

**City of Fayetteville**  
**Fiscal Year 2016 Budget Questions**  
**Group 1**

FY2015 Enhancements Funded by the Tax Increase

**1. What is the status of the positions and major vehicle and equipment acquisitions funded by the 3-cent tax increase for Fiscal Year 2015?**

A. The table below provides an update of the status of positions funded in the 3 cent tax package for fiscal year 2015 as of May 18, 2015:

Positions	# Authorized	Status
<b>Police Department:</b>		
Police Officers	34	18 current officer vacancies, reflecting the impact of hiring activity throughout the year, offset by regular turnover.
Police Sergeants	2	Filled on 1/26/15.
Public Safety Dispatchers	2	Under recruitment.
Forensic Supervisors	2	Under recruitment.
Civilian Crash Investigator	1	Position funded as of 6/1/15. Recruitment commenced.
Property & Evidence Technician	1	Position funded as of 6/1/15. Recruitment commenced.
Installation Technician	1	Position funded as of 6/1/15. Recruitment commenced.
Supply Technician	1	Position funded as of 6/1/15. Recruitment commenced.
<b>City Attorney's Office:</b>		
Assistant City Attorney	1	Position funded as of 6/1/15. Recruitment commenced.
<b>Development Services:</b>		
Customer Advocate Planner	1	Filled on 11/17/14.
Building Inspectors	2	Filled on 3/30/15 and 4/13/15.
<b>Economic &amp; Business Development:</b>		
Administrative Assistant	1	Filled on 3/9/15.
Marketing and Business Development Manager	1	Filled on 3/2/15.
<b>Information Technology:</b>		
Desktop Support Technicians	3	Filled on 9/15/14, 9/29/14 and 1/20/15.

In addition to the positions noted above, the tax package also funded the purchase of 41 vehicles. All of those vehicles have been received or are currently encumbered. Miscellaneous equipment for the vehicles (e.g. light bars, sirens, decal, etc.) is also being purchased as well. Computer equipment for all of the Police positions has also been ordered, and the computers and equipment for the other positions are being purchased as the positions are being filled.

## Capital Improvement Plan

### **2. Murchison Road Redevelopment:**

- a. **Is the \$1,130,000 appropriated to the project to date sufficient to fund the acquisition of all of the properties at Catalyst Site #1 at the southern end of Murchison Road?**
  - b. **What is the planned usage of the \$495,000 proposed appropriation for FY2016, and for the appropriations planned in the CIP of \$300,000 in FY2017 and \$250,000 in FY2018?**
- A.
- a. The \$1,130,000 appropriated is sufficient to acquire the properties identified in Catalyst Site #1.
  - b. The funds for FY2016, FY2017 & FY2018 are for predevelopment costs of Catalyst Site #1 and the acquisition in Catalyst Site #1A.

### **3. There was \$25,000 appropriated in fiscal year 2015 and an additional \$250,000 proposed for fiscal year 2016 for restoration of the Dr. E.E. Smith House. Could restoration of the house be deferred and this funding redirected for general improvements at the Hope VI Business Park, with Council providing specific direction for the improvements?**

- A. Staff does not recommend deferring restoration of the Dr. E.E. Smith House as the house is in serious need of repair, including repairs to stabilize the structure.

### **4. The past five Capital Improvement Plans (CIPs) have included building maintenance projects related to HVAC and boiler replacements. When comparing the numbers from the past four adopted CIPs, it is difficult to understand how some of the funding levels equate to actual dollars spent.**

- a. **How much was actually spent for these items in FY 2012, FY 2013 & FY 2014?**
  - b. **How much has been spent or obligated to be spent out of the current fiscal year (FY 2015) allocation?**
- A.
- a. Comparisons between the prior year CIPs and the proposed CIP for the building maintenance projects are complicated by a change in the method by which expenditures are tracked within the project account. To improve the ability to track expenditures by type of maintenance (e.g. HVAC, roof replacements, other), expenditures are now being recorded to subledger accounts. As older project expenditures are closed out of the financial system, the expenditures recorded without subledgers will drop off.

