

**FY19 Budget Process
City Council Budget Questions
Group 1**

Airport

- 1. The current CIP includes over \$21.4 M investments in to the first phase of terminal renovations, however, terminal space lease fees have not been adjusted since 1986 and 1991 respectively. Are there plans to increase these fees to reflect current market cost and rental rates?**

Staff does not currently have a plan to increase terminal space lease fees. In 2010 the airport conducted a terminal charges study to compare industry rates. Fayetteville's rates were determined to be higher than the average at that time and did not change the rates. The revenue goal of Airport management has been to be competitive with the market by establishing rates using the average, rather than a maximization philosophy. Non-hub markets, like Fayetteville, need to establish reasonable rates for its airline partners because our air service is most at risk when industry challenges occur. From the late 1990's through 2013, every airline represented at the Fayetteville Regional Airport declared bankruptcy at least twice. The next big concern for the airline industry is the pilot shortage that is impacted by retirements of the "Baby Boomers" and lower pay for regional aircraft pilots. Projections are that non-hub airports will be the first to lose air service if the shortages develop.

- 2. There is projected to be a balance of \$8.9M in Airport Fund net assets (fund balance). How much of those funds are unencumbered?**

The full amount of fund balance would be considered to be unencumbered at this point in time. There are, however, identified future funding needs that would spend down that fund balance. For instance, it is currently anticipated that the Part II Terminal Renovation Project will require use of \$6 million in local funding. The current five-year FAA capital plan for 2019 – 2023 calls for Sponsor Participation (i.e. airport contributions) of \$11,783,466. The source of those funds would include the use of fund balance, current revenues, and also use of Passenger Facility Charge (PFC) revenues for approved projects.

- 3. As listed in the fee schedule, the Public Safety Airline Charge references reimbursements from the TSA and notes that it has not been adjusted since 1991, however, the TSA was created in November, 2001. How much are the current fees and reimbursement levels?**

The Airport had Law Enforcement Officer (LEO) security requirements before the TSA was established and charged airlines a portion of the cost. The Airport never intended to charge the airlines all of airport security costs. When the TSA was established, new LEO support requirements were established for checkpoint LEO services that they control and a reimbursement program was established.

The Airport charge for police services is projected to be \$445,500 in the 2019 budget. The amount funded by the TSA is projected to be \$110,400 (25%) and is set unilaterally by the TSA. The shared security charge for all of the airlines is projected to be \$209,115 (47%), and has been at that level since it was increased from \$84,297 in September, 2012. The \$128,385 (29%) balance of the cost for police services is funded from other local Airport revenues.

4. How much funding has been allocated for Pathways for Prosperity?

The fiscal year 2019 recommended budget does not include any allocations for Pathways for Prosperity. During fiscal year 2018, the City served as the community convener for the project and funded costs for the summit and committee meetings. Expenditures to date, including costs for advertising, video production, facilitation, supplies, snacks and meals, total \$7,874.38 of which grant funding from Piedmont Natural Gas is expected to reimburse \$2,000.

Parks, Recreation & Maintenance

5. What has been included in the budget for litter crews?

The proposed FY19 budget provides for the continuation of 38 weeks of litter crew services. A total of \$196,385 is proposed to fund nine temporary maintenance workers (\$173,565), plus supplies (\$8,570) and tipping fees (\$14,250).

6. Please provide all agreements and associated amendments between the City of Fayetteville and the Freedom Memorial Park Committee and MLK Park Committee. In addition, please provide a simple, side-by-side comparison of existing commitments or deliverables for these two parks on the part of the City and the two park committees (Freedom Memorial & MLK).

Attachment A to this document provides three items:

- October 1, 2002 Letter from City Manager Roger Stancil concerning the public/private joint venture with the Freedom Memorial Park Committee
- July 6, 2005 Agreement for Contribution to Freedom Memorial Park Committee
- July 12, 2005 Agreement for Contribution to Fayetteville-Cumberland County Dr. Martin Luther King, Jr. Committee

The Freedom Memorial Park letter outlines an understanding that the committee would collect donations through the Cumberland Community Foundation to fund park memorials and enhancements, and that the funds would then be submitted to the City to process vendor payments for the project activities.

The two agreements for contribution committed the City would to make one-time contributions of \$50,000 to each committee. The funding for the Freedom Memorial Park was to be used for the development of the Brook of Peace, a water feature within the park. The funding for the Dr. Martin Luther King Jr Committee was to be used for a pedestal and statue of Dr. King.

