



# FY2020 Recommended Budget

*May 9, 2019 Work Session*

*City of*  
**Fayetteville**  
*North Carolina*





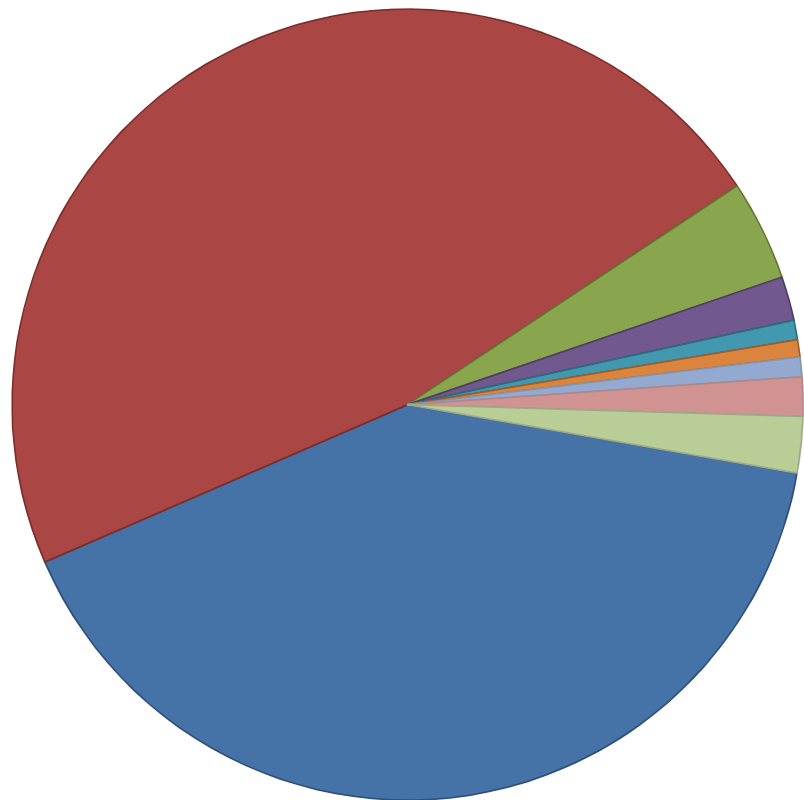
# May 9<sup>th</sup> Work Session Agenda

---

- Overview of Major General Fund Revenue Trends
- Major Enterprise Fund Fees
  - Solid Waste
  - Stormwater
  - Transit Fares
- Peer City Comparative Data
- County's Proposal for 911 Center
- Responses to Budget Questions



# FY2020 General Fund Revenues and Other Financing Sources



- Ad Valorem Taxes 40.7%
- Intergovernmental Revenues 47.2%
- Functional Revenues 4.1%
- Other Revenues 1.8%
- Other Taxes 0.8%
- Investment Income 0.7%
- Interfund Transfers 0.8%
- Proceeds from Loans 1.6%
- Fund Balance Appropriation 2.3%



# Taxable Property Values

---

- Taxable property growth has marginally improved
  - Average annual percentage increase in the tax base from January 2009 to January 2017 was 1.73%
  - Estimated growth from FY 2019 original budget to FY 2020 recommended budget is 1.6%
  - Last fiscal year estimated growth between original budgets was 0.2%
  - First year property tax collections projected to be \$69.99 million  
1.6% over FY 2019 budget, or 0.84% above FY 2019 projection



# Projected Taxable Values



Projected Taxable Values	Fiscal Year 2019 Year End Projection	Fiscal Year 2020	Projected Variance
Real Property	\$11,779,766,489	\$11,877,421,854	0.83%
Personal Property	572,835,538	574,227,528	0.24%
Public Service Property	218,665,782	218,665,782	0.00%
Motor Vehicles	1,395,087,458	1,429,964,645	2.50%
<b>Total Projected Valuation</b>	<b>\$13,966,355,267</b>	<b>\$14,100,279,809</b>	<b>0.96%</b>



