

**FAYETTEVILLE CITY COUNCIL
BUDGET WORK SESSION MINUTES
LAFAYETTE CONFERENCE ROOM
MAY 10, 2018
5:00 P.M.**

Present: Mayor Mitch Colvin

Council Members Katherine K. Jensen (District 1) (arrived at 6:23 p.m.); Tisha W. Waddell (District 3) (via telephone); D. J. Haire (District 4); Johnny Dawkins (District 5); William J. L. Crisp (District 6); Larry O. Wright, Sr. (District 7) (arrived at 5:23 p.m.); Theodore Mohn (District 8)

Absent: Council Member James W. Arp (District 9)

Others Present: Douglas Hewett, City Manager
Karen McDonald, City Attorney
Kristoff Bauer, Deputy City Manager
Jay Reinstein, Assistant City Manager
Telly Whitfield, Assistant City Manager
Ben Major, Fire Chief
Michael Petti, Assistant Police Chief
Rob Stone, Public Services Director
Michael Gibson, Fayetteville-Cumberland Parks and Recreation Director
Rebecca Jackson, Strategic Performance Analytics Director
Elizabeth Somerindyke, Internal Audit Director
Tracey Broyles, Budget and Evaluation Director
Bradley Whited, Airport Director
Brandon Christian, Police Attorney
Jerry Newton, Development Services Director
Randy Hume, Transit Director
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 Crisp.

3.0 APPROVAL OF AGENDA

MOTION: Council Member Crisp moved to approve the agenda.

SECOND: Council Member Haire

VOTE: UNANIMOUS (7-0)

4.0 OTHER ITEMS OF BUSINESS

4.01 Overview of Major Revenue Trends and Discussion of Fee Change Proposals for FY 2019

Ms. Tracey Broyles, Budget and Evaluation Director, presented this item with the aid of a PowerPoint presentation. Ms. Broyles provided an overview of the major General Fund revenue trends and the FY 2018 General Fund revenues and other financing sources. Ms. Broyles stated the taxable property tax growth has slowed. The average annual percentage increase in the tax base from January 2009 to January 2017 was 1.73 percent. For FY 2018, total taxable values are projected to be \$71.3 million or 0.5 percent below original budget estimates, primarily due to licensed motor vehicle valuations. Estimated growth from FY 2018 year-end projections to FY 2019 recommended budget is 0.2 percent. FY 2018 year-end revenue projections are \$323,000.00 below budget. Sales Tax Distributions have

two factors impacting revenues; declining per capita share of taxes based on state-wide revenues and lower taxable sales growth in Cumberland County as compared to state-wide growth. Factors impacting revenues utility tax distributions are significant decline in taxes on electricity sales; lower than usual demand for cooling days and continuing declines on telecommunications and video programming taxes - technology shifts. Ms. Broyles reviewed the following:

- General Fund Fund Balance
- Solid Waste Fee Proposal
- Stormwater Fee Proposal
- Peer City Comparisons FY 2018
- Parks and Recreation Fee Proposals
- Transit Fee Proposals

Discussion ensued.

Ms. Broyles asked Mayor and Council members to e-mail requests for additional items to be considered in the proposed FY 2019 budget to her as soon as possible.

4.02 City Manager's Administrative Updates

Mr. Douglas Hewett, City Manager, stated the City Clerk's office has provided eight District 2 interest forms and has received one completed form.

Council Member Haire requested the completed forms be e-mailed to the entire Council once they are received.

Mayor Pro Tem Mohn stated he will prepare a calendar for the next steps in making the appointment of the District 2 Council member; which was vacated when Mr. Tyrone Williams resigned from office.

Ms. Karen McDonald, City Attorney, stated she will be calling for a closed session at the May 14, 2018, dinner meeting to discuss lawsuits.

5.0 ADJOURNMENT

There being no further business, the meeting adjourned at 6:55 p.m.

051018