	52,778
2022	50,000	1,272	51,272
	\$ 250,000	\$ 20,733	\$ 270,733

At June 30, 2018, the Town had a legal debt margin of \$16,847,693.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**a. Installment Purchase (continued)**

In March 2015, the Town entered into an installment purchase contract with BB&T Bank to finance a Pierce fire truck for the amount of \$250,000. The financing contract requires 7 annual payments of principal and interest at 1.94% fixed rate.

The Town elected to prepay the balance remaining of \$146,960 during the year ending June 30, 2018.

**b. Changes in Long-term Liabilities**

	Balance			Balance	Current Portion
	June 30, 2017	Increases	Decreases	June 30, 2018	of Balance
Governmental activities:					
Compensated Absences	\$ 20,868	\$ 3,110	\$ -	\$ 23,978	\$ -
Net pension liability (LGERS)	210,323	-	47,315	163,008	-
Pension obligation (LEO)	13,677	28,772	-	42,449	-
Notes payable	446,960	-	196,960	250,000	50,000
Governmental activities long-term liabilities	<u>\$ 691,828</u>	<u>\$ 31,882</u>	<u>\$ 244,275</u>	<u>\$ 479,435</u>	<u>\$ 50,000</u>

Compensated absences for governmental activities have typically been liquidated in the General Fund.

**C. On-Behalf of Payments for Fringe Benefits and Salaries**

The Town has recognized as revenue and an expenditure, on-behalf payments for fringe benefits and salaries of \$9,003 for the salary supplement and stipend benefits paid to eligible firemen by the local board of trustees of the Firemen's Relief Fund during the fiscal year ended June 30, 2018. Under State law the local board of trustees for the Fund receives an amount each year, which the board may use at its own discretion for eligible firemen or their departments.

**D. Net Investment in Capital Assets**

	<b>Governmental</b>
Capital Assets	\$ 2,627,234
less: long-term debt	250,000
add: unexpended debt proceeds	-
Net investment in capital assets	<u>\$ 2,377,234</u>

**E. Fund Balance**

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation:

<b>Total fund balance - General Fund</b>	<b>\$ 2,044,080</b>
Less:	
Stabilization by State Statute	319,024
Streets - Powell Bill	10,289
Assigned for subsequent year's expenditures	77,225
Remaining Fund Balance	\$ 1,637,542

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**E. Fund Balance (continued)**

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

<u>Encumbrances</u>	<u>General Fund</u>	<u>Non-Major Funds</u>
	\$0	

**IV. Joint Ventures**

The Town and the members of the Town's fire department each appoint two members to the five-member local board of trustees for the Firemen's Relief Fund. The State Insurance Commissioner appoints one additional member to the local board of trustees.

The Firemen's Relief Fund is funded by a portion of the fire and lightning insurance premiums which insurers remit to the State. The State passes these moneys to the local board of the Firemen's Relief Fund. The funds are used to assist firefighters in various ways. The Town obtains an ongoing financial benefit from the Fund for the on-behalf of payments for salaries and fringe benefits made to members of the Town's fire department by the board of trustees. During the fiscal year ended June 30, 2018, the Town did not report any revenues and expenditures for these payments because no benefit payments were made through the Firemen's Relief Fund. The participating governments do not have any equity interest in the joint venture, so no equity has been reflected in the financial statements at June 30, 2018. The Firemen's Relief Fund does not issue separate audited financial statements. Instead, the local board of trustees files an annual financial report with the State Firemen's Association. This report can be obtained from the Association at Post Office Box 188, Farmville, NC 27828.

**V. Summary Disclosure of Significant Contingencies**

Federal and State Assisted Programs

The Town has received proceeds from Federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreement. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

**VI. Significant Effects of Subsequent Events**

Subsequent events occurring after the statement of financial position date have been evaluated through September 29, 2018, which is the date the financial statements were available to be issued. There were no subsequent events that came to our attention after the audit that would have a significant effect on the Town.



