



**FY2015 Recommended Budget
Work Session
May 28, 2014**



Budget Work Session

- PWC Budget Follow Up
- Parks Funding Options
- Review of Vacant Positions
- Review of CIP
- Budget Direction

- **Proposed Pay Increases**
 - Clarification on full range of increases proposed
- **Utility System Sponsorships**
 - FY2014 budget is \$130,000
 - Current sponsorship selection process
 - Council feedback regarding a process moving forward
- **Economic Development**
 - Includes \$315,000 for the Alliance
 - Council oversight
- **Legal and Lobbying**
 - Council oversight

Budget, Performance Management and Internal Audit

- Budget and Performance Management
 - 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
 - Recommend creating a central budget and performance management office to further the objectives outlined in the resolution
 - Responsible for coordinating development of the annual operating budget, capital improvement plan and performance management system

Budget, Performance Management and Internal Audit

- Budget and Performance Management
 - Propose to allocate cost proportionately based on budget size of annual operating funds, including utility funds (Electric, Water and Waste Water Funds), excluding internal service funds
 - Recommend a budget staff of 5 positions (2 currently funded)
 - 1 Budget Director
 - 4 Analysts
 - NET add of 3 positions
 - Proposal includes a software system at \$461,000
 - Funded through a 5-year inter-fund loan
 - Accelerate acquisition in ITP from FY17 to FY15
 - Recommend adding a management analyst for the Strategic Planning and Performance Program

Budget, Performance Management and Internal Audit

- Internal Audit
 - Considered a best practice / helps maintain a comprehensive framework of internal controls
 - City lacks an appropriately staffed internal audit function
 - Recommend creating a central internal audit function to perform various audit services, including performance audits
 - Recommend audit staff of 3 positions and 1 finance position to “backfill” financial reporting duties
 - 1 Internal Audit Manager
 - 2 Internal Auditors
 - 1 Financial Reporting Manager
 - NET add of 3 positions
 - Allocate cost between City and PWC on same basis as budget staff



Budget, Performance and Audit Proposal

| Proposal | FY2015 | FY2016 |
|---------------------------------------|---------------------|---------------------|
| Budget Office | \$ 874,040 | \$589,341 |
| Management Analyst | 50,638 | 73,743 |
| Internal Audit | 222,860 | 294,712 |
| Financial Reporting Manager | 68,335 | 83,164 |
| Total Expenditures | \$ 1,215,873 | \$ 1,040,960 |
| Interfund Loan – Risk Management Fund | \$ 461,000 | \$ 0 |
| Current City Budget | 344,181 | 351,064 |
| Additional City Share | (3,156) | 114,548 |
| PWC Share | 413,848 | 575,348 |
| Total Funding Sources | \$ 1,215,873 | \$ 1,040,960 |

Parks Funding Options

**Next Step: Reach consensus on PWC
Budget Matters**



Other Budget Matters

- Review of Vacant Positions
- Review of CIP



Other Budget Matters

Next Step: Provide direction on City Budget

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