

**Town of Grantsboro**  
**Public Hearing for Budget, CDBG Closeout, and Regular Meeting of the Town Council**  
**June 7, 2022**

**Minutes**

The Grantsboro Town Council met on Tuesday, June 7, 2022 at 7:00 p.m. in the Town Hall. Attending were: Mayor Julia Lee, Mayor Pro-tem Tom Newman, TW Harris, Evelyn Paul, and Ray Lewis, Clerk. Ray Poole and Kristie Mitchell were absent. There were 1 visitor present.

Lewis offered the invocation, and Mayor Lee opened the public hearing for the CDBG Hwy 306 N Sewer System Closeout. David Harris with RSM Harris Associates presented information concerning the project, including the initial scope of the project and the budget. Harris also shared the final budget and what the project actually accomplished. That information is included with these minutes. There were no citizens present at the hearing.

**Grantsboro 2017 CDBG-I Grant #17-I-2964 - Project Closeout Public Hearing – June 7, 2022:**

Citizens will be provided with information concerning the CDBG program at this public hearing. Such information shall include, but not necessarily be limited to:

Initial project scope and budget:

The sewer project was to extend the Bay River public sewer system to serve houses along NC 306 that had malfunctioning septic systems. Initial Sewer Improvements included the installation of 7,155 LF of low-pressure sewer force main beginning where the Bay River sewer line ended and extending to the Town limits on NC 306 N to serve 44 occupied houses. A sewer booster pump station was to be constructed in the Project Area and 10,800 LF of sewer force main was to be installed from the pump station to NC 55 to connect to an existing Bay River force main. Housing Rehabilitation included the installation of low-pressure Septic Tank Effluent Pump (S.T.E.P.) systems at 38 households who requested connection to the new sewer system. Old septic tanks were to be abandoned. Based on initial income surveys all 38 households requesting public sewer service were low to moderate income (LMI) per HUD guidelines. The Project was funded 100% with \$2,000,000 in federal CDBG-I funds. The budget was: Sewer Improvements-\$1,743,000; Housing Rehabilitation-Connections - \$57,000.00; and Administration-\$200,000.

Project amendments and change orders:

Amendment #1: August 2020 – Based on hydrologic analysis of the booster pump station during the Design Phase of the Project, the Project Engineer and Bay River determined the pump station needed to be moved a location along NC Highway 55 in Alliance to connect to an existing sewer force main. This location would provide the pumping capacity needed to get the additional sewer flows to the WWTP in Bayboro. An Amendment was requested and approved to relocate the booster pump station site to Alliance and to eliminate the 10,800 LF of force main that was originally going to extend from the pump station in the Project Area on NC 306 to NC 55. Some of the savings in moving the pump station site were transferred to Housing Rehabilitation due to higher than expected costs to install the S.T.E.P systems at the 38 houses to be connected to the new sewer system. The amended budget was: Sewer Improvements-\$1,707,980; Housing Rehabilitation-Connections - \$92,020.00; and Administration-\$200,000.

Amendment #2: May 2022 – Households on Rebecca Rd and Sky Lane decided not to connect to the new sewer lines and sewer construction costs were higher than anticipated. As a result, an Amendment was submitted to reduce the amount of linear feet of sewer line to be installed from 8,875 LF to approximately 7,892 LF; reduce the number of households to be connected to the new system from 38 to 31; amend the LMI numbers for households to be served by the sewer lines from 89.90% to 61.36%; amend the LMI numbers for households to be connected to the sewer lines from 100% to 58.06%; and to transfer funds from Housing Rehabilitation to Sewer Improvements. The amended budget was: Sewer Improvements-\$1,727,756; Housing Rehabilitation-Connections - \$72,244.00; and Administration-\$200,000.

There was an initial Bid Negotiation and there were the following 5 change orders to the project:

- Bid Negotiation: Reduced the number of STEP systems to 26 (including connections); removed quantities of 2” force main; removed proposed water line extension and other miscellaneous work, Bid Negotiation reduced construction contract by \$639,966.00 from \$1,867,789.00 to \$1,227,823.00.
- Change Order No. 1: Deleted additional 2” force main; increased the number of STEP systems to 27, reduced the number of house connections to be paid due to residents being above the LMI threshold. Reduced construction contract by \$26,520.00 to \$1,201,303.00.
- Change Order No. 2: Added four additional STEP systems for a total of 31. Three below LMI resulted in an increase in the number of house connections; electrical work for power to LPSS control panels, and abandonment of septic tanks. Change order made miscellaneous adjustment for force main work; replaced electrical panelboard with subfeed panel; and added chain link fence quantity. Increased construction contract by \$53,745.00 to \$1,255,048.00
- Change Order No. 3: Provided additional compensation to Contractor for substantial increases in cost of materials for work; added a higher capacity, higher cost pump for a bid item; provided compensation for changes to end of line cleanout manhole and for equipment costs to install additional tanks; and reduced number of STEP systems to 30. Increased the construction contract by \$1,861.36 to \$1,256,909.36.
- Change Order No. 4: Added two additional STEP systems at a higher material cost; increased compensation due to other documented material increases, unexpected difficulty in accessing a septic system, house connections, abandonment of septic tanks, and electrical work for power to control panels due to the increase in the number of STEP systems; and made other miscellaneous contract adjustments. Change Order increased the construction contract by \$35,816.25 to \$1,292,725.61.
- Change Order No. 5: Final adjusting change order to adjust all quantities based on actual quantities installed. Reduced the construction contract by \$14,977.50 to \$1,277,748.11.

