

MINUTES OF SPECIAL MEETING HELD JUNE 21, 2022

Face coverings were optional for the June 21, 2022, Council meeting but all attendees were encouraged to wear face coverings, and to social distance from other attendees who are not members of the same household, regardless of vaccination status. Individuals in high-risk groups, individuals who are completing isolation or were recently exposed, and residents at risk of infection should continue to wear face coverings in all public indoor settings.

SPECIAL MEETING The Granite Falls Town Council held a Special Meeting on June 21, 2022, at 5:00 p.m. in the Council Chambers of the Administrative Building.

PRESENT The following members of the governing body were present: Mayor Dr. Caryl B. Burns and Council Members Larry Knight, Jim Mackie, Mike Mackie, Martin Townsend, and Tracy Townsend.

ABSENT The following member of the governing body was absent: Council Member Ritch Bolick.

STAFF PRESENT The following staff members attended the meeting: Town Manager Jerry Church, Town Attorney Bruce Cannon, Human Resources Director Courtney Kennedy, and Assistant Police Chief Brine Branham.

VISITORS None.

NEWS MEDIA No news media attended the meeting.

MEETING CALLED TO ORDER Mayor Dr. Caryl B. Burns called the meeting to order and welcomed everyone present.

INVOCATION Councilmember Mike Mackie led in prayer.

PLEDGE OF ALLEGIANCE Councilmember Tracy Townsend led the Pledge of Allegiance.

CONFLICT OF INTEREST STATEMENT Councilmember Jim Mackie read the Conflict-of-Interest Statement.

In accordance with the State Government Ethics Act, it is the duty of every Council member to avoid both conflicts of interest and appearance of conflicts. Does any Council member have any known conflict of interest or appearance of conflicts with respect to any matters coming before the Council today? If so, please identify the conflict or appearance of conflict and refrain from any undue participation in the particular matters involved.

(N.C.G.S. 14-234, N.C.G.S. 160A-479.11, & N.C.G.S. 160D-109)

RECOGNITION OF VISITORS - None

SPECIAL PRESENTATIONS/INTRODUCTIONS/RECOGNITIONS-NONE SCHEDULED

APPROVAL OF AGENDA Mayor Dr. Caryl B. Burns requested that Item XIV. Closed Session be moved to the end of the agenda, after Item XVI. Information Items/Reports. Tracy Townsend made a motion the Council approve the amended agenda, as requested. Martin Townsend seconded the motion, with a unanimous affirmative vote.

APPROVAL OF MINUTES FROM THE SPECIAL TOWN COUNCIL MEETING HELD MONDAY, MAY 23, 2022 Martin Townsend made a motion the Council approve the minutes from the Special Town Council Meeting held Monday, May 23, 2022, as presented. Jim Mackie seconded the motion, with a unanimous affirmative vote.

TOWN ATTORNEY REPORT Town Attorney Bruce Cannon did not have a report.

PUBLIC COMMENT PERIOD No one attended to speak during the Public Comment Period.

PUBLIC HEARINGS

PUBLIC HEARING ON PROPOSED BUDGET FOR FISCAL YEAR 2022-2023 Mayor Dr. Caryl B. Burns called to order a public hearing on the proposed budget for Fiscal Year 2022-2023 for \$15,350,100. The budget, including the budget message, was presented to the Council at the special Council meeting held May 23, 2022, and is a “blueprint” used to provide a sound financial framework for all Town operations. It ensures that the Town’s limited resources are allocated toward the services and priorities identified by the Council. More specifically, the budget is a financial plan consisting of estimated sources of revenues and proposed expenditures.

The recommended budget for Fiscal Year 2022-2023 is \$43,961 or .29% less than the 2021-2022 amended budget of \$15,394,061. The largest increases in the 2022-2023 budget are Salaries, Wages, and Benefits (\$255,982), Supplies (\$108,650), Gas & Oil (\$59,800), Utilities (\$15,700), Maintenance & Repairs/Service Contracts (\$52,948), and Travel & Training (\$19,425). The anticipated cost increases in 2022 will be offset by decreases in Purchase of Electricity (\$321,600), SERVPRO Building Reuse Grant (\$210,000), and Capital Outlay (\$20,200). The full-time head count budget remains at 67 employees.

Notice of the public hearing was duly provided in the News Topic as required by law.

No one attended the public hearing to speak.

PUBLIC HEARING ON PROPOSED BUDGET FOR FISCAL YEAR 2022-2023 CLOSED Mayor Dr. Caryl B. Burns closed the public hearing on Proposed Budget for Fiscal Year 2022-2023.

NEW BUSINESS/ACTION ITEMS

BUDGET ORDINANCE #366 ADOPTED Following the public hearing on the budget, the Council was required to adopt Budget Ordinance #366 for \$15,350,100 for Fiscal Year 2022-2023 that will enact the budget.