**Town of Granite Quarry, North Carolina**  
**Town of Granite Quarry's Contributions**  
**Required Supplementary Information**  
**Last Five Fiscal Years**

**Local Government Employees' Retirement System**

	2018	2017	2016	2015	2014
Contractually required contribution	\$ 47,390	\$ 48,707	\$ 42,197	\$ 45,103	\$ 59,210
Contributions in relation to the contractually required contribution	\$ 47,390	\$ 48,707	\$ 42,197	\$ 45,103	\$ 59,210
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Granite Quarry's covered-employee payroll	\$ 573,895	\$ 609,181	\$ 604,269	\$ 622,084	\$ 629,140
Contributions as a percentage of covered-employee payroll	8.26%	8.00%	6.98%	7.25%	7.14%

**Proportionate Share of Net Pension Liability (Asset)**

	2018	2017	2016	2015	2014
Granite Quarry's proportion of the net pension liability (asset) (%)	0.01067%	0.00991%	0.01341%	0.01360%	0.01310%
Granite Quarry's proportion of the net pension liability (asset) (\$)	\$ 163,008	\$ 210,323	\$ 60,183	\$ (80,205)	\$ 153,949
Granite Quarry's covered-employee payroll	\$ 609,181	\$ 604,269	\$ 622,084	\$ 629,140	\$ 639,224
Granite Quarry's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	26.76%	34.81%	9.67%	( 12.75%)	24.08%
Plan fiduciary net position as a percentage of the total pension liability**	94.18%	91.47%	98.09%	102.64%	94.35%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

\*\* This will be the same percentage for all participant employers in the LGERS plan.

**Town of Granite Quarry, North Carolina**  
**Law Enforcement Officers' Special Separation Allowance**  
**Required Supplementary Information**  
**June 30, 2018**

**Schedule of Changes in Total Pension Liability**

	<b>2018</b>
Beginning balance	\$ 13,677
Service Cost Interest on total pension liability	11,231
Changes of benefit terms	1,483
Differences between expected and actual experience in the measurement of the total pension liability	-
Changes of assumptions or other inputs	9,225
Benefit payments	-
Other changes	6,833
Ending balance of the total pension liability	\$ 42,449

The amounts presented for each fiscal year were determined as of the prior fiscal year ending December 31.

**Schedule of Total Pension Liability as a Percentage of Covered Payroll**

	<b>2018</b>
Total pension liability	\$ 42,449
Covered payroll	333,857
Total pension liability as a percentage of covered payroll	12.71%

Notes to the schedules:

The Town of Granite Quarry has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits

**Town of Granite Quarry, North Carolina**

**General Fund**

**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**

**For the Year Ended June 30, 2018**

**(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2017 Actual</u>
<b>REVENUES:</b>				
Ad valorem taxes				
Current year collections		\$ 884,010		\$ 868,402
Penalties and interest		4,407		5,210
	<u>\$ 908,259</u>	<u>888,417</u>	<u>\$ (19,842)</u>	<u>873,613</u>
Other taxes, licenses and fees				
Privilege licenses		1,200		2,352
	<u>4,500</u>	<u>1,200</u>	<u>(3,300)</u>	<u>2,352</u>
Unrestricted intergovernmental				
Local option sales tax		673,909		662,213
Telecommunications sales tax		12,847		13,775
Solid waste disposal tax		2,102		2,047
Utility franchise tax		98,299		94,433
Piped natural gas		8,905		7,268
Video franchise fee tax		27,068		27,531
Beer and wine tax		13,366		13,841
	<u>809,850</u>	<u>836,496</u>	<u>26,646</u>	<u>821,108</u>
Restricted intergovernmental				
Powell Bill allocation		84,458		83,488
Grants		-		11,845
On-behalf of payments - Fire and Rescue		9,003		4,869
	<u>83,300</u>	<u>93,461</u>	<u>10,161</u>	<u>100,202</u>
Sales and services				
Curbside recycling		141,115		151,918
	<u>156,288</u>	<u>141,115</u>	<u>(15,173)</u>	<u>151,918</u>
Other general revenues				
Investment earnings		3,207		3,059
Rental income		4,265		8,415
ABC profit distribution		9,170		8,722
Faith police reimbursement		133,761		135,471
Donations		10,350		50
Sale of assets		21,270		3,441
Water/sewer reimbursement		50,000		-
Other		41,398		11,555
	<u>237,249</u>	<u>273,421</u>	<u>36,172</u>	<u>170,714</u>
<b>Total revenues</b>	<u>\$ 2,199,446</u>	<u>\$ 2,234,110</u>	<u>\$ 34,664</u>	<u>\$ 2,119,906</u>