Based on understanding of these two contribution agreements (i.e. the WHEREAS statements) and the commitment from prior City directors, managers and Councils, Parks staff has understood that there was to be a collaborative effort to develop these two parks. As such, staff has continued to operate in a cooperative manner to support the two committees with respect to development of the parks.

These are the only documents that staff is aware of specifying the City's relationship and commitments to these park committees. There is an opportunity for the current Council to provide further direction and clarity concerning these relationships.

7. The Mayor noted that fees for the cemetery have not been adjusted since 2004, and he provided the comparative information below for Council to consider a modest increase in the fees.

The current fee schedule for burial plots and other cemetery fees is as follows:

Burial Plots

Pre-Need Cemetery Fee	\$400.00	2004
At-Need Cemetery Fee (adult)	\$475.00	2004
At-Need Cemetery Fee (infant)	\$350.00	2004
At-Need Cemetery Fee (pauper)	\$250.00	2002 or prior

Monument Administration/Interment Fees

Monument Administration/Interment Fees	\$25.00	2002 or prior
After Hours Cemetery Fee	\$75.00	2002 or prior

The Mayor notes the following fees for burial plots and other fees for other cemeteries in the community:

- Rockfish Cemetery – Burial plots starting at \$1,285, plus \$695 open and closing
- Lafayette Cemetery - Burial plots starting at \$1,495, plus \$1295 open and closing
- Cumberland Gardens – Burial plots starting at \$2,400, plus \$1295 open and closing

Based upon the current City fees as listed, in FY17 we collected \$35,285 in fees for burial plots and \$6,550 in monument fees. We are projecting to receive \$35,300 and \$5,450 for burial plots and monument fees for fiscal years 2018 and 2019. On this basis, if the Council were to request increases on all of the fees of 25%, for instance, the total increase in revenues would be projected to be just over \$10,000.

8. How much is generated by Parks and Rec from After School/Summer Camp revenue? How do the proposed fees compare to the charges of our municipal peer cities?

The data that follows reflects actual revenues received for fiscal year 2017 for after-school programs and for April to August, 2017 for summer camps, along with projected revenues from proposed fee increases and capacity expansions:

	<u>City</u>	<u>District</u>
After School Program Revenues	\$113,453	\$149,123
Summer Camp Revenues	\$196,450	\$136,194
Proposed Fee Increase	\$ 63,981	\$ 65,167
Program Capacity Expansions	\$ 78,085	\$ 59,500

The table below provides fee data for summer camp participation from the top ten largest municipalities, along with four local providers.

Summer Camp Fee Comparison		
Municipality / Local Provider	Resident	Non-Resident
Asheville	\$60	\$70
Cary	\$165	\$195
Charlotte-Mecklenburg County	\$65	\$65
Durham	\$132	\$157
Fayetteville - Current	\$55	\$110
Fayetteville - Proposed	\$65	\$130
Greensboro	\$70	\$70
High Point	\$80	\$80
Raleigh	\$60	\$75
Wilmington	\$25	\$25
Winston-Salem	\$50	\$60
CCS PrimeTime	\$100	\$100
YMCA of Sandhills	\$129	\$129
Snyder Memorial Baptist Church	\$155	\$155
FTCC Children's Center	\$160	\$160

Staff has requested similar comparative information from the peer municipalities for after-school programs and is awaiting response.

Public Services

9. Is there sufficient funding allocated for pavement markings to pay for enhanced crosswalk painting for Haymount at Highland Avenue/Oakridge Avenue?

Public Services staff members have advised that they continue to work with NCDOT to develop a larger project for the area and to secure funding. At a minimum, there will be revised pavement markings at the intersection of Highland and Oakridge Avenues. The more expansive improvement plans are expected to be developed over the next few months and staff will keep Council updated.

10. What is the process to request and/or identify specific neighborhood projects for multi-use lane markings for the upcoming fiscal year?

The process to request multi use lanes in a specific neighborhood begins with a request to the Traffic Services Division at (910) 433-1660. Staff investigates the neighborhood, or individual roadway, to determine if the streets are wide enough to accommodate multi use lanes (minimum 26’ width, ideal 32’ width).

Annual street resurfacing lists are also reviewed to determine if multi use lanes could be installed as a part of the resurfacing. If there are adjoining streets within the area of resurfacing that would also accommodate multi use lanes, markings may also be added to those streets as well to create a network.