Final project financials (CDBG received/expended/de-obligated):

\$2,187.22 of the CDBG-I funds were not expended and will be de-obligated.

Activity	Present Budget	Actual Expenditures	Funds Remaining To be De-obligated

Public Sewer Improvements	\$ 1,727,756.00	\$ 1,727,588.03	\$ 167.97
Housing Rehab - Sewer Connections	\$ 72,244.00	\$ 72,243.75	\$ 0.25
Administration	\$ 200,000.00	\$ 197,981.00	\$ 2,019.00
<b>TOTAL</b>	<b>\$ 2,000,000.00</b>	<b>\$ 1,997,812.78</b>	<b>\$ 2,187.22</b>

Final project accomplishments and performance (description of LF, connections, improvements, etc. and where)

Activity	Proposed Goals	Proposed Households Benefiting	Actual Goals	Actual Households Benefiting
Sewer Improvements	8,875 LF force main	44 households 98 persons	8,192 LF force main	42 households 88 persons
Housing Rehabilitation	Connect 38 households	38 households 88 persons	Connected 31 households	31 households 64 persons

The benefits of the project on low and moderate income persons (LMI statement)

More than 51 % of persons benefiting from the sewer system construction are LMI and more than 51% of the households actually connected to the new sewer system are LMI. Following is a detailed breakdown of the LMI benefit:

Activity	LMI Benefit Based On	Proposed LMI Benefit	Actual LMI Benefiting	Actual LMI Benefit
Sewer Improvements	Persons	89.80%	54 of 88 persons	61.36%

Housing Rehabilitation	Households	100.00%	18 of 31 households	58.06%	
<i>Following information is not reported as part of the Project Performance or Closeout. Provided as general information because usually LMI is based on persons benefiting in an area. Connections are based on household data, but sewer system construction is based on persons in the households.</i>					
Housing Rehabilitation	Persons	100.00%	34 of 64 persons	53.13%	100% CDBG funds spent on LMI connections

Mayor Lee closed the CDBG public hearing.

Mayor Lee then opened the public hearing for the proposed 2022-23 FY budget. Lewis reported that he had adjusted the overall budget decreased the overall budget by \$300 from the initial proposed amount. The overall budget is now at \$75,200. There were no further comments and the budget hearing was closed by Mayor Lee.

Mayor Lee then called the regular meeting to order, and a quorum was established. The agenda for the meeting was approved upon a motion by Newman, seconded by Harris and carried. The minutes from the May meeting were approved upon a motion by Harris, seconded by Newman and carried.

Lewis presented the finance report for the month of May, which reflected \$4394.73 in revenues, and expenses of \$3061.30. Total funds were reported at \$266,344.16, plus \$25,837.50 in ARP Funds. A motion to approve the finance report as corrected was made by Newman, seconded by Harris and carried.

**Old Business**

To complete the closeout process for the CDBG Project, a motion to approve the final budget as presented, to approve de-obligating the remaining \$2187.22 in grant funds, and to approve final contract change order #5 was made by Harris, seconded by Newman and carried. Also, a motion to authorize Mayor Lee and Town Clerk Lewis to prepare and certify the minutes of tonight’s meeting was made by Newman, seconded by Paul and carried.

**New Business**

A motion to adopt the proposed budget ordinance for FY 2022-23 in the amount of \$75,200 maintaining the current tax rate of five cents per one hundred dollars was made by Paul, seconded by Newman and carried. A copy of the ordinance is included with these minutes.

Lewis shared that one of the bank CD's had matured, and needed to be renewed. Lewis suggested that funds be transferred from the regular checking account to the CD to bring the CD total deposit to \$55,000. A motion to approve was made by Newman, seconded by Harris and carried.

Following a brief comment period, the meeting was adjourned on a motion by Harris, seconded by Newman and carried.

The next regular meeting of the Town Council is scheduled for July 5, 2022.

Respectfully submitted,

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Julia Lee, Mayor

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Ray Lewis, Clerk

# Town of Grantsboro

## Budget Ordinance FY 2022-2023

**BE IT ORDAINED BY THE MEMBERS OF THE GRANTSBORO TOWN COUNCIL,  
GRANTSBORO, NORTH CAROLINA:**

SECTION 1. The amounts shown on the following page "Proposed Budget for FY 2022-2023" are hereby appropriated in the General Fund for the operations of the Town Government and its activities for the Fiscal Year beginning July 1, 2022 and ending June 30, 2023.

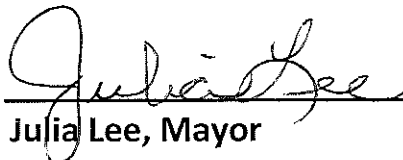
Total Revenues in the Amount of \$75,200.00  
Total Expenses in the Amount of \$75,200.00

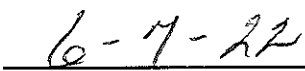
SECTION 2. There is hereby levied a tax at the rate of five cents (\$0.05) per one hundred dollars (\$100) valuation of property listed for taxes as of January 1, 2022, located within the Town of Grantsboro for the purpose of raising revenues for the Town. These revenues are listed as 2022 Ad Valorem Taxes in the budget in this ordinance.

SECTION 3. The Finance Officer may transfer monies from one line item appropriation (with the exception of the Contingency line item) to another as necessary to maintain fund solvency, with a report of such action at the next regular meeting of the Council, at which time they will be entered into the minutes thereof.

SECTION 4. Transfer of funds from the Contingency line item may be done only with prior approval of the Council and shall be entered into the minutes thereof.



  
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Julia Lee, Mayor  
Grantsboro Town Council

  
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Date