

PUBLIC WORKS COMMISSION  
RECONVENED MEETING OF TUESDAY, APRIL 21, 2015  
RECESSED ON APRIL 8, 2015  
9:30 A.M.

Present: Michael G. Lallier, Chairman  
Lynne B. Greene, Vice Chairman  
Wade R. Fowler, Jr., Secretary  
Darsweil L. Rogers, Treasurer

Others Present: Steve Blanchard, Interim CEO/General Manager  
Kristoff Bauer, Deputy City Manager  
PWC Staff

Absent: Karen McDonald, City Attorney  
Jim Arp, Council Liaison  
Glenn Adams, County Liaison  
Mike Bailey, Hope Mills Liaison  
John Ellis, Hope Mills Liaison  
Media

Chairman Lallier called the reconvened meeting of April 21, 2015, to order, which was recessed on April 8, 2015.

Approval of Agenda

Upon motion by Commissioner Rogers, seconded by Commissioner Greene, the agenda was unanimously approved.

Review Proposed Operating Budget for Fiscal Year 2015-2016

*Presented by: Steven K. Blanchard, Interim CEO/General Manager  
Dwight Miller, Chief Finance Officer*

The proposed operating budget for Fiscal Year 2016 was presented to the Commission by Steven Blanchard, Interim CEO/General Manager and Dwight Miller, Chief Finance Officer.

Mr. Blanchard stated there are several changes to the proposed CIP Budget. Mr. Miller highlighted these changes by stating there were four projects moved from the Operating fund to the Bond fund and five projects moved to FY2017. Mr. Miller stated with these changes, the total CIP Budget changed from \$120,950,400 to \$117,045,600 for FY2016.

Mr. Miller reviewed in detail by PWC divisions the proposed PWC FY2016 Operating Budget. The Commission was informed the recommended Electric Fund budget totals \$243,834,999, the Water/Wastewater Fund budget totals \$107,065,870 and the Fleet Maintenance Internal Service Fund budget totals \$9,538,900 which represents a total recommended Budget for FY2016 in the total amount of \$360,439,769 as compared to the FY2015 Budget in the amount of \$364,253,400. The FY2016 budget also includes a transfer to the City of Fayetteville in the amount of \$9,843,200. Discussion ensued. Mr.

Blanchard and Mr. Miller responded to questions from the Commission pertaining to the FY2016 Operating Budget.

Commissioner Rogers asked staff for their assessment of the state of the operating environment PWC is experiencing. Mr. Blanchard responded that PWC is on par with where we anticipated. He stated, PWC is on target for meeting most of our requirements for expanding our rehabilitation programs and PWC is covering the Phase V Annexation issues. He stated the assumptions we have made place us in a good position to respond to any issues and staff expects to be able to meet the Commission's goals and objectives.

Commissioner Rogers requested for staff to add additional narrative to the Summary Page for the Divisions.

Mr. Blanchard also addressed performance increases for employees. The Commission was informed the recommended budget includes a 2.5% allowance to be used in the formula to calculate performance increases in pay for employees. The recommended 2.5% allowance includes the consumer price index (CPI) and merit adjustments. It was noted that once the 2.5% is calculated in the formula and then applied for the year, the total impact on salaries in the budget is approximately 1.25% increase. Mr. Blanchard suggested for PWC to contract the Hay Group to complete a base comparisons survey in FY2016 and implement the Commission's direction in FY2017.

Steve Blanchard also commented that the number of authorized positions approved by the Commission is 629. He requested for the Commission to add 15 positions to the General Manager's Unassigned Personnel. Mr. Blanchard stated the total impact to budget is \$900,000, (2.38 percent increase in staffing and 2.2% increase in personnel cost). He expects contractor and contract employee cost to decrease. Staff responded to questions from the Commission.

Commissioner Lallier commended staff on their due diligence in preparing the 2016 budget. He also gave a special thank you to Donna Lopes and Lisa Buffaloe of Capital Projects for their efforts.

There being no further business, upon motion by Commissioner Fowler and seconded by Commissioner Rogers, the meeting was adjourned at 12:50 p.m.