



**TOWN OF GRANITE QUARRY
BOARD OF ALDERMEN
SPECIAL CALLED MEETING
Continuation of Recessed June 13, 2022 Meeting
Thursday, June 16, 2022
9:30 a.m.**

Present: Mayor Brittany Barnhardt, Mayor Pro Tem John Linker, Alderman Jim Costantino, Alderman Kim Cress, Alderman Doug Shelton

Staff: Town Manager Larry Smith, Town Clerk Aubrey Smith, Police Chief Mark Cook, Public Works Director / Fire Chief Jason Hord, Finance Officer Shelly Shockley, Police Sergeant Richard Tester

Call to Order: Mayor Barnhardt opened the meeting at 9:31 a.m.

1. Motion to Come out of Recess

ACTION: Alderman Costantino made a motion to come out of recess. Mayor Pro Tem Linker seconded the motion. The motion passed 4-0.

2. Approval of the Agenda

ACTION: Alderman Costantino made a motion to approve the agenda. Alderman Shelton seconded the motion. The motion passed 4-0.

3. Continued Discussion **FY 22-23 Budget**

Manager Smith shared that there had been updates since Monday night including the action taken by other municipalities on their upcoming fiscal year's tax rates. Rockwell's budget was adopted again at 0.46, Salisbury balanced their proposed budget on a \$2 million appropriated fund balance, the County balanced their proposed budget off a \$9.3 million appropriated fund balance and one-time ARPA fund and property sale, China Grove was approved at 0.56, Faith remained the same. The state distribution information was received. Sales & use was \$83,920.92 more than budgeted; Utilities Franchise was \$7,097.61 more than budgeted; Beer & Wine was \$669.00 less than budgeted. Factoring in the updated amounts increases the FY23 BOA Contingency to \$40,331. The *FY2022-2023 Discussed or Proposed Capital Expenditures and Major / Noteworthy Items* document was provided as a handout. Everything in black was included in the proposed budget, items in red were not. Items included were easily justifiable as municipal annual expenditures. Items justified under the ARPA funds as transformational or items that had good qualifications for grant or matching funds were subsequently not included. Even with that prioritization, the CLUP and UDO review and rewrite estimated at \$65,500 would still not be fully fundable within the budget by BOA Contingency.

Manager Smith shared he met with Marilyn Wells, the government liaison from Waste Management. She confirmed there would likely be no cost savings if the pickup schedule was changed because the tonnage would be the same and extra weight on fewer trips would affect the fuel mileage. She did not recommend altering the collections. She also pointed out the potential smell and trash spillover could cause nuisances. Fuel costs and surcharges are still unpredictable, so Manager Smith recommended keeping the \$175,000 at this time.

Manager Smith provided the information on revenues from the environmental fee versus the expenditures for garbage service and yard waste collection. SRU revenues do not include residents who are receiving trash service but do not have an account with SRU for sanitation or water. There is currently no way to bill these residents for the environmental fee. The illustration on the handouts includes yard waste, man hours, fuel surcharges (diesel went up 48% this year). The Board discussed the environmental fee collection from the households not set up in the SRU system and the possibility of billing.

Manager Smith shared that the original formula used to decide the amount Faith was billed for police services was based on the population counts for each town. Instead, when looking at entering into an interlocal agreement, how much it costs to provide service to the area is generally what the agreement cost is based on. One methodology focusing on service demand for Faith estimated an amount equal to 15.3% of the proposed police budget. Another based on staffing methodology came out to \$146,588. Percentage formulas can fluctuate widely and be flawed. For instance, if Granite Quarry chooses to increase a particular service level or asset cost within Granite Quarry only, that increases the overall PD budget regardless of any agreement with another municipality, and would not be an accurate reflection of the continuing cost of servicing the other municipality. Manager Smith stated there was a need for Board direction for the future. Alderman Shelton stated he was in favor of the directly related cost method and thought it made more sense than other methods, but would like to see an agreement everyone can read and understand. Manager Smith responded that if the Board agreed to prioritize it, he would like to bring in a member of the League to moderate the discussion on negotiations of future agreements. There was Board discussion questioning what level of service would be provided to Faith based on their contribution towards the total police budget and how funds for items like car replacement and separation allowances could be contributed towards for the future.

