



**TOWN OF GRANITE QUARRY
BOARD OF ALDERMEN
BUDGET WORKSHOP
MEETING MINUTES
Thursday, May 18, 2023 &
Thursday, May 25, 2023, 9:00 a.m.**

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

Not Present: Alderman Jeff Cannon

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

Call to Order: Mayor Barnhardt called the meeting to order at 9:02 a.m.

1. Approval of Agenda

ACTION: Alderman Costantino made a motion to approve the agenda. Mayor Pro Tem Linker seconded the motion. The motion passed 3-0.

2. Discussion

Budget FY 23-24

Manager Smith gave a brief overview of the budget handouts and shared that the major objectives for the day included receiving Board direction on the insurance renewal, Fire Department staffing, and tentative tax rate parameters.

A. Personnel & related

Manager Smith shared that the largest challenge was price increases across the board and that personnel was the single biggest moving target. He began with the recommendations for adjustments to grades and salaries illustrated on page 5 and pointed out the comparison tables on pages 6 and 7 of the Budget Workshop handout for reference. There was discussion on the proposed adjustments for Police and Fire specifically. Board members asked for clarification regarding individual pay grades and whether the Chiefs felt they would be able to hire and retain staff with the recommended salaries. Both Chief Cook and Chief Hord stated they felt the numbers were reasonable.

B. Police

The Board discussed the contribution from Faith for Police. There was consensus that the Board would like to continue to partner with Faith but would like to see an increase in their contribution.

Faith will be discussing their budget at their upcoming meeting; Manager Smith will pass on information as it is received.

There was discussion on whether the police vehicle needed to be budgeted for in the next year due to issues with availability and delay in getting the current year's vehicle. Chief Cook advocated for continuing the purchase annual cycle since any changes now could result in the need to purchase multiple vehicles at the same time in the future. He also shared that the staffing plan, once the two vacant positions are filled, is to put two officers on the road at all times in staggered shifts.

Alderman Costantino and Mayor Barnhardt expressed a desire to see an increase in PD salaries. Manager Smith explained a little more about the professional methods and thorough analyses that were used to come up with the proposed adjustments and pointed out some of the negative consequences that an increase in only PD salaries could cause. Mayor Barnhardt stated she would like to see the increases across the board for all staff. Manager Smith stated that if it was the Board's desire, the salaries could be set to make Granite Quarry desirable for initial hires and recruitment, but that the organizational culture would need to change in order to retain staff. Alderman Shelton pointed out that Granite Quarry was looking for officers specifically wanting to work in a town of Granite Quarry's size and that the Board needed to make it economically viable for them to do so. Manager Smith's recommendations for pay adjustments would make the pay for police officers competitive for a town of Granite Quarry's size.

Alderman Shelton stated he believed the budget for maintenance and repair was too conservative.

C. Fire Department

There was discussion on the request to add personnel to the Fire Department. Chief Hord shared that the recommendation to add three engineers would mean there would be three people on a truck at all times. There was Board consensus to move forward with the staffing changes.

Mayor Pro Tem Linker stated that if there was further development and the town grows or expands, staff would need to be ready for it. Chief Hord shared that the proposed changes would move the town further in that direction.

Alderman Shelton asked whether Manager Smith and Chief Hord felt they were cutting it too tight with budgeting to make the desired changes. Chief Hord stated he felt the necessary changes could be made within the proposed amounts.

Alderman Costantino asked what tax rate the proposed changes would require. Manager Smith responded that if everything on the proposed budget was added in, the required tax rate would be .4780. That wouldn't account for any capital reserve. He stated the budget worksheets handout was based off a .40 tax rate.

Mayor Barnhardt asked whether the Board should consider capital outlay for vehicles. Manager Smith replied that there was a desire to start a capital reserve program for those items across the board. At the .40 tax rate, there wouldn't be anything to contribute to the reserve.

Mayor Barnhardt asked about vests for the FD. Chief Hord responded that there is a grant anticipated for each municipality in Rowan County to receive six.

ACTION: Alderman Shelton made a motion for a five-minute recess. Alderman Costantino seconded the motion. The motion passed 3-0.

