

TOWN OF GRANITE QUARRY NORTH CAROLINA



ADOPTED BUDGET FOR FISCAL YEAR 2026-2027 (FY27)

PREPARED BY:
JASON HORD
TOWN MANAGER

JUNE 15, 2026

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Town Manager's Budget Message FY 2026-2027

May 11, 2026

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 the proposed FY27 budget. In recent years, the Council has consistently emphasized its commitment not only to maintaining but enhancing the Town's level of service. This commitment is reflected in ongoing strategic planning efforts focused on municipal services, facilities, and targeted growth areas. Through this approach, we aim to ensure that Granite Quarry continues to be a great place to live, work, and visit, guided by our core values

Strategic Goals

The Town's strategic goals continue to focus on enhancing quality of life, strengthening public infrastructure, supporting responsible growth, and investing in community-centered amenities. These priorities are guided by Council's long-term vision and reinforced through ongoing planning efforts that evaluate service delivery, facility needs, and opportunities for sustainable development.

For this budget cycle, the primary focus is the advancement of Granite Civic Park Phase 1. As one of the Town's most significant capital investments, this project represents a commitment to revitalizing a cornerstone community asset. Phase 1 will lay the foundation for a modern, accessible, and multi-generational park that supports recreation, wellness, and community engagement. This investment not only improves current levels of service but also positions the Town to meet future needs as Granite Quarry continues to grow.

Personnel

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

The Town conducted a comprehensive analysis of both statewide and local government peer groups to evaluate compensation and workforce competitiveness. Based on this review, we have determined that our consistent annual grade scale market adjustments have effectively positioned the Town to remain competitive. This approach has contributed to reduced employee turnover and the achievement of zero full-time vacancies.

The proposed FY27 budget includes only minimal adjustments to the pay grade scale. Notable changes include reclassifying the Town Clerk position from Grade 19 to Grade 20 and adjusting Full-Time Public Works Technician positions from Grade 6 to Grade 10 to better align with market conditions and job responsibilities. Staff will continue to monitor peer group data and broader market trends to ensure the Town remains competitive and will keep the Town Council informed of any recommended adjustments moving forward. In addition, the Town Manager recommends unfreezing the FT Planner position and reclassify that to a Grade 20.

2. **CPI/Market Adjustments and Merit Availability (“Performance Pay”)**

We anticipate that these adjustments, combined with a proposed 2.5% cost-of-living adjustment (COLA) and a 0–3% merit-based increase tied to measurable performance outcomes, as well as the Town’s insurance and benefits offerings will maintain our competitiveness in the labor market. Given ongoing fluctuations in market conditions, staff will continue to monitor trends for any necessary mid-year adjustments and will conduct a comprehensive compensation analysis again in the next fiscal year.

3. **Organizational Culture**

The Town has made a concerted effort to listen to our employees and respond to their feedback. As a result, we continue employee appreciation events and the #GQSOLID Award, a quarterly recognition honoring an employee who consistently demonstrates the Town’s core values and is nominated by their peers. These initiatives reflect our continued commitment to building a positive, engaged, and high-performing organizational culture.

Debt Service

In FY25, the Town committed to the purchase of a new fire engine for \$1,072,098, with delivery anticipated in FY28. To reduce the debt burden, the Town made an initial down payment of \$140,000 during FY25 and financed the remaining \$932,098. The debt service is structured over a 10-year term with annual payments of \$123,094. Following the first payment in FY26, the Town will continue these installments through the final maturity date of 08/01/34.

Additionally, the Town is in the process of seeking a \$1.5 million loan to further the ongoing improvements at the Granite Quarry Civic Park. This financing is expected to carry an estimated annual debt service payment of \$151,000. The current budget includes the scheduled fire engine payment of \$123,094 as well as \$151,000 for the anticipated obligations related to the Civic Park Project.

Capital Needs

The Town continues to experience ongoing capital needs across all departments, highlighting the value of developing a comprehensive Capital Improvement Plan (CIP). A formal CIP will help the Town more effectively plan, prioritize, and schedule future investments in vehicles, equipment, facilities, and infrastructure in a thoughtful and sustainable way.

The proposed FY27 budget does not include funding for new capital purchases such as vehicle replacements, equipment upgrades, or certain infrastructure improvements. These needs remain important to maintaining reliable service delivery; however, they will need to be addressed through future planning efforts and long-term financial strategies.

Establishing a structured CIP will help ensure that these capital needs are evaluated and funded in a way that aligns with the Town’s long-term goals and available resources, while continuing to support high-quality services for the community.

