

**HAMLET CITY COUNCIL
BUDGET WORK SESSION
COUNCIL CHAMBERS ROOM
201 MAIN STREET, HAMLET, NC 28345
TUESDAY, APRIL 25, 2023
5:30 PM
MINUTES**

Governing Body Present:

Mayor	Bill Bayless
Mayor Pro Tem	Jesse McQueen
Council Member	Maurice Stuart
Council Member	Abbie Covington
Council Member	Oscar Sellers

Staff Present:

City Manager	Matthew Christian
City Clerk	Gail Strickland
Finance Officer	Edna Miles

Others Present: Chris McDonald

1. Call to Order

Mayor Bayless called the meeting to order at 5:30 pm.

2. Adoption of Agenda

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

3. Approval of Minutes for April 11, 2023 Regular and Closed Session Meetings.

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

4. Budget Work Session

Current Year Snapshot

City Manager Matt Christian provided Council with a hand-out of the Draft FY2023-24 Budget and gave a brief overview of the March Work Session. He provided a Current Year Snapshot of the City's budget. As of April 25, 2023 the Budget has a positive Fund Balance Appropriation for the General Fund of \$136 434.00 and a negative Fund Balance Appropriation for the Enterprise Fund of \$428,767.00. He reminded Council the Sales Tax Revenues lag 3 months behind, and the City has not received the revenues from Richmond County. Mr. Christian stated the Fund Balance Appropriation for the Enterprise Fund should decrease as the fiscal year ends since expenses will decrease.

News & Updates

Health Insurance

The Manager reported the City had a decent year with claims. A switch has been made to a different broker who has provided a zero increase for this year and will have long-term benefits. The broker offers a

rebate plan if the City has a good year in claims. He added there is no change for employees in coverage, drugs or exclusions.

Property & Liability

The Manager advised the quote for property and liability coverage is outstanding. The renewal documents were just received. The proposed budget reflects a 10% increase. Mr. Christian explained a change in State law that now requires bonding up to 10% of the City's budget. Edna Miles reported a quote of \$1400.00 for the bonding has been received.

Cost-of Living Salary Adjustment

Mr. Christian explained with the salary market study completed last year and the wide range of increases given to employees, he was proposing a 4% COLA. The goal is to be at market rate in 2-3 years. Council discussed the vacancies in the City. The Manager advised, in the Police Department, they hope to have the 4 BLEET graduates on the road by the end of June. Council Member Stuart inquired on the number of vacancies in Public Works. Mr. Christian responded 2 or 3 quit quickly, some have left for sign-on bonuses at other employment. He added all 3 of the landscape crew have left. Council Member Covington said some employees can be expected to leave when there is new leadership.

Budget Overview

The proposed General Fund balances at \$7,209,000.00 with no service or rate changes. This includes a Fund Balance Appropriation of \$1,371,222.00: \$683,850.00 for Recommended Capital; \$91,894.00 for Recommended Operational; \$283,596.00 for Salary & Benefits (COLA); and \$161,500.00 for Carry-over Projects.

The proposed Enterprise Fund is balanced at \$3,351,700.00 with no service or rate changes. This includes a Fund Balance Appropriation of \$244,700.00: \$173,500.00 for Recommended Capital and \$71,200.00 for Salary & Benefits (COLA). The Manager reported one outstanding item, not included, is a building to house large equipment at Public Works. The total cost has not been determined at this time.

Other Comments

Dam Repairs

Mayor Bayless inquired if there was grant money for the dam repairs. Mr. Christian answered there is not grant money, but they have asked the State for money. It has not been awarded.

Water Meters

Council Member Sellers asked about water meters, saying once the meters are installed the city should see an increase in revenues. The Manager questioned if the inquiry was on Hamlet Housing Authority (HHA) water meters or new meters for all the water system. He advised new meters are not included in the proposed budget currently but could be if Council wanted to move forward with the project. Council Member McQueen said with what has been uncovered at Hamlet Housing, the City should get all the units metered to see where it stands with the loss of unaccounted treated water. Mr. Christian answered his intent is to have a more detailed report at the next work session. Currently, the water department has replaced a master meter that covered 71 units at Taylor Place, found 24 meters on Wilmington St., read them and put them on the billing system and located 94 meters in the Buttercup Section, 21 of those were not working and will be replaced immediately. On Seaboard St., 17 units were located as well. Council Member Covington reported this is a total of 206 meters. The Manager reported, in the past, different developments were billed differently. Moving forward they will all be billed for consumption. He and Robert Brown have a meeting scheduled with the HHA Director. She has already been notified there will

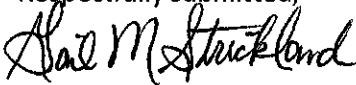
be changes. Mr. Christian stated they will study the data for 30-60 days to have accurate information and report back to Council. He assured Council the meters will be read moving forward. The Manager and Council discussed the challenge of securing meter readers and the upcoming vacancy from Vic Robinson's retirement.

Investment Revenue

The Manager informed Council of a significant increase in the proposed budget for revenues from investments. The past few years, the returns have been almost nothing, but with current interest rates, they have conservatively budgeted for a 4.7% return which will be roughly \$47 - \$48,000.00 per million and the City has about \$7,000,000.00 invested.

5. Motion to Adjourn

At 6:12 pm, Council Members Sellers and McQueen provided the motion and second to adjourn the meeting. The vote was 4-0.

Respectfully submitted,

Gail M. Strickland, City Clerk