Lastly, a large portion of the city neighborhood street network has been inventoried to determine streets that would accommodate multi use lanes.

Projects are prioritized for use of annual multi-use lane marking funds based on factors such as connectivity to other bike/pedestrian features (e.g. sidewalk, trails) and proximity to bike/pedestrian destinations (i.e., recreation centers, schools, retail centers, transit).

11. What impact could be made to the City’s pedestrian plan with a \$5 increase in the motor vehicle license tax?

A \$5 increase in the motor vehicle license tax would be projected to generate approximately \$626,000 per year. Any proceeds from an increase in that tax would be restricted to use for maintaining, repairing, constructing, reconstructing, widening, or improving public streets in accordance with NCGS § 20-97. (b1). By substituting expenditures which meet these restrictions and are currently funded from Powell Bill proceeds (e.g. annual street resurfacing), the amount of the new proceeds could be used as a source of funding for the estimated \$22.5 million in sidewalk and intersection improvements identified in the pedestrian plan as they are eligible uses of Powell Bill Funding. The proceeds could be used to cash fund improvements on an annual pay-go schedule, or they could be used to pay debt service. As provided previously to Council, the \$626,000 would be sufficient to fund a projected debt issuance of \$6.25 million, including \$6.0 million of project costs and \$0.25 million of issuance costs.

12. Please provide additional details regarding planned expenditures for the \$75,000 of funding proposed for downtown streetscape improvements.

The ongoing Downtown Streetscape Project is intended to address settling of paver bricks and trip hazards on Hay Street and its intersecting streets by funding \$75,000 a year until paver brick sidewalks could be replaced with a concrete base and new brick. Progress to date has included both sides of the 300 block of Hay Street, the south side of the 200 block Hay Street, a portion of the north side of 200 block Hay Street, the south side of Old Street, Burgess Street, Donaldson Street, Maxwell Street, and Anderson Street from Hay Street to Old Street. Remaining identified areas to be repaired include the north side of the 200 block Hay Street (planned for FY 2019), both sides of the 100 block of Hay Street, Anderson Street from Old Street to Maiden Lane, and the north side of Old Street. After these areas are improved, projects will be considered for the streetscape in front of City Hall and the Police Station.

13. Please provide additional details as to planned expenditures for the \$25,000 proposed for wayfinding signage.

The proposed funding for wayfinding signs is add identifying “destination” signage for each of the downtown parking lots in a design consistent with wayfinding signage throughout downtown.

14. For the Solid Waste enterprise fund, we must look for ways to improve the solvency and self-sufficiency of this fund. One way may be the provision of service for commercial properties.

- **How much did the Solid Waste program generate when commercial locations were serviced?**
- **How many potential light commercial customers are available in the city? Smaller businesses with low waste demand could utilize a roll out container and would gladly pay for these services.**

Staff does not have the information requested at this time. Should Council direct, staff can certainly perform some research regarding those properties on "the edge" of residential, but it could be difficult to develop a good estimate of smaller commercial properties who may be interested in cart

service. Anything over eight residential units is, for example, currently identified as commercial and not eligible for City service. Some of these "commercial" properties could be designed in such a way to allow efficient cart service. Others may not. It would require an evaluation of each property.

One challenge of moving into this area is billing. We currently bill once a year on the tax bill relying on the County's definition of "residential" versus "commercial" as only residential properties are charged. Moving to monthly service for larger multi-unit residential or small businesses would require developing a new billing function. This would be much easier if we had the same option that most cities have to include this service on the monthly water bill. Having that option would also assist in a number of other ways.

There may be other areas of service that would be synergistic with residential and other current solid waste operations. The study completed a couple years ago did not examine this option as past Councils have consistently directed that City operations remain focused on residential service. Staff could perform some research and bring forward some options for Council consideration. This would, however, be inconsistent with Council's current strategic plan direction to research reducing the scope of operations through outsourcing which was the main focus of the study performed by GBB in April 2015. The GBB report has been emailed to Council Members and is also available online with the May 4, 2015 agenda packet.

Transit

15. How much does the proposed fare increase generate for the Transit fund?

The proposed \$.25 base fare increase is projected to generate \$133,632 on an annual basis. If it is implemented on July 30th, projected revenues for FY 2019 would be \$122,496.

16. Have all other options regarding cost savings been explored?

There are no other cost savings other than reducing bus services. The modification to Route 11 was proposed in an effort to offset the loss of FSU funding and provide savings to the overall City budget.

