

**City of Fayetteville**  
**Fiscal Year 2014 Budget Questions**  
**Group 2**

General

**13. Q. If a municipality adopts a budget with projected expenditures, are they able to make adjustments or remove projects at a later date - assuming there are six votes? For example, if a property tax increase is approved for the Parks and Recreation package, will a future council have the legal authority to remove the package and reduce the property tax?**

- A. Local government boards have the authority to add and subtract projects throughout a budget year. However, once a contract is signed, then they would put a jurisdiction into a dispute with a contractor/vendor if they decide to back out of a commitment. If a board adopts a "Capital Improvement Program" (CIP) they can decide to amend it at any time that the board decides to do so. Usually, this is something that is reviewed annually, but there is no limitation on that.

Tax rates are different. Once set, they cannot be changed for the ensuing fiscal year. A board will have the opportunity to address the tax rate the following fiscal year and could set it wherever they want to subject only to the limits specified under law.

If a board authorizes the sale of bonds for a project, a future board could technically choose not to award construction contracts. The bond proceeds would then be used to refund the debt, and the city would be out the transaction costs. A board could redirect the bond proceeds to a slightly different project mix provided that the projects fall within the authorization spelled out in the bond order. Diverting from public expectations is another area of concern, but that is more of a political risk than a technical one provided the bond order is followed.

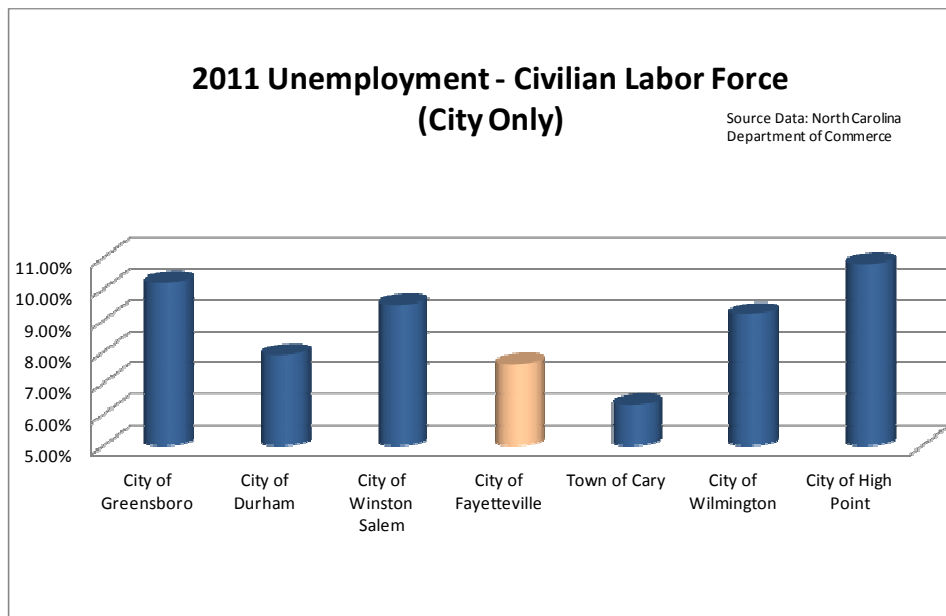
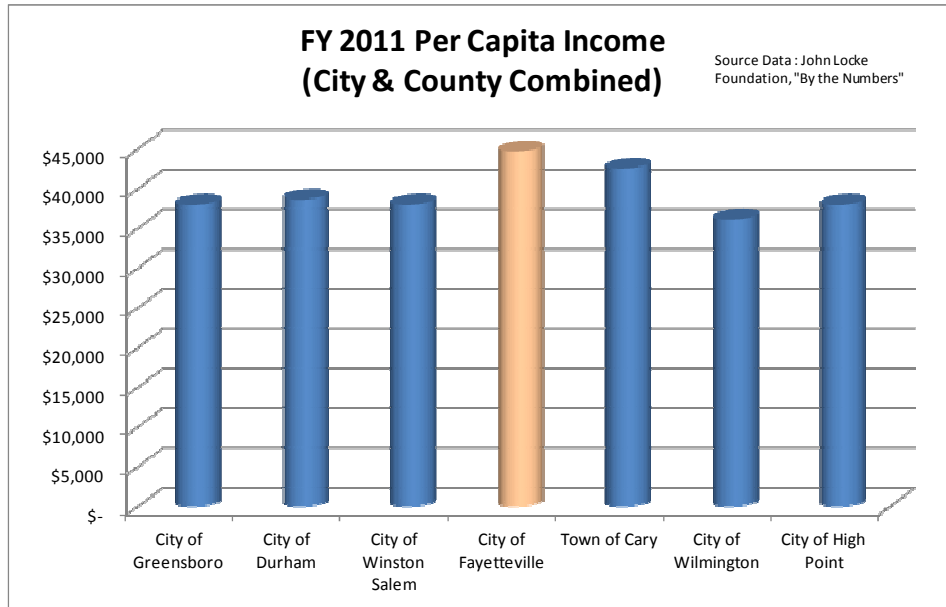
A future board could lower a tax rate in a future year and limit the city's ability to make payments on an existing contract, but the city would probably need to honor its commitments and figure out another way to make contract payments (such as use fund balance or cut other programs or services).

