

Hamlet City Council Regular Monthly Meeting
201 Main Street, Hamlet, NC 28345
City Hall Council Chambers
Tuesday, June 9, 2015 - 7:00 pm

Minutes

Governing Body Present:

Mayor	Bill 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
City Attorney	TC Morphis
Finance Officer	Jill Dickens
Police Chief	Scott Waters
WTP Supt.	Robert Brown
Public Works Supt.	Billy Stubbs
IT Dir.	Zach Garner

Others Present: Chad & Amy Guinn, Linda Bayless, Jennifer Turner, Bobbie Williams, Bernice Owens, Jimmy Stricklin, David & Kim Lindsey, Dewey Brower, Sheriff Clemmons

1. Call to Order.

Mayor Bayless called the meeting to order.

2. Invocation.

Councilman Clewis offered the invocation.

3. Adoption of Agenda.

The agenda was adopted as presented by motions of Council Members Preslar and Buie. The vote passed 5-0.

4. Adoption of Minutes.

Mayor Bayless referenced the six sets of minutes submitted for council's approval and called for a vote to approve them collectively. The submitted minutes for consideration included: May 13, 2014 Regular Meeting; May 21, 2014 Budget

Session; April 2, 2015 Budget Session; April 14, 2015 Regular Meeting; May 12, 2015 Regular & Closed Session. Council Members Clewis and Buie motioned to approve all minutes as presented and the vote passed 5-0.

5. Comments from Attendees.

None were presented.

6. Presentation of the N.C. Dept. of Environment & Natural Resources AWOP

Award. Robert Brown presented council and stated that the representative from NCDENR who was scheduled to present the award tonight recently retired and therefore, he will be presenting. Mr. Brown said the AWOP Award is for water quality and reported that the City of Hamlet previously received the award in: 2009, 2011, 2012, 2013 and 2014. He provided the requirements from the state to be eligible for the award. Out of eleven counties in our region, only four water systems received the AWOP Award and Hamlet was one of the four. Robert Brown took a moment to recognize his staff for their work at the water plant and said they are the ones responsible for the award. The award was then presented to city council. Mr. Preslar commended Mr. Brown and his employees for all of their hard work on keeping high water quality especially considering the issues presented last year. Mr. Brown reported the odor and taste issues experienced last year were also encountered by many other agencies. He said the water quality and standards were met in excess of the requirements.

7. Presentation by Montgomery County Sheriff.

In the absence of Sheriff Watkins, Special Agent Dennis Jones and Supervisor Jason Locklear from Montgomery County were in attendance to present the award of the "Order of the Long Leaf Pine" to Councilman Pat Preslar. Mr. Jones thanked ALE retiree Preslar for all of his efforts while active with the state prior to his recent retirement and he recognized Mr. Preslar's service as a council member to the City of Hamlet for the past 16 years. He added that the award is recognized by Governor Pat McCrory. Mr. Jones further commended Mr. Preslar to be deserving of the award and offered congratulations. Councilman Preslar took a few moments to give sincere words of appreciation for the award. He thanked Special Agent Jones and Supervisor Locklear for traveling to Hamlet to present the award and he thanked Sheriff Clemmons for being in attendance as well. Mr. Preslar ended by thanking the person who submitted the award on his behalf.

Old Business

8. Setting Date for Special Meeting Concerning Employee Leave.

The Mayor reminded council of a previous discussion about setting a date to hold a Special Meeting to discuss the matter of employee leave time, and he asked for council's wishes in moving forward. Councilman Preslar stated whenever council

decides to discuss the leave concerns, that he has issues with the Fire Department & the Rescue Squad that he would like added to the agenda. Councilman Buie motioned to table the matter until council may get together and agree on a date. Council then discussed dates and times for the Special Meeting and it was the consensus to schedule the meeting for Monday, July 6, 2015, at 5:30 pm, Hamlet City Hall. Mayor Bayless said the meeting will be to discuss the overtime situation, the sick leave and holiday time for employees, as well as discuss Mr. Preslar's earlier noted concerns.

9. Presentation of Budget Message for FY 2015/16.

City Manager, Marcus Abernethy presented the Budget Message for FY 2015/16. The Outlook of the General fund, Powell Bill and Enterprise Fund balances at \$7,824,575. A copy of the Budget Message is attached herein as Exhibit A. The message was initially delivered during the May 28th Budget Session.

