

**FAYETTEVILLE CITY COUNCIL
SPECIAL MEETING MINUTES
LAFAYETTE ROOM
APRIL 12, 2011
5:00 P.M.**

Present: Council Members Keith Bates, Sr. (District 1); Bobby Hurst (District 5);
Valencia A. Applewhite (District 7);

Theodore W. Mohn (District 8)

Absent: Council Members Anthony G. Chavonne (Mayor); Kady-Ann Davy (District
2); Robert A. Massey, Jr. (District 3);

Darrell J. Haire (District 4); William J. L. Crisp (District 6); James W. Arp, Jr.
(District 9)

Others Present:

Dale E. Iman, City Manager

Doug Hewett, Assistant City Manager

Kristoff Bauer, Assistant City Manager

Karen M. McDonald, City Attorney

Lisa Smith, Chief Financial Officer

Tracey Broyles, Budget and Evaluation Manager

Randy Hume, Transit Director

Members of the Press

Mr. Dale Iman, City Manager, opened the meeting and stated the North Carolina League of Municipalities had provided FY 2011-2012 municipal state-collected revenue estimates for guidance to municipalities in preparing the budget.

Ms. Lisa Smith, Chief Financial Officer, provided an overview of the City's FY 2011-2012 General Fund budget to include key revenue assumptions, recommended fee changes, operating efficiency improvements, service enhancements, and expenditure updates as follows:

Updated Revenue Assumptions

- Property Taxes
 - As of March 22:
 - Real and personal property – 1.22% growth
 - Motor vehicles – 7% growth projected for the remaining months of FY 2011 and first half of FY 2012, normal growth of 3% thereafter
 - As of April 12:
 - Real and personal property – 1.75% growth
 - Motor vehicles – 8% growth projected for the remaining months of FY 2011 and first half of FY 2012, normal growth of 3% thereafter
- Sales Taxes
 - Per capita distributions projected to decline 2.1% for Cumberland County due to Census
 - City's share of Cumberland County distribution decreased from 36.93% to 36.28%
 - Growth in FY 2012 statewide and local sales
 - As of March 22 – assumed 3%
 - As of April 12 – assumed 3.5%
- Powell Bill Revenue
 - As of March 22:
 - Projected \$1,490.00 per mile and \$18.99 per capita
 - Received an additional \$208,000 for FY 11
 - As of April 12:
 - Projected \$1,532.00 per mile and \$19.70 per capita
- Beer and Wine Revenue
 - As of March 22:
 - Projected \$4.45 per capita

- As of April 12:
 - Projected \$4.21 per capita

Preliminary Revenue Changes		
	March 22 Increase/(Decrease)*	April 12 Increase/(Decrease)*
Property Tax	\$1,113,000.00	\$1,444,000.00
Sales Tax	1,504,000.00	1,877,000.00
Beer and Wine	(15,000.00)	(64,000.00)
Powell Bill	68,000.00	248,000.00
Census Impact	(923,000.00)	(1,056,000.00)
SAFER Grant (Firefighters)	(224,000.00)	(224,000.00)
PWC Transfer	(108,000.00)	(170,000.00)
Total of Above	\$1,415,000.00	\$2,055,000.00

Recommended Fee Changes

- Engineering and Infrastructure - \$3,500.00
 - Degradation fee increase
 - Street closing and right-of-way withdrawal fees
 - Temporary truck route permit fee
- Environmental Services - \$78,000.00
 - New pickup fees for construction debris, set outs, and excess bulky pickups
- Fire - \$21,000.00
 - Training tower use fees
- Parks and Recreation - \$20,000.00
 - Veterans Park Rental Fees
- Development Services - \$169,000.00
 - Fees for new Unified Development Ordinance processes
 - Cell tower special use permits
 - PROP program fees
 - Contractor privilege license fees
 - Change to square feet fees for electrical, mechanical, plumbing and insulation permits
 - Building permit construction value and fee changes

Operating Efficiency Improvements

- Police – Overtime savings of \$501,000.00 (including benefits) over FY 2011 original budget, primarily due to shift changes
- Environmental Services - \$503,000.00 annualized benefit resulting from:
 - New fees
 - Transitioning four routes to side arm collectors
 - Route consolidations
 - Supervisory restructuring
 - Cart maintenance staff consolidation
 - Reduced construction debris landfill fees

Service Enhancements

- PROP program - \$132,000.00
- Veteran’s Park - \$145,000.00
- Transit enhancements - \$262,000.00
 - Route 9 extension
 - Evening service on routes 18 and 15
 - Upgrade 5 intermittent bus operator positions to full-time
- Information technology enhancement – MDC replacements
- Police

- Additional in-car cameras
- Upgrade a part-time forensic video specialist to full-time

Other Expenditure Updates

- Sales tax reimbursements – FY 2012 projected to be \$797,000.00 less than FY 2011 original budget
- Nonprofits – funded at original FY 2011 budget levels
- Street resurfacing – recommendation for FY 2012 reduced by \$350,000.00 compared to recommended FY 2012 CIP
- Vehicle replacements

Use of Fund Balance for Capital Improvements

- Use \$2.46 million from undesignated fund balance in FY 2012:
 - \$1.19 million for municipal agreements – transportation projects
 - \$607,000.00 for building maintenance – roof repairs, HVAC replacements, and other projects
 - \$200,000.00 for street resurfacing, including Fort Bragg rehabilitation
 - \$265,000.00 for facility space and needs analysis
 - \$150,000.00 for Ramsey Street project
 - \$50,000.00 to secure Texfi site

Discussion ensued regarding the budget presentation with Mr. Iman and Ms. Smith responding to questions from Council.

There being no further business, the meeting adjourned at 6:15 p.m.