For the HVAC building maintenance project, the data reported in the current CIP for total expenditures for prior fiscal years includes only \$84,910 expended in fiscal year 2014 which was recorded in the subledger. For fiscal year 2013, \$299,039 was expended for HVAC maintenance from the project fund, and \$100,925 was expended for fiscal year 2012.

- b. At the beginning of fiscal year 2015, there was \$349,290 available for HVAC maintenance in the project fund. To date, \$89,179 has been expended and \$11,434 is currently encumbered. The majority of the remaining balance is planned for the replacement of HVAC systems in City Hall, which are delayed pending the 3<sup>rd</sup> floor renovations.

**5. Please provide an explanation for the increase in the total project funding for the City Hall Renovation/Facility Space and Needs Analysis project.**

- A. This total project encompasses renovations of City Hall and other facilities, such as Festival Park Plaza and Fire Station 14, for which renovations were completed to accommodate staff moved from City Hall. The total project cost estimate has increased to reflect the impact of expenditures to date, plus updates of cost estimates for the City Hall renovations. Expenditures incurred or encumbered to date total \$1,097,553. Funding projected to be available for the remaining expenditures for the renovation of City Hall, after the appropriation of \$1,622,218 for fiscal year 2016, is \$3,660,515.

**6. In fiscal year 2015, there are projected expenditures totaling \$483,150 for sidewalk improvement projects. In fiscal year 2016, the projected expenditures for sidewalks only total \$250,000. Why are there less in projected expenditures when there is a desperate need for additional sidewalks across the City?**

- A. The goal of the capital funding plan is to have a relatively steady level of funding each year for sidewalk improvements. The plan dedicates recurring revenues toward sidewalk improvements, and supplements those revenues with other funding (such as fund balance appropriations) when possible.

In fiscal year 2015, there was \$110,000 of current year revenues and \$96,134 of accumulated funding from the capital funding plan appropriated for sidewalk improvements. Expenditure projections for fiscal year 2015 also reflect the use of \$277,016 appropriated for the sidewalk project in prior fiscal years, but unspent until the current fiscal year, bringing total projected expenditures to \$483,150. This includes approximately \$300,000 for a large project to install sidewalks on Rosehill Road.

In fiscal year 2016, there is a proposed appropriation of \$112,000 of current year revenues for sidewalk projects. In addition, \$138,000 of accumulated project funding from prior fiscal years is projected to be spent, bringing total projected expenditures to \$250,000.

There are many locations in the City in need of sidewalks; however, the capital funding plan must balance available resources against many infrastructure and facility needs. Should Council elect to do so, funding for other projects could be reduced to redirect additional funding for sidewalks.

**7. Please explain what will be funded with the funding allocations for the Downtown Streetscape project?**

A. The current funding for the Downtown Streetscape project will complete the improvements on Person Street. The \$75,000 annual funding requests for FY2016 through FY2020 are anticipated to be used for replacement of paver bricks, sidewalk additions, handicap ramps, etc. as follows: FY2016 - both sides of Old Street from Ray Avenue to Green Street; FY2017 - north side of the 200 block of Hay Street; FY2018, FY2019 and FY2020 – both sides of the 100 block of Hay Street.

**8. In fiscal year 2015, there are projected expenditures for bus shelters and benches totaling \$164,470, while expenditures for fiscal year 2016 are projected to only total \$100,000. Please explain the decrease given that there are still several stops throughout the city without shelters or benches.**

A. The \$164,470 of expenditures projected in the CIP for fiscal year 2015 includes expenditures from funding that remained from several annual grants. The Transit Department does not recall that more than \$100,000 has ever been awarded in any one grant for this purpose. For the past several years, CIP submissions by the department have projected annual funding levels for shelters and benches to decline to \$50,000 per year. The recommended CIP for FY2016 to FY2020 includes projected expenditures of \$50,000 per year from FY2017 to FY2020, following the \$100,000 to be expended in FY2016.

