

**HAMLET CITY COUNCIL BUDGET MEETING
HAMLET CITY HALL COUNCIL CHAMBERS
201 MAIN STREET, HAMLET, NC 28345
WEDNESDAY, MAY 6, 2015 – 5:06 PM**

MINUTES

Governing Body Present:

Mayor	William Bayless
Mayor Pro Tem	Johnathan Buie
Council Member	Pat Preslar
Council Member	Tony Clewis
Council Member	Jesse McQueen
Council Member	Eddie Martin

Staff Present:

City Manager	Marcus Abernethy
City Clerk	Tammy Kirkley
Police Chief	Scott Waters
Fire Chief	David Knight
WTP Supt.	Robert Brown
Zoning	Gail Strickland
Bldg & Main	Doc Sylvain
IT	Zach
Public Works	Billy Stubbs

Others Present: Melanie Flomer- RCDJ, Chad Quinn

1. **Call to Order.** Mayor Bayless called the meeting to order. This meeting was recessed from April 30, 2015.
2. **Adoption of Agenda.** The agenda was approved by motions of Council Members Buie and Clewis. The vote passed in favor 5-0.
3. **Invocation.** Councilman Clewis offered the innovation.
4. **Comments from attendees.** None
5. **Manager's Report: Updates & Emerging Issues:**

The manager referenced the updated budget from last week excluding the Dobbins Heights information. He confirmed once officially presented, the budget will need to sit for 10 days. The manager will present the budget along with the budget message at the next work session. Mr. Abernethy will also present the budget message during the June 9th Regular Meeting.

It was reported that city staff successfully submitted a bid for the previously discussed used bulldozer at the military surplus in Raleigh. Mr. Doc Sylvain eliminated and/or decreased some of the costs for fire alarms at city hall. Mr. Sylvain eliminated the carpet at the library from the budget. Mr. Sylvain provided explanations for the reductions. Mr. Abernethy confirmed that each building's building & maintenance have been put in the specific department's line items.

Contributions to Other Agencies. The manager reported staff has been researching an application process and guidelines for contributions from the city and will present a draft to council at a later time. He said if approved, it will be provided to agencies during the 2015-16 Fiscal Year and will affect the applicable funds for the next Fiscal Year. Mr. Abernethy said the already approved agencies sent their request letters to the city in March of 2015 for funding beginning July 1, 2016. It was reiterated that the application process will be for the funds to be given beginning July 2016. The manager stated the city will request a copy of the agencies' 501-C3 forms for this year.

Park & Recreation Fees: During the April 30, 2015 Budget Work Session, Council asked staff to research the park and recreation's registration fees. The manager reported there are approximately 1000 participants in all sports. If the fee is raised \$5 across the board, it would realize a \$5,000 increase, and a \$10 increase would realize a \$10,000. A \$10 increase for baseball and tackle football. Increase \$5 for other sports except cheerleading. This would generate \$7,000 of revenue or half of the gate fee revenues. The agencies researched in comparison to Hamlet's were: Laurinburg, Wingate, Wadesboro, Rockingham and Raeford.

Discussion of Garbage fees: It was noted that a \$1 increase in household garbage fees would equal about \$33,000. Increasing the fee to a total of \$12 per month would be \$65,000; Wadesboro charges \$15 per month; Rockingham's fee \$15.50, Raeford's fee \$18.00 per month. It was noted that Rockingham picks up twice per week.

Fire Service Fees. The Town of Dobbins Heights pays \$24,000 yearly for fire fees. Chief Knight reported that there is a per call fee of \$470 and there were 150 calls in Dobbins Heights for fire & paramedic calls last year, which is approximately \$70,000. Council and staff discussed the figures for Workman's Comp and Property & Liability premiums that are not included but are costs the city must absorb. Other costs included in fire fighting include: crews returning after a fire and clean-up at \$13 per hour; fire gear per person, cost is approximately \$10,000 per person; fire truck, fuel, hose, etc. Mr. Preslar suggested looking into a total cost to fight fires for Dobbins Heights and adjust it for the next fiscal year. The chief said in looking at the fee per amount and number of calls, the breakdown comes to approximately \$70,000 yearly. Council discussed that Hamlet is providing a service for a fixed cost. The manager and the fire chief would like to have a meeting with the Mayor of Dobbins Heights and explain the situation and come to an increased negotiation. The chief suggested considering a 5-year plan. Mr. Clewis inquired about charging a fire tax or to levy a fire fee per structure and allow Dobbins Heights to collect and make the payment to Hamlet. Mr. Abernethy will schedule a meeting with the agency in July and Mr. McQueen suggested staff may want to let Dobbins Heights know ahead of time Mr. Martin agreed to go ahead and start the meetings asap. The fire chief will look at the update language to the current agreement.

Tax Increase. The amount of revenue realized by a one-cent property tax increase was discussed. Several options were shown that would save money. Mr. Abernethy reported raising the property tax by one-cent would generate approximately \$25,000 of revenue.

