

**FAYETTEVILLE CITY COUNCIL
BUDGET WORK SESSION MINUTES**

MAY 20, 2009

5:00 P.M.

LAFAYETTE ROOM

Present: Mayor Anthony G. Chavonne

Council Members Charles E. Evans (District 2); Robert A. Massey, Jr. (District 3)(arrived 5:05 p.m.); Darrell J. Haire (District 4); Bobby Hurst (District 5); William J. L. Crisp (District 6); Valencia A. Applewhite (District 7); Theodore W. Mohn (District 8); Wesley A. Meredith (District 9)

Absent: Council Member Keith A. Bates, Sr. (District 1)

Others Present: Dale E. Iman, City Manager

Jeffrey Powell, Assistant City Manager

Doug Hewett, Assistant City Manager

Karen M. McDonald, City Attorney

Lisa Smith, Chief Financial Officer

Tracey Broyles, Budget and Evaluation Manager

Tom Bergamine, Fayetteville Police Chief

Fayetteville Police Department Staff

B. E. (Benny) Nichols, Fire/Emergency Management Chief

Ben Major, Fire/Emergency Management Assistant Chief

Christina Morey, Fire/Emergency Management Assistant Chief

Mike Hill, Battalion Commander

Rob Anderson, Chief Development Officer

Craig Hampton, Special Project Manager

Terrie Hutaff, Human Resource Development Director

Erica Hoggard, Human Resource Development Assistant Director

Jackie Tuckey, Communications Manager/Public Information Officer

Candice H. White, City Clerk

Press

Mayor Chavonne called the meeting to order at 5:00 p.m. and advised that the purpose of the meeting was for further discussion of the Fiscal Year 2009-2010 budget. Mayor Chavonne further advised that staff had requested a closed session to discuss property acquisition.

MOTION: Council Member Meredith moved to approve the agenda to include a closed session to discuss property acquisition.

SECOND: Council Member Hurst

VOTE: UNANIMOUS (8-0)

Terrie Hutaff, Human Resource Development (HRD) Director, advised her presentation would provide for City Council an analysis of employee compensation for Fiscal Year 2009-2010. Mrs. Hutaff reviewed the pay history for the City of Fayetteville, the implementation of Pay for Performance, goals of the City's pay plan and the City's total compensation plan. Mrs. Hutaff then reviewed a 2009-2010 compensation survey and market comparisons, current gaps in pay, and pay recommendations for the City, which included maintaining pay ranges to meet market salaries, continuing implementation of pay increases to get all police officers on the appropriate step and implementation of Pay for Performance at a level needed to reach market competitive salaries. Mrs. Hutaff concluded her presentation with an overview of the status of the City's healthcare and healthcare recommendations.

Mrs. Hutaff responded to questions and a brief discussion followed regarding the City's longevity pay, measures taken to mitigate the rising costs of healthcare, and locations used in the market comparisons.

Lisa Smith, Chief Financial Officer, explained vacant positions were budgeted at 100% and compensated for on the revenue side with a fund balance appropriation. Mrs. Smith responded to questions related to personnel/payroll dollars versus operational expenses, and

vacant positions versus frozen unfunded positions.

Dale E. Iman, City Manager, provided a brief overview of the Fiscal Year 2009-2010 budget for the Fayetteville Police Department, to include a breakdown of fifty-two positions to be funded and proposed grants and general fund support for the fifty-two positions. Mr. Iman then provided a brief overview of the Fiscal Year 2009-2010 budget for Fire and Emergency Management, to include twenty-four firefighter positions and grants and general funds to support the twenty-four positions. Mr. Iman reviewed the total projected expenditures for the Fayetteville Police Department and Fire and Emergency Management, to include the impact to the Fiscal Year 2009-2010 general fund. Mr. Iman then outlined future budget challenges and projected gaps in the general fund.

B. E. (Benny) Nichols, Fire/Emergency Management Chief, provided an overview of the 2008 Insurance Service Office (ISO) Public Protection Classification survey and explained the survey analyzed structural fire suppressions services used for underwriting and calculating insurance premiums for commercial properties. Chief Nichols compared City and Fayetteville Fire Department growth rates, grading criteria used in the analysis, and the rating score and divergence factors used to determine inconsistencies between fire protection capabilities of the available water supply and the fire protection capabilities of the fire department. Chief Nichols explained the fire department's overall ISO rating or community classification of Class 2 indicated the fire department's growth rate was consistent with the growth of the City and the department had appropriately requested resources.

Chief Nichols responded to questions and briefly outlined the Fayetteville Fire Department's proposed Fiscal Year 2009-2010 budget with regard to Staffing for Adequate Fire and Emergency Response (SAFER) grant revenues and positions funded by the same.

Tom Bergamine, Fayetteville Police Chief, reviewed the Fayetteville Police Department's staffing plan to include the hiring of twenty-four sworn officers, Basic Law Enforcement Training (BLET) Academy schedules and projected class sizes based on known hires and current recruiting efforts, and projected police officer departures and turnovers in 2010. Chief Bergamine then provided a brief overview of current strategies for recruiting, explained changes to Police Department operations and staffing, and spoke to plans for the development of investigative teams. Chief Bergamine responded to questions regarding vehicle replacements as included in the Fiscal Year 2009-2010 budget and status of the COP program.

Mr. Iman further explained grant revenues and expenditures for the twenty-four vacant positions relative to general funding provided by the recommended tax rate of 47.5 cents versus the revenue neutral tax rate of 45.1 cents. Discussion ensued regarding budgeting for the vacant positions and projections for hiring. Chief Bergamine responded to additional questions regarding police recruitment and retention, succession planning, and turnover.

Mayor Chavonne inquired regarding salaries for the Fayetteville Police Department and the Cumberland County Sheriff's Department and advantages offered by the Fayetteville Police Department's pay plan.

Chief Nichols noted the Fayetteville Fire Department's compensation plan was still about 11% behind market value in salaries, the department's Career Development Plan had not received an increase since it was implemented in 1999, the department had no step plan, and there was no incentive associated with the department's college degree program.

MOTION: Council Member Meredith moved to go into closed session to discuss property acquisition.

SECOND: Council Member Mohn

VOTE: UNANIMOUS (9-0)

The regular session recessed at 7:30 p.m.

MOTION: Council Member Meredith moved to reconvene in open session.

SECOND: Council Member Mohn

VOTE: UNANIMOUS (9-0)

The regular session reconvened at 7:54 p.m.

There being no further business, the meeting adjourned at 7:55 p.m.