

# **TOWN OF GRANITE QUARRY NORTH CAROLINA**



## **RECOMMENDED BUDGET FOR FISCAL YEAR 2022-2023 (FY23)**

PREPARED BY:  
LARRY SMITH  
TOWN MANAGER

**May 20, 2022**



## **Town Manager's Budget Message FY 2022-2023**

May 20, 2022

Mayor Brittany Barnhardt  
Board of Aldermen  
Town of Granite Quarry  
143 N Salisbury Avenue  
Granite Quarry, NC 28146

The Honorable Mayor Barnhardt, Town Board Members and Residents of Granite Quarry:

I commend the Town Board's initiative to really focus time this year on strategic planning and goal-setting in its annual retreat sessions. Visioning for the future, clarifying the organization's core values, and outlining strategic goals have given the manager and staff very helpful clarity on where to prioritize our emphasis in programs and their corresponding budgets.

The past two years have brought an unprecedented amount of residential growth to Granite Quarry. While this provides an increase to the overall tax base, it also brings a disproportionate demand on municipal services than industrial or commercial development. The Town has taken creative approaches toward providing high quality levels of municipal services while maintaining as minimal staffing and budgeting levels as possible.

To achieve this creativity efficiently and lawfully requires qualified and very dedicated staff. The Town has taken proactive steps over the past few years to curb previously high employee turnover, and to make the organization competitive in both recruitment and retention of talented professionals. This budget keeps our grade scale ("recruitment") competitive with our statewide peer group average, while emphasizing retention and maximum focus/reward on performance with our existing employees.

These factors have enabled Granite Quarry to pride itself on remaining the 3<sup>rd</sup> lowest tax rate in the county among *all* units of local government (by a margin of 4.25¢) – and the *lowest* tax rate among our benchmark "peer group" municipalities by a staggering margin of 11.25¢ (*see Table 1*).

**Table 1.**

Unit of Government	FY22 Tax Rate
Salisbury	0.7196
Rowan County	0.6575
East Spencer	0.66
<b>Spencer*</b>	<b>0.655</b>
Kannapolis (Rowan)	0.63
<b>China Grove*</b>	<b>0.54</b>
<b>Landis**</b>	<b>0.53</b>
Rockwell	0.46
<b><u>Granite Quarry*</u></b>	<b><u>0.4175</u></b>
Faith	0.41
Cleveland	0.3736 (city 0.28 + a comm fire rate of 0.0936)

\* Benchmark “peer group” municipalities (by composition, budget, and/or population standards).

\*\* As a city with electric utility, Landis is actually not in our peer group average for some benchmarking standards, but is included in Table 1 as such by population comparisons.

The Board has continued discussions on the need for increased levels of service in some areas, as well as the adverse effects of maintaining a tax rate oftentimes incongruent with growth trends and needs. This has been especially evident in discussions the past few years about the workload capacities of existing staff, the challenge to find or justify funding needed for more-proactive goals, an increasing need to tap into fund balance for major (but to be anticipated in municipal services) items and projects – if not simply postponing them from year to year.

While Table 1 in and of itself does not automatically mean Granite Quarry needs to be at the same tax rate as any particular municipality within our benchmark peer group shown, it provides a good and simple illustration in general of the reasons and limitations behind these challenges.

Even with the recommendations below, we will not have the funds or resources to achieve all of our desired goals. This budget prioritizes funding into the areas established as highest priorities by this administration and the Board of Aldermen. It also begins to structure the Town’s ability to work toward building a capital reserve program in the near future.

### **Budget Overview**

After careful consideration, the following budget recommendations represent Board goals, departmental input, and community needs within a tax rate of **44.75** cents per \$100 valuation. The total recommended budget is **\$2,950,383**.

General Fund:		\$ 2,950,383
Governing Body	\$ 112,527	
Administration	\$ 621,023	
Police	\$ 910,616	
Fire	\$ 598,990	
Public Works/Maintenance	\$ 329,175	
Streets – Powell Bill	\$ 89,302	
Streets – Non-Powell Bill	\$ 36,800	
Parks and Recreation	\$ 76,950	
Environmental	\$ 175,000	

**Total All Funds:** **\$ 2,950,383**

### **FY 2022-2023 Departmental Highlights**

**Governing Body:** The recommended budget for Governing Body is \$112,527. This includes a market adjustment increase to Board member pay, funding for the annual financial audit, increased costs of meetings since groups have begun meeting again for the first time since the pandemic, Granite Quarry's term to host the Rowan Municipal Association (2022-2024), balance payout of a previous bank of funds regarding a rental agreement of the Legion Building with the Civitan Club, and \$30,331 in Board contingency funds.

