

**City of Hamlet Budget Retreat Session – Day Two
Council’s Chambers
201 Main Street, Hamlet, NC 28345
Saturday, March 5, 2016
9:10 am**

Minutes

Governing Body Present:

Bill Bayless	Mayor
Johnathan Buie	Mayor Pro-Tem
Council Member	Jesse McQueen
Council Member	Eddie Martin
Council Member	David Lindsey
Council Member	Wendy Massagee

Absent:

Mayor Pro-Tem	Johnathan Buie
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Staff Present:

City Manager	Marcus Abernethy
City Clerk	Tammy Kirkley
Finance Officer	Jill Dickens
Zoning Officer	Gail Strickland

The Budget Retreat reconvened from March 4, 2016, with Mayor Bayless calling the meeting to order.

City Clerk’s Presentation

Tammy Kirkley gave her presentation, which focused on upcoming training for the city clerk’s position and on council’s training as well. She discussed the need for a Citywide Fee Schedule to include all funds taken in citywide. The subject schedule would be reviewed, amended and approved on an annual basis by council and will assist with budget preparations for upcoming fiscal years.

Council discussed the need to add changes to the web site. Several council members expressed they would like to have all current events and items to be easily accessible on the homepage; the goal is to make it public friendly with quick access to current information. Council would like to see the website offer the option for the public to register and pay online for all sports’ registrations.

City Manager’s Presentation

Mr. Abernethy gave a report concerning the changes with future revenues.

Property Revals: The manager explained that Hamlet’s property tax revenues will increase with the estimated FY 2016-2017 revaluations. Richmond County’s Tax Collector will provide the city with an update in May.

Sales and Use Tax: Estimate for FY 16-17 – Approximately \$1,100,000. The manager and finance officer will determine and provide at a later date a future estimate of the actual.

Utility Franchise Fees: The manager reviewed the utility franchise funds received annually from the state.

Dobbins Heights Fire Service Fee: Hamlet collects approximately \$17,000-18,000 annually.

Summary of Enterprise Fund: Per the actual realized, there is a need to invest more funding in capital outlay in order to begin replacing water and sewer lines.

Goals- Economic Development: Mr. Abernethy gave a brief review of Hamlet's Economic Development Grant Program.

Façade Grant Program: The manager noted this is a pilot program that has seen good results to date. He reported four grants have been awarded and said the remaining funds should allow for a few additional projects during this fiscal year. The manager would like to consider an increase in the budget from \$5,000 to \$10,000 for the program. He also wants to find other avenues to inform business owners about the program.

Mayor Pro-Tem Johnathan Buie joined the meeting via telephone from approximately ten minutes from 9:35 – 9:45 am.

Mr. Abernethy talked about his ideas for looking into changing the zoning of the area along Hwy. 74 East to Business in an effort to attract more businesses.

Hamlet WWTP's Average Flow and Capacity: Sewer capacity and the limitations enforced by the state are some of the city's biggest concerns. The Hamlet Water Plant has the ability to treat up to 3,000,000 gallons of water per day and the Wastewater Treatment Plant has the ability to treat up to 1,000,000 gallons per day. Council confirmed the loan for the waste treatment plant will expire in about 3 years and they the need to consider ideas for expansion for future growth. The state's trend is moving towards regional sewer systems. Further debate regarding tactics to treat additional sewer was exchanged and it was the consensus of council to try and reinstate the agreement with the City of Rockingham to treat an additional 200,000 gallons of sewer per day if needed. The manager will initiate dialog again concerning the agreement for sewer.

Recreation. Picnic Shelter located at the American Legion: Discussion regarding the condition of and the uses for the shelter/picnic area located beside the American Legion. Council agreed to repair the shelter in an effort to help it to be more functional for the public. They agreed to breaking down the stationary grill to create a prep area.

Greenways Update: The manager explained his vision for the walking trails and said he would like to have something somewhat comparable to Hitchcock Creek. Mr. McQueen expressed his appreciation for the forward thinking; however, suggested the city needs to maintain the current trails before looking to expand.