Mr. McQueen confirmed that the city now has three expired grant funded positions in the police department and the city now pays for the positions. The police chief noted the positions were through the NC Governor's Highway Safety Patrol and said it is important to keep and noted the benefits the city receives as a result. He said two of the grant funded positions are currently vacant. The chief is working on hiring two employees at the present. Mr. McQueen asked Ms. Cumberland how many positions the HPD has that are not filled and she replied six. Mr. McQueen questioned doing away with the vacant captain's position and put that position on the road. He talked about the police trends over the years and said we need to get back to community oriented policing. Mr. McQueen clarified that he is not talking about cutting people, rather cutting positions or putting the positions on freeze. He suggested reclassifying the vacant captain's position to that of another position; he explained this will not take anything from the police department, but it will not include these salaries within the budget.

The police chief talked about personnel in the past getting burnt out with being called out and receiving only comp-time. Mr. Preslar suggested getting a good reserve program going and mandating the officers work so many hours to keep the certification. Mr. McQueen confirmed this is dealing with the expired grant funding positions; he then recommended to freezing on the two officer's positions that were funded by grants and to reclassify the captain's position down to a detective. This will not take away from the city or the services provided to the community. It was reported this will remove about \$105,000 off of the General Fund for the upcoming year. Council agreed that a restructuring for these positions in the police department will be needed.

Mr. Preslar said about \$630,000 has been added to the budget since 2010 from employee raises, employee insurance premiums, added personnel, and the cost of doing business. He agreed with Mr. McQueen's recommendation. Mr. McQueen said he is in favor of the 2.5% increase as a business investment to keep people; he is for reclassifying the positions and is in favor of taking care of the current employees. Mr. Buie recommended beginning next year to not bring up any increases or bonuses in the budget until council has been presented with all of the expected increases and council will consider any type of a pay increases at the end. Mr. Clewis agreed council should look at an employee increase once everything has been received and the actuals are realized.

Mr. McQueen noted that Zach Garner filled in as the Interim Museum Manager during the last vacancy and inquired about the possibility of combining the IT position and the Museum Manager as one position. He said if it is possible and Mr. Garner was interested, he could obtain the training and be properly compensated for both services. Mr. Buie agreed with Mr. McQueen and agreed it would come with a pay adjustment for Mr. Garner. Mr. McQueen suggested holding off on hiring a museum manager for the time being and researching the presented recommendation; he noted the savings that could be seen if the recommendation were to work out with the current agreement that is in-place. Mr. Preslar inquired if the city can freeze the Museum Manager's position for 6 months or so. Mr. Buie suggested, if needed, put a freeze on the IT position and keep the Museum Manager's position for Mr. Garner. Mr. Abernethy said he is fine with freezing the Museum

Manager's position and keeping Zach on as Interim for an extended period of time, as long as Mr. Garner was fine with it.

The police chief gave a report on his plan and for obtaining certifications and rewarding the officers for same.

Paramedic Position. Council talked about the Rescue Squad paying the city \$125,000 per year. The Rescue Squad pays 50% of the firefighter/paramedic position that was added in 2014/15. The finance director explained her understanding of what the \$125,000 funds were to go towards. The fire chief said the donation from the Rescue Squad to the city pays for 50% of the positions and that the funds are to pay for salary only. The donation pays \$20,000 per medic, per year for salary. Mrs. Dickens reported 50% of the salaries would be \$106,000, which doesn't include overtime. Mr. Preslar noted the COLA's and insurance have been bumped up also. The fire chief spoke of the various services, fees and equipment that the Rescue Squad pays for to keep off of the city's budget. Mr. McQueen noted this is something to look at for another year. The fire chief stated the costs of the pickup calls are decreasing. Chief Knight reported the pickup rates are raised by the County Commissioners.

Council discussed the patrol vehicle, the lawn mower in Parks & Recreation, and the sound system for the chambers. It was the consensus of council to leave the vehicle in the budget and re-address the sound system and mower in November of this year.

Park & Recreation Fee structure: Council agreed to the suggested fee structure.

<u>Sport</u>	<u>Participants</u>	<u>Current</u>	<u>FY 15-16 Costs</u>
Baseball	240	\$30	\$40
Soccer	240	\$30	\$35
Tackle Football	150	\$50	\$60
Flag Football	130	\$30	\$35
Basketball	240	\$30	\$35
Cheerleading	140	\$15	\$15

Mr. Buie suggested utilizing help from the Beta Club students at Park & Recreation. The manager said he met with Cheerwine and Pepsi regarding the scoreboard. He recommends we stay with Cheerwine and we will continue to use the slushy machine. Cheerwine will donate a scoreboard for a 5-year period. Council asked the manager to talk with the Parks and Recreation director to see if he is interested in offering spring soccer.

Fees Increase: Council was not in favor of raising garbage fees or property taxes.

