

**HAMLET CITY COUNCIL REGULAR MONTHLY MEETING
COUNCIL CHAMBERS ROOM
201 MAIN STREET, HAMLET, NC 28345
TUESDAY, DECEMBER 11, 2018
7:00 PM
MINUTES**

Governing Body Present:

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

Staff Present:

City Manager	Jonathan Blanton
City Clerk	Gail Strickland
City Attorney	TC Morphis
Finance Officer	Jill Dickens
IT	Zach Garner
Public Works Director	Billy Stubbs
Police	Tyler Williams
Police Captain	Marc Terry

Others Present: Linda Bayless, Amy Guinn with the Richmond Observer, Jasmine Hagar with the RC Daily Journal, Jeff Hoopaugh, Jami Smart, Rev. Al McCormick, Kay Caviness, Tim Nevinger, Gerald Pokata, III and Billy Stubbs.

1. Call to Order

Mayor Bayless called the meeting to order.

2. Invocation

Reverend Al McCormick of the First Pentecostal Holiness Church offered the Prayer.

3. Adoption of Agenda – The Mayor announced Council Member Lindsey was unable to attend. Mr. Lindsey had requested Item No. 7, Remote Access for Council Meetings, be tabled until he could be in attendance. Council Member Buie motioned to adopt the Agenda with the revision. The second was provided by Council Member Martin and the vote was 4-0.

4. Approval of Minutes

Minutes from the November 12, 2018 Regular Monthly Meeting were approved by motions of Council Members Buie and Martin. The vote was 4-0.

5. Comments from Attendees

No one presented to address Council.

Old Business

6. Discussion of Tsunami Camera Access Policy.

Mayor Bayless announced the City Manager has prepared a policy for access to the Tsunami Cameras as requested at the November Council Meeting. He opened the floor for Council's discussion. Mr. Blanton stated he reached out to the City of Laurinburg to obtain their policy for research, but they do not have a formal policy, only the NC Retention Schedule. The policy he has drafted is brief and general, following the North Carolina General Statutes. Attorney TC Morphis added the policy is fine and called attention to two minor additions he made to the draft. The first addition is to include GS 132-1.4 A to bulleted item 3 and the second addition is to require requests for external review to be in writing for bulleted item 5. Mr. McQueen inquired on the need for a separate policy and asked could it not be included in the current body and in-car camera policies for the Police Department. The City Manager replied he could merge all 3 policies into one and bring it back to Council. Mr. Morphis suggested Council adopt the Policy as presented with the understanding a merged policy would be provided at a later date. Council Members Buie and Martin gave the motion and second to approve. The motion carried with a vote of 4-0.

7. Discussion of Policy for Remote Participation at Council Meetings.

This item was tabled at the adoption of the Agenda.

New Business

8. Annual Presentation of FY 2017-18 Audit by Ken Anderson.

Mr. Ken Anderson provided an overview of the 2017-18 Fiscal Year Audit. He called attention to page 44 of the Audit, Other Post Employee Benefits (OPED). Mr. Anderson said an Actuary Study for Health Care Benefits for retirees was completed and a liability of \$7.5 million was computed. This has become a problem everywhere. For Hamlet, the issue is the benefits do not stop at age 65. He reported the General Fund has increased for 6 years with an increase this year of over \$100,000.00, making the Fund Balance healthy at 41 - 42%. An 8% Fund Balance is required. The Water Sewer Fund has decreased from \$2 million over the last 5-6 years to now half a million dollars. One reason is the OPED Benefits that Hamlet continues after age 65. The Restatement Note 7 in the Financials on page 13 shows the additional liability that has been picked up this year for OPED. The General Fund's projected liability is \$3 million and the Water Fund projected liability is \$1.2 million for a combined total of over \$4.2 million. Mr. Anderson's second suggestion to increase the Water-Sewer Fund was to increase rates. Council stated rates were recently increased and expressed concern of an additional increase. The Auditor stated the recent increase should bring in revenue to assist with the decline in the water-sewer fund account. Mr. Anderson also called attention to the tax collection rate of 96% and suggested the City may want to consider an outside firm to collect the past due tax revenue of \$200,000.00. He feels at least \$100,00.00 is collectible. Council Member McQueen asked if this was something the City was doing. The Attorney replied Richmond County has an outside company collecting delinquent taxes. If the City is owed taxes as well, they are listed as a defendant. Based on the monies received in the collections and the expenses paid, Council had decided to keep records but not continue in the process. Mr. Morphis said if the City wanted to move forward with organized collecting, his firm could assist or they could hire another company. Mr. McQueen asked the Manager to include the discussion on the mid-year Agenda. Mr. Anderson continued by saying all financial information given by the Finance Officer was accurate. He said the revenues exceeded the expenditures for the General Fund by \$60,000.00 but the Water-Sewer Fund had a loss of \$592,000.00. Also stated was the City does not have a lot of long-term debt. The Governmental Funds was at \$139,000.00. The City did purchase vehicles in the amount of \$142,000.00 - \$143,000.00 giving an increase of \$96,000.00. In the Business Type Activities, the

City started with \$304,000.00 and ended with \$190,000.00 for a decline of \$114,000.00. Overall the Auditor did not see any budgeting issues but called attention again to the OPED benefits. He reported the report has been submitted to the Local Government Commission and the Annual Financial Report was submitted and approved. The City Manager stated he has personnel policy updates that he plans to bring to Council in January for discussion. He will include the discussion of Retirement Benefits for employees hired at a certain date to stop at age 65, noting it is not the common practice to cover for life. (The summary audit report ending year June 30, 2018, is attached hereto as "Exhibit A" and is an official part of these minutes.)