Opera House. Renovation Goals: Council briefly discussed the property that was donated to the city by the Marks Creek Industrial Group. He reminded council that the property is located outside of city limits and there was a brief discussion concerning annexation.

Insurance Coverage: The manager reported that the state has limited the amount of cities that may join their insurance pool and there is currently a waiting list. He stated it appears the city will continue coverage with the current insurance vendor.

Salary Study: The manager stated staff has compared salaries with the neighboring agencies. He said the study proved Hamlet to be behind on salaries and he said there is a need to begin addressing the issue.

COLAs and merit raises will be recommended in the upcoming budget. The manager reported the benefits of merit raises.

Accumulated Holiday Time for Fire and Police Personnel: Mr. Abernethy said personnel's time is decreasing and added that some of it is being paid out upon departure with the city. Council agreed the city should begin budgeting to pay the time off on an annual basis in order to help rid the problem.

Longevity Pay Plan: There were three separate categories of pay for the last longevity pay plan for qualified employees. The last longevity pay-out was a one-time payment and was done over a three year plan. The manager said in moving forward, the city should pay each group of qualified employees simultaneously. Mr. Martin suggested to begin the longevity pay plan at the 10 year mark and to use a percentage payout. The manager recommended and explained the benefits of using a fixed rate for the payout, which would also assist in budget preparation. Mrs. Massagee noted she was in favor of the flat rate pay rate and explained.

The group discussed personnel's step pay and salary schedules. Council agreed employees need to have some type of a longevity pay. Mr. Martin explained his reasoning for using a percentage pay plan verses a flat rate. The manager said he will recommend in the budget to use the same percentage of pay that Rockingham uses for longevity pay. Council Member Lindsey was in favor of the percentage pay and to keep the payout to begin at the 5-10 year mark. Mr. McQueen stated that the starting pay for police officers needs to be increased in order to avoid turnover and said Hamlet needs to be competitive with neighboring agencies. Council discussed moving the pay steps for the police department. Mr. Abernethy said he will also provide recommendations to increase the police officer's pay and council agreed.

It was the consensus with the majority of council to include longevity pay in the budget using a percentage payout and to begin the payout at the 10 year mark. The manager stated this pay is separate from COLA's, and he said he would like to retain a reasonable fund balance.

Transportation Projects: Mr. Abernethy said he would like to consider extending the sidewalks by the gym down to Wiregrass Road. Council briefly discussed the state's transportation plan and the funding.

Capital Improvement Plan: Mr. Abernethy said the non-capital outlay items come out of a department's operating line items. Several capital items were discussed and the finance officer informed council that a few of the items will need to go back into next year's budget due to it being the General Fund. The finance officer said the air compressor and lift will come out of the Enterprise Fund and will need to be budgeted during the FY 2016-17. Mrs. Dickens then informed council that unexpected budget amendments will be included on the April agenda. Council agreed to free-up funding for other budget amendments for situations that may arise.

Council then approved the following immediate purchases: FY 15-16

Department	Item	Quantity	Cost	Budget Year
Administration	Demolitions/Asbestos	1	\$23,750	2015-16
Police	Vehicles	2	\$29,768	2015-16
Administration/IT	Storage Cabinet/Software	1	\$1,000	2015-16
Police/Fire	Holiday Time Pay	--	\$39,558	2015-16
Public Works	Salaries	--	\$5,000	2015-16
Public Works	Plantings	--	\$3,500	2015-16
Administration	Demolition	1	\$5,000	2015-16
Fire	Air Packs	4	\$7,000	2015-16
Buildings	Vehicle/Van	1	\$5,794	2015-16
Museum	Display Cabinet	1	\$2,800	2015-16
Police	Viper Portables	2	\$2,908	2015-16

The annual funding received from the Hamlet Rescue Squad was briefly discussed. The city will need to figure the percentage of funds spent on employees, vehicles, buildings, etc. Council will schedule a meeting with the Chief of the Rescue Squad to come to terms on a contract.

Mr. Abernethy explained that non-capital outlay items come out of each department's operating line items; the manager and the finance officer will meet with each department head to review each one's non-capital outlay.

Senior Center. The lack of storage space was discussed. The manager was informed to ask the Senior Center Director to clean out to obtain more storage.