New Business

10. Public Hearing for the FY 2015/16 Budget.

Funding for body cameras for the police department was briefly discussed. The chief reported the department received a grant from the Governor's Crime Commission for 25 body cameras. He also reported that Sandhills Women's Auxiliary donated \$3,000 for departmental equipment and that their donation will help offset the cost for police vests.

Mayor Bayless opened the floor to the public hearing for the draft budget. Mr. Buie inquired about the information from the body cameras being downloaded onto a computer or a server and the legalities of same. Mr. Abernethy said staff is working on a Body Cam Policy and will present it to council when completed. The police chief confirmed that the police department currently has four cameras.

Pat Preslar commended staff for trimming the budget. He said a few things have come up over the past few weeks that are not included in the budget; one is to pay for the police and fire personnel time, and the other issue with concerning a bill introduced for redistribution of sales tax revenue. He said he is disappointed that we can't buy a lawn mower and a sound system on general fund side. He noted unfunded increases over past few years such as employees pay raises and employee's healthcare insurance premiums have been increasing the budget. He thinks council should have done more, such as looking at the rates and the taxes. Mr. Preslar reiterated what he has said in the past, property taxes are going to have to be looked and he doesn't want the citizens to be shocked next year. Mr. Preslar said he cannot vote for the budget this year and he hopes that he is wrong.

Mr. McQueen agreed that council has talked about the budget and has agreed to disagree. He agreed there are a few hundred thousand dollars on the books the city

owes for personnel time that has happened over the past dozen years or so, which he noted is poor management; he said not current council has to figure out how to deal with it. Mr. McQueen challenged Mr. Preslar to go back and look at how much the city saved due to working short-staffed. He said he supports the 2.5% pay increase in order to keep employees because employees are investment to the city. This raise will move employees up one-half of a step on the pay scale. Richmond County included a 3% pay raise and budgeted with fund balance as well. Mr. McQueen said Mr. Preslar will be stepping down in three months and he wondered why Mr. Preslar wouldn't be in favor to balance it this year as it has been balanced in the past. Mr. McQueen stated in 2009 he- himself voted against the budget because of fund balance and said a new department was being added to the city; he talked about the grant for the depot and said there was already a museum in-place at the depot. The funds for the new position at the depot would be needed for 25 years. Mr. McQueen said over the past 12 years Mr. Preslar has not made this stand on the budget and he finds it suspicious that council should now need to raise taxes and fees to help the budget. Mr. McQueen went on to explain things current council has done to help future budgets; he stated this budget was reduced by 41% from last year. He said he is proud to support the budget this year and agreed at some point decisions will have to be made but tax and fee increases should be the last resort.

Councilman Clewis agreed with a lot that has been said. He said he felt like council should wait on the raise because there are a lot of unknown variables at this point. Mr. Clewis said Mr. McQueen is making it look like Councilman Preslar made his decision based on who serves on council. He said it doesn't matter who is on council, he doesn't want to raise taxes because he is a taxpayer. Mr. Clewis said he feels like our community is moving towards a retirement community and noted fixed incomes. He said he is not going to vote in favor of this budget because he feels like council should have waited to see how the funding goes later in the year. He stated that Dobbins Heights is paying for fire protection services and he referenced the Mutual Aid Agreement on file. In defense of Hamlet's utility rates, Mr. Clewis compared a nearby agency that charges \$47 per month for water services. He talked about Hamlet raising the water rates several years back to be eligible for grant funding as required by the state and said the city received a \$500,000 grant to assist with the Dam Project in part because our rates. Mr. Clewis reiterated that he cannot support this budget because there are too many variables and unknowns.

Councilman Martin agreed with Mr. McQueen's words tonight. He said Mr. Preslar has made note twice about the city not purchasing the lawn mower for Park & Recreation and stated if the city wanted to purchase it they could; however, he said this is a different situation. He said Mr. Clewis can't support the budget because of the increase in salary and not knowing what will happen tomorrow-so to speak. Mr. Martin said he does know that the employees will have to buy groceries, pay bills

and raise a family. He said he is in favor of this budget. He commended the city manager for the excellent job in putting the budget together.

Councilman Buie stated that he will be supporting this budget. In replying to the earlier comment made "not knowing what will happen"; he said previous decisions have been made and that it's probably good that the city didn't follow through some of them; such as the project on Boyd Lake Road, the building across the street from city hall, and not having to payout for the previous city manager's contract. Mr. Buie thanked staff and the department heads for the work on the budget. He reiterated he is in favor of the budget. .