**Town of Granite Quarry, North Carolina**  
**General Fund (Continued)**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2018**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2017 Actual</u>
<b>EXPENDITURES:</b>				
General Government				
Governing body				
Salary - Mayor/Aldermen		\$ 11,672		\$ 11,672
Mayor and board expenses		4,118		3,280
Election expense		2,081		-
	<u>\$ 18,428</u>	<u>17,871</u>	<u>\$ 557</u>	<u>14,953</u>
Administration				
Salaries and wages		206,597		172,189
Social security		17,254		14,709
Group insurance		34,498		21,485
Employee retirement		25,042		23,257
Contracted services		57,268		85,266
Professional services		10,116		10,884
Visionary project		8,122		9,961
Telephone		3,149		3,975
Utilities		4,639		7,217
Postage		-		1,139
Printing		3,151		925
Membership dues		12,124		11,320
Advertising		1,527		4,267
Tax collection fee		15,921		29,384
Office expense		12,894		6,125
Planning supplies		295		70
Maintenance and repairs		1,500		-
Travel expense		-		187
Training and schools		2,440		(95)
Insurance and bonding		7,299		7,688
Banquet expense		1,209		-
Community Appearance Commission		3,311		2,720
Miscellaneous		-		4,699
Projects		12,551		52,739
Capital outlay		12,014		-
	<u>458,365</u>	<u>452,922</u>	<u>5,443</u>	<u>470,110</u>
 Total general government	 <u>\$ 476,793</u>	 <u>\$ 470,793</u>	 <u>\$ 6,000</u>	 <u>\$ 485,063</u>

**Town of Granite Quarry, North Carolina**  
**General Fund (Continued)**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2018**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2017 Actual</u>
<b>EXPENDITURES:</b>				
Public Safety				
Police department				
Salaries		\$ 329,301		\$ 325,503
Part-time officers		17,750		16,420
Social security		26,860		25,713
Group insurance		70,928		83,608
Employee retirement		28,632		33,950
Supplemental retirement		20,184		18,161
Motor fuel		15,897		14,042
Contracted services		21,532		16,059
Printing		2,467		738
Telephone		7,277		9,176
Utilities		1,804		3,127
L.E. office supplies		899		1,383
Miscellaneous supplies and equipment		29,248		13,757
Maintenance and repairs - equipment		1,265		2,171
Maintenance and repairs - autos		5,484		5,530
Training and schools		2,676		1,147
Uniforms		3,138		2,487
Insurance		20,599		21,420
Miscellaneous		-		1,277
Dues and subscriptions		650		465
Debt service - Principal		-		17,683
Debt service - Interest		-		359
Capital outlay		41,328		105,064
Total police department	<u>\$ 656,098</u>	<u>647,920</u>	<u>\$ 8,178</u>	<u>719,242</u>
Public Safety - continued				
Fire department				
On-behalf of benefits		9,003		4,869
Salaries		100,788		96,677
Part-time wages		80,467		82,113
Social security		14,039		13,312
Group insurance		23,352		10,302
Employee retirement		15,437		17,839
Motor fuel		3,316		3,016
Contracted services		10,372		3,701
Printing		1,249		424
Telephone		1,667		3,041
Postage		-		27
Utilities		6,727		5,333
Dues and subscriptions		1,237		365
Office expense		67		722
Supplies and chemicals		-		25