**Administration:** The proposed budget for Administration is \$621,023. This includes continuation of contracts for part-time planning services and code enforcement services while continuing the search for a full-time planner position. This department also houses the debt service funding for the Village at Granite waterline extension which will be paid off in the upcoming year, Community Appearance Commission activities, and tax collection services through Rowan County.

**Police:** The proposed budget for the Police Department is \$910,616. This includes some significant operational cost increases such as fuel, staffing of a previously frozen police officer position, a transition from .40 caliber pistols to 9mm, purchase of a radar sign/traffic data collector, 1 patrol vehicle, and a utility trailer.

**Fire:** The proposed budget for the Fire Department is \$598,990. This includes significant operational cost increases such as fuel and price per unit of turnout gear, replacement of E572 and R57 intake relief valves, and \$50,000 in restricted funding for supplies and equipment provided by a \$50,000 FD stipend received from Rowan County.

**Public Works / Maintenance:** The proposed budget for the Public Works / Maintenance Department is \$329,175. This includes significant operational cost increases such as fuel for operations as well as fuel surcharge increases passed along through contracted services.

**Streets – Powell Bill:** The proposed budget for Powell Bill costs is \$89,302. This includes purchase of a snow plow, \$57,225 in debt service toward repayment of the 2020 Capital Streets Improvement project loan, and projected \$9,677 unappropriated fund balance to be applied toward future capital streets improvement projects as established by funding policy 2020-09.

**Streets – Non-Powell Bill:** The proposed budget for Non-Powell Bill Streets costs is \$36,800. This is for the Utilities costs on streetlights.

**Parks and Recreation:** The proposed budget for the Parks and Recreation Department is \$76,950. This includes normal operational upkeep of parks and their facilities, allotment for security camera and wireless upgrades, and an increased budget for the Town's signature Granite Fest event which had to be curbed during the height of the pandemic.

**Environmental:** The proposed budget for Environmental costs is \$175,000. This includes increased area and costs associated with the Waste Management sanitation services contract, especially surcharges from the dramatic increase in fuel costs.

The proposed General Fund budget is balanced with a tax rate of 44.75 cents per \$100 of valuation. Projected revenues and other funding sources are \$2,950,383 and projected expenditures are \$2,950,383.

Respectfully Submitted,

*Larry Smith*

Larry Smith  
Town Manager



**TOWN OF GRANITE QUARRY, NORTH CAROLINA**  
**Budget Ordinance No. 2022-04**  
**FISCAL YEAR 2022-2023**

**AN ORDINANCE CONCERNING APPROPRIATIONS AND THE RAISING OF  
REVENUE FOR THE FISCAL YEAR BEGINNING JULY 1, 2022**

**BE IT ORDAINED** by the Board of Aldermen of the Town of Granite Quarry, North Carolina that the following anticipated fund revenues and departmental expenditures, certain fee and charge schedules, and with certain restrictions and authorizations, are hereby appropriated and approved for the operation of the Town Government and its activities for the fiscal year beginning July 1, 2022 and ending June 30, 2023 (FY23).

**Section 1: Summary**

General Fund Revenues	\$2,900,383
Other Financing Sources and Uses	<u>50,000</u>
Total Expenditures / Transfers	<u>\$2,950,383</u>

**Section 2: General Fund**

**Anticipated Revenues**

Ad Valorem Taxes	\$1,275,300
Unrestricted Intergovernmental	1,131,581
Restricted Intergovernmental	275,302
Permits and Fees	5,500
Sales and Services	178,500
Other General Revenues	<u>34,200</u>
Subtotal	2,900,383
Other Financing Sources and Uses	50,000
Total Anticipated Revenues	<u>\$2,950,383</u>

**Authorized Expenditures / Transfers Out  
By Department**

Governing Body	\$112,527
Administration	621,023
Police	910,616
Fire	598,990
Maintenance	329,175
Streets – Powell Bill	89,302
Streets – Non-Powell Bill	36,800
Parks and Recreation	76,950
Environmental	175,000
<b>Total Authorized Expenditures / Transfers</b>	<b><u>\$2,950,383</u></b>

**Section 3: Levy of Taxes**

There is hereby levied for FY23 an Ad Valorem Tax Rate of 44.75 cents per One Hundred Dollars (\$100.00) valuation of taxable property as listed for taxes as of January 1, 2022, for the purpose of maintaining the revenue from current taxes as set forth in the foregoing estimates of revenues, and in order to finance the foregoing applicable appropriations. This rate of tax is based on an estimated assessed valuation of **\$282,592,374** and an estimated collection rate of **97.78%**, yielding **\$1,264,600** in current year ad valorem tax revenues.