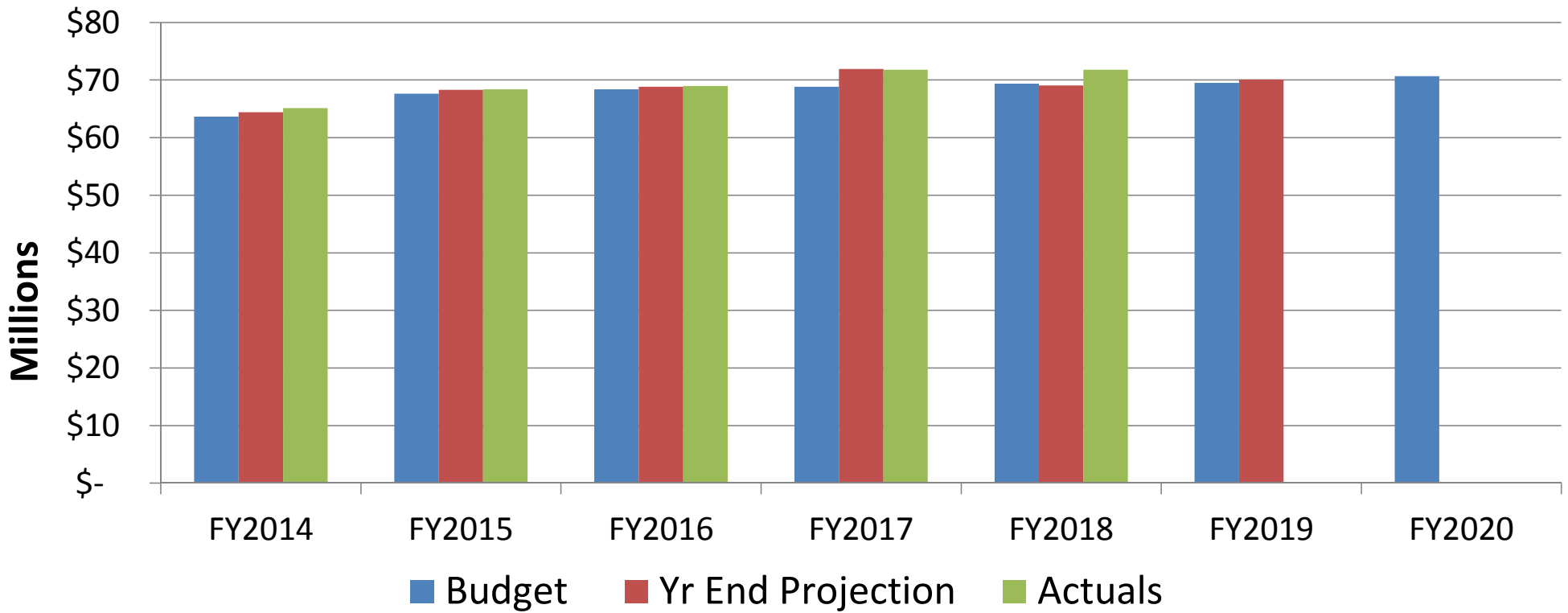
# Property Tax Revenues

---

- FY 2019 year end revenue projections are \$590,000 above budget
- General tax rate proposed to remain at 49.95 cents per \$100 of property valuation for FY 2020
- First year property tax collections are projected to be \$69,987,564
  - Increase of 1.6% over FY 2019 budget
  - Increase of 0.8% above FY 2019 projection



# Property Tax Revenues





# Sales Tax Distributions

---

- FY 2019      \$42,805,423      3.9% above FY 2018  
0.4% or \$187,000 above budget
- FY 2020      \$44,372,275      3.7% above FY 2019 projection  
4.1% above FY 2019 Budget
- Two Factors Impacting Revenues
  - Declining per capita share of taxes based on state-wide revenues (Article 40 – ½%)
  - Lower natural growth in taxable sales in Cumberland County as compared to state-wide growth (Articles 39 and 42 – 1 ½%)