There are limitations as to where shelters and benches can be installed due to the right-of-way that is required and receiving property owner approval. The department is continuing with installation of shelters, where feasible, and recently completed a bid process and ordered a batch of ten shelters with benches and solar lighting. An updated inventory of all stop locations, including identification of those with shelters, benches, trashcans, accessible sidewalks, etc. is currently under development. The Transit Department has a goal to continue to increase the percentage of stops with shelters and benches, and believes that can be achieved within existing grant budgets and the expenditures projected in the current CIP.

City Manager's Office

**9. Please explain why personnel expenditures are projected to increase by 42.5% for fiscal year 2016.**

A. The increase in personnel expenditures primarily reflects the cost impact of 5.5 additional FTEs recorded in the City Manager's Office budget for FY2016 (3 for the Internal Audit Office, 2 for the additional Management Analysts and .5 for the upgrade of a part-time customer service representative in the Call Center to full-time) and FY2015 salary adjustments for customer call center staff. The increase also reflects the projected cost impact for proposed employee salary adjustments and the new employer 401(k) contribution.

**10. Please provide additional information to explain the 97.5% increase in projected Operating expenditures for fiscal year 2016.**

A. The 97.5% increase equates to \$95,879 and reflects the impact of the following:

- \$63,935 for one-time expenses for the purchase of furniture and fixtures, primarily for the common areas of the 3<sup>rd</sup> floor of City Hall, as compared to one-time expenses of \$6,800 in FY2015
- \$17,692 for annual software maintenance fees for the new organizational performance management system (data management and dashboard) and for spreadsheet server software for the Internal Audit staff, as compared to \$2,334 for software maintenance for the call center in FY2015
- An increase of \$11,574 for employee travel, training and conferences to support the additional staff now assigned to the City Manager's Office
- An increase of \$5,760 for telephone expenditures, primarily reflecting costs for the customer call center
- An increase of \$6,052 in other operating expenses such as supplies, printing, etc. to support the additional staff now assigned to the City Manager's Office

**11. Please provide a detailed breakdown of the \$99,443 listed for Other Contract Services expenditures for fiscal year 2016.**

A. The funding projected for Other Contract Services for the City Manager's Office for FY2016 includes:

Organizational Studies	\$40,000
Council Strategic Plan Development	33,175
Customer Call Center Shared Services Agreement (PWC)	21,400
Fraud Hotline Services	4,718
New Hire Background Check (Customer Call Center)	150
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	<b>\$99,443</b>

Corporate Communications

**12. What is the cost to operate FayTV7?**

A. FayTV7 is not tracked as a separate program within the Corporate Communications budget; it is a component of the Communications program making specific cost compilations more difficult to report. FayTV7 is primarily run by 1.5 FTEs (one TV Production Specialist and partial duties for a Public Information Specialist) for which current estimated personnel costs total \$110,000 annually.

For the current fiscal year, it is estimated that other costs to support the station will be approximately \$70,000, of which \$18,000 are recurring costs (such as contracted video production, closed captioning services, maintenance) and \$52,000 are non-recurring costs

(\$36,000 for replacement of video servers and software necessary to broadcast City Council meetings and other programming, and \$16,000 to upgrade video equipment).

The Public Works Commission provides \$85,000 annually for the shared services of FayTV7.

Economic and Business Development

**13. Please provide details of the \$742,789 projected for Other Contract Services for fiscal year 2016.**

A. The funding projected for fiscal year 2016 for Other Contract Services expenditures includes:

**General Fund:**

Goodyear Incentive (Year 4 of 10)	\$70,000
Villagio Incentive (Year 3 of 5)	23,394
Embassy Suites Incentive (Year 3 of 5)	51,000
Commonwealth Road Properties Incentive (Year 5 of 5)	49,055
Economic and Business Development Strategic Plan	150,000
Neighborhood Commercial Studies (Massey Hill and Bragg Blvd/Bonnie Doone)	55,000
Catalyst Site #1 Feasibility Study	150,000
Local/Small Disadvantaged Business Enterprise Program Development Services	50,000
New Hire Background Check	150
	<b>\$598,599</b>

**Central Business Tax District:**

Downtown Alliance Service Contract	\$118,000
Share of Parking Enforcement Contract	25,000
Tax Collection Services	1,190
	<b>\$144,190</b>

**14. Please clarify the purpose of the \$100,000 projected allocation for the Redevelopment Project Fund.**

A. Staff is recommending the \$100,000 appropriation to begin a Redevelopment Project Fund through which the City could partner with the private sector to leverage funding for the redevelopment of blighted areas, particularly infrastructure improvements in commercial corridors. Detailed criteria for this loan program will be developed by staff for Council approval. It is anticipated that the criteria will include financial thresholds which will require Council approval for larger projects and delegate authority for small projects to a loan committee.

