

**FAYETTEVILLE CITY COUNCIL
SPECIAL MEETING MINUTES
COUNCIL CHAMBER AND ZOOM MEETING
JUNE 29, 2020
5:00 P.M.**

Present: Mayor Mitch Colvin

Council Members Katherine K. Jensen (District 1); Shakeyla Ingram (District 2); Tisha S. Waddell (District 3); D. J. Haire (District 4); Johnny Dawkins (District 5); Chris Davis (District 6); Larry O. Wright, Sr. (District 7); Courtney Banks-McLaughlin (District 8); Yvonne Kinston (District 9)

Others Present: Douglas Hewett, City Manager
Karen McDonald, City Attorney
Telly Whitfield, Assistant City Manager
Angel Wright-Lanier, Assistant City Manager
Gina Hawkins, Police Chief
Jay Toland, Chief Financial Officer
Tracey Broyles, Budget and Evaluation Director
Gerald Newton, Development Services Director
Sheila Thomas-Ambat, Public Services Director
Michael Whyte, Police Attorney
Chris Cauley, Economic and Community Development
Assistant Director
Pamela Megill, City Clerk
Jennifer Ayre, Deputy City Clerk
Scott Flowers, Attorney
Members of the Press

1.0 CALL TO ORDER - RECONVENE JUNE 22, 2020, REGULAR MEETING

Mayor Colvin called the meeting to order.

2.0 CLOSED SESSION

MOTION: Council Member Haire moved to go into a closed session for consultation with the City Attorney for an attorney-client privileged matter.

SECOND: Council Member Wright

VOTE: UNANIMOUS (10-0)

The regular session recessed at 5:02 p.m. The regular session reconvened at 7:26 p.m.

MOTION: Council Member Wright moved to go into open session.

SECOND: Council Member Haire

VOTE: UNANIMOUS (10-0)

3.01 Discussion and authorize the Mayor to execute the City/Public Works Commission Interlocal Agreement for the additional \$8.3 million transfer from PWC to the City for COVID-19 General Fund Revenue Losses.

Previously Item 8.01 on June 22, 2020, regular meeting agenda.

Dr. Telly Whitfield, Assistant City Manager, presented this item and stated PWC unanimously approved the interlocal agreement at their meeting on June 24, 2020. The Commissioners also approved waivers for the \$14.35 million of federal COVID-related funding the City has received over the past several months, thus accepting the City's rationale that these funds should not be considered as credits against the cash contribution request in the interlocal agreement.

City staff estimated revenue losses for the General Fund and Parking Fund over fiscal years 2020 and 2021 to approach \$9.1 million due to the COVID-19 Pandemic. The revenue losses for these two fiscal years were projected to be offset by a \$3.8 million reduction in

General Fund support for the Transit Fund due to CARES Act funding received by the Transit fund. The Revised FY 2020-2021 General Fund Budget has been balanced based on our ability to leverage federal resources from the Transit CARES Act; General Fund fund balance use of \$10.13 million for non-recurring expenditures or revenue impacts; \$2.1 million revenue generated from proposed Solid Waste fee increases of \$35.00 per service unit over the year; and through the use of an emergency cash contribution from Fayetteville PWC (\$2 million in FY 20 and \$2 million in FY 21). Staff did not include, nor recommend, use of the option of the \$4.325 million advance from the fiscal year 2022 PILOT funding. PWC has revised earlier anticipated contributions of \$2 million each in fiscal years 2020 and 2021 to be \$1 million in fiscal year 2020 and \$3 million in fiscal year 2021. This change can be accommodated through a slight revision to the proposed budget ordinance and not impact our ability to fund planned items through use of fund balance and maintain a fund balance over the 12 percent Council goal.

City staff is concerned that, based on the language as written in Section 3 of the proposed agreement, much of the federal CARES act funds received by the Airport, Police, Economic and Community Development, and Transit funds as well as any future FEMA and County CARES act reimbursements allocated for FY 2022 and beyond may be determined by PWC to be "Relief Funds" and would offset the entire \$4 million payments and create a shortfall in the budget. The Revised Budget as currently proposed for this evening's adoption, would have a structural deficit if the \$4 million transfer from PWC is not included. Additional over FY 20 and FY 21, available fund balance will be reduced to 9.92 percent.

Discussion ensued.

MOTION: Council Member Davis moved to authorize the Mayor to execute the proposed interlocal agreement as currently written, with the understanding of potential reductions from the anticipated \$4 million transfer based upon clarification of "relief funds" per the agreement.

SECOND: Council Member Wright

VOTE: PASSED by a vote of 9 in favor to 1 in opposition (Council Member Waddell)

3.02 Adoption of the Fiscal Year 2020-2021 Budget Ordinance and Fee Schedule, the Fiscal Year 2020-2021 Strategic Plan, the Fiscal Years 2021-2025 Capital and Technology Improvement Plans, Capital Project Ordinances 2021-1 through 2021-13, Capital Project Ordinance Amendments 2021-1 through 2021-25, and Special Revenue Fund Project Ordinance Amendment 2021-1

Previously Item 8.02 on June 22, 2020, regular meeting agenda.

Mr. Douglas Hewett, City Manager, presented this item with the aid of a PowerPoint presentation and stated Council is asked to consider adoption of the Fiscal Year 2020-2021 Budget Ordinance and Fee Schedule which incorporates changes from the recommended budget as based upon consensus direction provided by Council at the June 8, 2020, regular meeting and through e-mail during the week of June 8, 2020. In addition to setting the ad valorem tax rate at 49.95 cents, the Central Business Tax District rate at 10 cents and the Lake Valley Drive Municipal Service District ad valorem tax rate at 17.5 cents, the ordinance also levies the stormwater fee at \$6.00 per month and the residential solid waste fee at \$225.00 per year, and adopts the fee schedule presented.

Council is also asked to approve the Fiscal Year 2020-2021 Strategic Plan and the Fiscal Year 2021-2025 Capital and Technology Improvement Plans (CIP and TIP), and to adopt related capital project ordinances, capital project ordinance amendments and special revenue fund ordinance amendments to establish project budgets as planned.

Discussion ensued.

MOTION: Council Member Dawkins moved to move to adopt the proposed Fiscal Year 2020-2021 Budget Ordinance and Fee Schedule, the Fiscal Year 2020-2021 Strategic Plan, the Fiscal Years 2021-2025 Capital and Technology Improvement Plans, Capital Project Ordinances 2021-1 through 2021-13, Capital Project Ordinance Amendments 2021-1 through 2021-25, and Special Revenue Fund Project Ordinance Amendment 2021-1 as presented.

SECOND: Council Member Wright

VOTE: PASSED by a vote of 9 in favor to 1 in opposition (Council Member Waddell)

4.0 ADJOURNMENT

There being no further business, the meeting adjourned at 8:08 p.m.