

**HAMLET CITY COUNCIL BUDGET MEETING
CITY COUNCIL CHAMBERS ROOM
WEDNESDAY, MAY 3, 2017
4:12 PM**

MINUTES

Present:

Governing Body

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| Mayor | Bill Bayless |
| Council Member | Jesse McQueen |
| Council Member | Eddie Martin |
| Council Member | David Lindsey |
| Council Member | Wendy Massagee |

Staff

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| City Manager | Jonathan Blanton |
| City Clerk | Tammy Kirkley |
| Finance Officer | Jill Dickens |
| Public Works Director | Billy Stubbs |
| B&M Director | Doc Sylvain |
| Fire Chief | Calvin White |

The meeting began with Mr. Lindsey presenting tax collection information dating back to 2015. He stated according to the numbers, the city is going downhill from the 16/17 fiscal year. The information did include the tax reevaluations. In looking at the information presented, council asked if the hospital closing would affect the personal value. Mr. Lindsey pointed out the decrease in the 2017 estimate at \$1,568,798 as compared to the 2016 value at \$1,780,250. Council discussed surrounding businesses and the tax values. They asked for clarification on the loss for the hospital. The manager said he was given the figure of around \$138,000 as the difference or decrease in the taxes from the hospital. Council asked for clarification on this tax value, which is not included in the information presented today. Mr. McQueen asked what agency provided the presented information because council needs to know what the information includes and doesn't include. Mr. Lindsey stated the information came from the Hamlet Tax Collector and the manager said he will get clarification from the tax collector. Council continued to speculate what various figures represented. Mr. Lindsey said he would like to know where the city stands tax-base wise. The manager reported the 17/18 draft budget does include \$100,000 timber sales.

Mayor Pro-Tem Johnathan Buie joined the meeting at 4:25 pm.

Mr. Blanton informed council of a contribution request received for \$100 for the LRCOG's Director, Jan Maynor's retirement event. It was the consensus of council to approve the request on behalf of the city.

Budget Discussions:

Library. Mr. Blanton and the mayor have met separately with Jesse Gibson of the Sandhills Library System and Rick Sago, County Manager, regarding donations to the Library System. After said meetings, Mr. Blanton received a letter from Mr. Gibson, which stated Hamlet did not pay a portion of the donations for the last two years and they want Hamlet to pay \$41,000 in retro. Mayor Bayless provided explanation about the city's payment to the library system.

The county pays \$31,000 per year and to be equitable, Hamlet should be paying \$31,000 per year and to include no loss of employee's positions. It was the consensus of council that Hamlet would not pay the retro \$41,000 as requested by Mr. Gibson. The Mayor pointed out Hamlet needs a new agreement with the Library System for the upcoming \$31,000.

Mr. Lindsey inquired about the status of CSX and Mr. Buie provided information as he knew it. The hump yard and flat switching were explained. Mr. Lindsey stated the potential closing of the Hamlet terminal and the indirect economic impact on the city was a financial concern.

The Mayor shared information he received regarding the state's concerns of unaccounted for water within agencies. Mr. Blanton reminded all that Mr. Brown gave a report earlier in the year, which accounted for a number of unaccounted water usages. A new business is looking to come to the Industrial Park and the amount of sewer to be treated by Hamlet is a concern. Mr. Dunn has reported to the manager that it's not possible to treat the needed sewer without sending 100,000 gallons to Rockingham or purchasing a belt press. Currently, Hamlet cannot accept the additional sewer. Council discussed if some pretreatment was involved, there may be more room for the Hamlet plant to assist. Mr. Blanton is meeting with Marty Butler of the county next week to discuss the industrial park business. Hamlet's current sewer plant loan will be paid out in 2020. Council discussed the sewer usage agreement with Rockingham.

Mr. Lindsey stated Hamlet has \$100,000 for timber sales in the budget for the 17/18 fiscal year. The manager stated the total for expected timber sales is around \$250,000, with all funds to be collected around June 2018. Mr. Lindsey stated these funds should not be used for the city's day-to-day operations; he recommended setting the funds aside in an allowable separate fund and consider searching out grants that require matching funds for needed projects.

Mrs. Massagee confirmed the draft budget includes a payment of \$41,000 from the Hamlet ABC Board. Mayor Bayless recommended looking into the video grant funding for coverage of the new phone system. The manager will check on the matter and pull the requirements for the funds. It was stated the funds budgeted for the 16/17 budget will be enough to cover the raises in the 17/18 budget. The manager stated from his understanding, it will be a \$35,000 increase. Mr. Blanton explained the overage and the cost of the raise.

Council discussed the budgeted raise in the draft 17/18 budget. Mr. Lindsey discussed the merit raises given during the 16/17 fiscal year. Mr. Blanton stated the current budget does not include merit raise. Mr. Lindsey said he is not against a raise; however, he would like to see the timber money in a separate fund-capital account for a major project. The finance officer said the accountant suggested to put it in the major account rather than create a separate account. Mr. Buie noted all monies have to be budgeted. Mr. Lindsey stated there is nothing in the vision of the current group that is looking after tomorrow or the infrastructure of the town. Mr. Lindsey said the pay raise seems to be a done-deal and said council needs to start looking at infrastructure needs. Mr. McQueen said council has to take care of the people who keep the town running. Mr. Lindsey asked if there is a way the lower-end employees may get more of an increase and Mrs. Massagee agreed. Mrs. Massagee then suggested if a one-time per year flat-rate bonus could be considered in-place of a raise. Percentage verses a flat-rate bonus was discussed.

Mr. Lindsey noted the problem with the way BCBS did with the increase for next year. He said he would like to the city consider another vendor next year.

Further discussions regarding the agreement for wastewater services with Rockingham were presented. Council needs to figure out what the city can do, and what the cost will be.

The manager's budget message will be presented during the Regular May Monthly Meeting and the budget will need to sit for 30 days before formal approval of council. The budget will need to be approved at the June meeting.

The mayor spoke of complaints council received concerning contractors putting debris by the roadside for the city to pick-up; it is the contractor's responsibility to haul-off. Mr. Stubbs noted the real problem and cost is with the city paying for county pick-up. Mayor Bayless said council needs to revisit the county pickup policy.

Mr. Lindsey asked about a message Mr. Buie recently sent concerning council members not following the chain-of-command going straight to department heads with their requests; he stated he did not appreciate it. Mr. Buie replied there is nothing to discuss; he simply meant council, in general, cannot have department heads doing projects for them. Council's requests need to go before the manager.

Adjournment. Council Members Buie and Lindsey motioned to close the meeting at 5:21 pm. The motion carried.

Respectfully submitted,


Tammy Kirkley, City Clerk