**Section 4: Fees Schedule**

There is hereby established, for the FY23, various fees and charges as contained in Attachment A.

**Section 5: Special Authorization - Budget Officer**

- A. The Town Manager is hereby authorized to make any budget transfers as may be required within each department if the total appropriation for each fund does not change and contingency funds are not utilized to do so.
- B. Interfund transfers established in the Budget Ordinance or Capital Project Ordinance may be accomplished without additional approval from the Board of Aldermen.

**Section 6: Restrictions - Budget Officer**

- A. Interfund and interdepartmental transfer of monies except as noted in Sections 5 and 9 shall be accomplished by Board of Aldermen authorizations only.
- B. Utilization of appropriations contained in Contingencies and Appropriations from Fund Balance may be accomplished only with specific approval of the Board of Aldermen.

## Section 7: Utilization of Budget Ordinance

This ordinance shall be the basis of the financial plan for the Town of Granite Quarry Municipal Government during the FY23. The Town Manager shall administer the budget and shall ensure that operating officials are provided guidance and sufficient details to implement their appropriate portion of the Budget.

The Administration Department shall establish and maintain all records in consonance with this Budget Ordinance and the appropriate Statutes of the State of North Carolina.

## Section 8: Salary Adjustments

- A. For the FY23, market adjustments to salaries for members of the Board of Aldermen are as follows, effective July 1, 2022.

<u>Position</u>	<u>Position Code</u>	<b>Granite Quarry</b>	Comparable Municipalities <b>Across NC</b>	Deviation	
		GQ Actual	Weighted Average	\$ Deviation	% Deviation
Mayor	10010	\$ 3,635	\$ 5,884	\$ (2,249)	-38%
Mayor Pro-Tem	10020	2,386	3,862	\$ (1,476)	-38%
Alderman	10030	2,269	3,547	\$ (1,278)	-36%
Town Manager	10040	90,000	104,005	\$ (14,005)	-13%
Town Clerk / HR	10080	52,699	58,913	\$ (6,214)	-11%
Office Assistant	20600	36,400	40,152	\$ (3,752)	-9%
Finance Officer	20050	57,972	55,540	\$ 2,432	4%
Planner	20470		54,965	\$ (54,965)	
Police Chief	10170	70,402	77,438	\$ (7,036)	-9%
Police Investigator	30210	51,823	50,565	\$ 1,258	2%
Police Sergeant	30270	45,020	48,535	\$ (3,515)	-7%
Police Officer	30260	42,663	42,856	\$ (193)	0%
Public Works Director	10210	58,922	71,127	\$ (12,205)	-17%
Public Works Crew Leader	20430	34,305	35,925	\$ (1,620)	-5%
Public Works Technician	20420	30,120	35,521	\$ (5,401)	-15%
Fire Supervisor (Capt/Lt)	30080	41,885	53,558	\$ (11,673)	-22%

average that GQ classified positions are over (below) weighted NC peer group average -8.04%

Weighted NC peer group MAYOR salary decreased by same amount \$ 5,410

Weighted NC peer group MAYOR PRO-TEM salary decreased by same amount \$ 3,552

Weighted NC peer group ALDERMAN salary decreased by same amount \$ 3,261

- B. A Market Adjustment of 4% and merit consideration of 0:4% will be available as part of performance pay consideration to classified employees at the time of their respective annual performance evaluations throughout the course of the year, if or as they merit according to the following schedule:



Overall Performance Level	Below Midpoint	Above Midpoint
Does Not Meet Expectations	No increase	No increase
Meets Expectations	Market adj only	Market adj only
Exceeds Expectations	Market adj plus up to 2.0%	Market adj plus up to 1.0%
Exceptional	Market adj plus up to 4.0%	Market adj plus up to 2.0%

C. Longevity pay authorization will be considered at the regular monthly meeting of the Board of Aldermen in November. Projected funding for longevity pay is according to the following schedule:

1. Currently active, full-time employees:
  - A. 6 months or more, less than 1 year                      \$    150
  - B. 1 year or more, less than 5 years                         \$    200
  - C. 5 years or more, less than 10 years                        \$    250
  - D. More than 10 years     \$    300
2. Currently active, part-time employees:
  - A. Admin, Maint, FD.                      If over 500hrs, 1% of gross wages YTD up to \$200 maximum.
  - B. PD.    If consistently reported when called, \$50 flat rate.
3. Currently active FD volunteers with over 30% calls    \$    100

#### **Section 9: Re-appropriation of Funds Encumbered in FY22**

Appropriations hereinabove authorized and made shall have the amounts of the unearned portion of contracts at June 30, 2022 added to each appropriation as it applied in order to properly account for payment against the fiscal year in which it is paid.