Tax Rate and Assessed Tax Base

The Town has faced ongoing challenges in fully meeting desired service levels while also keeping pace with inflationary cost increases, particularly given a relatively low tax rate maintained over a number of years. As a result, the gap between Granite Quarry and comparable peer municipalities, many of which have made more frequent adjustments to address rising costs has gradually widened.

Despite this, Granite Quarry continues to maintain one of the lowest tax rates in Rowan County and the lowest among our benchmark peer group. While this position reflects strong fiscal stewardship, it also means that available resources are often stretched, making it more difficult to fund proactive initiatives and leading, at times, to a reliance on fund balance to support operations and essential projects.

While the table below does not suggest that Granite Quarry should align directly with any specific peer municipality’s tax rate, it does provide helpful context for understanding the financial constraints the Town is operating within.

The Town Council and Administration remain aligned in their shared commitment to delivering high-quality services in the most efficient and responsible manner possible, while continuing to seek a balance between service expectations and long-term financial sustainability.

Unit of Government	FY26 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 as such by population and levels of general services.

Consequently, the Town continues to experience stretched existing resources, challenges in securing funding for proactive initiatives, and an increasing reliance on fund balance to support both operations and essential projects. In order to begin addressing these pressures and better align revenues with current service demands and long-term sustainability needs, it is recommended that the tax rate be adjusted from \$0.44 to \$0.49 per \$100 of assessed valuation. Even with this proposed adjustment, the use of fund balance is still required in order to balance the FY27 budget, underscoring the continued structural gap between recurring revenues and ongoing expenditures.

Executive Summary

This budget allocates funding to the areas identified as highest priority by both the Administration and the Town Council. The Town is currently advancing a significant number of major, and in some cases transformational, projects and initiatives. As these efforts move toward implementation, staff continue to actively pursue alternative funding sources, including grants and public-private partnerships, to help leverage local investment and maximize available resources.

In addition, the Town remains committed to developing, retaining, and attracting a talented and dedicated workforce that is aligned with our core values and focused on continuous improvement.

Looking ahead, the Town also anticipates continued commercial and industrial growth within the community. This expected development will play an important role in broadening the local tax base, supporting long-term fiscal stability, and helping to offset future service and infrastructure demands associated with a growing community.

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 49.00 cents per \$100 valuation. The total recommended budget is \$4,990,478.

General Fund:		\$ 4,990,478
Governing Body	\$ 142,439	
Contingency and Transfers	\$372,918	
Administration	\$844,564	
Police	\$1,251,846	
Fire	\$1,309,283	
Public Works	\$526,651	
Streets: Powell Bill	\$24,000	
Streets: Non-Powell Bill	\$59,500	
Parks and Recreation	\$227,604	
Environmental	\$218,574	
Events	\$13,100	
Total General Fund:		\$4,990,478

FY 2026-2027 Departmental Highlights

Governing Body: The recommended budget for Governing Body is \$142,439. It includes funding for the annual financial audit, increased attorney fees, additional training, and meetings. This also includes 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 \$372,918. This total includes a \$282,918 transfer to the Civic Park Project for continued improvements to the Granite Quarry Civic Park, as well as a \$90,000 transfer to meet the Town’s matching obligation for the Surface Transportation Block Grant (STBG) portion of the Transportation Alternative Program project. There are no additional General Fund contingency funds included in this year’s proposal.

Administration: The proposed budget for Administration totals \$844,564. This budget includes the continuation of contracts for part-time code enforcement and planning services, as well as funding to support the Governing Body’s communication and community engagement goals. This budget does account for a pay class change for the Town Clerk from a Grade 19 to Grade 20. IT also unfreezes the FT Planner position classifying it as a Grade 20. This is needed for 5 day a week planning services and grant writing.

It also reflects increased bonding cost requirements for municipal finance officers and rising costs associated with interlocal agreements for tax collection services.

Police: The proposed budget for the Police Department totals \$1,251,846. This budget reflects ongoing increases in operational costs, including fuel, supplies, maintenance contracts, dues, and subscriptions.

The budget also supports full staffing levels and enhanced career development programs for police personnel. These investments align with the Town’s strategic priority of strengthening public safety services, including expanded community policing initiatives aimed at building stronger relationships and engagement within the community.

Fire: The proposed budget for the Fire Department totals \$1,309,283. This budget accounts for continued increases in standard public safety supplies and overall operational costs. It also includes funding for additional part-time firefighters, who will serve as a fourth member on each shift and provide coverage during scheduled leave for full-time personnel.

