

TOWN OF GRANITE QUARRY NORTH CAROLINA



RECOMMENDED BUDGET FOR FISCAL YEAR 2025-2026 (FY26)

PREPARED BY:
JASON HORD
TOWN MANAGER

May 12, 2025

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Town Manager's Budget Message FY 2025-2026

May 12, 2025

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

Honorable Mayor Barnhardt, Council Members, and community members of Granite Quarry:

I am pleased to present you with the following proposed FY26 budget. Over the past few years, the Council has consistently discussed its desire to not just maintain, but to enhance the Town's levels of service. This is accomplished by strategic planning sessions centered around town services, properties, and growth areas to ensure that Granite Quarry remains a great place to live, work, and visit through our core values.

Strategic Goals

During the Town's Planning Retreat on February 26, 2025, Department Heads shared strategic goal progress, previewed upcoming priorities, and identified necessary resource needs for the next fiscal year. At that time discussions were held around capital purchases of vehicles and equipment and the amount of surplus in the FY25 budget. In an effort to avoid a tax rate increase in FY26, Council asked the Town Manager to identify any of the capital purchases that could be purchased in the current budget.

Personnel

This fiscal year, we prioritized employee retention while strategically planning for responsible growth.

1. Personnel Pay, Salary & Benefit Comparisons and Classification/Compression Analysis

We conducted a very thorough study and analysis of both statewide and local government peer groups. Ultimately, we determined our annual grade scale market adjustments have kept the Administration and Public Works department salaries fairly competitive. Both public safety departments were addressed in this budget proposal with one-time market adjustments and pay grade changes in some cases, to assist in preventing compression. However, a comprehensive salary study will most likely be needed before the FY27 budget.

2. CPI/Market Adjustments and Merit Availability ("Performance Pay")

We predict that those adjustments - along with the proposed performance pay (and merit tied to performance measurements), insurance, and benefits - will keep us competitive on the compensation front. Given the fluctuating market conditions, we will keep an eye on any mid-year changes and conduct another thorough analysis next year.

3. **Organizational Culture**

Compensation keeps towns competitive. In the end, organizational culture keeps towns staffed. We continue to strive to make the Town of Granite Quarry a great place to work. We have listened to what our employees want and in the past year we have started employee appreciation events and the #GQSOLID award, recognizing an employee every quarter that demonstrates the Town's core values daily who has been nominated by their peers. We have also collected autobiographies from all employees for employee spotlights in our newsletters and social media.

Debt Service

The town financed a new fire engine in FY25 that has an anticipated delivery in FY28. The annual payment listed in this proposed budget is \$123,094 with a remaining balance of \$1,107,838, and a current anticipated payoff date of 7/1/2034.

Capital Needs

The Town has done a phenomenal job of maintaining facilities and equipment to minimize and prolong the need for repairs or replacements of capital assets. The capital vehicles and equipment that were slated by the departments to be included in the FY26 budget were purchased from a projected surplus in the FY25 budget. Each department is responsible for maintaining and updating a 5-year plan to address capital needs.

Tax Rate and Assessed Tax Base

The Town has struggled to offer its desired level of service and cover inflationary costs at such a low tax rate for a number of years. The margin between GQ and our comparable peer group municipalities, who *were* adjusting more with such costs, has grown. Ultimately GQ has remained the 3rd lowest tax rate among *all* units of local government within the County, and the lowest tax rate among our benchmark peer group.

Unit of Government	FY25 Tax Rate
East Spencer	0.86
Salisbury	0.665
Rowan County	0.58
Spencer*	0.605
China Grove*	0.56
Kannapolis (Rowan County)	0.5595
Rockwell	0.55
Landis**	0.49
<u>Granite Quarry*</u>	<u>0.44</u>
Faith	0.41
Cleveland	0.3936 (0.3 city + 0.0936 community fire rate)

* 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 for some benchmarking standards but is illustrated in Table 1 as such by population and levels of general services.

Consequently, we often see existing resources stretched, difficulty in securing funding for proactive goals, and a growing reliance on fund balance for operations and essential projects.

While Table 1 in and of itself does not imply that Granite Quarry needs to be at the same tax rate as any particular municipality within our benchmark peer group, it does provide a good and simple illustration of the limitations behind these challenges. The Town Council and Administration are indeed on the same page about wanting to ensure that we *continue* offering the best possible services at the best value we can for the community we serve.