Copies of this ordinance, the Town Manager's budget message, and accompanying attachments shall be maintained in the office of the Town Clerk of the Town of Granite Quarry and shall be made available for public inspection.

Adopted June \_\_\_\_, 2021

\_\_\_\_\_  
Aubrey Smith  
Town Clerk

\_\_\_\_\_  
Brittany Barnhardt  
Mayor

## Revenue Assumptions for FY 2022-2023 Budget

### *Ad Valorem Taxes*

**Property Taxes.** Property tax values are provided by the Rowan County Tax Assessor's Office. Once expenditures and all other General Fund revenues were projected, the amount necessary to balance the budget was calculated. Using that figure as the target, a property tax rate applied to the assessed valuation was calculated that would result in that amount of revenue being generated. An uncollectable rate of 2.22% was factored into the calculations.

**Tax Penalties and Interest.** Based on historical trends.

**Prior Year Taxes.** Based on historical trends, economic forecasts, anticipated continuation of collection percentages, and adjusted by the size of the 2021 property tax receivable balance projected as of June 30, 2022.

### *Unrestricted Intergovernmental*

**Local Option Sales Tax.** Based on estimates provided by the North Carolina League of Municipalities (NCLM), historical trends, State legislative changes, local conditions, and economic forecasts. Overall, we project finishing FY21 at ~10.9% above FY21 distributions, with continued growth of ~3.75% across the local sales tax articles for the FY23.

**Solid Waste Disposal.** Based on forecast projections and health trends of the construction sector. The State levies a \$2/ton "tipping tax" on municipal solid waste and construction / demolition materials deposited in all NC landfills (and/or passing through transfer stations for any out of state disposal). It applies proceeds to different programs and then distributes 18.75% of the proceeds back to municipalities and counties on a per capita basis. Overall, we expect ~2.5% increase in FY23 distributions over the estimated FY22 amounts.

**Beer & Wine Tax.** Based on national market research forecast projections of beer and wine sales, compared against state distribution formulas. These sales taxes are distributed from the NC Department of Revenue to municipalities based on population. We expect distribution to see approximately 1.75% growth in FY23.

**Utility Franchises.** Based on estimates provided by the NCLM and historical trends of both distributions and auditing adjustment amounts. This category includes Electricity, Piped Natural Gas, Telecommunications, and Video Programming Franchise Taxes & Fees. Underlying factors such as policy changes, energy prices, weather, and changing technologies cause growth or decline in these revenues to swing dramatically in any given year. Between the different categories, overall we expect to see a 5% decline in FY23 over FY22 levels.

#### *Restricted Intergovernmental Revenues*

**Powell Bill Revenues.** Based on estimates provided by the NCLM and the Office of State Budget and Management. The population-based portion of the distribution formula (75% of the distribution) was calculated at \$21.66 per capita at our most recent certified census population of 2,992. The mileage-based portion (25% of the distribution) was calculated at \$1,675.48 per mile over our 14.62 miles of streets.

**Joint Police Authority Revenues.** FY23 Agreement amount is still pending determination; FY22 flat rate agreement amount of \$136,000 is currently held as a placeholder for the to be determined amount.

#### *Permits and Fees*

**Local Revenues.** Based on historical trends, economic forecasts, and known growth and development plans in queue within Town limits.

#### *Sales and Services*

**Solid Waste/Recycling Collection.** Based on the recommended environmental fee of \$12 per month per household and the anticipated collection rate through Salisbury-Rowan Utilities' (SRU) billing department.

