



Legislation Details (With Text)

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File created: 5/14/2021 **In control:** City Council Regular Meeting
On agenda: 6/14/2021 **Final action:**
Title: Adoption of the Fiscal Year 2021-2022 Budget Ordinance and Fee Schedule, the Fiscal Year 2021-2022 Strategic Plan, the Fiscal Years 2022-2026 Capital and Technology Improvement Plans, Capital Project Ordinances 2022-1 through 2022-12, Capital Project Ordinance Amendments 2022-1 through 2022-27, and Special Revenue Fund Project Ordinance Amendment 2021-1

Sponsors:

Indexes:

Code sections:

Attachments: 1. Budget Ordinance FY22.pdf, 2. FY22 Fee Schedule for Adoption.pdf, 3. FY22 Strategic Plan, 4. FY22 - 26 Capital Improvement Plan by Fiscal Year.pdf, 5. FY22 - 26 Capital Improvement Plan by Source of Funds.pdf, 6. FY22 - 26 Technology Improvement Plan by Fiscal Year.pdf, 7. FY22 - 26 Technology Improvement Plan by Source of Funds.pdf, 8. Capital Project Ordinances 2022-1 to 2022-12.pdf, 9. Capital Project Ordinance Amendments 2022-1 to 2022-27.pdf, 10. Special Revenue Fund Project Ordinance Amendment 2022-1.pdf, 11. FY22 Budget Adoption 6 14 21

| Date | Ver. | Action By | Action | Result |
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TO: Mayor and Members of City Council

THRU: Douglas J. Hewett, ICMA - CM, City Manager
Jay C. Toland, CMA, Assistant City Manager/Chief Financial Officer

FROM: Tracey Broyles, Budget and Evaluation Director

DATE: June 14, 2021

RE:
Adoption of the Fiscal Year 2021-2022 Budget Ordinance and Fee Schedule, the Fiscal Year 2021-2022 Strategic Plan, the Fiscal Years 2022-2026 Capital and Technology Improvement Plans, Capital Project Ordinances 2022-1 through 2022-12, Capital Project Ordinance Amendments 2022-1 through 2022-27, and Special Revenue Fund Project Ordinance Amendment 2021-1

COUNCIL DISTRICT(S):

All

Relationship To Strategic Plan:

Goal 5: Financially Sound City Providing Exemplary City Services

Objective 5.1: To ensure strong financial management with fiduciary accountability, and plan for future resource sustainability by aligning resources with City priorities.

Executive Summary:

Council is asked to consider adoption of the Fiscal Year 2021-2022 Budget Ordinance and Fee Schedule which incorporates changes to the recommended budget based upon consensus direction provided by Council at the May 27, 2021 budget work session. In addition to setting the ad valorem tax rate at 49.95 cents and the Central Business Tax District rate at 10 cents, the ordinance also levies the stormwater fee at \$6.00 per month and the residential solid waste fee at \$225 per year, and adopts the fee schedule presented.

Council is also asked to approve the Fiscal Year 2021-2022 Strategic Plan and the Fiscal Year 2022-2026 Capital and Technology Improvement Plans (CIP and TIP), and to adopt related capital project ordinances, capital project ordinance amendments and special revenue fund ordinance amendments to establish project budgets as planned.

Background:

Fiscal Year 2022 Proposed Operating Budget

The City Manager's recommended budget was distributed to City Council on May 6th and the formal budget presentation was conducted on May 10th. City Council has deliberated the recommended budget at two budget work sessions on May 20th and May 27th, and a public hearing on the budget was conducted on May 24th.

Following the public hearing, Council deliberated changes to the recommended budget and provided consensus direction to staff to amend the General Fund budget as follows:

Expenditures:

Community Investment

| | |
|---------------------------------------------------------------------------------------------------------------------------------|-----------|
| • Workforce Development | \$250,000 |
| • Fayetteville Cumberland Economic Development Corp - \$15,000 for operating funding and \$35,000 for Innovation Center Funding | 50,000 |
| • Economic Development Marketing | 50,000 |
| • Additional Illegal Dump Site Camera and Data Service | 7,885 |

Operations

| | |
|-----------------------------------------------------------------------------------------------------|---------|
| • Lake Rim Elementary School Splash Pad - Fund from General Fund as opposed to use of bond proceeds | 500,000 |
| • Additional Funding for Thoroughfare Street Lights | 100,000 |

| | |
|----------------------------------------|------------------|
| Total General Fund Expenditure Changes | <u>\$957,885</u> |
|----------------------------------------|------------------|

Revenues:

| | |
|------------------------------------|------------------|
| Fund Balance Appropriation | 957,885 |
| Total General Fund Revenue Changes | <u>\$957,885</u> |

* Including the proposed changes for the FY 2022 budget and the additional appropriations for the General Fund totaling \$1,043,000 on proposed Budget Ordinance Amendment 2021-13, projected available General Fund fund balance at the close of FY 2021 is revised to \$24.2 M, or 13.1% of the budget that is proposed for adoption for FY 2022. The amount remaining beyond the 12% fund

balance goal would be estimated at \$2.1 M, and beyond the 10% policy minimum would be \$5.8 M.