17. Can we consider a smaller fare increase?

A \$.10 base fare increase is projected to generate \$81,158 on an annual basis. If it is implemented on July 30th, projected revenues for FY 2019 would be \$74,394.

18. How much would the elimination of the route funded by the FSU agreement save?

The net annual cost to operate the entire Route 11, including the impact of fare revenues and FTA preventive maintenance reimbursements, is \$169,498. The service provided by Route 11 could be reduced as presented to Council on May 7th, which would reduce the net annual costs, including the impact of lost fare revenue and FTA preventive maintenance reimbursements, to \$106,774, providing a savings of \$62,724. FTA preventive maintenance reimbursements are tied to maintenance costs, so if we do not have the expenditure we do not get these revenues. If implemented on August 27 as proposed, the savings would be \$52,270 for FY 2019.

19. What are the FSU student ridership statistics over the last couple of years?

In 2016, we carried 31,812 FSU students on all routes. In 2017, we carried 23,350 FSU students. In 2016, Route 11 carried 9,833 FSU students; and in 2017, Route 11 carried 7,826 FSU students.

20. Can we consider offering a 7-day pass?

If Council desires to offer a 7-day pass, staff would recommend a fee of \$18 per pass if the recommended base fare increase is accepted. At current fares, staff would recommend a fee of \$15 per pass. Transit staff advises that they currently have a significant inventory of encoded 5-day passes on hand (1,900 full adult passes and 1,500 elderly and disabled passes) which can cost between \$.31 and \$.51 per pass to purchase depending upon quantities ordered.

21. What are the operating costs, including utilities, for the new Transit Center?

Operating costs for the new Transit Center are projected to be \$536,106, including \$115,408 for personnel costs for maintenance workers, \$126,960 for utilities, \$221,500 for contracted security, \$8,626 for a variety of smaller contracted services, \$36,000 for cleaning supplies, \$25,610 for building and other systems maintenance (elevator, HVAC unit, automatic doors), \$1,002 for uniforms, and \$1,000 for travel and training expenditures. Greyhound is projected to reimburse the City \$91,395 for its portion of applicable operating costs. FTA grants cover 50% of the security costs (\$81,628) and 80% of maintenance costs (\$135,077).



October 1, 2002

To Whom It May Concern:

This letter is a formal acknowledgement of the project being undertaken by the Freedom Memorial Park Committee to develop a public park in the City of Fayetteville. The City of Fayetteville recognizes this as a public/private joint venture and we understand that all funds will be collected by the Cumberland Community Foundation for formal accounting. The City Finance Department will be responsible for payment of invoices from vendors. Contracts will be awarded as funds are available.

We in the City of Fayetteville are excited about this joint venture and we appreciate the hard work of the Freedom Memorial Park Committee and the Cumberland County Veteran's Council to make this dream a reality. Together we can make Fayetteville a better place to live.

Sincerely,

A handwritten signature in blue ink, appearing to read "Roger L. Stancil", written in a cursive style.

ROGER L. STANCIL
City Manager

STATE OF NORTH CAROLINA
COUNTY OF CUMBERLAND

**AGREEMENT
FOR CONTRIBUTION TO
FREEDOM MEMORIAL PARK COMMITTEE**

THIS AGREEMENT, made and entered into this 6th day of ^{July} ~~May~~, 2005, by and between the CITY OF FAYETTEVILLE (hereinafter CITY) and FREEDOM MEMORIAL PARK COMMITTEE (hereinafter COMMITTEE).

WITNESSETH:

WHEREAS, the Freedom Memorial Park (hereinafter Park) is the City of Fayetteville's park to honor and remember fallen soldiers from Cumberland County; and

WHEREAS, the COMMITTEE is committed to providing quality memorials and historical features to be placed in the Park; and

WHEREAS, the CITY and COMMITTEE are currently developing Phase One of the Park; and

WHEREAS, on January 24, 2005, the City Council of the City of Fayetteville agreed to make a \$50,000.00 contribution to the Park; and

WHEREAS, the Brook of Peace, a water feature, is consistent with the plan submitted by the COMMITTEE and approved by the CITY.

NOW, THEREFORE, the parties agree as follows:

1. That the CITY's monetary contribution of \$50,000.00 will be used for the development of the Brook of Peace.
2. That in exchange for the contribution by the CITY, the COMMITTEE agrees to display an appropriate marker in the Park recognizing the City Council's contribution.
3. That the COMMITTEE has approved the contribution and authorized the Chairman to accept the contribution.