**14. Q. Is there a plan to deal with the potential sales tax agreement termination in three years?**

- A. If Cumberland County were to chose to transition to the ad valorem tax levy method for distribution of sales tax revenues within the county at the end of the current three-year agreement, City staff would have to reassess comparisons of tax levies among the county and all of the local municipalities to determine the impact upon revenues to support the FY2017 fiscal year budget. Decisions would need to be made at that time to increase other revenues, or to reduce or eliminate services in order to absorb the impact of the lost sales tax revenues in the budget.

**15. Q. Please provide demographic comparisons for the municipalities included in the “2011 Total Property Tax Burden Per Capita” comparison presented at the May 15<sup>th</sup> budget work session.**

A. The charts below provide comparisons of per capita income and unemployment data for the municipalities included in the tax burden comparisons.



**16. Q. How much is the general fund subsidy for environmental services reduced by the additional funding being generated by the Solid Waste fee increase? How much of that reduction is providing resources for police, such as additional police officers?**

- A. The \$10 per year fee increase for solid waste services is projected to generate additional revenues of \$599,105 in fiscal year 2014. For fiscal year 2014, the General Fund budget includes in excess of \$800,000 in personnel costs alone for the 17 police officers added using the 2009 COPS grant due to the expiration of the grant funding.

Expenditures

**17. Q. How much are we projecting to pay the Ferguson Group, our federal lobbyist?**

- A. For fiscal year 2014, it is projected that the City will fund \$50,000 for its share of the legislative affairs agreement through the Chamber of Commerce with the Ferguson Group as noted on page D-27 of the recommended budget document.

**18. Q. How much are we projecting to pay to the Chamber of Commerce?**

- A. For fiscal year 2014, it is projected that the City will pay \$100,000 to the Chamber of Commerce for economic development support as noted on page D-28 of the recommended budget document.

**19. Q. Will Goodyear receive their tax abatement this year?**

- A. The City made its first payment of \$70,000 to Goodyear under the revised economic development incentive agreement in the current fiscal year. The recommended budget for fiscal year 2014 includes \$70,000 for the second of ten anticipated payments, as noted on page D-7 of the recommended budget document.

**20. Q. There is \$25,800 budgeted in Corporate Communications for the Kaleidoscope program. How many segments are produced for that amount?**

- A. This funding level supports the production of six episodes of the Kaleidoscope program.

**21. Q. How much is budgeted for the National League of Cities annual dues?**

- A. The Mayor, Council and City Clerk budget for fiscal year 2014 includes an estimate of \$9,093 for the City's membership dues for the National League of Cities.

**22. Q. Do we need to spend \$1 million on community development when we are budgeting \$550,000 for demolition and lot clearing?**

- A. The \$550,000 projected for fiscal year 2014 for demolitions, lot clearing and asbestos removal includes \$308,000 projected for the anticipated demolition of two large commercial structures. At the May 15<sup>th</sup> budget work session, staff provided an outline of programs under development for use of the additional \$1 million funding.

