

**HAMLET CITY COUNCIL
WORK SESSION
COUNCIL CHAMBERS ROOM
201 MAIN STREET, HAMLET, NC 28345
TUESDAY, APRIL 7, 2025
3:00 PM
MINUTES**

Governing Body Present:

Mayor	Amy Guinn
Mayor Pro-Tem	Abbie Covington
Council Member	Eddie Martin
Council Member	Oscar Sellers
Council Member	Tony Clewis
Council Member	Maurice Stuart

Staff Present:

City Manager	T. John Terziu
Asst. City Manager	Mackenzie Webb
Finance Director	Edna Miles
City Clerk	Heather Hawks

Others Present: Dennis Brown and Robert Brown

1. Call to Order

Mayor Guinn called the meeting to order at 3:00 pm.

2. Adoption of the Agenda

Mayor Pro-Tem Covington motioned to adopt the agenda, seconded by Council Member Clewis. The motion passed unanimously.

3. Work Session

a. FY26 Draft Budget Review

BOTTOM LINE UP FRONT:

- **City of Hamlet's Budget Growth (FY21-FY25):** Increased by \$2,431,276, reflecting a 45% rise over five years.
- **Average 10-year Growth:** 46%, but growth should ideally remain around 40%.
- **Federal Aid Impact:** Federal funds previously provided a positive budgetary impact, but these funds are no longer available.
- **Depot Budget Increase:** Budget increased by 52% (\$174,750) over the past three years.
- **Hamlet Police Department Budget Increase:** Budget grew by 30.25% (\$827,226) in the last four years.
- **Streets and Highways Department:** Significant funds are allocated for equipment, but the department lacks sufficient personnel to maintain road repairs.

- **Departmental Budgeting:** Several departments are underfunded due to over-budgeting in other departments.
- **Fire Department Budget:** Fire tax revenue is insufficient to cover the department's operational costs.
- **Garbage Collection Fee:** Insufficient to cover the department's operational costs.
- **Zoning Fees:** The absence of zoning fees is insufficient to cover the department's operational costs.
- **Water and Sewer Fees:** Insufficient to cover the department's operational costs.

ISSUE/SOLUTION:

- **Issue:** County Fee Per Structure revenue is insufficient to cover the department's operational costs supporting the county.
- **Solution:** Advocate for the County to increase Fee Per Structure to cover cost of support to the County.
- **Issue:** Garbage Collection Fee is insufficient to cover the department's operational costs.
- **Solution:** Increase the Garbage Collection Fee from \$15 a month to \$18 a month and contract our services at a rate of \$14 or lower.
- **Issue:** The absence of zoning fees is insufficient to cover the department's operational costs.
- **Solution:** adopt appropriate zoning fees.
- **Issue:** Water and Sewer rates are insufficient to cover the department's operational costs.
- **Solution:** Increase water and sewer rates over the next 3-4 years by 25%. CM recommends a 10% increase in FY26.
- **Issue:** Property Tax is too high to entice residential development.
- **Solution:** Raise other rates to an appropriate rate and decrease property tax.
- **Issue:** Hamlet Police Department (HPD) organizational chart maintains 26 officer positions and 1 civilian position. HPD should have no more than 15 officers based on the state and national standard ratio of 2.5 officers per 1,000 residents.
- **Solution:** Reduce department to a 2.5 hire per 1,000 citizens. Do not lay any officers off. Let natural attrition rate correct the over-staffing of HPD.

COURSE OF ACTION

1. Reduce overbudgeted departments to balance underbudgeted departments to balance overall budget.
2. Reduce line items in budget.
3. Close non-critical/non-revenue producing departments.