This strategic approach addresses the ongoing national decline in volunteer firefighters while ensuring the Town maintains its ISO Class 1 rating. Preserving this top rating reflects our commitment to delivering the highest level of fire protection services and provides a direct financial benefit to our residents and businesses through lower insurance premiums.

Additionally, this budget includes the annual debt service for a 10-year term associated with the replacement of the department's frontline fire engine.

Public Works: The proposed budget for Public Works is \$526,651. This budget includes items necessary to upkeep the equipment and Town-owned properties & right-of-way areas. This budget cycle includes a much-needed pay class upgrade for FT Public Works Techs from a Grade 6 to Grade 10.

Streets – Powell Bill: The proposed budget for Powell Bill is \$24,000. 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 continues to 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 \$59,500.00. This includes the utilities costs for Streetlights.

Parks and Recreation: The proposed budget for Parks and Recreation is \$227,604. 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. However, this budget does include a debt service payment for Phase 1 upgrades at Granite Civic Park in the amount of \$151,000 annually for 15 years.

Events: To accommodate the increasing scale of our events, we've created a separate Events Department. Staff excel in obtaining sponsorships and donations which significantly reduces event expenses. The proposed budget for events is \$13,100 for FY27. Due to the construction of the Civic Park Phase 1, Granite Fest will be cancelled and will return in Fall of 2027.

Environmental: The proposed budget for Environmental costs is \$218,574.00. The cost is addressed in the budget as a \$15.00 per month environmental fee

The proposed General Fund budget is balanced with a tax rate of 49.00 cents per \$100 of valuation. Projected revenues and other funding sources are \$4,990,478 and projected expenditures are \$4,990,478.

Respectfully Submitted,

Jason Hord

Jason Hord
Town Manager



TOWN OF GRANITE QUARRY, NORTH CAROLINA
Budget Ordinance No. 2026-01
Fiscal Year 2026-2027 (FY27)

**AN ORDINANCE CONCERNING APPROPRIATIONS AND THE RAISING OF REVENUE FOR THE
 FISCAL YEAR BEGINNING JULY 1, 2026**

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, 2026, and ending June 30, 2027.

Section 1: General Fund

Anticipated Revenues

Ad Valorem Taxes	\$2,203,817
Unrestricted Intergovernmental	1,457,838
Restricted Intergovernmental	385,654
Permits and Fees	55,000
Sales and Services	266,400
Other General Revenues	154,400
Subtotal	4,523,109
Other Financing Sources and Uses	467,369
Total Anticipated Revenues	<u>\$4,990,478</u>

Authorized Appropriations By Department

Governing Body	\$157,939
Contingency and Transfers	\$372,918
Administration	\$840,238
Police	\$1,251,846
Fire	\$1,309,283
Public Works	\$526,651
Streets – Powell Bill	\$24,000
Streets – Non-Powell Bill	\$59,500
Parks and Recreation	\$230,604
Events	\$44,700
Environmental	\$218,574
Total Authorized Expenditures / Transfers	<u>\$4,990,478</u>

Section 2: Levy of Taxes

There is hereby levied for FY26 an Ad Valorem Tax Rate of 49.00 cents (\$0.49) 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 **\$453,336,605** and an estimated collection rate of **98.0%**, yielding **\$2,203,817** 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 FY27. 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 FY27, 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, 2026.
- B. A Market Adjustment of 2.5% will be available on July 1, 2026. 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	2.5%	No increase	No increase
Meets Expectations	2.5%	Up to 1.0%	No increase
Exceeds Expectations	2.5%	Up to 2.0%	Up to 2.0%
Exceptional	2.5%	Up to 3.0%	Up to 3.0%

Section 7: Re-appropriation of Funds Encumbered in FY26

Appropriations hereinabove authorized and made shall have the amounts of the unearned portion of contracts on June 30, 2026, 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. Civic Park Project CPO 2023-01

Originally adopted in 2023, the Transformational Projects Ordinance was established by Council to pursue "once-in-a-generation" opportunities that advance Town goals beyond the reach of traditional funding. These efforts are currently focused on the comprehensive renovation and upgrades of Granite Quarry Civic Park.

The foundation for this project was the \$959,917 in American Rescue Plan Act (ARPA) funding received in FY22 and FY23. While those funds technically reimbursed the Town for qualifying government salaries during the pandemic, Council elected to designate an equivalent amount of resources to establish this ordinance. This project is further supported by additional funding secured through private and public grantors to achieve the full scope of the planned improvements.