**Town of Granite Quarry, North Carolina**  
**General Fund (Continued)**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2018**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2017 Actual</u>
<b>EXPENDITURES:</b>				
Public Safety - continued				
Fire department				
Maintenance and repairs - trucks		\$ 5,881		\$ 9,011
Maintenance and repairs - equipment		3,165		3,363
EMS supplies				935
Miscellaneous supplies and equipment		23,604		12,592
Training and schools		1,380		55
Uniforms		1,609		2,445
Insurance		13,641		14,348
Fire prevention				995
Miscellaneous				483
Debt service - Principal		146,960		35,009
Debt service - Interest		3,600		3,530
Capital outlay - equipment				10,054
	<u>\$ 547,545</u>	<u>467,559</u>	<u>\$ 79,986</u>	<u>334,586</u>
Total public safety	<u>1,203,643</u>	<u>1,115,479</u>	<u>88,164</u>	<u>1,053,827</u>
Transportation				
Streets and highways				
Salaries and wages		93,716		124,503
Social security		7,234		5,886
Group insurance		15,944		8,337
Employee retirement		12,631		11,980
Motor fuel		5,415		3,732
Communications		229		755
Utilities		3,873		7,354
Contracted services		32,094		4,123
Printing		454		27
Miscellaneous supplies and equipment		22,944		4,566
Maintenance and repairs - building		12,078		9,174
Maintenance and repairs - equipment		5,244		4,528
Maintenance and repairs - trucks		1,270		1,540
Training and schools		177		288
Uniforms		1,405		1,006
Street signs and traffic signals				1,894
Insurance		8,779		11,403
Sewer and water taps		48,057		
Miscellaneous		19		333
Capital outlay		64,602		6,745
Powell Bill:				
Expenses		234,739		34,190
Capital outlay				
Total transportation	<u>\$ 728,637</u>	<u>\$ 570,904</u>	<u>\$ 157,733</u>	<u>\$ 242,364</u>

**Town of Granite Quarry, North Carolina**  
**General Fund (Continued)**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2018**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2017 Actual</u>
Environmental protection				
Utilities		\$ 41,080		\$ 23,653
Contract trash hauling		110,082		110,134
Recycling program		25,080		26,215
Total environmental protection	<u>\$ 177,000</u>	<u>176,241</u>	<u>\$ 759</u>	<u>160,003</u>
<b>EXPENDITURES:</b>				
Culture and Recreation				
Salaries and wages		-		2,132
Social security		-		158
Group insurance		-		-
Employee retirement		-		15
Maintenance and repairs		11,905		12,606
Supplies and equipment		5,113		5,744
Contract services		3,076		1,720
Utilities		10,251		18,123
Miscellaneous		118		-
Capital outlay		-		-
Total cultural and recreational	<u>38,815</u>	<u>30,463</u>	<u>8,352</u>	<u>40,498</u>
Debt service:				
Powell Bill:				
Principal retirement		-		31,520
Interest		-		1,298
Water line extension:				
Principal retirement		50,000		50,000
Interest		7,685		8,897
Total debt service	<u>58,334</u>	<u>57,685</u>	<u>649</u>	<u>91,715</u>
Total expenditures	<u>2,683,222</u>	<u>2,421,566</u>	<u>261,656</u>	<u>2,073,470</u>
Revenues over expenditures	<u>(483,776)</u>	<u>(187,456)</u>	<u>296,320</u>	<u>46,437</u>
<b>OTHER FINANCING SOURCES</b>				
Operating transfers	-	-	-	-
Proceeds from long-term debt	-	-	-	-
Appropriated Fund Balance	483,776	-	(483,776)	-
	<u>483,776</u>	<u>-</u>	<u>(483,776)</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>(187,456)</u>	<u>\$ (187,456)</u>	<u>46,437</u>
Fund balances - beginning of year		<u>2,231,537</u>		<u>2,185,100</u>
Fund balances - end of year		<u>\$ 2,044,080</u>		<u>\$ 2,231,537</u>