**23. Q. Please provide a comparison of the recommended FY2014 expenditure budget for environmental services functions to the FY2013 original budget.**

A. The comparative table below consolidates expenditure budgets from the General Fund and former Recycling Fund for environmental services functions, including trash, yard waste, recycling and bulky item collection, and excludes expenditures associated with the fuel site and customer call center which were reported with Environmental Services in the General Fund in fiscal year 2013.

Environmental Services - Budget Comparison	FY13 Original Budget				FY14 Recommended Budget		
	Less: Fuel Site and				Enterprise Fund		
	GF	Call Center	Fd 67	Combined	Fd 67	Adjustment	Combined
Salaries & Wages	2,847,145	173,513	22,908	2,696,540	2,564,159	0	2,564,159
Social Security & Pension	409,585	24,978	3,297	387,904	377,219	0	377,219
Insurance & Benefits	644,742	37,032	6,752	614,462	532,392	0	532,392
Temporary Services	0	0	0	0	344,599	0	344,599
<b>Personnel Services</b>	<b>3,901,472</b>	<b>235,523</b>	<b>32,957</b>	<b>3,698,906</b>	<b>3,818,369</b>	<b>0</b>	<b>3,818,369</b>
Utilities	33,392	5,150	0	28,242	37,210	0	37,210
Supplies	339,652	3,020	58,015	394,647	428,323	0	428,323
Small Equipment/Computers	0	0	0	0	10,320	0	10,320
General Maintenance	20,084	8,334	0	11,750	11,750	0	11,750
Vehicle Maintenance	1,326,381	0	3,400	1,329,781	1,291,748	0	1,291,748
Vehicle Fuel	711,274	0	9,676	720,950	708,302	0	708,302
Communications	34,328	1,844	27,500	59,984	133,677	0	133,677
Travel and Development	6,000	0	1,440	7,440	9,280	0	9,280
Memberships and Dues	3,300	0	0	3,300	4,171	0	4,171
Insurance	0	0	385	385	93,969	0	93,969
Other Services	0	0	0	0	0	0	0
<b>Operating</b>	<b>2,474,411</b>	<b>18,348</b>	<b>100,416</b>	<b>2,556,479</b>	<b>2,728,750</b>	<b>0</b>	<b>2,728,750</b>
Accounting, Auditing & Legal	0	0	0	0	0	0	0
Medical Services	2,028	0	0	2,028	1,656	0	1,656
Other Contract Services	21,900	2,100	2,062,998	2,082,798	2,122,100	0	2,122,100
<b>Professional/Cont Services</b>	<b>23,928</b>	<b>2,100</b>	<b>2,062,998</b>	<b>2,084,826</b>	<b>2,123,756</b>	<b>0</b>	<b>2,123,756</b>
Land	0	0	0	0	0	0	0
Buildings	0	0	0	0	0	0	0
Improvements	0	0	0	0	0	0	0
Equipment - Office	0	0	0	0	0	0	0
Equipment - Other	0	0	0	0	0	0	0
Equipment - Motor Vehicles	961,000	0	0	961,000	1,155,000	0	1,155,000
Infrastructure	0	0	0	0	0	0	0
<b>Capital Outlay</b>	<b>961,000</b>	<b>0</b>	<b>0</b>	<b>961,000</b>	<b>1,155,000</b>	<b>0</b>	<b>1,155,000</b>
Other Charges *	3,020	0	62,619	65,639	3,520	0	3,520
Indirect Cost Allocation	0	0	50,169	50,169	365,943	(314,527)	51,416
Non-Profit/Gov't Agencies	0	0	0	0	0	0	0
Debt Service	498,712	0	0	498,712	0	0	0
Inventory	1,588,900	1,588,900	0	0	0	0	0
Cost Redistribution	(1,690,860)	(1,674,900)	0	(15,960)	0	0	0
Other Financing Uses	155,000	0	391,641	546,641	366,000	0	366,000
<b>Other Charges</b>	<b>554,772</b>	<b>(86,000)</b>	<b>504,429</b>	<b>1,145,201</b>	<b>735,463</b>	<b>(314,527)</b>	<b>420,936</b>
<b>Total Expenditures</b>	<b>7,915,583</b>	<b>169,971</b>	<b>2,700,800</b>	<b>10,446,412</b>	<b>10,561,338</b>	<b>(314,527)</b>	<b>10,246,811</b>
							<b>(199,601)</b>
							<b>(136,982)</b>