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

	<u>Budget</u>	<u>To Date</u>
Civic Park Improvements	\$ 1,661,595	\$ 920,021
Transfer to TAP Project Fund	110,000	40,840
Contingency	14,322	-
Total Appropriations	<u>\$ 1,785,917</u>	<u>\$ 960,861</u>

2.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	\$ 670,123
PARTF Grant	500,000	114,321
Cannon Foundation Grant	100,000	100,000
Rowan County Tourism Grant	100,000	-
Farmers & Merchants Bank Grant	50,000	10,000
Robertson Family Foundation Grant	35,000	35,000
Woodson Foundation Grant	20,000	20,000
Novant Health Grant	14,000	4667
Duke Energy Foundation	5,000	5,000
Donations and Contributions	2,000	1,750
	<u>\$ 1,785,917</u>	<u>\$ 960,861</u>

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

Adopted in 2023, this project ordinance provides for the acquisition, design, engineering, and construction of a pedestrian sidewalk connecting Granite Lake Park and Granite Civic Park. This critical infrastructure initiative is primarily funded through the Transportation

Alternatives Program (TAP) and the Surface Transportation Block Grant (STBG), both of which operate on a reimbursement basis with an 80/20 funding structure.

The TAP award supports \$550,000 in project costs, consisting of a \$440,000 grant and a Town match of \$110,000. Additionally, the Surface Transportation Block Grant supports \$450,000 in project costs, consisting of a \$360,000 grant and a Town match of \$90,000. By leveraging these resources, the Town is able to complete \$1,000,000 in pedestrian improvements for a total local investment of \$200,000.

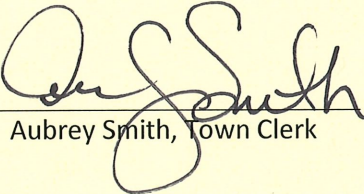
1. The following amounts were approved and expended to date for the project:

	<u>Budget</u>	<u>To Date</u>
Administrative, Engineer, or Architect Fees	\$ 277,500	\$ 91,674
Construction Costs	400,000	-
Contingency	22,500	-
Total Appropriations	<u>\$ 1,000,000</u>	<u>\$ 91,674</u>

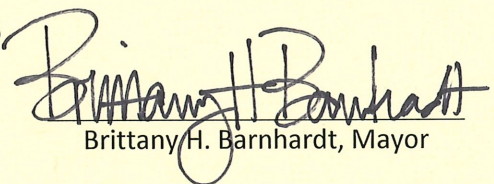
2. The following revenues are anticipated to be available to complete the project:

	<u>Budget</u>	<u>To Date</u>
Transportation Alternative Programs	\$ 440,000	\$ 67,152
Surface Transportation Block Grant	360,000	-
Transfer from Transformational Project CPO 2023-01	110,000	40,840
Transfer from General Fund	90,000	-
Total Anticipated Revenues	<u>\$ 1,000,000</u>	<u>\$ 107,992</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.


Aubrey Smith, Town Clerk

Adopted June 15th, 2026


Brittany H. Barnhardt, Mayor



Revenue Assumptions for FY 2026-2027 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 2.00% 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 2025 property tax receivable balance projected as of June 30, 2026.

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 FY27 payment amount for those services is \$205,558.00.

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 2026-2027
Salary Schedule**

Classification Title	Grade	# Positions	Hiring Rate	Minimum	Mid-Point	Maximum	Notes
Town Clerk	20	1	65,985	69,284	84,131	102,277	from 19 to 20
Finance Director	21	1	69,284	72,748	88,337	107,390	
Planner	20	1	65,985	69,284	84,131	102,277	from 17 to 20, unfreeze
Community Engagement Coord.	9	1	38,580	40,509	49,190	59,799	
Public Works Director	20	1	65,985	69,284	84,131	102,277	
Public Works Assistant Director	16	1	54,286	57,000	69,215	84,143	
Public Works Technician	10	2	40,509	42,534	51,650	62,789	from 6 to 10
Police Chief	26	1	88,425	92,846	112,742	137,059	
Police Investigator	17	1	57,000	59,850	72,675	88,350	
Police Sergeant	17	2	57,000	59,850	72,675	88,350	
Police Officer	15	6	51,701	54,286	65,919	80,137	1 Vacant
Fire Captain	17	3	57,000	59,850	72,675	88,350	
Fire Engineer	14	3	49,239	51,701	62,780	76,320	
Firefighter	11	3	42,534	44,661	54,231	65,928	