

**FAYETTEVILLE CITY COUNCIL
BUDGET WORK SESSION MINUTES
LAFAYETTE ROOM
MAY 18, 2016
5:00 P.M.**

Present: Mayor Nat Robertson

Council Members Kathy Jensen (District 1); Kirk deViere (District 2); Mitchell Colvin, Jr. (District 3); Chalmers McDougald (District 4) (departed at 6:31 p.m.); Robert T. Hurst, Jr. (District 5); William J. L. Crisp (District 6); Larry O. Wright, Sr. (District 7) (departed at 6:38 p.m.); Theodore Mohn (District 8) (departed at 6:32 p.m.); James W. Arp (District 9)

Others Present: Douglas Hewett, Interim City Manager
Karen McDonald, City Attorney
Kristoff Bauer, Deputy City Manager
Rochelle Small-Toney, Deputy City Manager
Jay Reinstein, Assistant City Manager
Cheryl Spivey, Chief Financial Officer
Tracey Broyles, Budget and Evaluation Director
Kevin Arata, Corporate Communications Director
Dwayne Campbell, Chief Information Officer
Rob Stone, Engineering and Infrastructure Director
Scott Shuford, Planning and Code Enforcement Director
Jim Palenick, Economic and Business Development Director
Anthony Wade, Human Relations Director
Victor Sharpe, Community Development Director
Elizabeth Somerindyke, Internal Audit Director
Brad Whited, Airport 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: Mayor Pro Tem Colvin moved to approve the agenda.

SECOND: Council Member Wright

VOTE: UNANIMOUS (10-0)

5.0 OTHER ITEMS OF BUSINESS

5.1 Operations Portfolio

Mr. Doug Hewett, Interim City Manager, stated the Community Investment Portfolio's budget will be reviewed this evening. Mr. Hewett asked Ms. Tracey Broyles, Budget and Evaluation Director, to provide a review of the items in the "parking lot" and other contract services and not for profit payments for fiscal year 2016-2017.

The parking lot items are as follows:

- General Fund Balance Available Beyond 12 percent
- Increased Property Tax Projection for Motor Vehicles
- City/PWC Transfer Variance
- PWC Direct Payment to FCEDC
- City Manager Recruitment
- Thoroughfare Streetlight Transfer
- Murchison Road/I-295 Gateway Funding
- Fayetteville State University Market Funding
- Increased Transfer for Parks and Recreation Bonds from Motor Vehicle Tax Increase
- Service Increase for Right-of-Way Mowing
- Service Increase for Leaf Season
- Service Increase for Litter Pick-Up
- Additional Pool at Lake Rim

Ms. Rochelle Small-Toney provided a handout to Council that covered the base budgets for the following departments:

Community Development: Recommended Budget - \$630,929.00

- Personnel includes \$2,672.00 for employee pay adjustments, \$2,036.00 for medical benefit rate adjustments, and \$881.00 for retirement rate adjustments.
- Contract Services includes \$100,000.00 to partner with Cumberland County on homelessness solutions and \$12,000.00 for legal services for loan foreclosures.
- Transfers to Other Funds includes \$200,000.00 for the affordable housing project and \$72,958.00 for the projected local match for the HOME Investment Partnership federal grant.
- Other Charges consists of \$35,353.00 for the Center of Economic Empowerment and Development for technical assistance to small businesses, including business plan development, consulting, loan information and workshops.
- Grant-funded program and personnel expenses for 9.3 full-time employees are not reflected in this budget.

Economic & Business Development: Recommended Budget - \$1,756,274.00

- Personnel includes \$7,027.00 for employee pay adjustments, \$3,016.00 for medical benefit rate adjustments. and \$1,796.00 for retirement rate adjustments.
- Operating includes \$7,000.00 for advertising and \$26,800.00 for supplies, including food, for general operations and increased outreach activities and workshops, small business development programs, local small disadvantaged business enterprise programs and the annual economic development forum.