\* The original budget for FY2013 for Fund 67 included a miscellaneous expenditure projection of \$62,619 to balance projected revenues and expenditures.



Parking Deck

**24. Q. Please provide a refresher of the funding model for the Franklin Street Parking Deck, including a comparison of the amount of revenues generated for the operations versus the projection and how the revenues are distributed?**

- A. The City, its Public Works Commission and Cumberland County entered into an agreement to fund the construction of the Franklin Street Parking Deck. PWC's commitment was for \$2 million of upfront funding toward construction costs and debt repayment, while the City and the County agreed to share in the cost of repaying the debt issued for construction. The City dedicated payments of \$25,000 per year from the downtown municipal service district (CBTD) plus any additional general ad valorem tax and CBTD tax revenues generated from growth in the tax base in the CBTD as compared to the fiscal year 2011 base year. Similarly, Cumberland County committed any additional County ad valorem taxes generated from tax base growth within the CBTD as compared to the fiscal year 2011 base year.

The table below provides a comparison of the actual and projected debt repayment contributions through fiscal year 2014 against the contributions anticipated in the original funding model:

	PWC *	Loan Proceeds *	IRS Tax Rebate	Cumberland County	CBTD	City General Fund (from CBTD Growth)	City General Fund (from Capital Funding Plan Resources)
Anticipated for FY2011	281,782	-	68,276	-	-	-	-
Actual for FY2011	198,333	83,449	68,276	-	-	-	-
Anticipated for FY2012	218,218	-	129,725	48,847	31,601	30,100	226,454
Actual for FY2012	59,666	158,553	129,725	-	25,000	-	312,001
Anticipated for FY2013	-	-	120,621	68,478	34,254	42,197	399,163
Projected for FY2013	-	-	120,621	-	25,000	-	519,093
Anticipated for FY2014	-	-	111,518	158,803	46,460	97,857	229,847
Projected for FY2014	-	-	106,568	9,790	26,323	6,033	495,770

\* PWC's planned contribution of \$500,000 toward parking deck debt service was restructured to provide an additional \$242,001 for project construction costs and \$257,999 for debt service.

The agreement provided that any revenues generated from parking deck operations belong to the City. The Cumberland County Business Council Downtown Fayetteville Parking Consulting Services study completed March 10, 2008, in advance of the construction of the parking deck, estimated annual parking fees and space rental revenues at \$47,495, as compared to fiscal year 2013 year-end projected revenues of \$29,380.

Public Works Commission

**25. Q. Please provide the budget amount for PWC's television communications program.**

- A. \$50,000 – See TV production costs highlighted in yellow in the table below. There is no access cost paid to Time Warner.

