

**FAYETTEVILLE CITY COUNCIL
BUDGET WORK SESSION MINUTES
LAFAYETTE ROOM
MAY 8, 2013
5:00 P.M.**

Present: Mayor Anthony G. Chavonne

Council Members Keith Bates, Sr. (District 1); Kady-Ann Davy (District 2); Robert A. Massey (District 3) (arrived at 5:10 p.m.); Darrell J. Haire (District 4); Bobby Hurst (District 5); Valencia A. Applewhite (District 7) (arrived at 5:20 p.m.); Wade Fowler (District 8); James W. Arp, Jr. (District 9)

Absent: Council Member William J.L. Crisp (District 6)

Others Present:

Theodore L. Voorhees, City Manager
Kristoff Bauer, Deputy City Manager
Rochelle Small-Toney, Deputy City Manager
Dele Smith, Assistant City Manager
Karen McDonald, City Attorney
Harold Medlock, Police Chief
Lisa Smith, Chief Financial Officer
Tracey Broyles, Budget Manager
Victor Sharpe, Community Development Director
Tracie Davis, Corporate Communications Director
Dwight Miller, PWC Chief Financial Officer
Pamela Megill, City Clerk
Members of the Press

1.0 CALL TO ORDER

Mayor Chavonne called the meeting to order.

2.0 INVOCATION

The invocation was offered by Council Member Haire.

3.0 APPROVAL OF AGENDA

MOTION: Mayor Chavonne moved to approve the agenda.

SECOND: Council Member Hurst

VOTE: UNANIMOUS (7-0)

4.0 BUDGET ITEMS OF BUSINESS

4.1 Introduction and Budget Overview

Mr. Theodore Voorhees, City Manager, provided Council with a handout and accompanying power point presentation. He stated the current proposed budget would have no tax increase and would maintain a fund balance of at least 12 percent which would ensure structural balance. He further stated the proposed budget would maintain the current tax rate of 45.6 cents per \$100.00 and a MSD tax of 10 cents per \$100.00. He advised the proposed budget would reduce the burden on the General Fund from stormwater and solid waste enterprise funds, accommodate Police Department realignment, establish a revolving revitalization fund, and fund the CIP/ITP plan. He concluded his presentation by stating the next budget workshops would be held on May 15, 22, and 29 and June 3, 2013, if required. He stated the anticipated budget adoption date was June 10, 2013.

A discussion period ensued.

4.2 Presentation of Electric, Water, Wastewater, and Fleet Maintenance Internal Service Fund Budgets.

Mr. Steven Blanchard, PWC CEO/General Manager, presented this item with the aid of a power point presentation and stated the recommended FY 2013-14 budget included \$242,194,800 for the Electric Fund, \$103,757,400 for the Water/Wastewater Fund, and \$7,891,000 for the FMISF, for a total budget of \$353,843,200. He provided an overview on the utility extension in the Phase V Annexation areas, the fleet maintenance services, the payment on behalf of Fort Bragg

for the water service contract, the electric franchise tax (gross receipts tax) resulting from a new power supply contract, the purchasing services, the Black and Decker Agreement, and prior annexation debt service, and estimated fiber services.

A discussion period ensued.

4.3 New Initiative Requests and Funding

Mr. Theodore Voorhees, City Manager, stated during the April 10, 2013, Budget Workshop, the Senior Management Team presented departmental overviews and new initiative requests. He stated the Senior Management Team was asked to rank all 54 new initiatives and 22 were recommended for implementation.

A discussion period ensued.

5.0 ADJOURNMENT

There being no further business, the meeting adjourned at 7:15 p.m.