**Town of Granite Quarry, North Carolina**  
**General Fund**  
**Schedule of Ad Valorem Taxes Receivable**  
**June 30, 2018**

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2017</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2018</u>
2017-2018		\$ 886,580	\$ 875,036	\$ 11,544
2016-2017	\$ 13,858		7,083	6,775
2015-2016	11,077		5,147	5,930
2014-2015	5,956		2,550	3,406
2013-2014	2,621		407	2,214
2012-2013	1,736		275	1,461
2011-2012	1,442		255	1,187
2010-2011	793		109	684
2009-2010	1,154		69	1,085
2008-2009	1,195		55	1,140
2007-2008	515		114	401
2006-2007	585		225	360
	<u>\$ 40,932</u>	<u>\$ 886,580</u>	<u>\$ 891,325</u>	
Ad valorem taxes receivable-net				<u>\$ 36,187</u>
Reconciliation with revenues:				
Taxes-Ad Valorem-General				\$ 884,010
Adjustments & credits				<u>7,315</u>
Total collections and credits				<u>\$ 891,325</u>



**Town of Granite Quarry, North Carolina**  
**Analysis of Current Tax Levy**  
**Town-Wide Levy**  
**For the Year Ended June 30, 2018**

	<u>Total Property Valuation</u>	<u>Rate</u>	<u>Amount of Levy</u>	<u>Total Levy</u>	
				<u>Property excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
Original levy:					
Property taxed at current years rate	\$ 210,604,551	0.4175	\$ 879,274	\$ 768,707	\$ 110,567
Property taxed at prior years rate	-		-	-	-
Penalties	167,665		700	700	-
Total	<u>210,772,216</u>		<u>879,974</u>	<u>769,407</u>	<u>110,567</u>
Discoveries:					
Current year rates	44,311	0.4175	185	185	-
Prior year taxes	-		-	-	-
Penalties	-		-	-	-
Total	<u>44,311</u>		<u>185</u>	<u>185</u>	<u>-</u>
Abatements	<u>(220,359)</u>	0.4175	<u>(920)</u>	<u>(920)</u>	<u>-</u>
Total property valuation	<u>\$ 210,596,168</u>				
Net levy			879,239	768,672	110,567
Uncollected taxes at June 30, 2018			<u>(11,544)</u>	<u>(11,544)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 867,695</u>	<u>\$ 757,128</u>	<u>\$ 110,567</u>
Percent current year collected			<u>98.69%</u>	<u>98.50%</u>	<u>100.00%</u>



**FISCAL YEAR 2018-2019  
BUDGET AMENDMENT REQUEST #3**

**November 5, 2018**

**PURPOSE:** To transfer funds from Visionary Projects (01-4120-49) to Maintenance Contingency Fund (01-4190-97) in the amount of \$20,000 for Sidewalk Improvements.

**TRANSFER FUNDS FROM:**

General Ledger Acct. # and Description	Amount
01-4120-49 Visionary Projects	\$20,000
<b>TOTAL</b>	<b>\$20,000</b>

**ADD FUNDS TO:**

General Ledger Acct. # and Description	Amount
01-4190-97 Maintenance Contingency Fund	\$20,000
<b>TOTAL</b>	<b>\$20,000</b>

The above Budget Amendment was approved / denied by the Manager or Board on \_\_\_\_\_.