**Budgeted Amounts for Communications and Community Relations**

<b>Community Relations Cost Type 454</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Speakers Bureau – Training, supplies for employee speakers bureau	\$ 5,000	\$ 5,000	\$ 5,000	\$ 2,500
TV Advertising- Production, airtime of annual television advertising	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000
Print Advertising- Annual print media advertising for PWC programs, events and public awareness	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000
Broadcast Advertising – Annual broadcast media advertising for public awareness	\$ 175,000	\$ 175,000	\$ 190,000	\$ 200,000
Directory Advertising – Advertising in phone directories, organizational directories, and military directories, magnet on phone directory	\$ 20,000	\$ 20,000	\$ 20,000	\$ 35,000
TV Production – Expense related to producing monthly PWC package for customer communication - Community Channel	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Community Advisory Group – Expense related to monthly meeting of Community Advisory Group	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Customer Satisfaction Survey – Expense related to developing/conducting annual survey for measuring customer's opinion/satisfaction of PWC services	\$ 25,000	\$ -	\$ 7,000	\$ -
Communication Services – Expense associated with community appearances by PWC educational mascots and speakers	\$ 5,000	\$ 10,000	\$ 5,000	\$ -
Holiday Activities – Expenses related to holiday activities including decorating, water tower lighting and parades	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Community Events – Participation/partnerships with community events	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Water Wise Garden – Water Wise Garden maintenance. Annual contribution to the Waterwise Garden at the Botanical Gardens. Funds used by the garden staff for maintenance, upkeep, and printing of educational materials.	\$ 1,000	\$ -	\$ 1,000	\$ -
Community Support – Continued support of local educational and community organizations such as Dogwood Festival, Arts Council	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000
Events/Partnership/Support – Continued support of and participation with Industrial and professional organizations activities/events including Homebuilders, CFRA, FBPL, Plumbers, Realtors and Apartment Associations.	\$ 50,000	\$ 50,000	\$ 40,000	\$ 10,000
Promotional Events – Coordination of events (PPW, WW, Energy Expo, 4th Friday) and general public request	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Conservation Items – Purchase giveaways promoting conservation (CFLs and Water Saver)	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Bottled Water – PWC bottled water to support community events	\$ 15,000	\$ 15,000	\$ 20,000	\$ 20,000
Employee Involvement – Annual campaigns by PWC employees supporting Local organizations	\$ 12,000	\$ 15,000	\$ 15,000	\$ 15,000
Elected Official Event - Annual Event	\$ -	\$ 8,000	\$ -	\$ -
<b>Total</b>	<b>\$ 710,000</b>	<b>\$ 700,000</b>	<b>\$ 705,000</b>	<b>\$ 677,500</b>

**26. Q. Please provide the detailed listing of accounts that comprise the recommended budgets of the PWC’s Communications and Community Relations Division and the Development and Marketing Department, specifically itemizing the community relations line item totaling \$677,500 on page 86 of the PWC budget document. Historical actual financial line item data for these cost centers should also be provided for FY2011, FY2012 and fiscal year to date 2013.**

A. The table provided in response to question 25 provides the breakdown of the Communications and Community Relations budget from FY2014 along with the prior three years of budget numbers. The Marketing & Development budget does not have money allocated to community relations.

**27. Q. What is PWC’s current longevity plan? How many employees have been hired at PWC since July 1, 2009?**

A. The table below provides a description of the longevity plan. 146 employees have been hired at PWC since July 1, 2009.

It is the policy of the Public Works Commission to recognize and reward its experienced full-time, regular employees with an annual lump sum payment for those who have five or more years of service with the PWC. The employee will be paid a percentage of their base annual salary based upon the following:

<u>YEARS</u>	<u>PERCENTAGE</u>
5 Years	2.5%
10 Years	4.5%
15 Years	6.0%
20 Years and up	7.5%

**28. Q. Does the PWC use industry-standard benchmarks to determine cost-of-living changes?**

A. PWC adjusts its pay ranges annually based on the change in CPI. Every 4-5 years the Hay Group will update our salary scales based on the market for each position. The CPI adjustment helps keep the scales close to the market between each Hay Group review. Note: Employee salaries are not adjusted by the CPI only the pay scales.

**29. Q. How many positions remain budgeted but unfilled in the proposed budget? long have the positions been vacant?**

A. All 629 authorized positions are budgeted for in the FY2014 budget. At the end of April, there were 34 vacancies. The vacancy list below shows the date each position was vacated. The longest is 18 months which we have advertised several times and not found an acceptable candidate. Several positions are filled with temporary employees until the Navigate project is complete and staff returns to their old positions.