Other Funds

The Stormwater Fund is the only other fund for which consensus direction for changes was provided by Council. At the work session, Council provided direction to appropriate \$500,000 for a capital project ordinance for assessments of 27 dams for potential for stormwater storage, including preliminary design work for Roses Lake Dam, and \$100,000 for assistance to pursue grant funds for stormwater projects. There is no increase to the Stormwater Fund budget for FY 2022 to accommodate these changes as the recommended budget included approximately \$1.7 M to balance projected expenditures to total anticipated revenues. The additional appropriation will reduce that balancing appropriation by \$600,000.

PWC Authority

Sections 14, 15 and 16 of the proposed budget ordinance relate to authorizations granted to the Public Works Commission by the City Council. Section 14 reflects the update of the compensation levels for the commissioners, based upon a 2.65% CPI increase as specified in the state statute. Sections 15 and 16 are unchanged from last fiscal year.

Fee Schedule

There are no changes in the fee schedule presented for adoption with the budget ordinance from the fee schedule included in the recommended budget.

Strategic Plan

The FY 2022 Strategic Plan document attached reflects the results of the February, 2021 Council Retreat, and follow-up discussion at the March Council work session. It confirms the main elements of the City's strategic plan that represent a commitment to serving the community: the 10-Year Vision Statement for the community; the organizational Mission; Core Values; five-year Goals and Objectives that support the long-term vision for the City; and, Targets for Action (TFA) to advance progress toward the goals. The City Manager has the overall responsibility of ensuring implementation of the strategic plan. Project managers are assigned for each Target for Action and will lead implementation efforts for that target. Staff will continue the current practice of providing updates to the City Council on the advancement of the strategic plan during Council meetings.

Fiscal Year 2022 - 2026 Capital and Technology Improvement Plans

The FY 2022 - FY 2026 Capital and Technology Improvement Plans (CIP and TIP) have been updated to include the following changes based upon recent developments:

- Parks and Recreation Projects: Increased funding for Lake Rim Splash Pad from \$455,448 to \$500,000 to allow for cost increase contingency, and to be funded from General Fund as opposed to P&R Bonds
- Stormwater Projects: Added \$500,000 for Dam Storage Assessments for 27 dams and for preliminary design phase for Roses Lake Dam
- Transportation Projects: Increased FY 2022 funding for Thoroughfare Street Lighting from

\$50,000 to \$150,000

Capital Project Ordinances 2022-1 to 2022-12, Capital Project Ordinance Amendments 2022-1 to 2022-27, and Special Revenue Fund Project Ordinance Amendment 2022-1 that are presented for adoption are consistent with the CIP and TIP funding plans discussed.

Issues/Analysis:

Council has deliberated the recommended budget and related items at two budget work sessions held on May 20th and May 27th.

Budget Impact:

As presented in the recommended budget document and outlined above.

Options:

- Adopt the proposed Budget Ordinance, Strategic Plan and related documents as presented.
- Amend the proposed Budget Ordinance, Strategic Plan and related documents and adopt as amended.
- Do not adopt the proposed Budget Ordinance and Strategic Plan and provide further direction to staff.

Recommended Action:

Staff recommends that Council move to adopt the proposed Fiscal Year 2021-2022 Budget Ordinance and Fee Schedule, the Fiscal Year 2021-2022 Strategic Plan, the Fiscal Years 2022-2026 Capital and Technology Improvement Plans, Capital Project Ordinances 2022-1 through 2022-12, Capital Project Ordinance Amendments 2022-1 through 2022-27, and Special Revenue Fund Project Ordinance Amendment 2022-1 as presented.

Attachments:

- Fiscal Year 2021-2022 Annual Budget Ordinance
- Fiscal Year 2021-2022 Fee Schedule
- Fiscal Year 2021-2022 Strategic Plan
- Fiscal Years 2022-2026 Capital Improvement Plan
- Fiscal Years 2022-2026 Technology Improvement Plan
- Capital Project Ordinances 2022-1 through 2022-12
- Capital Project Ordinance Amendments 2022-1 through 2022-27
- Special Revenue Fund Project Ordinance Amendment 2021-1
- PowerPoint Presentation