4. That this Agreement contains the entire agreement and understandings of the parties hereto in respect to the subject matter and supersedes all prior agreements or understandings of the parties and that there are no other agreements, restrictions, promises, warranties, covenants or other undertakings other than those expressly set forth herein.

5. That if any part of this Agreement is deemed unenforceable or void as a matter of law, the remainder of the Agreement shall remain in full force and effect and shall be construed and reformed to the maximum extent permitted by law.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed on the day and year first written above.

CITY OF FAYETTEVILLE

By: _____
ROGER L. STANCIL, City Manager

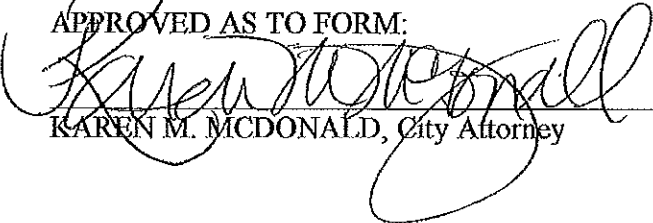
**FREEDOM MEMORIAL PARK
COMMITTEE**

By: 
DON TALBOT, Chairman

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

 7/21/05
LISA T. SMITH, City Chief Financial Officer

APPROVED AS TO FORM:


KAREN M. MCDONALD, City Attorney

STATE OF NORTH CAROLINA
COUNTY OF CUMBERLAND

**AGREEMENT FOR CONTRIBUTION TO
FAYETTEVILLE-CUMBERLAND COUNTY DR.
MARTIN LUTHER KING, JR. COMMITTEE**

THIS AGREEMENT made and entered into this 12TH day of July 2005, by and between the CITY OF FAYETTEVILLE (hereinafter CITY) and FAYETTEVILLE-CUMBERLAND COUNTY DR. MARTIN LUTHER KING, JR. COMMITTEE (hereinafter COMMITTEE).

WITNESSETH:

WHEREAS, the Fayetteville-Cumberland County Dr. Martin Luther King, Jr. Park (hereinafter Park) is the City of Fayetteville's park to honor and remember Dr. King, his life and his many contributions; and

WHEREAS, the COMMITTEE is committed to providing quality memorials and historical features to be placed in the Park; and

WHEREAS, the CITY and COMMITTEE have and agreement for the development of the Park; and

WHEREAS, on January 24, 2005, the City Council of the City of Fayetteville agreed to make a \$50,000.00 contribution to the Park; and

WHEREAS, the Statue of Dr. Martin Luther King, Jr., as described in the attached document, is consistent with the plan for the park and is a major feature;

NOW, THEREFORE, the parties agree as follows:

1. That the CITY's monetary contribution of \$50,000.00 will be used for the pedestal and statue of Dr. King.
2. That in exchange for the contribution by the CITY, the COMMITTEE agrees to display an appropriate marker in the Park recognizing the City Council's contribution.
3. That the COMMITTEE has approved the contribution and authorized the Chairman to accept the contribution.
4. That this Agreement contains the entire agreement and understandings of the parties hereto in respect to the subject matter and supersedes all prior agreements or understandings of the parties and that there are no other agreements, restrictions, promises, warranties, covenants or other undertakings other than those expressly set forth herein.

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IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed on the day and year first written above.

CITY OF FAYETTEVILLE

By: _____

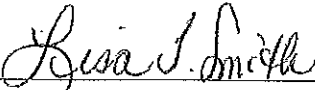

ROGER L. STANCIL, City Manager

**FAYETTEVILLE-CUMBERLAND
COUNTY Dr. MARTIN LUTHER KING
JR. COMMITTEE**

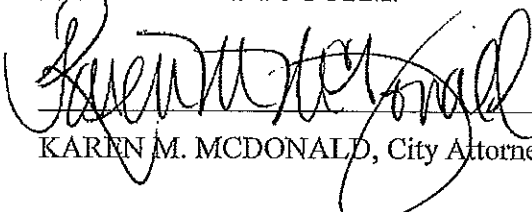
By: _____


LULA CRENSHAW, Chair

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.


LISA T. SMITH, City Chief Financial Officer

APPROVED AS TO FORM:


KAREN M. MCDONALD, City Attorney