Executive Summary

This budget allocates funding to the areas with the highest priority as determined by this Administration and the Town Council. The Town is currently undertaking a large number of major, even transformational, projects and goals. As these projects and goals approach their launch, staff is actively pursuing funding through public-private partnerships and grants. The Town has recently contracted with a state lobbyist for the first time, who will work with the North Carolina General Assembly to obtain funding for our identified priority projects. Staff have worked very hard to develop, retain, and attract talented staff dedicated to our core values and continuous improvement.

The following is a more detailed overview of items funded by the departments.

Budget Overview

After careful consideration, the following budget recommendations represent Town Council goals, departmental input, and community needs within a tax rate of 44.00 cents per \$100 valuation. The total recommended budget is \$4,781,856.

General Fund:	\$ 4,781,856
Governing Body	\$ 151,348
Contingency and Transfers	472,885
Administration	784,059
Police	1,183,449
Fire	1,296,621
Public Works	510,005
Streets: Powell Bill	29,000
Streets: Non-Powell Bill	62,950
Parks and Recreation	72,104
Environmental	183,936
Events	35,500
Total General Fund:	\$4,781,856

FY 2025-2026 Departmental Highlights

Governing Body: The recommended budget for Governing Body is \$151,348. It includes funding for the annual financial audit, increased attorney fees, additional training, and meetings. This also introduces a \$25 per meeting stipend for Planning Board members and, when business must be conducted, for Zoning Board of Adjustment members to aid in recruitment and retention.

Contingency and Transfers: The proposed budget for Contingency and Transfers is \$472,885. This includes a transfer of \$372,885 to the Transformational Project for Granite Civic Park improvements and \$100,000 in General Fund Contingency.

Administration: The proposed budget for Administration is \$784,059. This includes continuation of contracts for part-time code enforcement and planning services, funding to accomplish Governing Body communication/community engagement goals, increased bonding cost requirements for municipal finance officers, and increased interlocal agreement costs of tax collections. This also adds a PT Office Assistant that will allow our Community Engagement Coordinator to work with our community partners on merchant groups, events, and committees.

Police: The proposed budget for the Police Department is \$1,183,449. This includes continuing operational cost increases such as fuel, supplies, maintenance contracts, dues, and subscriptions. Full staffing and enhanced career development programs with police positions are part of the Town's priority goal strategy to increase police services including community policing initiatives.

Fire: The proposed budget for the Fire Department is \$1,296,621. This budget also accounts for ongoing increases in standard public safety supplies and operational costs. Furthermore, it includes funding for additional part-time firefighters. These personnel will serve as a fourth member on each shift and cover scheduled time off for full-time firefighters. This strategic move addresses the national decline in volunteer firefighters while proactively ensuring our ISO Class 1 rating. Maintaining this top rating not only reflects our commitment to the highest quality of public protection but also directly benefits our community through lower insurance rates. This also includes the debt service payment for the term of 10 years to replace the frontline fire engine.

Public Works: The proposed budget for Public Works is \$510,005. This includes funding for an additional FT Public Works Technician to enhance parks maintenance and supplement general public works quality efforts. Two additional sets of town banners and Christmas decorations are also included.

Streets – Powell Bill: The proposed budget for Powell Bill is \$29,000. This includes allocations for minor repairs. No large paving projects are scheduled in FY26 due to the limited state funding through the Powell Bill appropriations. To better assist with the ongoing street/sidewalk repair needs, a \$20.00 per year car fee will be assessed for all vehicles registered in the Town of Granite Quarry. These revenues will be placed into the street department and allocated for these specific needs.

Streets – Non-Powell Bill: The proposed budget for Non-Powell Bill Streets is \$62,950.00. This includes the utilities costs for Streetlights.

Parks and Recreation: The proposed budget for Parks and Recreation is \$72,104. This includes normal operational upkeep of parks and their facilities. The Transformational Project for Civic Park improvements is not included in these figures but instead is funded through a Capital Project Ordinance.

Events: To accommodate the increasing scale of our events, we've created a separate Events Department. Staff excels in obtaining sponsorships and donations which significantly reduces event expenses. The proposed budget for events is \$35,500 for FY26.

Environmental: The proposed budget for Environmental costs is \$183,936. The cost is addressed in the budget as a \$15.00 per month environmental fee, an increase from \$13.00 fee in FY 25.