\_\_\_\_\_  
William D. Feather, Mayor

\_\_\_\_\_  
Shelly Shockley, Finance Officer

**Office of the Mayor:**



# *Proclamation*

**WHEREAS**, we are pleased and honored to that the Town of Granite Quarry’s Board of Aldermen has joined together this year to pay tribute on this day to the dedicated veterans who have served this great nation with such distinction, both in peace time and in war; and

**WHEREAS**, our community has a continuing sense of gratitude to those who have given so much in the defense of the freedoms which we all continue to enjoy; and

**WHEREAS**, Americans have an abiding faith in the ideals and strengths on which our great nation was founded, in our democratic process, and in the men and women of the armed forces who have served our country so well; and

**WHEREAS**, in honor of these dedicated men and women, we pledge our continued defense of our nation so that their sacrifice will stand before the entire world as a tribute to the spirit and determination of a people dedicated to the principles of freedom and democracy; and

**WHEREAS**, on this patriotic occasion, let us all commit ourselves to the great need of fostering a spirit of rededication to the ideals that have served as the foundation of this great country – “One nation, under God, indivisible, with liberty and justice for all.”

**NOW, THEREFORE**, I, William D. Feather, by virtue of the authority vested in me as Mayor of the Town of Granite Quarry, North Carolina, do hereby proclaim Monday, November 12, 2018 as

## ***“HONOR OUR VETERANS DAY”***

in the Town of Granite Quarry, North Carolina and encourage all our citizens to honor our veterans and rededicate themselves to the preservation of our liberties under the Constitution.

Proclaimed this the 5<sup>th</sup> day of November, 2018.

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William D. Feather, Mayor

ATTEST:

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Tanya Maria Word, Town Clerk, CMC

THIS AGREEMENT, made and entered into this the \_\_\_\_ day of November, 2018, by and between CLIFTON THOMAS BYRD, of the State of South Carolina, party of the first part, and the TOWN OF GRANITE QUARRY, a North Carolina municipal corporation, party of the second part.

WITNESSETH:

WHEREAS, Mr. Byrd is the owner of a certain tract or parcel of land located adjacent to Faith Road in Rowan County, North Carolina, and being more fully described in deed recorded in book 512 at page 45 in the Office of the Register of Deeds for Rowan County, North Carolina, and being shown as parcel 036 on tax map 403 in the Office of the Tax Assessor for Rowan County, North Carolina, and

WHEREAS, Mr. Byrd is desirous of donating said property to the Town of Granite Quarry under certain terms and conditions as expressed herein, and the Town is desirous of accepting the said property under the terms and conditions expressed herein.

NOW, THEREFORE, the parties hereto agree as follows:

- 1) Mr. Byrd will cause to be executed and delivered to the Town, a general warranty deed in a form sufficient to convey to the Town, the property described in deed book 512, page 45 in the Office of the Register of Deeds.
- 2) The conveyance will completed before December 31, 2018.
- 3) Any member of Mr. Byrd's family may enter the property within 90 days following the conveyance for the purpose of removing any items of personal property belonging to them.
- 4) The property to be conveyed is currently rented. The Town agrees to allow the current tenant up to six months to continue to rent the property upon payment of timely rental.
- 5) The Town agrees that for the lifetime of Mr. Byrd, no additional residential structures will be built upon the property, nor shall any roads be built across the property except for walking paths or a gated emergency access road.
- 6) Within nine months of the conveyance, the Town will cause to be placed upon the property, a plaque recognizing the donation of the property by The Byrd Family.
- 7) The Town will bear the costs of preparing and recording the deed of conveyance.

IN WITNESS WHEREOF, the parties have executed this Agreement in a manner prescribed by law, this the day and year first above written.

