

DRAFT

**FAYETTEVILLE CITY COUNCIL
BUDGET WORK SESSION MINUTES
COUNCIL CHAMBER, CITY HALL
MAY 28, 2026
10:00 A.M.**

Present: Mayor Mitch Colvin

Council Members Stephon Ferguson (District 1) (arrived at 10:06 a.m.); Malik Davis (District 2); Antonio Jones (District 3); D.J. Haire (District 4); Lynne Greene (District 5); Brenda McNair (District 7) (departed at 1:26 p.m.); Shaun McMillan (District 8); Deno Hondros (District 9)

Absent: Council Member Derrick Thompson (District 6)

Others Present: Douglas Hewett, City Manager
Lachelle Pulliam, City Attorney
Jeffrey Yates, Assistant City Manager
Jodi Phelps, Assistant City Manager
Michael Gibson, Interim Assistant City Manager
Roberto Bryan, Jr., Police Chief
Kevin Dove, Fire Chief
Willie Henry, Chief Information Officer
Tiffany Murray, Chief Financial Officer
Tyffany Neal, Transit Director
Rose Rasmussen, Internal Audit Director
Andrew LaGala, Airport Director
Sheila Thomas-Ambat, Public Services Director
Jerry Clipp, Human Resources Director
Byron Reeves, Deputy Public Services Director
Brian McGill, Public Services Assistant Director
Michele Brooks, Interim Budget Director
David Scott, Communications Manager
Andrew Mansell, Senior Assistant to the City Manager
Kimberly Toon, Assistant Finance Officer
Amanda Mott, Assistant Finance Officer
Jennifer Ayre, City Clerk
Members of the Press

1.0 CALL TO ORDER

Mayor Colvin called the meeting to order at 10:00 a.m.

2.0 INVOCATION

The invocation was offered by Council Member Jones.

3.0 PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by the Mayor and City Council.

4.0 APPROVAL OF THE AGENDA

MOTION: Council Member Hondros moved to approve the agenda.

SECOND: Council Member Haire

VOTE: UNANIMOUS (8-0)

5.0 ITEMS OF BUSINESS

5.1 Review of Community Investment

Dr. Douglas Hewett, City Manager, thanked Council for their thoughtful questions and for participating in Doug in the District and reminded everyone that the next Doug in the District will be held tonight, Thursday, May 28, 2026, at 6:00 p.m. Dr. Hewett stated the level of services provided during this current fiscal year is included in the Fiscal Year (FY) 2027 budget and can be maintained without a tax rate increase. The recommended budget includes additional levels of service for an increased tax rate. There may be other adjustments needed; however, the budget could be balanced without a tax rate increase. The proposed tax increase reflects

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Council and the community's request for additional services more quickly and the reality that delaying projects year after year increases costs. As Council works through the budget, staff is open to changes. Discussion ensued.

MOTION: Council Member Hondros moved to schedule a special meeting of June 4, 2026, at 10:00 a.m.
SECOND: Council Member Haire
VOTE: PASSED by a vote of 7 in favor to 1 in opposition (Council Member McMillan)

Mr. Jeffrey Yates, Assistant City Manager, provided a list of questions from Council to review regarding community safety investments such as fire, police, mental health, youth, neighborhood programs, technology, sustainability, and how to measure success. \$92 million was budgeted for Fire and Police in FY22 and has increased to \$120 million in FY27 for Police, Fire, and the Office of Community Safety, while the main source of revenue has gone from \$131 million in FY22 to \$151 million.

Discussion ensued regarding homelessness and the Office of Community Safety.

5.2 Review of Tax Rate

Mr. Jeffrey Yates, Assistant City Manager, stated tools used to balance the recommended budget and Capital Improvements Plan (CIP) before the tax rate recommendation included deferring, delaying, or denying \$15.4 million in operating budget requests, assuming \$8.9 million in estimated vacancy savings, using \$1.2 million in recommended fund balance usage for one-time items, using \$1.2 million of fund balance to pay off debt, reallocation of \$1.5 million in closed CIP Funds, and recommended multi-year funding where appropriate in the CIP.

The recommended tax rate includes a three-cent increase, one cent for operations and two cents for CIP, but we can balance with no tax rate increase. If Council chooses not to approve the additional penny, the proposed operational needs from Community Engagement, Police Department, Fire Department, Parks and Recreation, Finance, Public Services, Transportation, Parking Fund, and General Capital projects would be removed. Under the recommended budget, the fund balance would exceed the 12 percent (%) goal by \$1,084,527.00. Discussion ensued regarding the fund balance analysis and enterprise funds.

5.3 Review of Budget Chronicles

Mr. Jeffrey Yates, Assistant City Manager, provided an overview of all the budget questions from Council that were added to the budget chronicles. Those questions include topics such as salary, employer contributions for sworn officers, projected sales tax revenue, ad valorem tax revenue, fire services, police services, expenditure changes, parking, events, Parks and Recreation, street maintenance, down payment assistance, capital projects, and debt payments. Discussion ensued.

5.4 Review of Parking Lot Items

Mr. Jeffrey Yates, Assistant City Manager, stated the current parking lot items include:

- Langdon Street Improvements - \$350,000.00
- Housing Needs Assessment - \$71,000.00
- Convention Center Study - \$250,000.00
- 910 Fest - \$350,000.00
- Dogwood Festival - \$75,000.00
- Downtown Manager - \$150,000.00
- Workforce Development - \$100,000.00
- Mental Health Team - \$540,000.00
 - Additional Mental Health Units - \$250,000.00 each
- Reduce Soundthinking - \$223,000.00
- Drones as First Responders - \$795,000.00
- Capital Improvement Plan projects without a tax rate increase
- West Fayetteville Transit Expansion
- Right of way maintenance
- Homelessness initiatives
- Recreation Center and facilities in west Fayetteville
- Reduction of Flock and Clearview AI surveillance

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- Makers Space
- Jasper Street

6.0 ADJOURNMENT

There being no further business, the meeting adjourned at 1:42 p.m.

Respectfully submitted,

JENNIFER L. AYRE
City Clerk
052826

MITCH COLVIN
Mayor

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