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OFFICE OF THE CITY MANAGER

April 29, 2021

The Honorable William 'Bill' Bayless, Mayor of Hamlet, North Carolina
 Hamlet Mayor Pro-Tem Jesse McQueen
 Hamlet City Council Members Abbie Covington, Eddie Martin, Oscar Sellers, Maurice L. Stuart, II

Dear Mayor Bayless and Hamlet City Council:

As the City of Hamlet's Budget Officer and City Manager, I am pleased to present for your consideration the Manager and Staff's Recommended Budget for the 2021-2022 Fiscal Year. ("Recommended Budget").

The Recommended Budget balances at \$8,423,660. The Recommended Budget consists of a General Fund Budget of \$5,202,210; a Powell Bill Budget of \$254,450; and an Enterprise Fund Budget of \$2,967,000. The Recommended Budget levies a property tax rate of \$ 0.76 per \$100 dollars of value, with the balance of the shortfall to be covered by fund balance. The Recommended budget requires a \$419,760 fund balance appropriation for the General Fund Budget.

Chart A: Overview of the Recommended 2021-2022 Budget

General Fund Revenues		Powell Bill Budget		Enterprise Fund Budget	
GOVERNING BODY	\$40,320	Total:	\$254,450	NON-DEPARTMENTAL	\$567,150
ADMINISTRATION	\$497,150			ADMIN & ENGINEERING	\$411,750
DEPOT/MUSEUM COMPLEX	\$187,250	Major Powell Bill Expenditures:		WATER PLANT	\$520,200
FINANCE	\$92,300	Personnel	\$123,150	WATER DISTRIBUTION SYSTEM	\$635,250
PUBLIC BUILDINGS	\$216,400	Street Resurfacing & Patching	\$47,000	WASTE TREATMENT	\$538,000
POLICE DEPARTMENT	\$1,610,700	Contracted Services	\$22,500	WASTE COLLECTIONS	\$294,650
FIRE DEPARTMENT	\$1,070,490	Curb, Gutter, & Sidewalks	\$20,000	TOTAL	\$2,967,000
STREETS & HIGHWAYS	\$382,500	Powell Bill funding is allocated to participating communities through funds collected from motor vehicle fuel taxes and taxes on vehicles purchased and titled in North Carolina		Enterprise Funding is the account for water and sewer system funding	
SANITATION	\$262,250				
SENIOR CENTER	\$130,700				
RECREATION	\$256,500				
HORTICULTURE	\$175,900				
NON-DEPARTMENTAL	\$279,750				
TOTAL	\$5,202,210				

In a collaborative effort, the Recommended Budget was prepared amongst City staff coupled with direction and governing input from the Hamlet City Council ("Council"). The Recommended Budget was completed in consultation with the Finance Officer, City Manager, and Department Heads. After individual line items were finalized, capital requests and organizational goals were discussed by the Hamlet City Council at special meetings held on March 24, 2021 and April 21, 2021. Since Richmond County Commissioners voted to change the sales tax distribution method from per capita to ad valorem on April 6, 2020, cities were forced to increase taxes and cut critical investments. Nearly all large capital purchases were cut. Equipment like streetsweepers and police cars were cut along with important social investments like libraries and community events. These cuts hurt our operations and community deeply. These fundamental cuts are unsustainable and have put all the City of Hamlet on a path to financial insolvency. Our mission is to maintain current levels of service as long as possible while advocating for the City of Hamlet's best interest.

Manager and Staff's Recommended Budget for the 2021-2022 Fiscal Year

CONSERVE, REPAIR, SUSTAIN

As Infrastructure ages and depreciates, the City is faced with numerous large-scale projects that must be addressed in order to continue to efficiently provide stellar services to our residents. Although all projects cannot be undertaken in one fiscal year, the Recommended Budget is prepared with the goal of conserving our resources, repairing our physical infrastructure, and sustaining our operations within our means. To accomplish these broad objectives, we have established several specific goals to guide us through the upcoming fiscal year:

- Advocate for City Residents & Taxpayers
- Modernize Infrastructure
- Increase Community Engagement
- Improve Technology
- Refine Organizational Structure

Consistent with the 2020-2021 Budget, the Recommended Budget cuts nearly all capital budget requests. However, it does provide investment in two key infrastructure needs: the Wastewater Treatment Plant expansion and capital reserve funds for new water meters. These two projects represent key investments in the long-term fiscal and operational sustainability of our Enterprise Fund.

Furthermore, the Recommended Budget seeks to economically balance each account for the City and equally balance labor and benefits. By putting an emphasis on calculated expenditures and recognizing the importance of continuing to maintain a quality workforce, the draft budget includes a one-time \$1,000 bonus for all full-time employees in lieu of a cost-of-living (COLA) increase. Although the city has traditionally provided a COLA adjustment, a bonus allows us to make this critical investment in the context of broader uncertainties. Our current cuts and fiscal restraint have conserved enough money to provide this one-time bonus without drastically impacting the city's long-term financial position. The Recommended Budget is not only balanced in accordance with North Carolina General Statutes, but also with a mindfulness of the unique needs of the City.

The Recommended Budget projects \$1,856,000 be received in ad valorem property taxes in the upcoming fiscal year; \$282,000 in vehicle taxes, and \$920,000 in the various sales taxes, which you can see is a major drop in sales tax revenues from prior years stemming from the County's change in the distribution method.

Lastly, the Recommended Budget does not provide for any utility or service rate increases. Currently both fund balances for the General Fund and Enterprise Funds are strong and we project that the Recommended Budget will support and maintain economic stability for the City.

CONCLUSION

In conclusion, the Recommended Budget is balanced and prepared in accordance with North Carolina General Statute 159-11. Furthermore, the Recommended Budget serves to further the commitments of restoring, renovating, and repairing much needed repairs across the City.

The public hearing on this budget is scheduled to held during the May 11, 2021, at the scheduled Regular Monthly Hamlet City Council Meeting at 7:00 pm. Any person wishing to make comments, or ask questions, may do so at the public hearing prior to the adoption of the Budget Ordinance.

Manager and Staff's Recommended Budget for the 2021-2022 Fiscal Year

The Recommended Budget is available for public review at Hamlet City Hall during normal business hours. Notice of availability of the document, and the scheduled public hearing, will be published in the Richmond County Daily Journal on May 1, 2021.

I would like to personally thank Council for their input in the budget drafting process, the extraordinary staff here at the City, particularly the City's Finance Director Jill Dickens, who has worked tirelessly to prepare and assist in the Recommended Budget for Council's consideration, and all those involved in the preparation of this Recommended Budget.

It is with the sincerest gratitude and appreciation that I, as Budget Officer and City Manager, respectfully submit and recommend this proposed budget to the Hamlet City Council today, April 29, 2021.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Matt Christian". The signature is written in a cursive, flowing style.

Matthew W. Christian
City Manager

Attachments:

Manager and Staff's Recommended Budget for the 2021-2022 Fiscal Year
Draft Budget Ordinance