Jim Mackie made a motion the Council adopt Budget Ordinance #366 as required. Larry Knight seconded the motion, with a unanimous affirmative vote. A copy of the ordinance is attached and is hereby made a part of these minutes.

FEE SCHEDULE FOR FISCAL YEAR 2022-2023 APPROVED The Council was requested to approve the FY 2022-2023 Town of Granite Falls Fee Schedule effective July 1, 2022 as presented. The Fee Schedule includes the electric rate schedules and the new water and sewer rate schedules as well as other fees. There were no changes to the Fee Schedule since it was presented to the Council on May 23, 2022.

Mike Mackie made a motion the Council approve the Fee Schedule for Fiscal Year 2022-2023 as presented. Tracy Townsend seconded the motion, with a unanimous affirmative vote. A copy of the fee schedule is attached and is hereby made a part of these minutes.

UPDATED RENEWABLE ENERGY PORTFOLIO STANDARDS (REPS) RIDER ADOPTED The Council was requested to adopt an update to the Renewable Retail Rider #15. The Retail REPS Rider must be updated for the Renewable Resource and the DSM/Energy Efficiency portions of the charge. Approval is also required to enable the Town to bill and collect these “pass through” charges effective July 1, 2022.

Martin Townsend made a motion the Council adopt the updated REPS Rider as required. Jim Mackie seconded the motion, with a unanimous affirmative vote. A copy of the updated REPS Rider is attached and is hereby made a part of these minutes.

UPDATED RENEWABLE ENERGY CERTIFICATES (REC) RIDER ADOPTED The Council was requested to adopt an update to Retail Rate Schedule Rider #16, Renewable Energy Credit Rider and a revised standard purchase offer for RECs. These monthly credits and purchase offer amounts would be in effect July 1, 2022, through June 30, 2023.

Mike Mackie made a motion the Council adopt the updated REC Rider as required. Martin Townsend seconded the motion, with a unanimous affirmative vote. A copy of the updated REC Rider is attached and is hereby made a part of these minutes.

NET BILLING RIDER NBR-1 FOR RENEWABLE ENERGY FACILITIES ADOPTED The Council was requested to adopt Net Billing Rider for Renewable Energy Facilities NBR-1. NBR-1 establishes credits and charges for solar customers on the Town net billing program from July 1, 2022, through June 30, 2023.

Tracy Townsend made a motion the Council adopt the Net Billing Rider NBR-1 as required. Larry Knight seconded the motion, with a unanimous affirmative vote. A copy of the Net Billing Rider NBR-1 is attached and is hereby made a part of these minutes.

RECEIVED APPROVED BUDGET FROM GRANITE FALLS ABC BOARD At the May 23, 2022, special meeting the Council was presented a proposed 2022-2023 budget for the Granite Falls Alcoholic Beverage Control Board. Under N.C.G.S. 18B-702, effective for fiscal years starting after May 1, 2011, each local ABC Board must operate under a balanced budget and the proposed budget must be presented to the local ABC Board, the appointing authority (Granite Falls Town Council) and the NC ABC Commission before June 1st of each year. The budget must be adopted by the local ABC Board at a meeting held after June 1st each year and the budget approved by the local board must be submitted to the appointing authority and to the NC ABC Commission. The ABC Board approved the budget at its June 20, 2022, meeting. The Council is not required to approve this budget, but the presentation of the approved budget to the Council from the ABC Board must be reflected in the Council meeting minutes. The approved ABC budget for 2022-2023 did not change from the proposed ABC budget the Council accepted on May 23, 2022.

Martin Townsend made a motion the Council receive the approved Granite Falls ABC Board budget as requested. Jim Mackie seconded the motion, with a unanimous affirmative vote. A copy of the budget is attached and is hereby made a part of these minutes.

DESIGNATE DEPOSITORIES FOR FISCAL YEAR 2022-2023 The Council was requested to designate First Horizon, First Citizens Bank, and NC Cash Management as financial institutions the Town may use as depositories during Fiscal Year 2022-2023.

Tracy Townsend made a motion the Council designate financial institutions as required and requested. Martin Townsend seconded the motion, with a unanimous affirmative vote.

MONTHLY BUDGET REPORT The financial dashboard for the 11 months ended May 31, 2022, was presented to the Council for their review and comments. This report represents 92% of the current 2022-2023 fiscal year budget. Also presented for Council's review were the analyses of current year sales tax revenue and property tax revenue versus prior year and budgeted revenues. Copies of these reports are attached and are hereby made a part of these minutes.

BUDGET AMENDMENT #14 FY 2021-2022 APPROVED Finance Director Ashley Presnell requested the Council approve budget amendment #14 for fiscal year 2022.