The Board recessed at 10:38 a.m.

Mayor Barnhardt called the meeting back to order at 10:46 a.m.

D. Maintenance

The requests for the maintenance budget included enhanced staffing and an option to add the Town Hall roof project. Alderman Costantino expressed a desire to update the whole building. Mayor Barnhardt asked if there was Board consensus for Larry to give options at the next budget meeting and Board members expressed interest in learning more. Mayor Barnhardt expressed a desire to have the engineer make a presentation on the plans for Town Hall that were updated in the last few years and hear the Board's desires for updates to the Board Room.

Mayor Barnhardt proposed using the surplus from the current year's budget to pay down the debt service and budget the balance to eliminate all current debt, which would put the town in the position to take on another, larger debt.

Alderman Costantino asked about the progress for projects at the Civic Park. Chief Hord stated surveyors should be on site next week.

Chief Hord stated his goal was to start a Powell Bill line with money contributed each year so that streets wouldn't have to be financed again. Manager Smith confirmed the policy was already in place. Alderman Shelton asked if there was any reason to not be able to take the \$50,000 out of the Powell Bill line and put it somewhere else and pay off the Powell Bill debt. Finance Officer Shockley stated it would have to be approved by the LGC since they approved the project. If the debt was paid off those funds could be used to build up a balance. Chief Hord stated saving up money would mean cost savings on mobilization by doing a large project instead of several small projects.

It was clarified that the suggestion for earmarking \$40,000 for a dump truck was actually a suggestion to transfer the \$40,000 earmarked for a dump truck into a capital reserve fund to start building up a balance.

E. Environmental

There was discussion regarding trash service options. Waste Management has proposed moving to a two-day pickup schedule, but there is not yet an associated timeline. No changes are suggested at this time. The increase shown on the proposed budget represents increases for the fuel surcharges.

F. Parks and Recreation

There was discussion on the \$9,000 for stormwater drainage near the shelter at the Lake Park. Chief Hord stated he believed he could get the project completed this fiscal year, but a budget amendment would be required. There was Board consensus to move ahead with completion of the stormwater project in this fiscal year.

ACTION: Mayor Pro Tem Linker made a motion to complete the Lake Park stormwater drainage repair out of the Board Contingency fund this year. Alderman Costantino seconded the motion. The motion passed 3-0.

There was discussion on the proposed Veterans' Memorial. There will be a meeting on June 1 to discuss and Board members have been invited to attend. Mayor Pro Tem Linker stated he could attend.

G. Governing Body

The Board reviewed the numbers presented for Board salaries. There was a consensus not to make any changes at this time.

Manager Smith stated that invoices were received yesterday concerning N-Focus charges for calls outside of the scope of services. He stated that a new attorney would be similar with charges for phone calls and emails. Mayor Barnhardt asked if the Board was in favor of adding additional money for professional services to cover additional correspondence. Mayor Pro Tem Linker stated he thought calls to a new attorney should be kept to a minimum in order not to incur additional expenses; he stated he thought caution should be used moving forward. Alderman Shelton stated it would be important to discuss with any attorney what their billing structure for different types of communication and questions looked like. Manager Smith said that he would increase the professional services line. He stated the importance of communication protocols so that the associated costs are legally pre-audited and accounted for.

Mayor Barnhardt asked whether Stewart could come back for updates on what they've accomplished so far. Manager Smith stated that wouldn't be within the current scope of services but that he could ask them. Mayor Barnhardt asked whether it was correct that the Civic Park Master Plan was not being recommended. Manager Smith stated that was correct based on what the contractor believed was the Board's desire. Board members stated their individual desires to see the Civic Park Master Plan completed.

Mayor Barnhardt asked whether Stewart would be completing a PARTF grant application for the Town. Manager Smith responded that they would also not be in the current scope; staff would either complete it or hire a grant writer. A site-specific master plan isn't a requirement for a PARTF grant application, but it would score points. Manager Smith will follow up with Stewart regarding the Board's desire for a Civic Park Master Plan.

