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**FAYETTEVILLE CITY COUNCIL
BUDGET WORK SESSION MINUTES
LAFAYETTE CONFERENCE ROOM
MAY 9, 2019
5:00 P.M.**

Present: Mayor Mitch Colvin

Council Members Katherine K. Jensen (District 1); Daniel Culliton (District 2); Tisha S. Waddell (District 3) (departed at 6:54 p.m.); D. J. Haire (District 4); Johnny Dawkins (District 5); William J. L. Crisp (District 6); Larry O. Wright, Sr. (District 7); Theodore Mohn (District 8); James W. Arp (District 9)

Others Present: Douglas Hewett, City Manager
Karen McDonald, City Attorney
Kristoff Bauer, Deputy City Manager
Angel Wright-Lanier, Assistant City Manager
Telly Whitfield, Assistant City Manager
Michael Hill, Interim Fire Chief
Gina Hawkins, Police Chief
Sheila Thomas-Ambat, Public Services Director
Rebecca Jackson, Strategic Performance Analytics Director
Tracey Broyles, Budget and Evaluation Director
Barbara Hill, Human Resources Development Director
Randy Hume, Transit Director
Nathan Walls, Public Information Officer
Hieu Sifford, Deputy Fire Chief
Pamela Megill, City Clerk
Members of the Press

1.0 CALL TO ORDER

Mayor Colvin called the meeting to order.

2.0 INVOCATION

The invocation was offered by Council Member Wright.

3.0 APPROVAL OF AGENDA

MOTION: Council Member Haire moved to approve the agenda.
SECOND: Council Member Wright
VOTE: UNANIMOUS (10-0)

4.0 CLOSED SESSION

MOTION: Council Member Dawkins moved to go into closed session.
SECOND: Mayor Pro Tem Mohn
VOTE: UNANIMOUS (10-0)

The regular session recessed at 5:04 p.m. The regular session reconvened at 5:53 p.m.

MOTION: Council Member Dawkins moved to go into open session.
SECOND: Mayor Pro Tem Mohn
VOTE: UNANIMOUS (10-0)

5.0 ITEMS OF BUSINESS

5.1 Overview of Major General Fund Revenue Trends

Ms. Tracey Broyles, Budget and Evaluation Director, presented this item with the aid of a PowerPoint presentation. Ms. Broyles provided a list of the FY 2020 General Fund Revenues and other funding sources:

Ad Valorem Taxes	40.7%
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Intergovernmental Revenues	47.2%
Functional Revenues	4.1%
Other Revenues	1.8%
Other Taxes	0.8%
Investment Income	0.7%
Interfund Transfers	0.8%
Proceeds from Loans	1.6%
Fund Balance Appropriation	2.3%

Ms. Broyles stated the taxable property growth has marginally improved. The average annual percentage increase in the tax base from January 2009 to January 2017 was 1.73 percent. The estimated growth from FY 2019 original budget to FY 2020 recommended budget is 1.6 percent. Last fiscal year the estimate growth between the original budgets was 0.2 percent. The first year property tax collections are projected to be \$69.99 million. Ms. Broyles provided an overview of the projected taxable values, property tax revenues, sales tax distributions, population trends impacting sales tax distributions, and utility tax distributions.

Discussion ensued.

Mayor Colvin recessed the meeting at 6:54 p.m. and reconvened the meeting at 7:05 p.m.

5.2 Major Enterprise Fund Fees

Solid Waste

Ms. Tracey Broyles, Budget and Evaluation Director, stated the current residential solid waste fee is \$190.00 per single-family unit. In FY 2019, the fund became a fully self-sufficient enterprise fund. For FY 2020 the proposed fee is \$205.00 per single-family residential unit; this is an increase of \$15.00 per year, or \$1.25 per month, in order to maintain fund self-sufficiency and build fund balance to 4.65 percent. The proposed \$15.00 fee increase is projected to generate \$913,000.00 in additional revenue for FY 2020.

Discussion ensued.

Stormwater

Ms. Broyles stated there is no change proposed to the current fee of \$6.00 per month per equivalent residential unit. Based on guidance from the FY 2019 budget process, the fee is modeled to remain at the current rate through FY 2024. The projected ending fund balance in the Stormwater Operating fund is \$3 million at the conclusion of FY 2020.

Discussion ensued.

Transit Fares

Ms. Broyles stated there is no proposed fare changes, except for the implementation of reduced cost semester passes for Fayetteville State University, Methodist University, and Fayetteville Technical Community College students. Transit fare policy is to recover 20 percent of operating costs from fares and other system generated revenues. Projected cost recovery for FY 2020 budget is 13 percent. Ms. Broyles provided an overview of the history of funding for Transit operations.

Discussion ensued.

5.3 Peer City Comparative Data

Ms. Broyles provided a table to display the data for our peer cities--Charlotte, Raleigh, Greensboro, Durham, Winston-Salem, Cary, Wilmington, High Point, and Asheville. The comparisons for FY 2019 tax

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rate, annual stormwater fee, vehicle license tax, annual solid waste fee, and median value of owner occupied home.

Discussion ensued.

5.4 County's Proposal for 9-1-1 Center

Mr. Douglas Hewett, City Manager, stated City staff and County staff are still negotiating and crunching numbers; the item will be ready for discussion within the next few days.

5.5 Responses to Budget Questions

Mr. Douglas Hewett, City Manager, and Ms. Tracey Broyles, Budget and Evaluation Director, reviewed the City Council Budget Questions, Group 1, with Mayor and Council. Ms. Broyles stated all budget documents from the meeting are posted on the City website under the Budget Chronicles.

6.0 ADJOURNMENT

There being no further business, the meeting adjourned at 8:12 p.m.

Respectfully submitted,

PAMELA J. MEGILL
City Clerk

MITCH COLVIN
Mayor

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