- Operating also includes \$22,000.00 for travel and training and \$13,300.00 for memberships and dues.
- Contract Services funded by the General Fund include \$73,394.00 for two property tax grant-back incentive agreements, \$70,000.00 for the Goodyear incentive, and \$25,000.00 to leverage the implementation of a neighborhood study.
- Contract Services funded by the Central Business Tax District (CBTD) include \$25,000.00 for parking management, \$730.00 for tax collection, and \$119,500.00 to contract with the Downtown Alliance for management of downtown services and programs.
- Other Charges includes \$50,000.00 to provide support for farmers' market initiatives, \$250,000.00 for the incubator project with the Center for Economic Empowerment and Development, a \$400,000.00 contribution for the North Carolina Civil War Center, and \$415,000.00 to contract with the Fayetteville Cumberland Economic Development Corporation for economic development services, offset by a \$315,000.00 contribution from the Public Works Commission (reflected as a cost redistribution).
- Transfers to Other Funds includes transfers from the General Fund of \$39,274.00 to support the CBTD Fund and \$100,000.00 for the redevelopment project, and a transfer from the CBTD Fund of \$30,791.00 to the General Fund for a share of financing costs associated with the Franklin Street deck.
- Grant-funded expenses and 1.0 full-time employee for the federally funded Fort Bragg Force Reduction Impact Assessment are not reflected in this budget.

Engineering & Infrastructure: Recommended Budget - \$22,059,441.00

- Personnel includes \$113,399.00 for employee pay adjustments, \$82,941.00 for medical benefit rate adjustments, and \$29,358.00 for retirement rate adjustments.
- One authorized position is frozen and unfunded and not included in full-time employee counts.
- Operating includes \$1,114,600.00 for vehicle maintenance and fuel, \$384,300.00 for utilities including \$201,870.00 for streetlights, and \$611,504.00 for supplies and uniforms including \$462,000.00 for supplies and materials for street maintenance, signals, signs and street markings.
- Contract Services included \$941,475.00 for the safelight program, \$228,419.00 for downtown parking enforcement, \$205,000.00 for contracted concrete and asphalt repairs, \$186,000.00 for County landfill fees and stormwater bulking services, \$155,000.00 for stormwater technical assistance and research, \$100,000.00 for traffic signal repairs and upgrades, \$75,000.00 for jet-rodding of stormwater drainage infrastructure, \$60,000.00 for pavement marking, \$50,000.00 for contracted design and structural evaluations, \$43,371.00 for railroad crossing maintenance agreements, \$30,000.00 for wildlife management, \$25,000.00 for traffic calming devices, \$25,000 for bus pads, and \$10,000.00 for bridge inspections.
- Capital includes \$29,864.00 for survey equipment and an automated time clock, \$134,000.00 for five replacement trucks, and \$1,000.00 for minor right-of-way purchases.
- Transfers to Other Funds consists of \$8,140,474.00 in funding for capital improvement projects including \$4,000,000.00 for street resurfacing, and \$2,423,274.00 for stormwater projects,

\$380,000.00 for NC DOT municipal agreements, \$425,000.00 for sidewalks, and \$972,200.00 for a variety of other projects, and \$280,500.00 for stormwater equipment purchases.

- Debt Service includes \$913,463.00 in debt service payments for the stormwater revenue bonds and state loans, and \$484,639.00 in debt service payments for the Festival Park Plaza building.
- Other charges include \$204,658.00 in indirect costs allocated to the stormwater fund and a \$75,000.00 HazMat cost redistribution.
- Non-program expenditures reflect those costs not directly associated with any one program and include retiree benefits, indirect costs, cost redistribution, bond attorney fees, and stormwater debt service.

