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OFFICE OF THE CITY MANAGER
 May 12, 2026

The Honorable Amy Guinn, Mayor
Mayor Pro-Tem Abbie Covington
Council Members Maurice L. Stuart II, Tony Clewis, Eddie Martin, and Oscar Sellers
City of Hamlet, North Carolina

Dear Mayor Guinn and Members of the Hamlet City Council,

As the City Manager and Budget Officer for the City of Hamlet, it is my honor to present for your review and consideration the Recommended Budget for the Fiscal Year 2026–2027, as prepared by City staff and myself.

The Recommended Budget for FY2026–2027 is balanced at \$11,370,050. It is comprised of the following components:

General Fund: \$7,252,050

Powell Bill Fund: \$241,000

Enterprise Fund: \$3,877,000

The proposed budget includes a property tax rate decrease from the current \$0.76 per \$100 of assessed value to \$0.74 per \$100 of assessed value, generating an estimated \$2,550,000 in revenue.

To support one-time capital and non-recurring needs, the budget includes the appropriation of \$556,500 from fund balance.

Chart A: Overview of the Recommended 2026-2027 Budget

General Fund Budget		Powell Bill Budget		Enterprise Fund Budget	
GOVERNING BODY	\$35,800	Total:	\$241,000	NON-DEPART. / CAP. RESV.	\$493,900
ADMINISTRATION	\$517,400			ADMIN. AND ENG.	\$770,200
DEPOT/MUSEUM COMPLEX	\$265,200	Major Powell Bill Expenditures:		WATER PLANT	\$670,200
FINANCE	\$208,500	Personnel	\$180,300	TRANS. & DISTRIBUTION	\$636,400
PUBLIC BLDG.	\$282,300	Street Resurfacing & Patching	\$13,000	WASTE TREATMENT	\$731,300
POLICE	\$2,138,950	Contracted Services	\$15,700	WASTE COLLECTIONS	\$575,000
FIRE	\$1,517,700	Curb, Gutter, & Sidewalks	\$29,000	TOTAL	\$3,877,000
STREETS AND HIGHWAYS	\$734,100	Other	\$3,000	Enterprise Funding is the account for water and sewer system funding	
SANITATION	\$475,000	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			
SENIOR CENTER	\$426,200				
RECREATION / LAKE PROJ.	\$255,100				
HORTICULTURE	\$192,800				
NON-DEPART. / CAP. RESV.	\$203,000				
TOTAL	\$7,252,050				

The Recommended Budget was developed through a collaborative effort between City staff and the Hamlet City Council (“Council”), incorporating both administrative insight and policy direction. The

process included consultation with the City Manager, Department Heads, and other key staff members.

During the review and finalization of individual line items, capital requests and organizational priorities were approved during the Budget Retreat held on March 28, 2026.

Manager and Staff's Recommended Budget for the 2026-2027 Fiscal Year

The proposed budget reflects a disciplined approach, with expenditures reduced in comparison to the past four fiscal years. Revenues have been budgeted conservatively, acknowledging anticipated cost increases across various sectors.

Property taxes remain the largest single source of General Fund revenue. Property tax revenue continued a modest increase compared to the previous fiscal year, which allowed council to direct a \$0.02 decrease for the property tax rate. The net result with the decrease is still projected to increase the 2026-2027 property tax revenues by \$50,000. Council is lowering the rate while maintaining stable revenue due to growth in the tax base. This is in line with the current fiscal year's actual revenue of \$2,605,806.60, supporting the reliability of the City's revenue projections. City staff and the City Council have worked collaboratively to prioritize investments in the community's most critical needs while maintaining a strong commitment to fiscal responsibility and the effective stewardship of taxpayer dollars. This budget reflects a disciplined approach that lowers the tax rate while maintaining service levels and continuing targeted investments in critical priorities.

The second largest source of General Fund revenue is sales tax. The Recommended Budget projects \$1,485,000 in total sales tax revenue, a projected \$35,000 increase from the amount budgeted in the current fiscal year. While sales tax collections have shown steady growth in recent years, that upward trend has recently begun to stabilize. Given this shift, maintaining a conservative projection for the upcoming fiscal year is a prudent approach. This will allow for mid-year adjustments as broader economic trends become clearer. Sustained economic growth will be essential to ensure that revenues continue to outpace expenditures. With continued cost pressure, consumer spending is expected to maintain a limited increase, contributing to slower growth in sales tax revenues.

Our most valuable asset as an organization is our employees. City employees are at the heart of every service we deliver to the community, and their dedication is essential to fulfilling our mission. Last year, every employee was brought to market rate. This reduced turnover and reinforced that our employees are the foundation of service delivery in this community. This recommended budget, provides for a 2% cost-of-living adjustment (COLA) for all employees to help maintain competitiveness in a tight labor market and to address the continued rise in wage expectations. This investment in our workforce reflects our ongoing commitment to fair compensation, the retention of skilled personnel, and the delivery of high-quality services to the residents of Hamlet.

The proposed 2026–2027 budget reflects a strategic focus on critical investments in both our workforce and core services. In addition to providing a 2% cost-of-living adjustment, the budget also prioritizes key operational enhancements. These include contracting with engineering firms to address essential infrastructure repairs and acquiring new departmental equipment to enhance the ability of staff to serve and protect the community effectively. Consequently, capital improvement projects included in this budget are limited to those that address immediate and essential needs, ensuring we remain fiscally responsible while still advancing the City's most pressing priorities. This budget prioritizes public safety, critical infrastructure, workforce retention, facility maintenance, and conservative revenue forecasting to ensure long-term stability.

Lastly, the Recommended Budget includes maintaining utility service rates with no increase this year, but future rate planning will be necessary to protect the Enterprise Fund and major water/wastewater infrastructure needs. At present, the fund balances for both the General Fund and

Enterprise Funds are at desired levels. The adjustments outlined in the Recommended Budget are designed to continually maintain these funds and support the City's overall financial health—ensuring reliable service delivery for all residents, customers, and stakeholders.

CONCLUSION

In conclusion, the Recommended Budget is balanced and has been prepared in full compliance with North Carolina General Statute §159-11. It reflects the City's ongoing commitment to restoring, renovating, and repairing critical infrastructure and facilities throughout Hamlet.

A public hearing on the Recommended Budget is scheduled for Tuesday, June 9, 2026, during the Regular Monthly Hamlet City Council Meeting at 6:00 p.m. Any member of the public wishing to offer comments or ask questions may do so during this hearing, prior to the adoption of the Budget Ordinance.

The Recommended Budget is available for public review at Hamlet City Hall during normal business hours. A public notice regarding both the document's availability and the scheduled hearing will be published in the Richmond County Daily Journal.

I would like to extend my sincere thanks to the City Council for their thoughtful input throughout the budget process, and to the city staff, whose dedication and hard work have been instrumental in preparing this Recommended Budget. Their collaboration and professionalism continue to be the cornerstone of our collective success.

It is with gratitude and respect that I, as Budget Officer and City Manager, formally submit this Recommended Budget to the Hamlet City Council on this day, May 12, 2026.

Respectfully Submitted,



T. John Terziu
City Manager

Attachments:
Draft Budget Ordinance
Manager and Staff's Recommended Budget for the 2026-2027 Fiscal Year
FY 2026-2027 Fee Schedule