

**FAYETTEVILLE CITY COUNCIL
BUDGET WORK SESSION MINUTES
LAFAYETTE ROOM
MAY 28, 2014
5:00 P.M.**

Present: Mayor Nat Robertson

Council Members: Kady-Ann Davy (District 2); H. Mitchell Colvin, Jr., (District 3); Chalmers McDougald (District 4); Robert T. Hurst, Jr. (District 5); William J. L. Crisp (District 6); Larry O. Wright, Sr., (District 7); Theodore Mohn (District 8) James W. Arp (District 9)

Absent: Kathy Jensen (District 1)

Others Present:

Theodore L. Voorhees, City Manager
Karen McDonald, City Attorney
Kristoff Bauer, Deputy City Manager
Rochelle Small-Toney, Deputy City Manager
Jay Reinstein, Assistant City Manager
Lisa Smith, Chief Finance Officer
Tracey Broyles, Budget Manager
Michael Gibson, Parks, Recreation, and Maintenance Director
Scott Shuford, Development Services Director
Russell Thompson, Engineering Director
Victor Sharpe, Community Development Director
Dwayne Campbell, Chief Information Officer
Michael Gibson, Parks, Recreation, and Maintenance Director
Jerry Dietzen, Environmental Services Director
Randy Hume, Transit Director
Tracie Davis, Corporate Communications Director
Steven Blanchard, PWC CEO/General Manager
Wick Smith, PWC Commissioner
Mark Brown, PWC Customer Relations Officer
Pamela Megill, City Clerk
Members of the Press

1.0 CALL TO ORDER

Mayor Robertson called the meeting to order.

2.0 INVOCATION

The invocation was offered by Council Member Wright.

3.0 APPROVAL OF AGENDA

MOTION: Mayor Pro Tem Davy moved to approve the agenda.

SECOND: Council Member Mohn

VOTE: UNANIMOUS (9-0)

4.0 OTHER ITEMS OF BUSINESS

4.1 PWC Budget Follow Up

Mr. Theodore Voorhees, City Manager, presented this item with the aid of a PowerPoint presentation and provided an overview of the PWC budget that included addressing the proposed pay increases, utility system sponsorships, economic development, legal, and lobbying. Mr. Voorhees stated Resolution R2013-052 sets expectation that the Budget Officer is responsible for development of the entire City budget, including the utility system budget. Having two separate budget processes does not facilitate development of a comprehensive and fully aligned budget proposal. Mr. Voorhees said he recommends creating a central budget and performance management office to further the objectives outlined in the resolution. The office would be responsible for coordinating development of the annual operating budget, capital improvement plan, and performance management system. Mr. Voorhees proposed to allocate cost proportionately based on budget size of annual operating funds, including utility funds,

excluding internal service funds. The recommendation included a staff of 5 positions (1 Budget Director and 4 Analysts) and a software system at \$461,000 funded through a 5-year inter-fund loan, with an added recommendation to add a Management Analyst for the Strategic Planning and Performance Program. Mr. Voorhees stated the City lacks an appropriately staffed internal audit function and recommended creating a central internal audit function to perform various audit services, including performance audits and recommended a staff of 3 positions and 1 finance position to backfill financial reporting duties. The cost would be allocated between the City and PWC on the same basis as budget staff.

A lengthy discussion ensued.

MOTION: Council Member Mohn moved to continue discussion of a proposed City Budget Department at the June 2, 2014 City Council Work Session

SECOND: Council Member Crisp

VOTE: PASSED by a vote of 6 in favor to 3 in opposition (Council Members Robertson, Arp, and Davy)

4.2 Parks Funding Options

There was no a presentation for this item. Discussion ensued relating to various funding options, operating hours, priorities of facilities needed.

No consensus was reached on this item.

4.3 Review of Vacant Positions

Mr. Theodore Voorhees, City Manager, provided Council with a report of department position vacancies. The report cited if the position is critical to department operations, if services could continue if the position was eliminated, if operations could continue if the position was frozen for six months and one year periods of time, and how many months the position had been vacant. Council Members conversed with department directors regarding their respective department vacant positions.

No consensus was reached on this item.

4.4 Review of CIP

There was no presentation for this item. Discussion ensued relating to various projects to include: Rowan Street Bridge, Economic Development, Re-Surfacing for Sidewalks, Facility Redesign of City Hall, Catalyst Site One, and the Farmer's Market.

No consensus was reached on this item.

4.5 Additional Budget Discussion

There was no presentation for this item. Mr. Voorhees provide the Mayor and Council with the FY 2014-15 Budget Questions and Answers - Group 4. Discussion ensued.

MOTION: Mayor Robertson called for a vote on the proposed 3.8% tax increase budget with allowances for tweaks.

SECOND: Council Member McDougald

VOTE: Passed by vote of 6 in favor to 3 in opposition (Council Member Robertson, Arp, and Mohn)

5.0 ADJOURNMENT

There being no further business, the meeting adjourned at 9.54 p.m.