A BALANCED DEPARTMENT/BUDGET WITH INCREASE IN REVENUES LOOKS LIKE:

- Increased Fire Protection Fee = +\$300,000
- Increased Garbage Collection Fee = +\$150,000

- Contract Sanitation Service +\$150,000
 - Balanced Department Budget +\$405,212
- TOTAL = +\$955,212**
- New Total Revenue: = \$7,473,962 annually**
- New +/- Fund Balance = + \$473,962 annually**

FINAL NOTE: A balanced department budget with an increase in revenues means the City of Hamlet does NOT balance the books with fund balance. City Manager Terziu stated our fund balance is at 48.6% currently and was at 66% this time last year.

City Manager Terziu stated closing non-revenue producing departments such as Senior Center, Depot and Parks & Rec department could save around \$800,000 per year but there is hesitation to pursue this option.

Mayor Pro-Tem Covington asked if the county contributes to the Senior Center.

City Manager Terziu stated the county does not. He mentioned speaking with Bryan Land, who said the county could be open to taking over the Senior Center in the future. Currently, they are focused on addressing the Fire Fee Structure.

Mayor Pro-Tem Covington brought up cost sharing as a possible solution.

City Manager Terziu stated that it is a possibility, and we need to explore every possibility to get the city where it needs to be financially.

Mayor Guinn asked if our sports programs produce revenue.

City Manager Terziu stated they are a non-revenue producing department.

Mayor Pro-Tem Covington stated we have an excellent recreation program that needs to continue to draw families to our community. City Manager Terziu agreed.

b. County Fire Fee Per Structure

- The annual cost to operate Hamlet Fire Department is ~\$1,400,700.
- The current Fire Protection Charge brings in revenue in the amount of ~\$300,000 per year.
- This Fire Protection Charge is generated from direct support to Richmond County geographic area and specific boundaries.
- The County Fire Protection Charge increased 5 years ago and has not changed before that for another 5 years.
- Changing Hamlet's Fire Tax to a Fire Tax District only adds ~\$100,000 in revenue annually.
- Maintaining a Fee Per Structure and doubling the current rate will generate an additional ~\$300,000 for a total of ~\$600,000 annually.

- Increasing the County Fee Per Structure is the most effective way of addressing rising costs to operate the Fire Department's support to the Richmond County geographic area and specific boundaries.

Mayor Pro-Tem Covington made a motion to recommend proposed fee changes to the County Commissioners, Council Member Clewis provided the second. The motion passed unanimously.

c. Sanitation Department and Garbage Collection Fee

- The annual cost to operate the Sanitation Department exceeds ~\$500,000 annually. (This does not cover capital projects, insurance and cost of vehicles).
- The current Garbage Collection Fee brings in revenue in the amount of ~\$500,000 annually.
- The current rate is \$15 dollars for the first can for residential and \$20 for the first can of commercial. Additional cans are \$5.
- The City Manager recommends raising the first can cost for residential to \$18 and commercial to \$24.
- This would ensure the city makes revenue that will go back into the city general fund for future projects.
- Contract verses Internal administered garbage collection.

Council Member Sellers asked who would be responsible for the trash cans if we contract out.

City Manager Terziu stated Tedder Trash would be responsible for the trash cans, but residents would continue to call the Water Department, and they would relay the message to Tedder Trash if there were issues with the trash cans. Tedder Trash would use City of Hamlet trash cans.

Mayor Pro-Tem Covington asked if Tedder Trash will only pick up garbage.

Robert Brown stated the City of Hamlet will continue to pick up leaf and limbs.

Council Member Clewis asked if the City of Hamlet would still maintain the county.

City Manager Terziu stated we would maintain the same addresses we currently do.

Council Member Clewis made a motion to move forward with a Request for Qualifications (RFQ) to contract services for garbage collection, Council Member Stuart provided the second. The motion passed unanimously.

d. Fee Schedule

City Manager Terziu stated the current Fee Schedule has been reviewed and updated. New fees, including Land Development Fees, Utility Rates, and Zoning Services Fees, have been added and current fees will increase to cover the cost of doing business.

4. Motion to Adjourn

Council Members Clewis and Stuart provided the motion and second to adjourn the meeting. The motion passed unanimously at 5:21 pm.