Human Relations: Recommended Budget - \$362,305.00

- Personnel includes \$5,424.00 for employee pay adjustments, \$2,262.00 for medical benefit rate adjustments, and \$1,379.00 for retirement rate adjustments.
- Operating includes \$10,436.00 for the annual community banquet, \$10,200.00 for travel and training for staff and Human Relations Commission, and \$2,570.00 for memberships and dues.
- Contract Services includes \$11,000.00 for community outreach/study circle projects and \$974.00 for event planning for the annual banquet.
- Other Charges includes \$5,000.00 for a scholarship funded by projected banquet ticket sales, \$5,500.00 for the City's contribution for the United Way's 2-1-1 program and \$4,200.00 for community relations.

Permitting and Inspections: Recommended Budget - \$2,066,492.00

- Personnel reflects the addition of a permitting and inspections director position during fiscal year 2016 to support the revised department alignment and cost impacts for incentive pay adjustment for inspectors.
- Personnel also includes \$26,120.00 for employee pay adjustments, \$20,325.00 for medical benefit rate adjustments, and \$8,264.00 for retirement rate adjustments.
- Operating includes \$31,770.00 for vehicle maintenance and fuel and \$41,036.00 for employee training and development and local mileage.
- Contract Services includes \$28,000.00 for a building plans scanning project.
- Transfers to Other Funds includes \$58,500.00 for additional funding for the plan review software project.

Planning and Code Enforcement: Recommended Budget - \$2,484,992.00

- Personnel includes \$32,097.00 for employee pay adjustments, \$20,359.00 for medical benefit rate adjustments, and \$8,878.00 for retirement rate adjustments.
- Personnel also reflects the addition of a senior administrative assistant position during fiscal year 2016 to support the revised department alignment.

- Operating includes \$23,080.00 for vehicle maintenance and fuel, \$34,000.00 for official notices and other advertising, \$18,050.00 for employee training and development and local mileage reimbursements, and \$10,009.00 for membership, dues and subscriptions.
- Contract Services includes \$118,246.00 for the City's share of the local funding match for the Fayetteville Area Metropolitan Planning Organization and \$230,000.00 for lot cleanings and demolitions.
- Other Charges includes \$10,000.00 to fund Historic Resources Commission activities.

5.2 Stormwater Presentation

Mr. Rob Stone, Engineering and Infrastructure Director, presented this item and displayed a map of Fayetteville showing areas for watershed studies.

Discussion ensued pertaining to spending on stormwater projects.

Mr. Doug Hewett, Interim City Manager, stated as there are so many questions regarding stormwater issues, Council can hold a special work session in August dedicated to stormwater issues and policy decisions. We need to build a knowledge based foundation, we are requesting this proposed meeting as a deferral, not a postponement.

5.3 Street Lighting and Street Resurfacing

Discussion ensued pertaining to the street lighting and street resurfacing projects and expenditures. Mr. Hewett suggested the City use a rating scale for road resurfacing, which is more industry standard.

5.4 CEED and Incubator and Farmers Market

Ms. Rochelle Small-Toney, Deputy City Manager, stated CEED has received \$200,000.00 from the City to use for the proposed incubator and farmers market. CEED has now requested using that funding along with the proposed FY 17 \$250,000.00 towards the construction of a farmers market facility. Discussion ensued.

Consensus of Council was to direct staff to speak with CEED staff to gain more information and to ask CEED representatives to attend a budget meeting to answer Council concerns.

5.5 Civil War Museum

Consensus of Council was to have no appropriations for CEED or the North Carolina Civil War Museum without Council vote and approval.

Mr. Hewett stated he would meet with Ms. Broyles and Ms. Small-Toney to work on this issue and bring back answers and options to Council as soon as possible. Discussion ensued.

5.6 Proposed \$300,000.00 Road Construction - Ray Avenue Extension

Discussion ensued.

Consensus of Council was to direct staff to not build the road at this point in time.

6.0 ADJOURNMENT

There being no further business, the meeting adjourned at 7:47 p.m.