Increase Electric Fund Budgeted Revenue – Electric Sales	\$125,000.00
Increase Electric Fund Budgeted Expense – Electric Purchases	\$125,000.00

Martin Townsend made a motion the Council approve Budget Amendment #14 FY 2021-2022 as requested. Jim Mackie seconded the motion, with a unanimous affirmative vote.

BUDGET TRANSFER FROM RECREATION CENTER BUDGET TO THE PART-F FUND PROJECT 035 APPROVED Finance Director Ashley Presnell requested the Council approve the transfer of up to \$80,000.00 from the Recreation Department budget to the PART-F Fund Project 035. This transfer represents the Town matching expenditures for the PART-F grant during fiscal year 2021-2022.

Martin Townsend made a motion the Council approve Budget Transfer from Recreation Center Budget to the PART-F Fund Project 035 as requested. Larry Knight seconded the motion, with a unanimous affirmative vote. A copy of the budget transfer is attached and is hereby made a part of these minutes.

CONTRACT WITH FIFTH ASSET, INC., D/B/A DEBTBOOK, TO PROVIDE SERVICES FOR NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD-87 (GASB-87) LEASES RATIFIED The Council was informed that new GASB-87 accounting standards for leases became effective with the fiscal year ending June 30, 2022. All governmental entities are required to consolidate their lease agreements, test all lease agreements to determine whether they are subject to the reporting requirements, calculate and create schedules that confirm compliance with GASB-87, and update the audit with the GASB-87 information. In order to maintain their independence in issuing an opinion on the Town audit, the Town's auditors, Martin Starnes & Associates, CPAs, P.A. (MSA), informed Town staff that MSA personnel are not allowed to provide assistance or guidance on the implementation of GASB-87. In order to guarantee that Town staff completes the GASB-87 implementation in a timely manner that does not result in MSA issuing the audit report after the October 31, 2022, Local Government Commission (LGC) deadline, the Town Manager signed an agreement with Fifth Asset, Inc., d/b/a DebtBook on June 7, 2022, to complete the GASB-87 piece of the audit. The amount of the contract is \$4,000.00 and the Council will not be required to approve a budget amendment as funds are available in the current year budget.

Tracy Townsend made a motion to ratify the Contract with Fifth Asset, Inc., d/b/a DebtBook, on June 7, 2022, as requested. Larry Knight seconded the motion, with a unanimous affirmative vote.

RESOLUTION ADOPTING AMENDED TOWN OF GRANITE FALLS PERSONNEL POLICY APPROVED On Monday, May 4, 2015, the Town Council approved a resolution adopting the Town of Granite Falls Personnel Policy. The resolution allowed the Town Manager to reformat the Personnel Policy for stylistic, typographical, and other formatting changes to the policy without Council approval, but the Council must approve all substantive changes to the policy. Town staff has updated the Town Personnel Policy to keep the Town more competitive with other local governmental entities. Human Resources Director Courtney Kennedy presented suggested changes which provide additional benefits to Town employees at no additional hard dollar cost to the Town. Town Attorney Bruce Cannon reviewed and approved the proposed changes to the Town Personnel Policy.

Jim Mackie made a motion the Council approve the resolution adopting the amended Town of Granite Falls Personnel Policy as presented. Larry Knight seconded the motion, with a

unanimous affirmative vote. A copy of the resolution is attached and is hereby made a part of these minutes.

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION (NC DOT) OFFER TO PURCHASE RIGHT-OF-WAY ON STATE ROAD 1109 - PINWOOD ROAD

ACCEPTED The Council was requested to accept the NC DOT offer to purchase right-of-way at 56 Pinewood on State Road 1109 and to authorize Jerry Town Manager Jerry Church to sign any documents necessary to complete the sale of the right-of-way. The NC DOT is in the process of obtaining right-of-way for Project U-6036 to widen SR 1109 – Pinewood Road from US 321 to Bert Huffman Road. NC DOT has offered \$71,975.00 to purchase necessary right-of-way from the Town at the Recreation Center at 56 Pinewood Road. The right-of-way would take the existing brick area where the flagpole, sign, and a large oak tree are currently located. Council was reminded that the NC DOT will build a new retaining wall at the tennis court, will realign the entrance to the parking lot on the tennis court side of the building to take out existing traffic conflicts, and will pay for 80% of the new sidewalks on Pinewood Road as part of the project. Town Attorney Bruce Cannon has reviewed these documents for the Town.

Larry Knight made a motion the Council accept the NC DOT offer to purchase right-of-way at 56 Pinewood on State Road 1109 and to authorize Jerry Town Manager Jerry Church to sign any documents necessary to complete the sale of the right-of-way. Mike Mackie seconded the motion, with a unanimous affirmative vote.