PWC Position Vacancies April 1-30, 2013							
Number	Center	Class	Job Title	Grade	Type	Position Vacancy	Occurrence
1059	0262	F4650	Safety Specialist	408	H	D. Holloway	3/29/13
1016	0322	A5502	Util Field Svc Tech	403	H	R. Johnson	4/26/13
1247	0322	A5502	Util Field Svc Tech	403	H	L. Guthrie	3/1/13
1103	0322	A5502	Util Field Svc Tech	403	H	J. Hamilton	4/30/13
1293	0322	A5502	Util Field Svc Tech	403	H	L. Besant	4/30/13
1186	0360	CO101	Office Assistant	402X	S	E. Fera	3/30/13
1321	0380	A5704	DB Systems Administrator	408	H	R. Johnson	2/18/13
1028	0380	A5705	IS Systems Operator	406	H	T. Jones	4/26/13
1124	0380	A5715	IS Technical Supvr	413	S	G. Hofmann	9/17/12
1363	0381	A5651	IS Network Supvr	415X	S	T. Tyndall	9/28/12
1047	0410	F4005	Accounting Tech*	405	H	S. Loving (interim Accountant, filled by Temp)	3/4/12
1014	0410	F4005	Accounting Tech	405	H	L. Marchant	4/26/13
1043	0412	F4005	Accounting Tech*	405	H	M. Cunningham (interim Rev Acct Sup, filled by Temp)	1/20/12
1071	0412	F4005	Accounting Tech	405	H	J. Smith (interim Rev Acct Analyst)	3/29/13
1294	0620	W6103	W/R Equipment Oper	404	H	J.W. Ivey	12/21/12
1375	0620	W6103	W/R Equipment Oper	404	H	L. Vinson	4/1/13
1548	0620	W6857	W/R Utility Worker	402	H	K. Averitte	4/26/13
1543	0620	W6857	W/R Utility Worker	402	H	B. Sulse	4/12/13
1394	0620	W6857	W/R Utility Worker	402	H	D. Smith	12/21/12
1661	0620	W6857	W/R Utility Worker	402	H	M. Bullard	12/7/12
1320	0620	W6857	W/R Utility Worker	402	H	W. McPhaul	2/15/13
1225	0640	W6864	W/R Fac Oper Supvr	415	S	C. Baxley	4/13/13
1486	0810	E8003	E/S Engineer II	414X	S	V. Hart	2/17/12
1447	0820	E8107	Groundworker	402X	H	J. O'Brien	2/1/13
1442	0820	E8105	Lineworker 2nd Class	405X	H	M. Merritt	1/31/12
1457	0820	E8105	Lineworker 2nd Class	405X	H	R. Sunderland	7/16/12
1462	0820	E8110	E/S Line Clr Treetrimmer	403	H	R. Sullivan	8/21/12
1433	0820	E8124	Lineworker 1st Class (UG)	406	H	D. Ford	4/26/13
1477	0821	E8003	E/S Engineer II	414X	S	J. Sidebotham	11/2/2012
1467	0824	A5451	Sr Elec Meter Service Tech	406X	H	D. Bailey	2/11/2013
1406	0824	A5452	Elec Meter Service Tech	405	H	S. Ratley	4/30/2013
1365	0830	E8276	Compliance Specialist	414X	S	Reclassified from D/0110 (C. Groves)	11/29/11
1129	0831	E8263	P/P Auxiliary Operator	405	H	R. Walters	12/21/12
1537	0831	E8259	P/P Control Operator	407	H	S. Horn	1/18/13
<b>TOTAL VACANCIES:</b>				<b>34</b>			
*filled by temp							

JB 4/27/13

Stormwater

**30. Q. Please provide a comparison of “mean” stormwater fees in addition to the “median” stormwater fee comparisons presented at the May 15<sup>th</sup> budget work session.**

A. The table below provides a comparison of the City’s current stormwater fee to the mean and median of stormwater fees for all agencies reporting data to the UNC Environmental Finance Center for Fiscal Year 2011-2012:

	<b>Residential</b>	<b>Non-Residential</b>
<b>City of Fayetteville</b>	\$3.00	\$36.00
<b>Mean (all NC utilities)</b>	\$3.81	\$30.58
<b>Median (all NC utilities)</b>	\$3.90	\$32.04

Additional Questions Received Pending Responses:

**Q. What is the cost of solely funding the unfunded mandates for stormwater?**