Councilman Preslar asked for a rebuttal since his character has been called suspect. He noted the various raises and longevity pay over the past six years given to employees while looking at the choices made by Richmond County and the City of Rockingham for their employees. Mr. Preslar said he is not anti-employee; he said he requested to give employees a one-time Christmas bonus of \$200-\$300 this year. He said council adjusted spending this year and he questioned fund balance saying every year the city has borrowed \$200,000-\$300,000 from fund balance and ended up putting back into fund balance. Mr. Preslar said he is conservative because he doesn't know what's going to happen. He added that the matter with the fire and police time was ongoing while Mr. McQueen was previously on council previously. Mr. Preslar said there is also the issue with the Rescue Squad making the amount that they do and paying the city \$120,000 per year.

Mayor Bayless said the city manager came in and identified a number of things that council was unaware of; he said the city has had a hard time keeping good employees, especially in the police department. Mayor Bayless said the Dobbins Heights issue came about as an agreement between the county and the city a number of years back. He reiterated Hamlet's water rates are set at the lowest suggested rate so that the city may be eligible for grant funding if/when needed.

Mayor Bayless welcomed anyone to make comments during the public hearing regarding the budget. No comments were presented and the floor to the hearing was closed.

11. Adoption of the FY 2015/16 Budget Ordinance.

Council Members Buie and Martin motioned to accept the FY2015/16 Budget Ordinance as presented. Mayor Bayless called for council to signify their vote by raising their right hand along with giving a verbal vote. Council Members Martin, Buie and McQueen were in favor of the Budget Ordinance; Council Members Clewis and Preslar opposed the Budget Ordinance. The Budget Ordinance passed with a 3-2 vote. A copy of the Budget Ordinance is attached herein as Exhibit B.

12. Ordinance Updates for Water/Sewer Annexation Requirements.

Mayor Bayless said the ordinance updates are in relation to the water and sewer connection services outside of the city limits. He then read aloud Section 21-56 Service Outside City Limits and Section 21-255 Petition for Annexation of property of the city code to include proposed amendments. Mr. Clewis said council previously questioned if water customers have to pay for the water main that may have to be ran up to their property if one is not nearby. He said if the line ends at a certain point, is the city going to run the line to the structure for the water customer to be able to hook up, and he asked who pays for same. Mr. Morphis said he doesn't know of anything in the policy that says the city has to extend the water mains. The manager noted from his understanding, the city would say that the customer would need to pay to have the water main extended. Mr. McQueen and Mr. Clewis thought there was something in the policy about the city being responsible for an extension. Mr. Morphis suggested that council could go with the amendment presented tonight and if changes are needed, staff can bring them back next month. The manager said it is his general understanding if the water or utility lines are currently available within general reach of the property, a tap fee is paid by the customer, and if a water line needs to be installed, the contractor or water customer would be responsible to pay for same.

The differences in costs for sewer and water were discussed, as well as, other outside water customers and their financial responsibilities. Mr. Morphis said he thinks the city's policy is what council actually wants but he will go back and confirm and report back to council. Providing water and sewer services on a consistent basis was discussed. Mr. Preslar inquired about having a "just cause" clause/statement that would prevent the city from going in and just turning a customer's water off. Council agreed to table the issue until the next meeting.

13. Approval of Tax Releases.

Motions of Council Members Buie and Martin were made to approve the tax releases as presented. The vote passed 5-0.

14. Public Hearing on Rezoning Request.

The Mayor reported the city has received a rezoning petition from Mr. and Mrs. Orlando Molina for property located along Hwy. 74 East. He opened the floor to the public hearing. Mr. Molina presented council and said he is asking to rezone Lot 2;. He said Lot 1 has already gone through the rezoning process and the larger lot behind Lot 1 is good for the business that they have in mind. The request is to rezone the (Lot 2) the lot behind 1562 E. Hamlet Avenue, Hwy 74 Business from an RA-20 to B-2. Mr. Molina said his family would like to have a multi-service business, one for translations and interpretations, and they want to clean the area to allow for more vehicles and offer more green space for the students. Council discussed that there is no structure on the lot currently. The lot behind the subject lot is zoned RA-20 and Mr. Preslar inquired about the ingress and egress to this property. Mr.

