

**HAMLET CITY COUNCIL
WORK SESSION
COUNCIL CHAMBERS ROOM
201 MAIN STREET, HAMLET, NC 28345
TUESDAY, MARCH 26, 2024
5:30 PM
MINUTES**

Governing Body Present:

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

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

3. Work Session

a. FY25 Draft Budget Update

City Manager Christian provided the City Council with context for several changes to the budget worksheets including a 4% Cost-of-Living (COLA) increase for full-time employees and an 8.2% Health Insurance increase, with estimates currently being negotiated. City Manager Christian also noted that the manager recommendations do not yet include Capital Outlay allocations, service fee increases, or utility rate increases and information regarding workers compensation insurance renewal and property and liability insurance renewal is still pending.

Mayor Pro-Tem McQueen commented that the increases in health insurance cost does not seem sustainable, noting past increases. Finance Director Miles stated that there has been an increase of 2-3% every year for the past 3 years. Mayor Pro-Tem McQueen asked if there were any plans of looking into a new insurance carrier. He noted that insurance is a big draw for potential and retention of current employees. Mayor Pro-Tem McQueen suggested a trying to band together with other cities and join the state insurance policy as some cities have previously done. He also suggested the idea of using a similar model that Wilmington, NC uses, where new employees pay a set amount to the insurance.

City Manager Christian noted that a long-term health insurance expense comes from paying retirees health insurance before they are eligible for Medicare. He stated that the city's insurance broker will shop the market and give the best options to choose from. He stated that we are currently in a large pool that should allow the city to have competitive rates, but insurance costs have increased across the country.

Council Member Covington asked how many people actually fell in the gap between retirement and eligibility for Medicare. Finance Director Miles stated that the city actually also covers their supplement plan once they join Medicare, with the city currently covering approximately 16 retired employees. She noted that most employers stop coverage once the employee reaches Medicare age. Mayor Pro-Tem suggest the council seriously consider making changes and instilling these changes for employees hired after a designated hire date.

b. Wastewater Treatment Plant Update – Adam Kiker, LKC

Adam Kiker with LKC engineering gave a brief presentation to the city council about potential updates to the Wastewater Treatment Plant. The plan for expansion of the Wastewater Treatment Plant has been in the works for several years. Recently, NCDEQ advised staff that the permit for the increased discharge needs additional study.

Kiker discussed the current permit capacity of the facility at 1 million gallons per day, during the CY 2018-CY2020 the average was 831,000 gallons per day. Several monthly average flows exceeded the 1 million daily capacity. Recently, from October 2021-September 2023 the average was 602,000 gallons per day and no months exceeded the 1 million gal/day average. This has been attributed to several factors including drier weather and staff fixes of some known deficiencies. In January 2024, the DEQ lifted the moratorium placed on sewer connections, relieving some urgency for expansion. Kiker explained that the goal for the project is to expand the WWTP capacity to 2 million per day. A critical step in the process would be obtaining a new discharge permit (NPDES), allowing the authority to discharge to surface waters and expand from 1 million to 2 million gal/day. The application for the permit expansion was submitted in April 2022.

Currently where the WWTP discharges into Marks Creek is on the state impaired list for dissolved oxygen. NPDES permit writers gave the city the options of accepting more stringent permit limits, approaching limits of current technology, or model the segment of Marks Creek to demonstrate the stream's ability to accept the increase in discharge volume. Modeling the stream flow could demonstrate the stream can receive less stringent discharge limitations. The stream flow model would be a computational model using standardized EPA software, calibrated based to reflect actual conditions and seasonal changes. The NC DEQ modeling group will review and approve the process and results. Kiker stated the estimated budget for the stream model would be \$77,000.

Council Member Covington asked Kiker what would happen if the model was conducted, and the results showed that the City would not be able to increase their discharge volume. However, Kiker stated that would be highly unlikely, but it could be likely that the limit would be close to the limit of current technology. Kiker stated that if the model showed the increase could not be done, the discharge would have to be moved down stream about 2 miles to get below the segment that is impaired. Alternatively, regionalization with the City of Rockingham is still a potential option. Council Member Covington stated that this was the option she was seriously considering.

