

**FAYETTEVILLE CITY COUNCIL
BUDGET WORK SESSION MINUTES
COUNCIL CHAMBER, CITY HALL
MAY 20, 2024
2:00 P.M.**

Present: Council Members Malik Davis (District 2); Mario Benavente (District 3); D. J. Haire (District 4); Lynne Greene (District 5); Derrick Thompson (District 6); Brenda McNair (District 7) Deno Hondros (District 9)

Absent: Mayor Mitch Colvin; Council Members Katherine K. Jensen (District 1); Courtney Banks-McLaughlin (District 8)

Others Present: Douglas Hewett, City Manager
Lachelle Pulliam, City Attorney
Adam Lindsay, Assistant City Manger
Jeffrey Yates, Assistant City Manager
Jodi Phelps, Assistant City Manager
Kimberle Braden, Police Chief
Kevin Dove, Fire Chief
Loren Bymer, Marketing & Communications Director
Jerry Clipp, Human Resource Development Director
Rob Stone, Construction Management Director
Sheila Thomas-Ambat, Public Services Director
Chris Cauley, Economic and Community Development Director
Tyffany Neal, Transit Director
Willie Johnson, Interim Chief Information Officer
Jody Picarella, Chief Financial Officer
Michael Gibson, Parks, Recreation and Maintenance Director
Lisa Reid, EMS Manager
Byron Reeves, Assistant Public Services Director
Pamela Megill, City Clerk
Members of the Press

1.0 CALL TO ORDER

Council Member Haire called the meeting to order at 2:04 p.m.

2.0 INVOCATION

The invocation was offered by Council Member McNair.

3. ITEMS OF BUSINESS

Review of Open Questions

Mr. Jeffrey Yates, Assistant City Manager, provided an overview of the questions Council members asked during the small group meetings from May 9 and 10, 2024. Questions pertained to the following: Salaries of the executive level staff, Rosehill Road sidewalk, Johnson Street and Helen Street in the Bonnie Doone area, Country Club sidewalk, Stacey Weaver sidewalk, and the resurfacing of Mazarick Park.

Review of the Parking Lot

Mr. Jeffrey Yates, Assistant City Manager, provided an overview of the parking lot items: \$500,000.00 to maintain right-of-way maintenance and litter pick-up crews, \$50,000.00 additional funding for neighborhood signage, \$1,500,000.00 additional funding for the Office of Community Safety, and \$250,000.00 additional funding for water and sewer extensions. Every \$.01 increase in the ad valorem tax rate is anticipated to yield \$1,544,000.00.

Review of General Fund Departmental Budgets

Mr. Jeffrey Yates, Assistant City Manager, provided a spreadsheet that showed the General Fund Departments and their respective expenditures.

Revaluation Sensitivity

Mr. Jeffrey Yates, Assistant City Manager, provided a spreadsheet of Revaluation Sensitivity with the FY 2026 Projected Ad Valorem Sensitivity. The estimated sales tax loss from the change per capita methodology is projected to be \$8.2 million in FY 26.

Review of Sales Tax Impact

Mr. Jeffrey Yates, Assistant City Manager, provided a spreadsheet showing the sales tax impact for Fayetteville, and all the other Cumberland County towns this will affect: Eastover, Falcon, Godwin, Hope Mills, Linden, Spring Lake, Stedman, and Wade; this included the Annexation Payments. The second spreadsheet showed the County Sales Tax Payment base on Agreement.

CIP/TIP Highlights

Mr. Jeffrey Yates, Assistant City Manager, provided a spreadsheet on the CIP/TIP five-year plan and stated staff is focused on completing existing projects, investing in infrastructure, and completing referendum bond projects.

Review of Municipal Service District Budget

Mr. Jeffrey Yates, Assistant City Manager, provided a spreadsheet on the Central Business Tax District, sources, and uses. The recommended tax rate for the central business district is \$.2110. In FY 2024, 10 of the 51 MSD had rates higher than \$.2110, the median rate is \$.1050, minimum is \$.00 and maximum is \$.27.

Additional Questions and Additional Parking Lot Items

Council Member Haire asked all Council members to have any additional budget questions or parking lot items in to staff no later than May 23, 2024.

4.0 ADJOURNMENT

There being no further business, the meeting adjourned at 3:18 p.m.

Respectfully submitted,

PAMELA J. MEGILL
City Clerk
052024

MITCH COLVIN
Mayor