The proposed General Fund budget is balanced with a tax rate of 44.00 cents per \$100 of valuation. Projected revenues and other funding sources are \$4,781,856 and projected expenditures are \$4,781,856.

Respectfully Submitted,

Jason Hord

Jason Hord
Town Manager



TOWN OF GRANITE QUARRY, NORTH CAROLINA
Budget Ordinance No. 2025-01
Fiscal Year 2025-2026 (FY26)

**AN ORDINANCE CONCERNING APPROPRIATIONS AND THE RAISING OF REVENUE FOR THE
FISCAL YEAR BEGINNING JULY 1, 2025**

BE IT ORDAINED by the Town Council of the Town of Granite Quarry, North Carolina that the following anticipated fund revenues and appropriations, 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, 2025, and ending June 30, 2026.

Section 1: General Fund

Anticipated Revenues

Ad Valorem Taxes	\$1,914,286
Unrestricted Intergovernmental	1,393,938
Restricted Intergovernmental	391,280
Permits and Fees	50,000
Sales and Services	242,000
Other General Revenues	224,591
Subtotal	4,216,095
Other Financing Sources and Uses	565,761
Total Anticipated Revenues	<u>\$4,781,856</u>

Authorized Appropriations By Department

Governing Body	\$151,348
Contingency and Transfers	472,885
Administration	784,059
Police	1,183,449
Fire	1,296,621
Public Works	510,005
Streets – Powell Bill	29,000
Streets – Non-Powell Bill	62,950
Parks and Recreation	72,104
Events	35,500
Environmental	183,936
Total Authorized Expenditures / Transfers	<u>\$4,781,856</u>

Section 2: Levy of Taxes

There is hereby levied for FY26 an Ad Valorem Tax Rate of 44.00 cents (\$0.44) per one hundred dollars (\$100.00) valuation of property as listed for taxes as of January 1, 2025. This rate of tax is based on an estimated assessed valuation of **\$433,864,470** and an estimated collection rate of **99.0%**, yielding **\$1,914,286** in ad valorem tax revenues.

Section 3: 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 Ordinances may be accomplished without additional approval from the Town Council.

Section 4: Restrictions - Budget Officer

- A. Interfund and interdepartmental transfer of money, except as noted in Sections 3 and 7, shall be accomplished by Town Council authorizations only.
- B. Utilization of appropriations contained in Contingencies and Appropriations from Fund Balance may be accomplished only with specific approval of the Town Council.

Section 5: Utilization of Budget Ordinance

This ordinance shall be the basis of the financial plan for the Town of Granite Quarry Municipal Government during FY26. The Town Manager shall administer the budget and ensure that operating officials are provided with 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 6: Salary Adjustments

- A. For FY26, funding for the necessary salary and pay grade adjustments concluded from the Town Manager's annual pay and classification surveys analysis is authorized, effective July 1, 2025.
- B. A Market Adjustment of 2% will be available on July 1, 2025. Merit consideration of 0:3% 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:

Performance Level	Market Adjustment	Merit Below Midpoint	Merit Above Midpoint
Does Not Meet Expectations	2.0%	No increase	No increase
Meets Expectations	2.0%	Up to 1.0%	No increase
Exceeds Expectations	2.0%	Up to 2.0%	Up to 2.0%
Exceptional	2.0%	Up to 3.0%	Up to 3.0%

C. Longevity pay authorization will be considered at the regular monthly meeting of the Town Council 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, PW, FD If over 500 hrs., 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 7: Re-appropriation of Funds Encumbered in FY25

Appropriations hereinabove authorized and made shall have the amounts of the unearned portion of contracts on June 30, 2025, added to each appropriation as it applied in order to properly account for payment against the fiscal year in which it is paid.

Section 8: Project Ordinances

A. FEMA Granite Lake Repairs Project GPO 2020-04

1. This Grant Project Ordinance was adopted in 2020 to repair damages sustained by Hurricanes Florence and Michael to Granite Lake Park, funded by federal and non-federal funds. The project has reached completion. Reimbursement processing is underway.
2. The following amounts were approved and expended to date for the project:

	<u>Budget</u>	<u>To Date</u>
Engineering Services	\$ 174,250	\$ 171,169
Construction Costs	547,619	503,524
Contingency (10%)	46,512	0
Total Appropriations	<u>\$ 768,381</u>	<u>\$ 674,693</u>