H. Administration

Impact illustrations were included in the handouts to show what hiring additional staff would look like based on Board feedback. Professional services were listed but will probably need to increase. Clerk Smith shared that the Town would see roughly a 4% increase for insurance this year and that the recommended change was to increase the HRA card from \$250 to \$300 to assist with medical, dental, and vision costs and prescriptions. An informal local survey showed that the Town's benefit plan is very competitive. The Town could include more wellness benefits, but before any changes are made it is recommended that an employee satisfaction survey be administered to help determine what attracts and helps the Town to retain employees. There was Board consensus to go ahead with the renewal for the Town's insurance plan.

Mayor Barnhardt asked about the recommended Organizational Climate Assessment survey. Clerk Smith responded that Centralina could conduct the assessment for roughly \$4,000. Mayor Barnhardt asked whether Centralina could be contacted regarding the scope of the TM evaluation. Clerk Smith will follow-up with Centralina before the November Board meeting.

There was discussion regarding the employee and volunteer appreciation banquet and whether the Board felt it was worth keeping. Mayor Barnhardt stated that it was concerning that participation was dwindling. Clerk Smith shared that participation has been steadily decreasing despite responses to feedback being implemented over the last few years. Changes included moving the time of year away from Christmas to Spring, then making it a family-friendly, outside event that required less setup in an effort to keep volunteers from having to work an event that was intended to celebrate them. Feedback from those who attended this year's event was positive regarding the type of event and the informal setting. Because the burden for planning and hosting the event was removed from volunteers, it fell solely on staff, primarily Debbie, the Town's Office Assistant. Clerk Smith shared that there were options that could be brought before the Board at a later time that included moving the event to a baseball game with a buffet. Mayor Barnhardt stated she was in favor of renting a suite at the Cannonballers stadium with food included so people just needed to show up. Mayor Pro Tem Linker stated something like that made sense but the employees should be asked.

The Board recessed for a short break at 12:25 p.m.

Mayor Barnhardt called the meeting back to order at 12:31 p.m.

Mayor Barnhardt asked staff to pick back up in the Admin Department and give a run-down on the recommendations for communication/community engagement. Clerk Smith shared that the handout included four major items that staff felt were the Board's priority. The items included the website, a cashless payment system, newsletter options, and social media recommendations. Clerk Smith shared that the website is currently functioning well and meeting community needs but pricing options were listed if the Board desired either a minor or major cosmetic overhaul of the entire site. Staff recommends moving forward with the cashless payment system as soon as possible. Newsletter pricing options were presented to the Board. Mayor Barnhardt requested more information including the pricing for a 2-page newsletter and an electronic-only option. Alderman Costantino was not in favor of producing a newsletter.

Clerk Smith shared the staff recommendation to create a Town Facebook page that would serve as a place to post information. The practice would be to send duplicate information that was being archived elsewhere, just like what is currently being sent to the community Facebook page. Best practice is to redirect any comments including complaints or requests for service to other avenues that are being archived like the town email system. The Facebook page would be the ideal place to post news on temporary events while the website would continue to be a source for static information. There would be costs associated with training, but no anticipated increase in staff time associated with the postings if staff recommendations and best practices are followed.

Mayor Pro Tem Linker was in favor of one newsletter going out with Town resources. Alderman Shelton stated he was inclined to go with the staff recommendation on quarterly newsletters while urging people to shift over to more electronic communications. He stated he felt the Town website was very serviceable but could be improved and was okay with moving to a cashless payment

system. He wanted emphasis on the legal training for social media. Mayor Barnhardt shared that she agreed with Alderman Shelton but was interested in ways to save money on the newsletter by seeing other options. Clerk Smith confirmed that staff would still be creating the content. Clerk Smith will get more information regarding newsletter options and will bring it back to the Board.

I. Tax Rate Parameters

Manager Smith asked for Board feedback on the tax rate parameters. Alderman Costantino was in favor of moving the rate to .47. Mayor Pro Tem Linker stated he felt .47 was too high and suggested staying at .44 or somewhere in that range with the recent revaluation. Mayor Barnhardt asked that Manager Smith work in the suggested items to show what that would look like. Alderman Shelton stated he could live with .40 or .41.