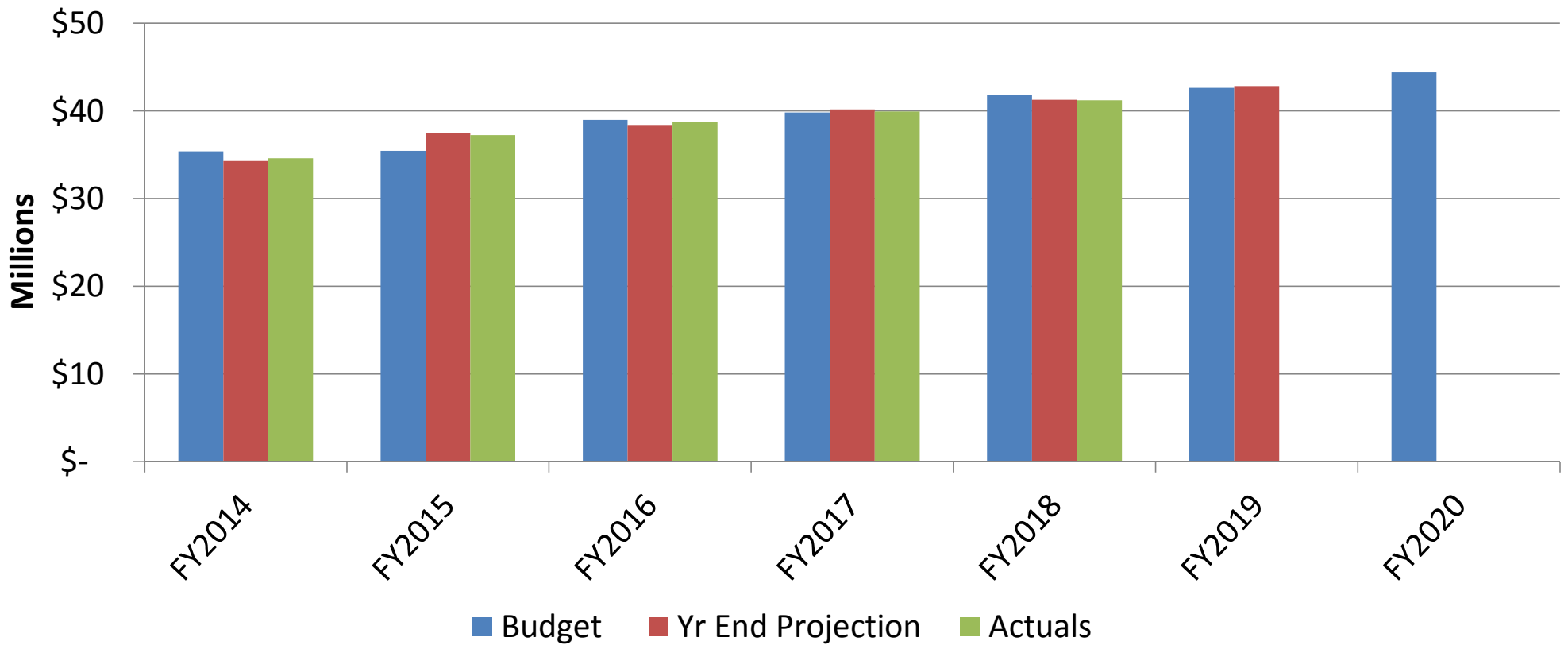


# Population Trends Impacting Sales Tax Distributions

Fiscal Year	Fayetteville		Cumberland County		North Carolina	
FY 2019	207,583	-0.5%	329,017	-0.2%	10,283,255	1.3%
FY 2018	208,729	0.3%	329,824	0.3%	10,155,942	1.0%
FY 2017	208,158	-0.1%	328,860	-0.2%	10,056,683	1.0%
FY 2016	208,373	-1.0%	329,403	-0.9%	9,953,687	0.9%
FY 2015	210,468	0.7%	332,553	0.4%	9,861,952	1.0%
FY 2014	209,080	0.5%	331,279	1.1%	9,765,229	1.0%
FY 2013	208,001	-0.1%	327,643	0.3%	9,669,244	0.9%
FY 2012	208,291		326,673		9,586,227	
FY2012 to FY2019		-0.3%		0.7%		7.3%