SUBMISSION OF WATER & SEWER INFRASTRUCTURE PROJECT FOR USE OF STATE ARPA FUNDS APPROVED

The Council was requested to approve submission of the CIP W8 (Repair Hillside Avenue Sewer Line) Project to the state for approval in the amount of \$220,000. In April 2022, Town staff was informed the Town had been awarded a \$150,000 grant from state ARPA funds for a water & sewer infrastructure project. Town staff recently received guidance on how these funds can be spent. The Town must follow the guidance in selection of an engineer and a contractor and the state wants the completed application for funds submitted as soon as possible. The amount of the project must exceed the \$150,000 grant and must include a 10% contingency.

Martin Townsend made a motion to approve submission of the CIP W8 (Repair Hillside Avenue Sewer Line) Project as presented and to authorize Town Manager Jerry Church to advertise for, and sign a contract with, an engineer to design the project in compliance with guidelines for the use of state ARPA funds. Mike Mackie seconded the motion, with a unanimous affirmative vote.

CHANGES TO THE COUNCIL MEETING SCHEDULE APPROVED

The Council was requested to cancel the regular Council meetings scheduled for Monday, August 1, 2022, and Monday, October 3, 2022.

Tracy Townsend made a motion the Council approve the changes to the meeting schedule as requested. Martin Townsend seconded the motion, with a unanimous affirmative vote.

TOWN HOLIDAY SCHEDULE The Town of Granite Falls Administrative Office, the Recreation Center, the Public Works and Electric Departments will be closed on Monday, July 4, 2022, for the July 4th Holiday and on Monday, September 5, 2022, for the Labor Day Holiday. The Police and Fire Departments and the Water and Wastewater Facilities will be on duty as scheduled and those employees scheduled to work the holiday receive alternate time off with pay. Republic Services will pick up garbage and recycling on their regular schedule.

MANAGER UPDATE Town Manager Jerry Church updated the Council on the following:

- 1) Enclosed with the Council's agenda package was a calendar of events through the end of July 2023. Revisions since the last calendar were highlighted in yellow. Note: Members of the Town Council may attend events that are, or are not, sponsored by the Town but there will be no Council business conducted at any of these events in instances where a quorum of the Council may be present.
- 2) Town Manager Church updated the Council on his recent visit to the North Carolina Legislature which occurred June 7-8, 2022.

COUNCIL COMMITTEE REPORTS

1. WPCOG Policy Board – Mayor Dr. Caryl B. Burns reported that the most recent meeting was held in Conover on Tuesday, May 24, 2022, where employment and housing concerns, and proposed budgets were discussed.
2. Caldwell County Railroad Policy Board – Jim Mackie reported that the board has not met since the last meeting.
3. Sales Tax Reinvestment Committee – Mayor Dr. Caryl B. Burns attended the most recent meeting and shared that job creation incentives for Baker's Waste were discussed.
4. Metropolitan Planning Organization (MPO) and Technical Coordinating – Martin Townsend informed the Council that they will meet Wednesday, June 22, 2022, and shared that Caldwell County is the only district that has current DOT projects that will proceed as scheduled.
5. Caldwell County Economic Development Commission (EDC) – Town Manager Church stated that they met on June 14, 2022 and reported that the focus was on housing and assisting contractors with identifying "in-fill" lots where infrastructure already exists which would make the selection of lots easier for contractors.
6. NC Municipal Power Agency # 1 Board of Commissioners – Will meet July 19, 2022.
7. Caldwell County Manager's bi-monthly meeting – Town Manager Church stated that he was unable to attend the meeting held on June 17, 2022 due to the employee luncheon.

COUNCIL GOES INTO CLOSED SESSION Martin Townsend made a motion under N.C. General Statute 143-318.11 (3) the Council shall hold a closed session to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged. Mike Mackie seconded the motion, with a unanimous affirmative vote.

COUNCIL GOES OUT OF CLOSED SESSION Martin Townsend made a motion the Council go out of closed session. Tracy Townsend seconded the motion, with a unanimous affirmative vote.

TOWN MANAGER'S SALARY ADJUSTMENT AND EMPLOYMENT

AGREEMENT REVISIONS APPROVED Tracy Townsend made a motion the Council increase the Town Manager's base salary to \$119,121.60 for Fiscal Year 2022-2023 and to revise the Town Manager's contract to reflect updated language in the Town's personnel policy regarding vacation, sick, holiday, and military leave; to increase the minimum notice of resignation to ninety (90) days; and to provide a standard severance payment equivalent to six (6) months' salary. Mike Mackie seconded the motion, with a unanimous affirmative vote.

MEETING ADJOURNED Tracy Townsend made a motion the Council adjourn the meeting. Jim Mackie seconded the motion, with a unanimous affirmative vote.