

**HAMLET CITY COUNCIL BUDGET WORK SESSION
COUNCIL CHAMBERS ROOM
201 MAIN STREET, HAMLET, NC 28345
THURSDAY, MAY 6, 2021
3:30 PM
MINUTES**

Governing Body Present:

Mayor	Bill Bayless
Mayor Pro Tem	Jesse McQueen
Council Member	Eddie Martin
Council Member	Oscar Sellers
Council Member	Abbie Covington
Council Member	Maurice Stuart (arrived at 3:41 pm)

Staff Present:

City Manager	Matthew Christian
City Clerk	Gail Strickland
Finance Officer	Jill Dickens
Attorney	TC Morphis (arrived at 3:48 pm)
Police Chief	Dennis Brown
Public Works Director	Billy Stubbs

Others Present: Andy Honeycutt and Roger Sauls

1. Call to Order

Mayor Bayless called the meeting to order at 3:30 pm.

2. Adoption of Agenda

Council Member Covington motioned to adopt the Agenda. Council Member McQueen provided the second. The vote was 4-0.

3. Presentation – AMI Water Meters (Advanced Metering Infrastructure)

City Manager Matt Christian introduced Andy Honeycutt and Roger Sauls with Meter SYS, Advanced Metering Solutions. Mr. Honeycutt addressed the Board and provided the advantages of the company as:

- Technology solid and reliable
- Committed to effective metering and billing
- Independent of all manufacturers
- Provide full program management support
- Can pull in 720 reads per month
- Daily field operations
- Reduces non-revenue water loss
- Near real-time automated reads detection
- Over one year of testing and field tracking
- Customer Portal – improves efficiency, improves revenues thru accurate reading, and engages the customer –customers can manage their transactions
- Maintains operational performance through monthly programs

- Replacement in 15 years

Mr. Honeycutt provided 2 options for the purchase of the Water Meter System. The first example was a metering service program that was turn key over a 12-year period. Council Member McQueen calculated the total cost of the installation and monthly fee to be \$3,332,000.00. He inquired on the life expectancy of the meters. Mr. Honeycutt provided 15 years, but after year 12, the City only pays the monthly fee. Option 2 given, was a conservative number of \$2,042,572.01 as a capital investment project. Other network options were discussed that would change the costs. Council Member Sellers asked if the program would eliminate public work jobs. Mr. Honeycutt responded it would free up employees for other jobs.

4. Review of Proposed FY2021-22 Budget

City Manager Matt Christian discussed the challenges in preparing the proposed budget. The only capital outlay items included are the air packs for the Fire Department and cabinet for the Museum. The budget has no increases in taxes or services. He has submitted the Budget Message and Ordinance and the Public Hearing for May 11th has been advertised. Mr. Christian reported changes can be made prior to the adoption. The Manager added he has to send the budget to the Local Government Commission (LGC) by May 17th. The recommended budget balances at \$8,423,660.00 and is an operational budget. Council Member Covington asked for the Fund Balance Appropriation. Mr. Christian advised the budget requires \$419,760.00 to balance the General Fund. Council Member McQueen reported, in years' past, sales tax revenue was used to balance the budget. Council Member Covington expressed concern that the County's change in sales tax distribution will have severe financial repercussions for the City's sewer plant expansion if the City's bond rating changes; the City may not be able to repay debt at any rate. She said the County has received grant funds for sewer line expansion from the Industrial Park to Hamlet's Sewer Plant. Their decision to cut sales tax funds may affect the City operationally with the City currently under a sewer moratorium. Council Member McQueen added the City will not be removed from the LGC's list unless the County changes the sales tax distribution. Mr. Christian stated it will hurt the City when borrowing money and negotiating rates. The Manager informed Council the Public Hearing for the budget will be held May 11th to receive public comments; the budget can be adopted following the Public Hearing.

5. Motion to go into Closed Session per NC General Statute §143-318-11(a) (3) Attorney-Client Privilege

At 4:15 pm, Mayor Bayless asked for a motion to go into Closed Session and stated the Statute. Council Member Covington provided the motion and Council Member Sellers offered the second. The vote was 5-0.

Return to Open Session

At 5:39 pm Council Members Covington and McQueen motioned to return to Open Session. The vote was 5-0.

6. Motion to Adjourn

At 5:39 pm, Council Members Stuart and Sellers provided the motion and second to adjourn the meeting. The vote was 5-0.

Respectfully submitted,



Gail M. Strickland, City Clerk