Molina and Kim Lindsey explained that there is an easement for the city to use their property and to have access of the other lots. Comments were welcomed and the floor to the hearing was closed. Councilman McQueen motioned to accept the Planning and Zoning Board's recommendations to rezone the property from RA-20 to B-2 and Councilman Buie made the second to the motion. The vote passed with a 5-0 vote.

Council unanimously voted to adopt the Planning and Zoning Board's Statement of Consistency by motions of Council Members Buie and Clewis. The statement was read into the minutes.

15.Appointment to the Hamlet ABC Board.

The Mayor explained that Wendy Massagee's term on the Hamlet ABC Board will expire this month and she has expressed an interest in serving another term on the board. There are no other applications on file. Council Members Buie and Martin motioned to reappoint Wendy Massagee to the Hamlet ABC Board. The motion carried 5-0.

16.Adoption of Council's Consistency Statement.

The attorney noted that Council's Consistency Statement needs to be adopted in connection to the Molina rezoning request. Council Members Buie and Clewis motioned to adopt the consistency statement of council based on the request being reasonable and it being in the public's interest. The vote passed 5-0.

17.Fourth Quarter Budget Amendments.

The manager said staff has presented amendments for council's consideration and these are last year's amendments, which will balance the budget. He said a number of revenues have come in higher than expected such as sales tax, city hold harmless, and city ad valorem taxes, which are total around \$300,000. Mr. Abernethy said the reduction may be greater if revenues come in higher than anticipated. The manager reviewed the revenues and expenditures within the enterprise and general funds in relation to the amendments. The finance officer confirmed that the revenues and the expenditures are a wash. The increase for the Veach lawsuit line item was questioned and it was noted that a portion of the council-requested internal investigation performed, in connection to the police department, was included in this item, as well as other items. In reviewing the Enterprise Funds, the manager explained that there was a \$46,000 reduction to the capital reserves due to equipment breakdowns at the Waste Water Treatment Plant. Council Members Preslar and McQueen motioned to approve the budget amendments; the vote passed 5-0.

Other Business

18. Departmental Reports.

Chief Waters reported the department has been informed that they will receive grant funds for the body cameras. A policy for the body cams will be written with the assistance with the appropriate staff at Richmond Community College. He said staff has been working diligently to fill the vacant positions and hope to be full staff in the near future. The chief confirmed that the department's vests are good for five years. Officers who recently attended schools were commended. Dispatcher Judy Dennis has resigned and will be going to work for the NC Highway Patrol in Hickory.

19. City Manager's Report.

Mr. Abernethy reported that city offices will be closed on Friday, July 3rd in observance of Independence Day. He said events are scheduled for the 4th of July. The Hamlet Downtown Business Association has many activities planned for the holiday and that the city will have a fireworks show as well.

Mayor Bayless gave a report for the local businesses selected as "Business of the Month" - June - Hamlet Federal Credit Union, and July - Hamlet Hardware. Mr. Clewis announced that a new tenant will be in Clewis Service Center on Main Street as of July 1st.

20. Closed Session.

At 8:50 p.m. motions to go into Closed Session were presented by Council Members Clewis and McQueen pursuant to NCGS § 143-318.11 (a) (3) for attorney-client privilege and to discuss a contract. The vote passed 5-0.

At 9:43 p.m. Open Session reconvened. No decisions were made in Closed Session.

21. Comments from Council.

Pat Preslar thanked staff for getting the budget together. He said he respected everyone's decision and he hopes that he is wrong about his stance on the budget. Mr. Preslar invited the public to come down and join in on all of the 4th of July activities in Hamlet.

Tony Clewis began with congratulating Councilman Preslar on his award. He then commented that there have been a few questions as to Hwy. 177 being listed as a primary route by the State for reasons of it being scraped during certain weather conditions as with Hwy. 74. Mr. Clewis stated he spoke with Darius Sturdivant, the Division 8 Engineer with NCDOT about the matter, and Mr. Strudivant sent him an email confirming that Hwy. 177 is included in the Bare Payment System and that it is a primary road. Mr. Clewis forwarded the email to the city manager for future reference. He said NCDOT is also looking at adding sidewalks on Spring Street near the tennis courts, and he thanked the Advisory Committee for all that has been done.