Manager Smith shared that the next steps would include developing a budget based on feedback received at this meeting with a tax rate between .40 and .4475. He will try to send out the budget message early next week. The Board discussed recessing the meeting until Thursday, May 25, 2023 at 9:00 a.m.

3. Closed Session

Town Attorney

The applicant for Town Attorney was unable to attend due to a medical emergency. The closed session will be revisited during the continuation of the meeting on Thursday, May 25, 2023.

Recess

ACTION: Alderman Shelton made a motion to recess the meeting to Thursday, May 25, 2023. Mayor Pro Tem Linker seconded the motion. The motion passed with all in favor.

The meeting ended at 1:03 p.m.

Thursday, May 25, 2023

Alderman Cannon was present for the May 25, 2023 segment of the meeting.

Call to Order: Mayor Barnhardt called the Board of Aldermen meeting recessed on May 18, 2023, back into session at 9:00 a.m.

2. Discussion

Budget FY 23-24

Manager Smith passed out a drafted budget message that used the .44 rate and provided a handout showing the balance and capital reserve fund options with rates of .40, .42, .44, and the current rate of .4475. The Board reviewed the handouts and asked for clarification on specific items.

Mayor Barnhardt asked if Manager Smith felt that all the proposed projects could be completed with the current staffing. Manager Smith replied that the current trend of a meeting per week on average with items being continued on a regular basis would produce the same results. Mayor Barnhardt asked what the Board could do to help. Manager Smith responded that staggering projects would enable staff and contractors to schedule accordingly. Mayor Barnhardt stated she would like to see a visual of project timelines with phases showing what would be accomplished at each stage. Manager Smith will try to produce something by the June or July meeting.

Manager Smith shared that Faith agreed to put \$161,000 in their proposed budget as their PD contribution.

There was continued discussion on options for paying off debt service and building a capital reserve fund. Manager Smith suggested that a transfer could be made after the audit.

Individual Board members began discussing what tax rate they believed was most appropriate and how much tax revenue each rate would produce.

The Board recessed for a short break at 10:14 a.m.

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

Finance Officer Shockley joined the meeting.

The Board continued its discussion on anticipating end-of-year surplus, debt service payoff options, capital reserve program transfer options, and the effect different tax rates would have.

ACTION: Alderman Cannon made a motion (*for Manager Smith to prepare the budget message*) based on the recommended tax rate of .44, down from the current .4475 rate. Alderman Costantino seconded the motion. The motion passed 3-1 with Alderman Cannon, Alderman Costantino, and Mayor Pro Tem Linker in favor and Alderman Shelton opposed.

During discussion on the motion, Manager Smith reminded the Board that budgeting for three fire engineers this year was the precursor to adding three full-time firefighters next year which would have an estimated impact of \$210,000. Also, by the end of next fiscal year at least three police officers would be eligible for the separation allowance which would have an additional cost of \$50,000. Public Works part-time staff was also anticipated to increase by \$18,000.

Manager Smith will finalize the budget message and send it out to the Board.

Mayor Barnhardt asked if there was Board consensus to approve the agreement with N-Focus for contracted services. No opposition was voiced.

ACTION: Alderman Costantino made a motion to recess until 11:00 a.m. Mayor Pro Tem Linker seconded the motion. The motion passed 4-0.

The Board recessed at 10:38 a.m.

Mayor Barnhardt called the meeting back to order at 10:56 a.m.

3. Closed Session

Town Attorney

ACTION: Mayor Pro Tem Linker made a motion to go into closed session pursuant to N.C. General Statutes Section 143-318.11(a)(5) & (6) to discuss material terms of a proposed employment contract and/or to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee. Alderman Costantino seconded the motion. The motion passed 4-0.

ACTION: Alderman Costantino made a motion to return to open session. Mayor Pro Tem Linker seconded the motion. The motion passed 4-0.

During the closed session, the Board directed the Town Manager to begin discussing terms of an agreement with the applicant for Town Attorney.

Adjourn

ACTION: Alderman Costantino made a motion to adjourn. Mayor Pro Tem Linker seconded the motion. The motion passed with all in favor.

The meeting ended at 12:02 p.m.

Respectfully Submitted,

Aubrey Smith

Town Clerk