9. Public Hearing No. 1. – SMI Rezoning

The Mayor announced SMI Services has submitted a Rezoning Request for their property located at 101 Raleigh St. The request is to rezone the parcel from I-1, Light Industry, to B-2, General Business. The Planning Board met on November 19, 2018 and offer a favorable recommendation to the rezoning. At the Planning Meeting, there was concern of an oxygen tank remaining at the facility, but Staff has been notified by the Real Estate Agent that the tank will be removed. A Public Hearing has been advertised, first class letters mailed to surrounding property owners and the land posted with a rezoning sign. The Mayor opened the floor to the Public Hearing. No one presented to speak and the Public Hearing was closed.

10. Consistency Statement for SMI Rezoning.

The Consistency Statement was prepared. Mr. Buie and Mr. Martin provided the motion and second to adopt the Consistency Statement. The vote was 4-0.

Council Member McQueen motioned to approve the rezoning. Council Member Buie gave the second and the motion carried with a vote of 4-0.

11. Public Hearing No. 2. – Text Amendment Planning Board Members.

Mayor Bayless asked Mr. Morphis to comment on the Text Amendment for the Planning Board Members. The Attorney said this is an amendment to balance the representation for the Extra-territorial Jurisdiction (ETJ) with City representation. State law requires ETJ representation and it must be proportional. Based on the population, the proposal of 4 and 3 is more accurate. Mrs. Strickland explained changing the terms from 5 years to 3 years was to align the practice and policy. Staggering the terms will prevent the majority of the Board Members' terms from expiring at the same time. Council Member Buie asked who would have the 1-year term. Mrs. Strickland explained it will be one of the regular members, but they will have the opportunity for re-appointment at the end of the one-year term. Council Member McQueen stated the Board Members need to know they will have an opportunity for re-appointment. The Mayor asked for comments from anyone in attendance. Mr. Buie asked if the reason the City needed Board Members was the 3-year term. Mrs. Strickland explained the various reasons for the recent vacancies on the Planning Board and none were due to a limited time serving. With no further comments, the Public Hearing was closed.

12. Consistency Statement for SMI Rezoning.

The Consistency Statement was prepared. Mr. Buie motioned to approve the Consistency Statement based on the Statutory Requirements. Mr. McQueen offered the second and the vote was 4-0. Council Member Buie motioned to approve the amendments to the Planning Board Terms and Council Member McQueen provided the second. The vote was 4-0.

13. Re-appointment to the Planning Board.

Mayor Bayless reported Mrs. Amy Guinn's term with the Planning Board will expire January 15, 2019 and Staff is requesting her reappointment. Mr. Buie and Mr. McQueen offered the motion and second to re-appoint Mrs. Guinn. The vote was 4-0.

14. Adoption of 2019 Regular Meeting Schedule.

Council Members Buie and Council Member Massagee voted to adopt the 2019 Regular Meeting Schedule. The vote was 4-0.

15. Approval of Tax Releases.

Council Members Buie and McQueen voted to approve the Tax Releases as presented. The vote was 4-0.

16. Second Quarter Budget Amendments

City Manager Jonathan Blanton reported the amendments are a formality, cleaning up some of the accounts. Council Members Buie and McQueen voted to approve the Budget Amendments as presented. The vote was 4-0.

Other Business

17. City Manager's Report.

Mr. Blanton announced basketball registration ends Friday, December 14th. In regards to the Planning and Zoning Board, he announced the City is looking for a representative from the ETJ to Serve. Also provided was the Christmas Holiday closing dates of December 24th – December 26th. Garbage collection for the week of Christmas and New Year's will be one day later than normal. The Manager thanked all that participated in the Christmas Parade and Christmas on Main Street. He announced Old Fashion Christmas on Hamlet Avenue will be Friday, December 14th, weather permitting.

18. Comments of Council.

Council Member Martin wished the City Employees a Merry Christmas and Happy New Year.

Council Member McQueen stated the audit report showed the Fund Balance and General Fund are good. He called attention to the year 2016 when the water fund started to drop and noted the Auditor said the drop was a direct result of benefits paid and low water fees. He said the water rate increase this year should cover the loss. Mr. McQueen also commented on the tax collection rate, stating it has been 96% for years. He said it would be good to increase the collection rate but Council would need to be mindful of the cost to collect. He noted the vehicle tax rates from June 2016 have increased due to the change in how the funds are collected. He wished all a Merry Christmas and Happy New Year and encouraged all to be safe and enjoy the Holiday Season.

Council Member Buie thanked the Staff for all they have done this year and expressed appreciation to all the City Departments. He asked all to be thankful for what they have and wished everyone a Merry Christmas.

19. Mayor's Comments.

Mayor Bayless, on behalf of his wife and himself, wished all a Merry Christmas. He stated the City has had a great year. He said the water increase was necessary but beneficial. He

acknowledged the employees for their mindfulness of the budget and commended the Christmas on Main Street Event. The Mayor announced Old Fashion Christmas on Hamlet Avenue will be Friday.

20. Motion to Adjourn.

With no further business to discuss, Council Member Buie motioned to adjourn at 7:40 pm. Council Member Martin provided the second and the vote was 4-0.

Respectfully submitted,



Gail M. Strickland
City Clerk