Eddie Martin congratulated Councilman Preslar on receiving the “Order of the Long Leaf Pine Award” and noted that only a few receive said award. He stated that the manager at the Hamlet ABC Store extended her appreciation to the city for trimming the shrubbery at the Hamlet ABC Store. Mr. Martin then reported the poor conditions around the peer at the city lake; he said we need to take more pride in the appearance of the city lake and that it needs to be cleaned up. The manager will look into the matter.

Johnathan Buie boosted the Fun Day for the Community to be held on Saturday, June 13th at Memorial Ballpark hosted by local NFL player Donnell Ellerbe and Melvin Ingram. The youth activities will run from 11:00 am – 2:00 pm at Memorial Park and will conclude Saturday night with a basketball tournament at Richmond Senior High School. The public is invited to attend and children under 12 years of age attending must have a signed waiver. Mr. Abernethy said the city will have the park ready for the event. Mr. Buie also invited all to join in the local July 4th activities.

22. Mayor’s Comments.

Mayor Bayless offered congratulations to Councilman Preslar on his award. He then stated that the HDBA has been working hard on the upcoming July 4th activities. He asked staff to look at the slide at Memorial Park for safety purposes as soon as possible, noting a questionable piece of concrete nearby. Mayor Bayless said it was a hard budget this year and he thanked the manager and city staff for their work on same. He reminded the public that a Special Meeting will be held on Monday, July 6, 2015, at 5:30 pm, Hamlet City Hall.

23. Adjournment of Meeting. At 9:58 pm. Council members Preslar and McQueen motioned to adjourn the meeting and the vote passed 5-0.

Respectfully submitted,


Tammy Kirkley, City Clerk



EXHIBIT A

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Hamlet, NC 28345



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City Manager's Budget Message
Fiscal Year 2015-2016

May 28, 2015

Honorable Mayor Bayless and City Council,

In accordance with NC GS 59-11 and the Local Government Budget and Fiscal Control Act, submitted herein is the Fiscal Year 2015-2016 recommended budget for your review and consideration. The budget balances at \$7,824,575. I want to thank the Mayor and City Council for providing staff with specific direction, which was used as a guide when making these recommendations.

SUMMARY

This budget is a plan that presents financial information summarized by major category of expense for each department, and it outlines the operations for the City of Hamlet.

The approach of the FY 2015 Recommended Budget was to continue with a conservative budget structure and philosophy, using basic business principals to guide decisions now and in the future. Listed below is the breakup between the general fund, Powell Bill fund, and the enterprise fund.

FY 2015-16 OUTLOOK:

GENERAL FUND	\$ 4,982,360.00
POWELL BILL	\$ 244,915.00
ENTERPRISE FUND	\$ 2,597,300.00
	<hr/>
	\$ 7,824,575.00

One of the major goals in preparing this budget was reducing the fund balance appropriation in the general fund operating budget. The fund balance appropriation for FY 14-15 was \$821,720 dollars. The fund balance appropriation in the recommended budget for FY 15-16 is \$485,660. This is approximately 41% less than the current year's appropriation. The following approaches were used to achieve this goal:

- Operating budgets were reduced in each department.
- Several capital outlay items discussed at the March 6th & 7th Budget Retreat have been removed.

- Multiple salaries were transferred from being appropriated through the general fund to the enterprise fund. These were positions that were eligible to be moved due to the employees' job duties being related to our water/sewer system.
- A police investigator position was reclassified to create a division made up of a lieutenant and two sergeants, instead of a captain, a lieutenant, and a sergeant.
- Two vacant positions in our police department have also been eliminated. The positions were funded through a grant with the Governor's Highway Safety Program. The grant funding for these positions ceased, and now the solution would be to remove them since they are no longer being funded from, and because they are currently vacant. This still maintains a high level of public safety, with a Police Department with three sworn officers per shift and two K-9 Officers for further assistance.

The City will continue in future years to reduce and maintain the fund balance appropriated at a respectable level.

This budget includes a 2.5% salary increase for employees to move employees further up a half step on their pay grade. This comes in addition to increases in employee health care premiums, in which the City has updated its plan to reduce the amount of increase from 25.6% to 10.9%. The City continues to pay 100% of the premium for employees and retirees, and the plan is still a very competitive plan.