# Sales Tax Distributions





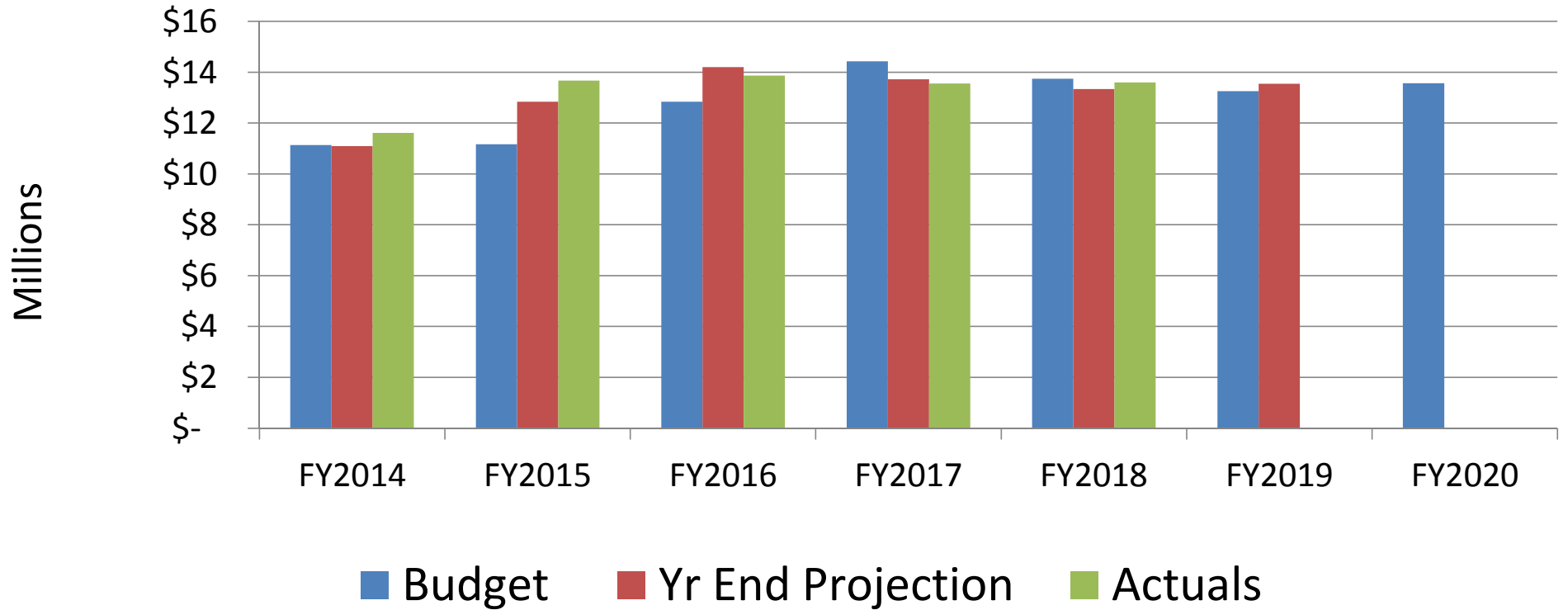
# Utility Tax Distributions

---

- FY 2019      \$13,542,900      0.4% below FY 2018  
2.2% or \$285,000 above budget
- FY 2020      \$13,565,900      0.2% above FY 2019 projection  
2.3% above FY2019 Budget
- Factors Impacting Revenues
  - Fayetteville receives a smaller share of growth beyond FY2014 baseline due to tax levy basis for allocations
  - Continuing declines on telecommunications and video programming taxes – technology shifts



# Utility Tax Distributions





## Other General Fund Revenue Highlights

---

- General Fund Intergovernmental Revenues
  - Public Works Commission
    - Payment In Lieu of Tax
      - FY 2019      \$ 10,938,255
      - FY 2020      \$ 11,098,087      (1.5% above FY 2019)
      - Based upon 2.45% of Electric Fund Net Assets
    - Economic Development Payments
      - FY 2019      \$1,200,000
      - FY 2020      \$1,200,000
      - Payments to continue through FY 2021 for a total of \$6 million



## Other General Fund Revenue Highlights

---

- FY 2020 includes \$2.8 M in planned loan proceeds for vehicle and equipment purchases in the General Fund
- FY 2020 includes \$4.1 M appropriation from General Fund fund balance for non-recurring uses
- Projected available General Fund fund balance at end of FY2020 is \$23.5 M or 13.87% of FY 2020 budgeted expenditures
  - Council policy is 10.0%. Balance beyond 10% is \$6.6 million.
  - Goal is 12.0%. Balance beyond 12% is \$3.2 million.



## Residential Solid Waste Fee

---

- FY 2019:
  - Current fee is \$190 per single family residential unit
  - In FY 2019, fund became a fully self-sufficient enterprise fund
- FY 2020:
  - Proposed fee is \$205 per single family residential unit
  - Increase of \$15 per year, or \$1.25 per month, in order to maintain fund self-sufficiency and build fund balance to 4.65%
  - \$15 fee increase is projected to generate \$913,000 in additional revenue for FY 2020



## Stormwater Fee

---

- Stormwater fee
  - No change proposed to the current fee of \$6.00 per month per equivalent residential unit
  - Based on guidance from the FY 2019 budget process, the fee is modeled to remain at current rate through FY 2024
  - Projected ending fund balance in the Stormwater Operating Fund is \$3.0 million at the conclusion of FY 2020





