

**HAMLET CITY COUNCIL SPECIAL MEETING
(REGULAR COUNCIL MEETING WAS CHANGED TO 5 PM)
COUNCIL CHAMBERS ROOM
201 MAIN STREET, HAMLET, NC 28345
TUESDAY, DECEMBER 13, 2022
5:00 PM
MINUTES**

Governing Body Present:

Mayor	Bill Bayless
Council Member	Eddie Martin
Council Member	Abbie Covington
Council Member	Maurice Stuart

Staff Present:

City Attorney	TC Morphis
City Manager	Matthew Christian
City Clerk	Gail Strickland
Fire Chief	Trey Goodwin

Others Present: Ken Anderson, Rev. Tommy LeGrand, Mary LeGrand

1. Call to Order

Mayor Bayless called the meeting to order at 5:00 pm. He announced Council Members Sellers and McQueen are out of town.

2. Invocation

Reverend Tommy LeGrand of Prayer and Faith Temple offered the Invocation.

3. Adoption of Agenda

The City Manager asked for the addition of Discussion of Fire Truck as Item 7A. Council Member Covington motioned to adopt the Agenda with the Addition. Council Member Martin provided the second. The vote was 3-0.

4. Adoption of Consent Agenda

Council Member Covington motioned to adopt the Consent Agenda. Council Member Stuart provided the second. The vote was 3-0.

5. Comments from Attendees

No one presented to address Council.

New Business

6. Audit Report from Ken Anderson

Mr. Ken Anderson reviewed the 2021-22 Audit Report. He reported the City is required to have an 8% Fund Balance; the City's current Fund Balance is 72%. The tax collection rate improved. The General Fund had an increase of over half a million dollars. The Water/Sewer Fund had a decrease due to depreciation of assets. The cash actually increased. The \$81,000.00 loss is a loss on accrual basis only. The City has no debt but that will change with the Sewer Plant Expansion. There were no budget over

expenditures. The City was subject to a Yellow Book Audit due to the ARPA money. The Local Government Commission has accepted and approved the audit. Mr. Anderson commended Council and the Manager on utilizing the Accounting Firm to assist in the Finance Officer transition. The Accountant reminded the Board that ARPA money was used for some of the General Fund Expenditures and those funds will not last. Council should take that into consideration when planning future budgets. Mr. Anderson reported the City was required to have a GASB Audit for the tower lease. He projected the City will have to have a single audit next year for the ARPA money and may have the potential for a single audit for the USDA grant or loan.

7. Discussion of ABC Reserve Request

The City Manager reported the ABC Store Manager and ABC Board Chair approached him about the increases to their operating expenses, primarily the cost of inventory. They have requested to reserve some additional capital to keep their operations fluid. Mr. Christian requested that Council delegate authority to the City Manager to allow the ABC Board to reserve up to \$10,000.00 on an as-need basis. The agreement with the ABC Board will need to be renewed soon; this will help in the meantime. Council Member Martin motioned to delegate the authority to the City Manager. The second was provided by Council Member Stuart. Council Member Covington inquired on the reason to reserve the \$10,000.00. Mr. Christian answered the funds will be primarily for operations which have increased over the past 10 years. Last year they gave the City approximately \$130,000.00. They would like to have the additional \$10,000.00 to purchase inventory. The amount given to the City is their net profits. The Attorney explained issues with the ABC Statutes; there are certain things they are required to get permission for from the City before they can use some of the gross revenue. He stated it is time for the ABC Board to have a new agreement with the City. By delegating the authority to the City Manager, they will not have to wait until January. Mrs. Covington stated she did not know what they would do, operationally, with an additional \$10,000.00 but if the City Manager was overseeing it, she was fine with it. Mr. Christian answered it would be monitored closely and if they make more than \$30,000.00, they can reserve \$5,000.00 for capital but today's request is for the authority to oversee operational expenses. The vote was 3-0.

7A. Discussion of Fire Trk

The City Manager reminded Council the ladder truck has been out of service since May. He and Fire Chief Trey Goodwin have discussed options but have determined the ladder truck cannot be repaired and certified. The Fire Department Staff has worked hard to locate a replacement. One has been found in Madison, NC. It is from the City of Durham, has low mileage and hours and is in good shape. He explained one of the constraints in locating a ladder truck has been to find one that will fit in the fire department bays. Mr. Christian suggested moving forward quickly with the purchase. A Budget Amendment has been given to Council for Consideration, using ARPA Funds. The asking price is \$390,000.00. The Budget Amendment includes a 10% contingency for taxes, tags, general repairs, and needed equipment. Council Member Covington inquired on the ladder height. The Chief answered 95 ft. and it has a bucket. He added the truck has low engine hours. It is a 2005; new ladder trucks are over \$1.5 million. Chief Goodwin explained Sutphen Fire trucks, after a lifespan of 30 years, can be sent back to the company and recertified for another 30 years. He reported he and staff have looked at and operated the truck and would like to proceed with the purchase. Council Member Martin responded the Fire Department has to have it. If the Fire Chief and City Manager have done their due diligence, and this is their recommendation, he made the motion to accept their recommendation and make the needed arrangements to purchase the ladder truck. The second was provided by Council Member Stuart. Council Member Covington asked if one of the primary reasons the ladder truck was needed was for the

Fire Department to do their due diligence in the industrial area outside the City limits. Chief Goodwin confirmed; ISO ratings require a ladder truck for industrial fires. The vote was 3-0.

Other Business

8. City Manager's Reports

City Manager Matthew Christian announced the closings for the upcoming holidays. City offices will be closed Friday, December 23rd – Tuesday, December 27th. Garbage normally collected on Friday, December 23rd will be collected on Thursday, December 22nd and garbage normally collected on Tuesday, December 27th will be collected on Wednesday, December 28th. The Manager thanked the public for supporting all the City events. He stated everything went well and offered appreciation to the partnerships and City employees that put in the extra time. He wished everyone a Merry Christmas.

9. Comments of Council

Council Member Martin reiterated the Manager's comments regarding the City's Christmas activities and wished all a Merry Christmas and Happy New Year.

Council Member Stuart wished the employees and citizens a Merry Christmas and Happy New Year.

Council Member Covington thanked City staff for their work to hold all the events. She reminded everyone that the City does not close. Many employees work so that others can enjoy. Mrs. Covington remarked the City received a good audit report but there are austere times coming; she said the City employees will get the City through them and do a top-notch job. She wished everyone a Merry Christmas.

10. Mayor's Comments

Mayor Bayless stated all the events were excellent and the parade was well attended. The Old Fashion Christmas hosted by the HBDA was a success. He thanked the City employees for their work and thanked Council for an excellent year of working together. He added the budget went well and wished everyone a Merry Christmas.

11. Motion to go into Closed Session per NC General Statutes §143-318-11(a) (3) (5) (6) Attorney-Client Privilege, Contract Regarding Real Estate and Personnel

At 5:30 p.m., Mayor Bayless asked for a motion to go into Closed Session and read the statutes. Council Member Covington provided the motion and Council Member Martin gave the second. The vote was 3-0.

Return to Open Session

At 6:04 pm. Council Members Martin and Covington motioned to return to Open Session. The vote was 3-0.

12. Adjourn

At 6:05 pm, Council Members Covington and Stuart provided the motion and second to adjourn the meeting. The vote was 3-0.

Respectfully submitted,


Gail M. Strickland, City Clerk