The City continues to make financial contributions to non-profit agencies in the community. These agencies are Richmond County Crime Stoppers (\$1,500), Richmond County Arts Council (\$1,000), Richmond County Literacy Council (\$1,000), New Horizons (\$1,000), Discovery Place Kids of Rockingham (\$5,000), and Richmond County Human Relations Council (\$100).

General Fund:

Revenues

The City's general fund revenues total \$4,982,360 dollars. This figure represents a \$367,860 decrease in revenues from FY 2014-2015, which was \$5,350,220 dollars. The primary source of this reduction is the \$336,060.00 reduced from the fund balance appropriation. The Hamlet EMS has agreed to increase the amount they appropriate by an additional \$15,000 for emergency service costs. Lease proceeds from the purchase of vehicles has also decreased as well.

The recommended budget for FY 15-16 proposes no increase in the current ad valorem property tax rate, which is 66 cents per \$100 valuation. This tax rate is projected to yield \$1,680,000 dollars in property tax revenue for the upcoming fiscal year.

The recommended budget also includes revenue accounting for a combination of five and ten dollar increases for Parks and Recreation Youth Sports Registration Fees. This increase is in lieu of removing gate admission fees. This will save approximately \$8,000 to our participants annually. All other fees remain at the same rate as in FY 14-15.

Expenditures

General fund expenditures in the amount of \$4,982,360 are budgeted within the following departments: Governing Body, Administration, Depot & Museums, Finance, Public Buildings, Police, Fire, Streets & Highways, Sanitation, Senior Center, Recreation, Horticulture, and Non-Departmental.

**CITY OF HAMLET
BUDGET FOR FY 2015-2016
GENERAL FUND EXPENDITURE SUMMARY**

	FY 14-15	FY 15-16
	CURRENT	RECOMMENDED
GOVERNING BODY	\$ 21,010.00	\$ 27,510.00
ADMINISTRATION	\$ 402,485.00	\$ 416,400.00
DEPOT/MUSEUM COMPLEX	\$ 106,030.00	\$ 118,600.00
FINANCE	\$ 151,825.00	\$ 156,100.00
PUBLIC BUILDINGS	\$ 177,750.00	\$ 153,215.00
POLICE DEPARTMENT	\$ 1,495,540.00	\$ 1,466,740.00
FIRE DEPARTMENT	\$ 1,182,755.00	\$ 1,215,450.00
STREETS & HIGHWAYS	\$ 451,940.00	\$ 386,750.00
SANITATION	\$ 553,925.00	\$ 284,900.00
SENIOR CENTER	\$ 96,735.00	\$ 77,870.00
RECREATION	\$ 240,440.00	\$ 230,400.00
HORTICULTURE	\$ 93,575.00	\$ 90,250.00
NON-DEPARTMENTAL	\$ 376,210.00	\$ 358,175.00
TOTAL	\$ 5,350,220.00	\$ 4,982,360.00

Capital Outlay

General fund capital outlay items include a new police cruiser (\$24,000), a lease payment for a new fire service tanker truck (\$46,000), new fire hoses (\$13,000), and a Used Caterpillar Bulldozer (\$28,000). These items arrive at a combined total of \$111,000 dollars. This is \$94,400 dollars less than FY 14-15 capital outlay items.

In addition to Capital Outlay for general fund departments, the recommended budget includes funds for improvements to the library, new garbage cans, an updated software system for finance and water billing, emergency fire alarms for City Hall, as well as tasers and body cameras for the police officers.

Powell Bill:

Powell Bill funding is allocated to participating communities through funds collected from motor vehicle fuel taxes and taxes on vehicles purchased and titled in North Carolina. Of the total distribution, 75% is based on population and 25% is based on the number of miles of streets maintained by the City. The projected distribution for FY 15-16 is \$205,000 dollars. A fund balance appropriation from our Powell Bill funds of \$39,190 accompanies revenues, totaling at \$244,915. The Powell Bill budget balances with expenditures equaling that same amount. The recommended budget includes:

- \$12,000 for Street Patching
- \$10,000 for Contracted Services
- \$12,000 for Sidewalks
- \$11,500 for Curb and Gutter
- \$50,000 for Street Resurfacing

Enterprise Fund:

Revenues

The enterprise fund is the account for our water/sewer system. Revenues in the enterprise fund total \$2,597,300 for FY 15-16. This amount represents a \$22,700 increase from FY 14-15; with increases occurring in water sales, sewer charges, water and sewer tap fees, reconnection fees, and service fees. Water and sewer rates remain the same as the current year.