#### *Other General Revenues*

**Local Revenues.** Based on fee schedule, and historic and current trends.

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

**Surplus Items.** Based on anticipated surplus items and their estimated market value.

# FEES AND CHARGES

# ATTACHMENT A

## FISCAL YEAR 2022-2023 TOWN OF GRANITE QUARRY

BUILDING AND RELATED ACTIVITIES			
Building Type	Rental Times and Description	Rental Fee	
		Residents	Non-Residents
Shelter or Gazebo	Up to 4 hours	\$35	\$50
	Up to 8 hours	\$50	\$75
	8 hours or more	\$75	\$100
	Electricity fee	\$25 per 4 hours of use	
Civic Park	Kitchen rental	\$15	\$50
	Kitchen key deposit	\$25	
Legion Building	Up to 6 hours	\$100	\$250
	6 hours or more	\$150	\$350
Civic Group or church	Up to 6 hours	\$50	\$150
	6 hours or more	\$75	\$200
	Rental deposit (no discount)	\$150	
No fees are charged for nationally chartered Granite Quarry youth or school organizations.			
PLANNING, ZONING, AND SUBDIVISION FEES			
Item	Description	Fee	
Subdivision Plats	Exception plat review	\$50	
	Minor subdivision plat review	\$75	
	Major subdivision, preliminary plat review	Engineer costs, plus:	
		• Up to 25 lots:	\$250
		• 26-50 lots:	\$500 + \$5 per lot
	• > 50 lots:	\$750 + \$5 per lot	
	Major subdivision, final plat review*	\$150 per map + engineer costs	
	Letter of credit review	\$100 + engineer costs	
	Letter of credit, partial release	\$100 + engineer costs	
<i>*If a third review is required, an additional review fee will be charged</i>			
Zoning Review	Zoning / Use Permit	\$50 unless otherwise specified below	
	Home occupation	\$25	
	Driveway	\$25	
	Fence	\$10	
	Sign - temporary	\$10 per sign	
	Sign - permanent	\$50 per sign	
	Conditional Use Permit (CUP)	\$500	
	Variance	\$400	
	Engineer drawing review	Engineer costs	
	Site plan review	(Minor) \$200	
		(Major) \$400	
	Technical Review Committee review	\$100 + engineer costs	
	Zoning Administrator’s decision appeal	\$250 + advertising and notification costs	
	Zoning map amendment	\$600 + advertising and notification costs	
	Zoning text amendment	\$400 + advertising and notification costs	
	Site inspection costs	\$100 + engineer costs	

	Vested rights process	\$250
Plotted Maps, Ordinance Copies, Etc		Production cost
Nuisance Citation/Fine (warning issued first)		\$50 first offense
		\$100 second offense
		\$200 third & subsequent offense
ADMINISTRATIVE AND OTHER FEES		
Item Description	Fees	
All Copies	\$0.10 per page	
Copy of Current Town Budget	\$0.10 per page	
Fax Service	\$0.25 per page	
Copy of Municipal Code of Ordinances	Production cost	
Golf Cart Registration	\$10 per cart	
Golf Cart Violation	\$150 per violation	
Environmental Fee (resident and non-dumpster commercial)	\$12 per month	
FIRE DEPARTMENT FEES		
Fireworks (standby)	\$100	
Assembly Standby	\$100	
Fire Reports	\$5 per report	
FIRE DEPARTMENT PERMITS		
Fireworks	\$130	
POLICE DEPARTMENT FEES		
Police Off-Duty Services (entity pays the officer directly)	\$30 per hour	
Police Off-Duty Services – Rowan Salisbury School System	\$25 per hour	
Police Reports	\$5 per report	
PUBLIC WORKS DEPARTMENT FEES (including for Town abatements)		
Heavy Equipment / Tractors	\$100 per hour with operator	
Light Equipment	\$65 per hour with operator	
Brush Pickup, second load for residents	\$50 per load	
Bulk Item Pickup (must be placed by curb)	Call Town Hall for estimate	
Mulch (Subject to availability as determined by Director. Call Town Hall for scheduling.)	\$10 per bucket (GQ Residents)	
	\$25 per bucket (Non-Residents)	

**SALARY SCHEDULE****ATTACHMENT B****FY 2022-2023  
Salary Schedule**

<b>Classification Title</b>	<b>Grade</b>	<b># Positions</b>	<b>Hiring Rate</b>	<b>Minimum</b>	<b>Mid- Point</b>	<b>Maximum</b>	<b>Notes</b>
Town Clerk	18	1	52,928	55,574	67,483	82,038	
Finance Officer	19	1	55,574	58,353	70,857	86,140	
Planner	17	1	50,408	52,928	64,270	78,132	
Office Assistant	8	1	32,493	34,118	41,429	50,364	
Public Works Director	20	1	58,353	61,271	74,400	90,447	
Public Works Crew Leader	9	1	34,118	35,824	43,501	52,883	
Public Works Technician	6	1	29,472	30,946	37,577	45,682	
Police Chief	23	1	67,552	70,930	86,129	104,706	
Police Investigator	15	1	45,722	48,008	58,296	70,869	
Police Sergeant	15	2	45,722	48,008	58,296	70,869	
Police Officer	13	6	41,471	43,545	52,876	64,280	
Fire Lieutenant	14	3	43,545	45,722	55,520	67,495	