

**FAYETTEVILLE CITY COUNCIL
BUDGET WORK SESSION MINUTES
LAFAYETTE ROOM
MAY 13, 2015
5:00 P.M.**

Present: Mayor Nat Robertson

Council Members Kady-Ann Davy (District 2); Chalmers McDougald (District 4); Robert T. Hurst, Jr. (District 5); William J. L. Crisp (District 6); Larry O. Wright, Sr. (District 7) (departed at 7:30 p.m.); Theodore Mohn (District 8); James W. Arp (District 9) (departed at 6:15 p.m.)

Absent: Council Members Kathy Jensen (District 1); H. Mitchell Colvin, Jr. (District 3)

Others Present:

Theodore Voorhees, City Manager
Kristoff Bauer, Deputy City Manager
Rochelle Small-Toney, Deputy City Manager
Jay Reinstein, Assistant City Manager
Karen McDonald, City Attorney
Lisa Smith, Chief Financial Officer
Tracey Broyles, Budget and Evaluation Director
Kevin Arata, Corporate Communications Director
Dwayne Campbell, Chief Information Officer
Barbara Hill, Human Resource Development Director
Jacques Howard, Economic Development Director
Victor Sharpe, Community Development Director
Elizabeth Somerindyke, Internal Audit Director
Mark Brown, PWC Customer Relations Officer
Pamela Megill, City Clerk
Members of the Press

1.0 CALL TO ORDER

Mayor Robertson called the meeting to order.

2.0 INVOCATION

The invocation was offered by Council Member Wright.

3.0 PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the American Flag was led by Mayor Robertson and City Council.

4.0 APPROVAL OF AGENDA

MOTION: Council Member Arp moved to approve the agenda and move Item 6.0, closed session, to the beginning of the agenda.

SECOND: Council Member Wright

VOTE: UNANIMOUS (8-0)

5.0 CLOSED SESSION

MOTION: Council Member Arp moved to go into closed session for discussion of litigation in the matter of *Estate of Nijza L. Hagans v. Aaron Hunt and City of Fayetteville*.

SECOND: Council Member Mohn

VOTE: UNANIMOUS (8-0)

The regular session recessed at 5:05 p.m. The regular session reconvened at 6:05 p.m.

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

SECOND: Council Member Crisp

VOTE: UNANIMOUS (10-0)

6.0 OTHER ITEMS OF BUSINESS

MOTION: Council Member Hurst moved to excuse Council Member Arp from the meeting.

SECOND: Council Member Crisp

VOTE: UNANIMOUS

6.1 General Fund Revenue Overview

Ms. Tracey Broyles, Budget and Evaluation Director, presented this item with a PowerPoint presentation and provided a review of the General Fund Revenues. Ms. Broyles stated the general tax rate is recommended to remain at 48.6 cents per \$100.00 value. The current year tax collections are for FY 2015 taxes and expected to be \$67.3 million or 1.2 percent about \$66.5 million budget. Prior year taxes and penalties are projected to decline 35.6 percent in FY 2016 due to improved collections under the Tax and Tag Together program. Sales tax projections are influenced by locally derived sales tax revenue through January 2015 and NCLM guidance for state-wide guidance for state-wide projections. FY 2015 revenues are expected to be \$37.5 million, or 5.8 percent above original budget of \$35.4 million. FY 2016 revenues are projected to be \$39.0 million, based on a 4.0 percent economic growth over the FY 2015 estimate. Ms. Broyles provided an overview of the Utility Tax distributions and stated FY 2015 reflects the conversion to state-wide sales tax on electricity and natural gas sales in July 2014, overall distributions of taxes on all utilities are projected to be \$12.8 million, or 15.0 percent above the FY 2015 original budget of \$11.2 million. Ms. Broyles reviewed the functional revenues, inter-fund transfers, capital lease proceeds, and fund balance appropriation.

6.2 Other Fund Revenue Highlights

Ms. Tracey Broyles, Budget and Evaluation Director, presented this item and stated the Municipal Service Districts, Property Tax Rates, is to propose the Central Business District remain unchanged at 10.0 cents per \$100.00 value. The Stormwater utility fee is currently \$3.50 per month and this budget proposes to increase that fee to \$3.75, which will produce an additional \$493,000.00 per year. The Environmental Services Fund has a proposed \$4.00 annual increase and the monthly fee equates to \$3.67. The Transit Fund has a proposed increase in the fee schedule and there has been a recent request from the Court system to expand the reduced fares to include the Veterans Court and other County court programs. Ms. Broyles stated options of how to address this request will be brought back to Council.

6.3 Support Services and Administration Portfolio Department Overviews

Budget and Evaluation

Ms. Tracey Broyles, Budget and Evaluation Director, presented this item and stated the budget is \$437,163.00. Full-time employees equal 5.1. A review of the department highlights was provided.

City Attorney's Office

Ms. Karen McDonald, City Attorney, presented this item and stated the budget is \$1,540,731.00. Full-time employees equal nine. A review of the department highlights was provided.

City Manager's Office

Mr. Jay Reinstein, Assistant City Manager, presented this item and stated the budget is \$2,044,097.00. Full-time employees equal 17.9. A review of the department highlights was provided.

Corporate Communications

Mr. Kevin Arata, Corporate Communications Director, presented this item and stated the budget is \$746,701.00. Full-time employees equal 9.5. A review of the department highlights was provided.

Finance

Ms. Lisa Smith, Chief Financial Officer, presented this item and stated the budget is \$5,935,299.00. Full-time employees equal 20.0. A review of the department highlights was provided.

Human Resource Development

Ms. Barbara Hill, Human Resource Development Director, presented this item and stated the budget is \$17,362,928.00. Full-time employees equal 19. A review of the department highlights was provided.

Information Technology

Mr. Dwayne Campbell, Chief Information Officer, presented this item and stated the proposed budget is \$5,548,994.00. Full-time employees equal 27. A review of the department highlights was provided.

Mayor, Council and Clerk

Ms. Pamela Megill, City Clerk, presented this item and stated the proposed budget is \$1,154,676. Full-time employees equal three. A review of the department highlights was provided.

6.4 Identify topics of Council interest for the work sessions on May 20 and May 27

Mr. Theodore Voorhees, City Manager, presented this item and asked for all budget inquiries to be sent to Ms. Broyles, and announced at the May 20, 2015, budget work session meeting the Operations and Community Investment portfolio department overviews will be presented. On May 26, 2015, the budget public hearing will be held. On May 27, 2015, any further budget related topics will be discussed, with a plan to adopt the budget on June 8, 2015.

7.0 ADJOURNMENT

There being no further business, the meeting adjourned at 8:10 p.m.