Expenditures

The enterprise fund expenditures balance revenues at \$2,597,300. The additional salaries transferred over from the general fund contribute to notable increases in Administration & Engineering and the Water Distribution System line items. Maintenance and repair of equipment make up the primary decrease in Water Plant expenditures. Increased chemical purchases and a new lawn mower contribute to increases for the waste-water treatment plant.

CITY OF HAMLET		
BUDGET FOR FY 2015-2016		
WATER FUND EXPENDITURE SUMMARY		
DEPARTMENT	CURRENT	RECOMMENDED
NON-DEPARTMENTAL	\$ 550,075.00	\$ 469,000.00
ADMIN & ENGINEERING	\$ 160,470.00	\$ 231,490.00
WATER PLANT	\$ 610,555.00	\$ 524,750.00
WATER DISTRIBUTION SYSTEM	\$ 513,245.00	\$ 612,550.00
WASTE TREATMENT	\$ 424,365.00	\$ 510,910.00
WASTE COLLECTIONS	\$ 315,890.00	\$ 248,600.00
TOTAL	\$ 2,574,600.00	\$ 2,597,300.00

Enterprise fund expenditures also include a contribution of \$97,920 into the capital reserve (fund balance). This is \$118,320 less than FY 14-15's contribution, but still a significant surplus.

Capital Outlay

Capital Outlay items for the enterprise fund include a hydraulic boring machine (\$12,000) for our water distribution system, and a new lawn mower (\$10,200) for the waste-water treatment plant.

In addition to capital outlay items, the enterprise fund budget includes \$30,000 to assist in the mapping of our water and sewer system with GPS technology. A new raw water pump is also included for the water plant, and replacement clarifier panels are included for the waste-water treatment plant.

FUND BALANCES

North Carolina Local Government Commission suggests that municipalities maintain a fund balance that is at least eight percent of its annual general fund expenditures. The available general fund balance is anticipated to be well above that recommendation. The fund balance for the City of Hamlet is sufficient to meet that need. Having adequate fund balances insures that the City will have funds to absorb any revenue shortfalls or unexpected expenditures. I will

make it my goal to make the necessary arrangements to attempt to keep this amount as high as possible to ensure the City has the financial reserves necessary to operate successfully.

CONCLUSION

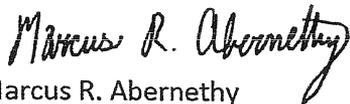
It is with much thought and consideration I present the most conservative budget possible in order to provide the current service levels at the lowest cost to the citizens of Hamlet. We still are not where we all wish we could be, but we are seeing improvement in the economic status of the country, the state, and the local community. Staff continues to seek grant funding from both the state and federal sources to assist with much of our needed resources.

As public servants, we have a responsibility to oversee the collection of revenues from and on behalf of our citizens. In exchange, we provide them with the needed and desired services as efficiently and effectively as possible. This is a very important responsibility, and I will continue to work with department heads and staff to provide services at a minimal cost.

The public hearing on this budget is scheduled to be held at the regularly scheduled City Council Meeting on June 9th, 2015 at 7:00pm. Adoption of the budget ordinance may be done any time after the public hearing. However, it must be done by June 30, 2015. Any person wishing to make comments or ask questions may do so at the public hearing. The proposed budget is available for public review at the Hamlet City Hall during regular business hours and will be posted on the City's website, <http://www.hamletnc.us>. Notice of availability of the document and the scheduled public hearing will be published in the *Richmond County Daily Journal* in the coming days. Upon the legislative approval of the FY 2015-2016 Budget for the City of Hamlet, staff will begin the implementation and execution phase of the budget cycle. I look forward to updating the Mayor, the City Council, and the citizens as the year unfolds.

I must extend thanks to the Mayor and the City Council for collaborating with one another, providing input and establishing goals throughout the process. I also wish to recognize and commend staff for their invaluable assistance. It is with great enthusiasm that I praise their efforts, for they are truly impressive.