3. The following revenues are anticipated to be available to complete the project:

	<u>Budget</u>	<u>To Date</u>
FEMA Grant	\$ 576,286	\$ 506,020
NCDEM Grant	192,095	168,673
Total Anticipated Revenues	<u>\$ 768,381</u>	<u>\$ 674,693</u>

B. Transformational Project CPO 2023-01

1. This Capital Project Ordinance was adopted in 2023. In Fiscal Years 2022 and 2023 the Town received \$959,916.71 through American Rescue Plan Act funding, which it elected to expend under the standard allowance for the provision of government services authorized by 31 CFR Part 35.6(d)(1). While this amount was specifically used to reimburse the Town for qualifying salaries during the pandemic, Town Council chose to use this same amount of funds as the basis for Transformational Projects it wishes to see achieved within the Town limits. The primary focus of this project to date is improvements to the Granite Civic Park.

2. The following amounts were approved and expended to date for the project:

	<u>Budget</u>	<u>To Date</u>
Civic Park Improvements	\$ 1,355,595	\$ 419,565
Transfer to TAP Project Fund	110,000	40,840
Contingency	14,322	-
Total Appropriations	<u>\$ 1,479,917</u>	<u>\$ 460,405</u>

3. The following revenues are anticipated to be available to complete the project:

	<u>Budget</u>	<u>To Date</u>
Transfer from General Fund	\$ 959,917	\$ 460,405
PARTF Grant	500,000	-
Woodson Foundation Grant	20,000	-
Total Anticipated Revenues	<u>\$ 768,381</u>	<u>\$ 460,405</u>

C. Transportation Alternatives Program (TAP) Project CPO 2023-03

1. This Capital Project Ordinance, adopted in 2023, is for acquisition, design, engineering, and construction of a pedestrian sidewalk connecting Granite Lake Park and Granite Civic Park. The project has been applied for under the Transportation Alternatives Program, which will reimburse the Town 80% of the project cost.

2. The following amounts were approved and expended to date for the project:

	<u>Budget</u>	<u>To Date</u>
Administrative, Engineer, or Architect Fees	\$ 75,000	\$ 74,796
Construction Costs	452,500	-
Contingency	22,500	-
Total Appropriations	<u>\$ 550,000</u>	<u>\$ 74,796</u>

3. The following revenues are anticipated to be available to complete the project:

	<u>Budget</u>	<u>To Date</u>
Transfer from Transformational Project CPO 2023-01	\$ 110,000	\$ 40,840
Transportation Alternative Programs	440,000	50,861
Total Anticipated Revenues	<u>\$ 550,000</u>	<u>\$ 91,701</u>

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

Revenue Assumptions for FY 2025-2026 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 1.00% was factored in 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 2024 property tax receivable balance projected as of June 30, 2025.

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.

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.

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.

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.

Restricted Intergovernmental Revenues

Powell Bill Revenues. Based on estimates provided by the NCLM and the Office of State Budget and Management.

Granite Quarry-Faith Police Revenues. Granite Quarry provides police services to the Town of Faith through an interlocal agreement between the two towns. The adopted FY26 payment amount for those services is \$225,000.00

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 \$15 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

FY 2025-2026 Salary Schedule							
Classification Title	Grade	# Position	Hiring Rate	Minimum	Mid-Point	Maximum	Notes
Town Clerk	19	1	61,312	64,378	78,173	95,034	
Finance Director	21	1	67,597	70,977	86,186	104,775	
Community Engagement Coord.	9	1	37,639	39,521	47,990	58,340	New position for 25/26
Public Works Director	20	1	64,378	67,597	82,082	99,786	
Public Works Assistant Director	16	1	52,963	55,611	67,528	82,093	
Public Works Technician	6	2	32,514	34,140	41,456	50,397	adding 1 for FY26
Police Chief	26	1	86,273	90,587	109,998	133,723	Grade 23 to 26
Police Investigator	17	1	55,611	58,392	70,904	86,197	Grade 16 to 17
Police Sergeant	17	2	55,611	58,392	70,904	86,197	Grade 16 to 17
Police Officer	15	6	50,441	52,963	64,313	78,184	Grade 13 to 15
Fire Captain	17	3	55,611	58,392	70,904	86,197	Grade 15 to 17
Fire Engineer	14	3	48,039	50,441	61,250	74,460	Grade 13 to 14
Firefighter	11	3	41,497	43,572	52,909	64,320	