Employee Increase 2.5%. Mr. Preslar suggested looking at the departments with the highest turnover and applying an increase to those areas, and give a one-time \$300 bonus to the other employees. Mr. McQueen noted it's business, and he is in favor of the 2.5% increase. Mrs. Dickens confirmed after the cuts made today, the fund balance appropriations dropped to \$486,000.

Council Members Martin, McQueen and Buie all agreed it is important to keep the 2.5% increase in the proposed budget. Mr. Preslar and Mr. Clewis were in favor of a one-time employee bonus. Mr.

Buie explained if the city doesn't stay consistent, they will lose employees. Mayor Bayless noted he is in favor of the raise because it will move employees up to the next step in the pay system. The manager confirmed that the increase will be used towards steps in the pay scale and will not be used as a COLA.

Update on Accrued Time from the April 2, 2015 Budget Meeting. Council agreed to increase the firefighters vacation time from 10 hours to 24 hours. Holiday time - regular employees get 8 hours; police and fire employees earn an hour for an hour of accrued time. The policy states we are to pay non 40 hour employees at a prorated rate in proportion to their work week, which is not being followed, and abiding by the policy will put the police and fire personnel at a disadvantage.

The manager said the fire chief came up with a third option- to pay 8 hrs across the board and allow the fire personnel to accrue 16 hours per holiday and police to accrue 4 hours per holiday. Mr. Abernethy reviewed several other agencies' practices concerning this type of matter. The amount of accrued time will be capped to one year and the rest will roll over to sick time. The police will not get over 48 hours per year. The fire chief explained that there is now a problem with accrued time on the books totaling approximately \$200,000. The chief explained that in the proposed option, when vacation time rolls over on December 30th, these departments' accrued time will roll over on June 30th in order to allow personnel time to take off. The chief explained the 3-step method for employees who now have accrued time. The fire chief said he, the police chief and city manager met with both departments and presented the idea to the employees and they bought-in to this solution to stop the accrual of time. The manager said all parties are satisfied; he will draft an updated policy that will include the holiday time as well.

Edna Cumberland reported per the retirement system, comp-time cannot be rolled over to sick time. Mr. Preslar said this will be a problem for retirement purposes because the city will have given the firefighters more time when looking at the 8 hr. employees; he said a day is a day when it comes to retirement and inquired if reporting it in a different manner would be legal. Chief Knight stated it is calculated in days and Mr. Preslar noted the retirement system goes by 8 hours. Ms. Cumberland will research the matter for legalities. If the sick time is ok for reporting purposes, council is ok with the policy. Mr. Preslar and Mayor Bayless both agreed that changing the policy will require things to be legal.

Marcus has communicated with the NC League of Municipalities and the city attorney about the holiday time being transferred over to sick.

6. Purchasing Policy - Buying Local. The manager reported that staff wanted clarification with buying locally if items are too expensive. As an example, Mr. Preslar said staff went to Bill-Bilt's Auto Parts and paid \$9 for the same product that Advance Auto sells for \$3. He then suggested having a floating scale for purchases up to \$1,000. The manager said the city will check with Bill-Bilt's and Advance Auto and buy the items that cost less. Mr. Buie suggested bypassing outside agencies when possible. Mr. Martin said try to buy locally when it makes sense.

After further discussion, Council agreed that staff may purchase outside of Hamlet. Mr. Martin asked staff to simply give the locals a chance and if they cannot compete, then do not make the purchase with the business. Mr. McQueen said to spend a little more money a year with local

businesses; he said council is not saying to buy everything local. Mr. McQueen said it's trial & error, and using common sense; he said let the local businesses know the city is trying to shop with them. Mr. Stubbs said he will spend what he can locally and will do what's in the best interest of the city.

Jesse McQueen said every year staff does a good job with the budget and over the past six years the city has done better than expected. This is a realistic budget and he thanked everyone for their work.

Pat Preslar apologized for his previous behavior. He said he has reached out to the other council members for ideas on the budget. Mr. Preslar said he is looking at the trend and is trying to be realistic.

Tony Clewis thanked administration and the department heads for their work on the budget. He stated the salary raise issue has nothing to do with his feelings about public works. Mr. Clewis said it's good that council can agree to disagree.

Eddie Martin said he feels all will be fine.

Johnathan Buie echoed the aforementioned comments and gave his appreciation to all.

Bill Bayless said it scares him to take money from fund balance. He said he likes what the supervisors do to help and said council is behind them 100%.

The manager thanked staff and all who voluntarily attended the meeting tonight. He said the ladies have worked hard to get the budget together. Mr. Abernethy thanked council for coming together and giving staff what they need for the budget.

- 7. Adjournment of Meeting:** At 8:21 pm, Council Members Buie and Clewis motioned to adjourn the meeting. The vote passed unanimously.

Respectfully submitted,


Tammy Kirkley, City Clerk