# Transit Fares

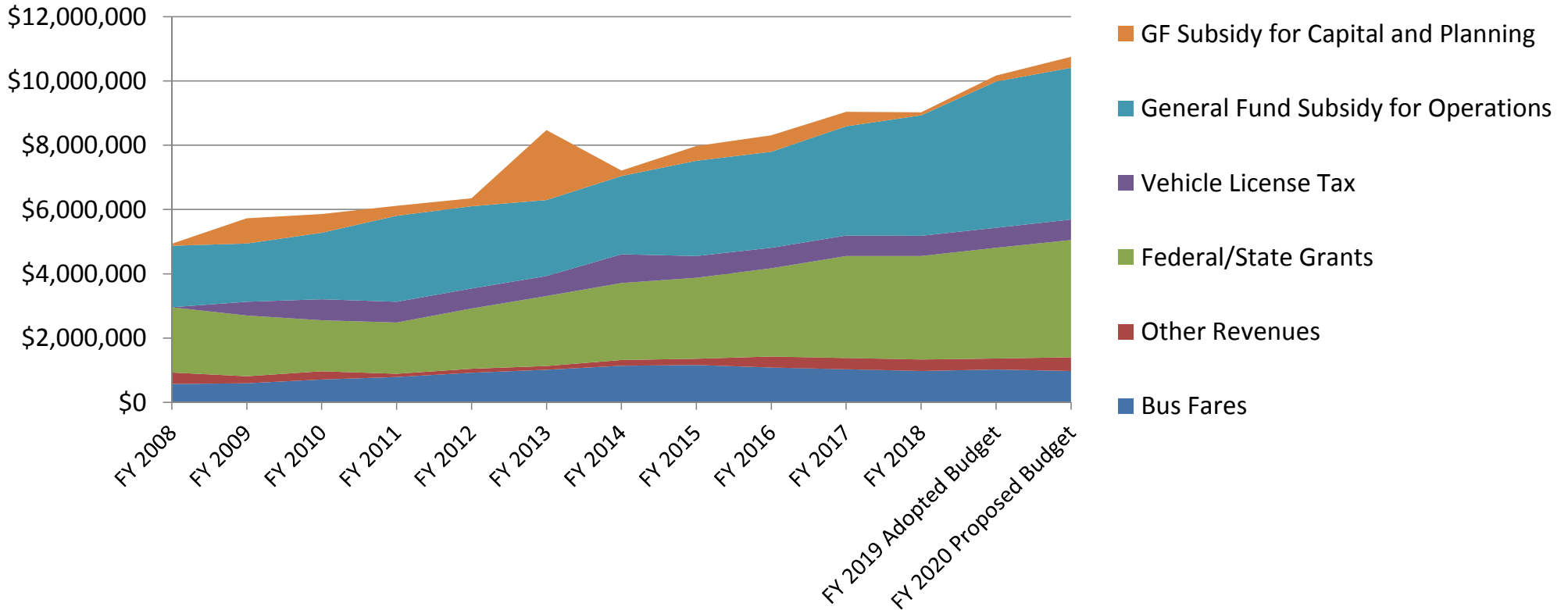
---

- No proposed fare changes, except implementation of reduced cost semester passes for FSU, Methodist and FTCC students
- Transit fare policy is to recover 20% of operating costs from fares and other system generated revenues
- Projected cost recovery for FY 2020 budget is 13%



# History of Funding for Transit Operations

FY 2008 - FY2018 Actual, FY 2019 - FY2020 Budget





# Peer City Comparisons – FY2019

Municipality	FY19 Tax Rate	FY19 Annual Stormwater Fee	FY19 Annual Vehicle License Tax	FY19 Annual Solid Waste Fee	Median Value of Owner Occupied Home	Annual Cost based on Median Value Home and 2 Vehicles	Rank (Low to High)	Annual Cost based on \$150,000 Home and 2 Vehicles	Rank (Low to High)
Charlotte	0.4887	129.24	30.00	46.06	187,300	1,258	4	1,076	4
Raleigh	0.4382	60.00	30.00	186.60	225,000	1,389	7	1,060	3
Greensboro	0.6325	32.40	30.00	0.00	152,300	1,195	3	1,180	7
Durham	0.5786	81.00	15.00	90.00	195,000	1,457	8	1,196	8
Winston-Salem	0.5974	54.00	15.00	60.00	142,200	1,125	2	1,172	6
Fayetteville	0.4995	72.00	10.00	190.00	128,500	1,034	1	1,141	5
Cary	0.3500	0.00	30.00	204.00	323,000	1,472	9	866	1
Wilmington	0.4984	98.28	15.00	315.48	232,900	1,714	10	1,301	9
High Point	0.6475	48.00	20.00	168.00	144,900	1,337	5	1,370	10
Asheville	0.4289	58.34	30.00	168.00	227,500	1,356	6	1,024	2
<b>Average</b>	<b>0.5160</b>	<b>63.33</b>	<b>22.50</b>	<b>142.81</b>	<b>195,860</b>	<b>1,334</b>		<b>1,139</b>	
<b>Median</b>	<b>0.4990</b>	<b>59.17</b>	<b>25.00</b>	<b>168.00</b>	<b>191,150</b>	<b>1,347</b>		<b>1,156</b>	



# City of Fayetteville North Carolina

fayTV



FayettevilleNC.gov

Available on the App Store

ANDROID APP ON Google Play