Recess of Meeting. A brief ten minute recess was taken at 12:10 pm.

Change in Budget Meeting Schedule. Council Members Massagee and Martin motioned to amend the Budget Calendar by moving the Thursday, April 14, 2016 Budget Meeting to Tuesday, April 12, 2016, from 4:30 -- 6:30 pm. The vote passed 4-0.

Prioritization of Capital Outlay for the FY 2016-17 Budget

Public Works	Knuckle Boom Loader	General Fund		\$160,000	1	\$160,000	1
	Sanitation Truck	General Fund		\$160,000	1	\$160,000	2
	Vehicle Rotary Lift	General Fund	Repairs City Shop	\$3,104	1	\$3,104	1
Sewer Collections	Sewer Machine	Enterprise Fund	-	\$60,800	4	\$60,800	4
	Sewer Relining/Replacement	Enterprise Fund	Hamlet Ave, Front St, Raleigh St	\$80,000	1	\$80,000	1
Water Distribution	410L Back Hoe	Enterprise Fund		\$105,000	1	\$105,000	2
Streets & Hwys/Powell Bill	Dump Truck	Enterprise Fund		\$80,000	1	\$80,000	2
	Hydraulic Breaker	Enterprise Fund		\$6,800	1	\$6,800	1
Water Treatment Plant	City Lake Dam Engineering Project	Enterprise Fund	State mandated, \$.5-1M Price Est.	\$750,000	1	\$750,000	P2
Waste Water Treatment Plant	Caustic Tank Replacement	Enterprise Fund		\$35,881	1	\$35,881	P1
	Mack Sludge Truck	Enterprise Fund	2-4 year Plan, Replaces 01 Model	\$130,000	1	\$130,000	P2
	Belt Press	Enterprise Fund		\$500,000	1	\$500,000	P2
	New Ford Ranger Truck	Enterprise Fund	Replacement of the 96 Model	\$25,000	1	\$25,000	P1
Public Buildings	Maintenance Van	General Fund		\$6,000	1	\$6,000	P1
Police Department	Police Patrol Car	General Fund	Car, Equipment, Striping	\$29,768	3	\$89,306	P1
	4WD Vehicle	General Fund	*Price Estimated	\$28,000	1	\$28,000	P3
Fire Department	Police Package Tahoe	General Fund	-	\$36,656	4	\$36,656	-
	Explorer	General Fund	Alt. to Tahoe	\$28,000	4	\$28,000	-
	Station Security Lock Down	General Fund		\$10,154	1	\$10,154	P2
	Air Packs	General Fund		\$7,000	4	\$28,000	P1
	Hamlet FD Water Tank Siren	General Fund	Emergency Siren HFD	\$11,650	1	\$11,650	P3
Parks & Recreation	Zero-Turn Lawn Mower	General Fund	72" Deck	\$7,500	1	\$7,500	P1
	Gym Renovation-AC	General Fund	*Price Estimated	\$40,000	1	\$40,000	P4
	Parking- South Hamlet	General Fund	*Price Estimated	\$40,000	1	\$40,000	P2
	Parking Lot - Memorial Ball Park	General Fund	*Price Estimated	\$40,000	1	\$40,000	P2
Senior Center	Repaving Parking Lot	General Fund		\$38,495	1	\$38,495	P1
	Patching Parking Lot	General Fund	-	\$19,000	4	\$19,000	-
Administration	Sound System Package	General Fund	Price Estimated: Quote TBD	\$80,000	1	\$80,000	P1

Security Station(s) Lock- Down- After discussion of the matter, Council directed the subject departments to discuss and agree on the need for security systems. The Manager will give an update at next budget meeting.

Scheduling of Special Meeting. A Special Meeting was called for on Tuesday, March 8, 2016, from 4-6:30 pm by motions of Council Members Massagee and Lindsey in order to discuss items in general and to discuss ideas for the park and recreation department.

Adjournment of Meeting. The meeting adjourned at approximately 1:00 pm by motions of Council Members Lindsey and McQueen. The motion carried 4-0 in favor.

Respectfully submitted,


Tammy Kirkley, City Clerk