Mayor Pro-Tem McQueen asked Mr. Kiker why the discharge had changed over time. He stated that it could have been for a number of complex reasons including additional people connected to the sewer, aging and deteriorating sewer lines, and drainage features and events. Mayor Pro-Tem McQueen also asked if this project could be affected by political changes at the state level. Mr. Kiker answered that the project should not be affected by political changes as all of the data is quantitative. Mayor Pro-Tem McQueen echoed Council Member Covington, asking why this project is being considered when Hamlet was moving toward regionalization. City Manager Christian stated that regionalization is still very much an option to consider, however, it would be more expensive. Funding would be highly affected by budgeting and capital allocation from the state legislature. He stated that if he had to give a recommendation today it would be to spend the time and money to do the model and potentially make a generational investment in improving the WWTP in the long run.

Mayor Pro-Tem McQueen asked that if the city was only going to be handling residential wastewater, without industry increases, is it cost-effective to pursue any improvements over choosing the do-nothing alternative. Mr. Kiker stated that if nothing is done, in the next 5-10 years there will be noticeable expenses needed at the plant, whereas the current plan for expansion covers the replacement of several structures in disrepair at the plant. City Manager Christian stated that as long as planning and research continues, the council can make a more informed decision about the WWTP in the future, but he urged the council that we need to leave the plant in a better condition than we found it for our successors.

c. Hamlet Fire & Rescue Discussion – Trey Goodwin, Fire Chief (53 min)

Hamlet EMS currently have 3 paramedics; however, one is leaving the organization, and another is eligible to retire soon. FirstHealth is paying paramedics significantly more than the City, therefore, the pay gap presents a significant challenge in recruiting and restaffing the Rescue squad. These staffing issues have highlighted the significant cost of providing the current level of service to the City and County residents.

Fire Chief Trey Goodwin was present to discuss the issue with the City Council and answer their questions. He stated that the pay difference posed a significant issue in staffing the Fire Department and the Rescue Squad. In his three years as Chief, he has had 6 people leave for higher pay at another organization. He stated that the starting salary for a new paramedic would be around \$38,000. City Manager Christian stated that the average salary for a Hamlet EMS paramedic was in the \$40,000 - \$50,000 range. To put the pay difference into context, Chief Goodwin stated that starting paramedic salary at FirstHealth is around \$70,000, Moore County EMS is about \$75,000-\$80,000, Scotland County EMS is around \$56,000.

Council Member Covington asked if there was any other agency in Richmond County that was functioning in any kind of rescue capacity, other than Hamlet. Chief Goodwin stated that Ellerbe, Hoffman, Rockingham, and Cordova all have squads, but they do not do transportation as they are at a basic level. Therefore, Hamlet EMS responds and transports when FirstHealth is not available within and outside of Hamlet in Richmond County.

The contract with the Hamlet Rescue Squad is currently up for renewal. However, these significant costs that would come with hiring new paramedics and continuing the Hamlet EMS at its current level of

service would require the county or the rescue squad to increase their funding as well as establishing fees for services.

The Council discussed their options moving forward, including Council Member Covington's suggestion of moving Hamlet EMS to a basic level and only offer services within the city limits or hand over Hamlet EMS to FirstHealth. Despite her desire to not lose the Hamlet EMS, the cost is not sustainable at the current level of reimbursement. Mayor Guinn expressed that no longer having Hamlet EMS at their current level of service is a major concern as it could result in longer response times for Hamlet residents.

Council Member Martin stated that it was time for the City to issue an ultimatum to the Richmond County, to increase the reimbursement to Hamlet EMS. The Council decided to have City Manager Christian call for a meeting with Richmond County Government leadership to issue the ultimatum that the County increase reimbursement or the City will pull its services to within the Hamlet City limits within 60 days. Providing EMS service is a county-level responsibility, not a city-mandated responsibility. Mayor Guinn asked how many calls Hamlet EMS responds to in a year and roughly how many of those calls are outside of Hamlet. Chief Goodwin approximated 3,000 EMS calls per year with about half of those being outside of the city limits. Hamlet Fire and Rescue has the largest response area in the county. City Manager Christian was charged with drafting a letter to send to County leadership, to be reviewed at the following City Council meeting on April 9th.

4. Closed Session per NCGS § 143-318.11 (a)(3)(6) for attorney-client privilege and personnel.

Council Member Sellers motioned, seconded by Mayor Pro-Tem McQueen to go into closed session for attorney-client privilege and personnel. The motion passed unanimously.

5. Motion to Adjourn

Council Member Sellers motioned, seconded by Mayor Pro-Tem McQueen to adjourn. The motion passed unanimously at 7:20pm.