ACTION: Alderman Costantino made a motion to recess for five minutes. Alderman Shelton seconded the motion. The motion passed 4-0.

The Board recessed at 10:04 a.m.

Mayor Barnhardt called the meeting back to order at 10:18 a.m.

Board members reviewed handouts of the updated line items for each department and asked for clarification on any areas of interest. Alderman Shelton asked if there was anywhere funds could be shaved. Manager Smith stated this was an uncomfortably close line item operational budget in part due to rising costs and potential wildcards. He shared the majority of the increases in the budget were a result of inflation. There was discussion regarding the cost of living adjustments in adjacent municipalities and how that might affect recruiting/retention.

Alderman Cress voiced dissatisfaction with the police department funding issues and the proposed increase in tax rate. He made a statement regarding his desire for the town to be prepared for future increases in issues with staffing, rising costs, and higher taxes.

Mayor Pro Tem Linker stated a desire to move from the four decimal tax rate to a two decimal rate. He

requested that department heads delay any non-critical and large capital outlay purchases for a few months.

Mayor Barnhardt stated that with the current rate of inflation, she felt the town would be doing the citizens a disservice if the tax rate wasn't increased to cover municipal services. She was also interested in moving to a two decimal rate and expressed a desire to see the Land Use Plan funded.

Alderman Shelton stated he was okay with going to a two decimal number and would be in favor of rounding up. He voiced that he did not like the idea of raising taxes, but he disliked more the idea of taking away services from citizens. He stated he believed the town could pull from unrestricted funds later in the year to fund projects after all revenues and potential surpluses were received.

Manager Smith asked for clarification for direction on the Land Use Plan, specifically whether the Board was proposing waiting until after the results of the audit. Mayor Barnhardt proposed discussing at a strategic meeting after the audit. Mayor Barnhardt asked for consensus on the tax rate increase. Mayor Pro Tem Linker shared he thought it shouldn't go higher than 0.44 even, Alderman Shelton stated he was in favor of taking it to 0.45, Alderman Cress requested it be 0.41, and Alderman Costantino was in favor of 0.44.

ACTION: Alderman Costantino made a motion for a 0.44 tax rate. Mayor Pro Tem Linker seconded the motion. The motion failed 2-3 with Alderman Costantino and Mayor Pro Tem Linker in favor and Alderman Shelton and Alderman Cress opposed. Mayor Barnhardt voted to break the tie and was opposed.

ACTION: Alderman Shelton made a motion for a 0.45 tax rate. The motion died for a lack of second.

ACTION: Alderman Shelton made a motion for the 0.4475 tax rate that was previously discussed. Alderman Costantino seconded the motion. The motion passed 3-2 with Alderman Shelton and Alderman Costantino in favor and Mayor Pro Tem Linker and Alderman Cress opposed. Mayor Barnhardt voted to break the tie and was in favor.

ACTION: Alderman Shelton made a motion to adopt the FY 22-23 Budget as presented today (*Ordinance 2022-04*). Alderman Costantino seconded the motion. The motion passed 4-0.

4. Continued Discussion RMA Meeting Details

Mayor Barnhardt stated she contacted Harry Warren's office but had not heard back from him yet.

ACTION: Mayor Pro Tem Linker made a motion to confirm the Rowan Municipal Association meeting date of July 28, 2022, beginning at 6:00 p.m. at Trinity Oaks with potential guest speaker Harry Warren. Alderman Costantino seconded the motion. The motion passed 4-0.

5. Discussion Strategic Meeting Dates

There was Board consensus to set the next strategic meeting for Monday, June 27, 2022, at 9:30 a.m.

Adjournment

ACTION: Alderman Costantino made a motion to adjourn. Mayor Pro Tem Linker seconded the motion. The motion passed 4-0. The meeting was adjourned at 11:29 a.m.

Respectfully Submitted,

Aubrey Smith

Town Clerk