

**HAMLET CITY COUNCIL BUDGET WORK SESSION
COUNCIL CHAMBERS ROOM
201 MAIN STREET, HAMLET, NC 28345
TUESDAY, FEBRUARY 27, 2024
5:30 PM
MINUTES**

Governing Body Present:

Mayor	Amy Guinn
Council Member	Eddie Martin
Council Member	Oscar Sellers
Council Member	Abbie Covington

Staff Present:

City Manager	Matthew Christian
Finance Director	Edna Miles

Others Present: Mackenzie Webb

1. Call to Order

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

2. Adoption of the Agenda

Council Member Sellers motioned, seconded by Council Member Covington to adopt the agenda. The motion passed unanimously.

3. Work Session

a. FY 24 Review

City Manager Christian gave a brief review of the previous budget including the FY24 requests that were all fulfilled, with the exception of a completion of a storage building at the Public Works Department. He stated that the city invested in its staff, tools, and facilities to get the job done. Investing in staff and paying a fair market rate has strengthened retention and recruitment. Other investments from the previous year include an increase in amenities and building renovations. The city has also sustained and improved the level of services offered.

b. Financial Overview

City Manager Christian gave a financial overview including a snapshot of the current year, an overview of the fund balance, and outlooks on general fund revenue, enterprise fund revenue, grant projects, and the ARP fund. The current year snapshot showed that YTD (year-to-date) general fund revenue is at \$4,123,140 and the general fund expense is at \$4,832,815, leaving at \$709,675 difference. The YTD enterprise fund is at \$2,003,389 with the enterprise fund expenses at \$2,407,781, leaving a \$404,392 difference. However, this is merely a snapshot to use and revisit throughout the rest of the fiscal year. City Manager Christian also made an important note that Richmond County would not be giving the city the ~\$240,000 that had been given in previous years, due to an ongoing lawsuit with International Tie Disposal.

City Manager Christian showed that the biggest source of general fund revenues comes from property taxes (42%). Sales taxes represent approximately 26% and Fire Protection makes up 8% of the general fund revenues. The majority of the enterprise fund comes from water sales (\$1,785,000) with sewer charges being second (\$985,000). Water and sewer rates have not increased in the past 4-5 years, but costs have increased dramatically, and the enterprise fund is operating in a deficit.

There are several grant projects available and ongoing including a Water Plant Rehab project with \$10,364,00, a Wastewater SCIF with \$5,000,000, the ARP Fund with \$2,016,717, the City Lake RTG with \$400,00, the Stormwater AIA with \$400,000, the Main St. Master Plan with \$78,000, the Memorial Park (SCIF) with \$125,000, and the Downtown Streetscape (SCIF) with \$125,000. The desire is to allocate most of these funds by the end of the year.

City Manager Christian discussed the American Rescue Plan Act (ARP) Fund with a total budget of \$2,016,717 with \$545,161 still unallocated. These unallocated funds must be directed by December 31, 2024. His recommendation to the City Council is to immediately fund capital requests and reimburse other eligible general expenditures before June 30, 2024. City Manager Christian also went over where the funds have currently been allocated or spent. These funds included for Phones and software improvements, personnel expenses, a fire truck, bulldozer repairs, city lake trail design, water meter survey, acquisition of Lakeside Venue, and supplies and equipment.

c. FY 25 Goals & Objectives

City Manager Christian discussed the FY25 goals and objectives, including the completion of grant projects continuing staffing efforts through recruitment and retention, improvement of water, sewer, and debris removal services and improvements to the downtown streetscape. Council Member Covington agreed that it would be important in the next year to complete the projects the city has started, including grants, the streetscape project, and improving customer services. She stated that a lot of positives have come out of these efforts, and she would like to see it continue. She expressed that staffing recruitment and retention has put the city's administration in a solid position. Council Member Sellers expresses his desire to see improvements and use of the fairgrounds as it is in a prominent position coming into the city. City Manager Christian agreed stating that the goal of improving the downtown streetscape could be amended to include a range of city facilities and amenities. Council Member Martin expressed that his main goal was the improvement and utilization of Hamlet Memorial Park. Mayor Guinn also agreed that the work on current projects should be continued and completed especially progress surrounding the city lake.

d. FY 25 Department Requests

City Manager Christian went through the FY 25 department requests, noting that overall department heads understand our financial challenges and submitted very conservative budget requests. IT services are a request for all departments due to an increase need for services for an organization of our size. Administration requested office furniture and funding to create a Unified Development Ordinance. The Museum requested an Opera House marquee, park stage, locomotive painting and building maintenance. Building department requested a truck and repairs to the lakeside venue. The Police Department requested 2 SUVs, body cameras, 2 PTE, differential pay and repairs to the shooting range. The Fire Department requested a truck and building maintenance. The Public Works department requested knuckleboom trucks. The Senior Center requested a passenger van, chairs, and a PA system.

The Utilities department requested a truck, a storage building, and water meters. A full accounting of all department requests was provided at the meeting.

e. FY 24 Year-End Projects

City Manager Christian gave a recommendation of what projects should be funded immediately using ARP funds. These included Memorial Field annual turf maintenance, office furniture, Main St. Park stage, locomotive painting, Depot roof renovation, Lakeside venue renovations, police vehicles, police computers, police firing range berm renovation, and a knuckleboom truck, totaling \$554,680. In some cases, SCIF funds may be used to fund select projects. City Council supported the recommendations by consent. The City Manager will present a formal budget amendment on the consent agenda at the upcoming regular meeting.

4. Motion to Adjourn

Council Member Sellers motioned, seconded by Council Member Covington to adjourn at 7:00pm. The motion passed unanimously.