\_\_\_\_\_  
CLIFTON THOMAS BYRD

TOWN OF GRANITE QUARRY

BY: \_\_\_\_\_  
WILLIAM D. FEATHER, MAYOR

ATTEST:

\_\_\_\_\_  
TANYA MARIA WORD  
TOWN CLERK

AGREEMENT Byrd - Town of Granite Quarry 2018



# TOWN OF GRANITE QUARRY POLICY

<b>Policy No.:</b> 3008.00	<b>Board Approval Date:</b> November 5, 2018 <b>Effective Date:</b> November 5, 2018 <b>Revision Date:</b> November 1, 2018
<b>Policy Title:</b> Sick Leave	<b>Department:</b> Administration
<b>Board Approved:</b>	<b># of Pages:</b> 3

**I. Purpose**

The purpose of this policy is to provide a uniform sick leave benefit policy.

**II. Scope**

This policy shall apply to all employees of the Town qualifying for benefits. Sick leave with pay is not a right which an employee can demand, but a privilege granted by the Board of Aldermen for the benefit of the employee.

**III. Background**

None

**IV. Definitions**

None

**V. Legislation**

None

**VI. Policy**

This policy describes the sick leave benefit provided by the Town of Granite Quarry.

**VII. Provisions**

A. Sick leave accrues according to the following schedule:

Hours Worked	Sick Leave Days Earned Annually	Sick Leave Hours Accrued Biweekly
40 hours per week	12	3.69 biweekly
Law Enforcement	13	4.00 biweekly
Fire Department	14	4.31 biweekly

- B. The accumulation of sick leave begins on the biweekly pay period following the date of hire. There is no maximum accumulation of accrued sick leave.
- C. Notification of desire to take sick leave should be communicated to the employees' supervisor prior to leave. Notice shall include the nature of the absence and expected duration. It is the employee's responsibility to call in. If an employee cannot call, they should designate someone else to call so arrangements can be made to cover their work duties.
- D. If an employee is sick for several days, they are responsible for keeping their supervisor informed each day unless other arrangements are made with supervisors. The employee should inform their supervisor of the expected date to return to work. A note from a Doctor will be required for sick leave exceeding three days or in the case that an employee is suspected of using leave.
- E. An employee's pay will be reduced by the number of hours not worked if paid leave time has been exhausted.
- F. Regular scheduled days off cannot be used as paid sick leave.
- G. Sick leave may not be used in addition to workers compensation payments except for the first seven calendar days absent due to work related injury or illness.
- H. Employees with excessive absences may be interviewed by their supervisor, who may request a statement of fitness for duty from a Doctor. A person whose health prevents them from fulfilling the requirements of the job may be placed on leave of absence until the individual's health improves.
- I. Employees should report to their supervisor if they become ill on the job. If an employee finds it necessary to leave the worksite due to illness, they must advise their supervisor or Department Head before departing. Failure to communicate with supervision before leaving may result in leave without pay instead of paid sick time.
- J. Sick leave may also be used for:
  - 1) Medical Appointments
  - 2) Illness of a member of the immediate family; which is defined as a spouse, domestic partner, child, parent, mother-in-law, and father-in-law including step relationships. Individuals who stood *in loco parentis* to the employee during their childhood or a child in which the employee stands *in loco parentis* are also included. Sick leave for this type of leave may require verification from a Doctor that the employee's presence is needed to care for the family member.

- K. For computation of wages, sick leave time will be calculated at the regular rate of pay and will be excluded from overtime calculation. Sick leave may only be used to receive pay up to the regular scheduled work week and cannot be used to increase the employee's pay.
- L. The N.C. Retirement System grants one month of service credit for every twenty (20) days accrued but unused sick leave at the time of retirement to employees who are members of the North Carolina Local Governmental Employee's Retirement System (LGERS) provided that an application is made within twelve (12) months of leaving employment.
- M. The Town of Granite Quarry will accept a transfer of unused sick leave, up to a maximum of 288 hours, from another local or state government employer if the unused balance is not more than 3 years old. A letter must be received from the previous employer stating the amount of sick leave to be transferred.
- N. The Town of Granite Quarry will transfer any unused sick leave to another employer who will accept the transfer if it is requested by the employee within 3 years of employment separation. Unused sick leave will not be paid to the employee at termination of employment.