**15. Please clarify the purpose of the \$100,000 projected allocation for the Affordable Housing Fund. Is this funding in addition to the funds allocated to Habitat for Humanity from CDGB/HUD funding?**

- A. This funding is provided from the General Fund and is in addition to the funding provided through HOME and CBDG /HUD funding. Similar to the Redevelopment Project Fund, the Affordable Housing Fund would be used to partner with developers and leverage other sources of funding for the creation of affordable housing and to revitalize distressed neighborhoods. Potential projects would be reviewed by the Fayetteville Redevelopment Commission and submitted to City Council for approval. Following further discussion, staff is recommending that administration of this program be housed with the Community Development Department, as opposed to Economic and Business Development Department. For the adopted budget, this \$100,000 appropriation will be transferred to Community Development.

Parks, Recreation and Maintenance

**16. Please provide details of the \$1,090,741 projected for Other Contract Services for fiscal year 2016.**

- A. Unlike most other departments where contract services are generally expended over a few higher cost contracts, for the Parks, Recreation and Maintenance department these expenditures include many, lower cost services. The table below provides an estimated breakout of the total fiscal year 2016 budget projection for contract services by types of service. The amount reported for sports officiating and instruction has increased by \$25,000 as compared to the budget document due the transfer of \$25,000 from other areas to fund a new swim program.

Sports officiating and instruction	\$270,000
Recreation program instructors	205,000
Pool operations contracts	105,000
Alarm monitoring services	94,000
Marketing	87,000
Commercial trash services and debris disposal fees	46,000
Administrative support for ASOM contract	40,000
Police Activities League program	33,000
Security and portable toilets at events	28,000
Floor mat rental and cleaning services	26,000
Summer camp field trip fees	24,000
Background checks for employees and volunteers	10,000
Fitness equipment contracts	8,000
Movie and music licensing fees	8,000
Other miscellaneous contract services	107,000
	\$1,091,000

Police

**17. Please provide details of the \$793,734 projected for the Police Department for Other Contract Services for fiscal year 2016.**

A. The table below provides an estimated breakout of the total fiscal year 2016 budget projection for contract services for the Police Department by types of service.

Forensic Testing	\$220,000
Street Naming & Addressing Services by Cumberland County	159,167
Promotion Assessments	84,080
Location Monitoring Bracelets	63,733
Transcription Services	41,191
Investigative Search Services	32,072
Installation of Remote Cameras	26,500
Child Advocacy Center Services	25,000
Pre-Employment Screening	18,520
Records Storage & Destruction	15,320
Cable/Satellite Services	13,098
Towing Services	10,690
Forensic Accreditation Assessment	8,500
Commercial Trash Services and Disposal Fees	7,475
Facility Usage Fees	7,300
Radar Certification	5,805
Alarm Monitoring	5,084
Police Accreditation Fee	5,000
E-911 CAD System Connectivity with Cumberland County	4,752
Basic Law Enforcement Training Instructors	4,113
Other miscellaneous contract services	36,334
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	\$793,734

Local Contracting Goals

**18. Is there an interest among Council Members to establish local contracting goals for the City Attorney's Office and the City Manager's Office for the award of 30% of contracting opportunities to local companies for fiscal year 2016 and 50% for fiscal year 2017? Or, is there an interest in requiring that all Request for Qualification (RFQ) contract awards require Council approval?**

A. Staff is aware of Council's interest in local participation in all procurement opportunities and a request for resources to establish this program is included in the proposed FY2016 Economic and Business Development budget. A more detailed response can be provided, if it meets Council's interest.