Respectfully Submitted,



Marcus R. Abernethy

City Manager

City of Hamlet, NC

EXHIBIT B

BUDGET ORDINANCE FOR FISCAL YEAR 2015-2016

BE IT ORDAINED and established by the City Council of the City of Hamlet, North Carolina this the 9th day of June 2015 as follows:

Section I. The following amounts are hereby appropriated in the General Fund for the operation of its activities for the fiscal year beginning July 1, 2015 and ending June 30, 2016 in accordance with the chart of accounts established for the City:

Governing Body	\$27,510
Administration	\$416,400
Depot/Museum Complex	\$118,600
Finance	\$156,100
Public Buildings	\$153,215
Police Department	\$1,466,740
Fire Department	\$1,215,450
Streets & Highways	\$386,750
Sanitation	\$284,900
Senior Center	\$77,870
Recreation	\$230,400
Horticulture	\$90,250
Non-Departmental	\$358,175
Total	\$4,982,360

Section II. It is projected that the following revenues will be available in the General Fund for FY 2015-2016:

Current Year Property Taxes	\$1,680,000
Taxes, prior years	\$28,000
Recreation Revenues	\$61,950
Sales Tax Revenues	\$953,800
Utility Franchise Fees	\$184,000
Telecommunications Tax	\$56,000
ABC Net Revenues	\$27,400
Vehicle Taxes	\$228,000
Garbage Collection Fees	\$338,500
Cable Franchise Fees	\$60,000
Fire Protection Fees	\$118,000
Wine & Beer Excise Taxes	\$27,400
Dobbins Heights Fire Contract	\$24,000
Tax Refunds	\$28,000
Investment Income	\$500
Grants	\$3,900
Other Revenues	\$1,362,310
Total	\$4,982,360

Section III. It is projected that the following revenues will be available in the Powell Bill Fund for FY 2015-2016:

Powell Bill Street Allocations	\$205,000
Fund Balance Appropriation	\$35,190
Other Revenues	<u>\$725</u>
Total	\$244,915

Section IV. The following expenditure amounts are hereby appropriated in the Powell Bill Fund for the implementation of Powell Bill activities for FY 2015-2016:

Sidewalks	\$12,000
Curb & Gutter	\$11,500
Street Resurfacing	\$50,000
Street Patching	\$12,000
Other Activities	<u>\$159,415</u>
Total	\$244,915

Section V: It is projected that the following revenues will be available in the Water Fund/Enterprise Fund for FY 2015-2016:

Water Sales	\$1,557,000
Sewer Charges	\$902,000
Water & Sewer Taps	\$11,100
Reconnection Fees	\$92,500
Other Revenues	<u>\$34,700</u>
Total	\$2,597,300

Section VI: The following amounts are hereby appropriated in the Water Fund/Enterprise Fund for the operation of water and sewer utilities and debt retirement for FY 2015-2016:

Non-Departmental	\$469,000
Admin & Engineering	\$231,490
Water Plant	\$524,750
Water Distribution System	\$612,550
Waste Treatment	\$510,910
Waste Collections	<u>\$248,600</u>
Total	\$2,597,300

Section VII: There is hereby levied a tax at the rate of 66 cents (.66) per one hundred dollars of valuation of property as listed for taxes January 2016 for the purpose of raising revenue listed as "Current Year's Property Taxes" in the General Fund in Section Two of this ordinance. This rate is based on a projected total valuation of property for the purpose of taxation in the amount of \$251,049,992.00 plus state board assessments and exemptions at a collection rate of 95.9%.

Section VIII: The city manager/budget officer is hereby authorized to transfer appropriations within a department without limitations and without a report being required in the following manners:

- A) Amounts may be transferred between line item expenditures within a department without limitations and without a report being required.
- B) Amounts not exceeding \$5000 may be transferred between departments of the same fund with an official report on such transfers at the next regular meeting of the city council.
- C) Contributions may be transferred between funds when needed, but the transfers may not exceed the contribution amounts contained in this ordinance.

Section IX: The city manager/budget officer is hereby authorized to execute the necessary agreements within funds included in the budget ordinance for the following purposes:

- A) Purchase of apparatus, supplies & materials where formal bids are not required by law;
- B) Lease of normal and routine business equipment;
- C) Construction or repair work where formal bids are not required by law;
- D) Consultant, professional or maintenance service agreements up to a contract amount of \$25,000;
- E) Agreements for acceptance of state & federal grant funds; and
- F) Grant agreements with public & non-profit agencies.

Section X: Copies of this budget ordinance shall be furnished to the Finance Director to be kept on file for the disbursement of city funds and to the City Clerk for permanent record keeping.

This the 9th day of June, 2015.

Mayor

ATTEST: _____
City Clerk