



# Presentation of the Recommended FY 2022 Budget

*May 10, 2021*



- \$239,347,070 total budget across all funds
  - 2.2% increase across all funds
- \$187,505,437 General Fund expenditures
  - 4.4% increase in General Fund
- Recommended tax rate remains at 49.95 cents per \$100 valuation



	FY2021 Original Adopted Budget	FY2022 Recommended Budget
General Fund	179,663,985	187,505,437
Solid Waste Fund	15,320,773	15,319,690
Transit Fund	11,544,388	12,415,571
Stormwater Fund	12,413,913	11,519,781
Airport Fund	8,006,757	5,045,544
PWC Assessment Fund	2,891,200	3,134,000
LEOSSA Fund	1,726,075	1,867,736
Emergency Telephone System Fund	994,967	1,001,723
Parking Fund	1,252,962	1,234,881
Central Business Tax District	312,693	302,707
Lake Valley MSD	32,548	0
<b>Total Budget All Funds</b>	<b>\$234,160,261</b>	<b>\$239,347,070</b>



# Funding Sources



**Ad Valorem Taxes**  
30%

**Sales Taxes**  
21%

**Other Intergovernmental**  
19%

**Stormwater & Solid Waste Fees**  
11%

**Other Fees**  
5%

**Fund Balance**  
5%

**Other**  
9%



- Ad Valorem Property Taxes
  - General tax rate proposed to remain at 49.95 cents per \$100 of property valuation
  - Taxable property growth of 1.5% compared to values projected for FY 2021 budget
  - General Fund revenue projected \$72.0 million, approximately 1.8% over FY 2021 budget
    - Collection rates on real and personal property anticipated to be 99.0%, based on FY 2020 collection rates which were likely impacted by COVID-19 economic pressures

- General Fund Intergovernmental Revenues
  - Projected Sales Tax Distributions
    - FY 2021 \$49.58 million 9.4% above FY 2020  
14.7% above budget
    - FY 2022 \$50.62 million 2.1% above FY 2021 projection  
17.2% above FY2021 budget
  - Utility Tax Distributions
    - FY 2021 \$12.74 million 1.2% below FY 2020  
3.5% below budget
    - FY 2022 \$12.57 million 1.4% below FY 2021 projection  
4.8% below FY2021 budget



- General Fund Intergovernmental Revenues
  - Public Works Commission
    - Payment In Lieu of Tax (Based upon 2.45% of Electric Fund Net Assets)
      - FY 2021      \$ 11,450,867
      - FY 2022      \$ 11,853,127 (3.5% above FY 2021)
    - Economic Development Payments
      - Final annual transfer of \$1.2 million in FY 2021 for a total of \$6 million over 5 years
    - COVID-19 Supplemental Emergency Funding
      - \$3.0 million in FY 2021

- FY 2022 includes \$3.1 M in planned loan proceeds for vehicle and equipment purchases in the General Fund
- FY 2022 includes \$12.4 M appropriation from General Fund fund balance for non-recurring uses, including \$2.7 M of capital funding plan fund balance and \$681,000 of Recreation District fund balance
- Projected available General Fund fund balance at end of FY2021 is \$26.2 M or 14.3% of FY 2022 budgeted expenditures
  - Council policy is 10.0%. Balance beyond 10% is \$7.9 million.
  - Goal is 12.0%. Balance beyond 12% is \$4.2 million.









- Residential Solid Waste Fee
  - FY 2022 fee proposed to remain at \$225 per single family residential unit
    - Fund maintains self-sufficiency as in FY 2021
    - No use of General Fund transfer to support solid waste operating costs; transfer solely funds debt service related to the General Fund
    - Projected fund balance at the end of FY 2022 is \$1.8 million

- Stormwater fee
  - No change proposed to the current fee of \$6.00 per month per equivalent residential unit
- Central Business Tax District
  - Tax rate recommended to remain at 10.0 cents
- Transit Fares
  - No proposed changes
- Lake Valley Drive MSD
  - Abolished at 6/30/21 without further tax levies



# **FAYETTEVILLE** NC **Expenditure and Service Highlights**

-  **Goal 1:** Safe and Secure Community
-  **Goal 2:** Responsive City Government Supporting a Diverse and Viable Economy
-  **Goal 3:** Investment in Today and Tomorrow
-  **Goal 4:** Desirable Place to Live, Work and Recreate
-  **Goal 5:** Financially Sound City Providing Exemplary City Services
-  **Goal 6:** Collaborative Citizen and Business Engagement



- Continues progress on the relocation of Fire Station 4
- \$2.1 million for replacement fire vehicles and apparatus
- Traffic safety improvements
  - \$70,000 for neighborhood traffic calming measures and speed studies
  - \$75,000 for neighborhood multi-use lane markings
  - \$100,000 for improved pedestrian facilities at intersections
- Funds a Police Administrative Manager
- Funds a Mental Health Community Liaison and a Homeless Community Coordinator in exchange for two Police Officers
- \$100,000 for active assailant training and protective gear for fire personnel
- \$244,000 for replacement conductive electrical weapons





## Goal 2: Responsive City Government Supporting a Diverse and Viable Economy

- \$400,000 additional funding to construct an 8-unit T-Hangar
- \$50,000 for Commercial Corridor Revitalization Program
- Continues \$100,000 annual support for FCEDC
- Continues \$220,000 for management of the downtown Arts and Entertainment District services and programs
- Continues \$35,353 annual support for CEED
- Continues implementation and support of the LSBE program
- \$100,000 increased funding for advertising incentives for added flight destinations or services at the Fayetteville Regional Airport
- \$110,000 to continue infrastructure improvements at Hurley Plaza at the redevelopment and stadium site



## Goal 3: Investment in Today and Tomorrow

- \$6.6 million for pavement preservation funding, including a \$2 million investment from fund balance
- \$3.5 million for stormwater watershed studies, \$1.1 million for drainage projects on Wayland Drive and Ray Avenue, \$400,000 for the drainage assistance program
- \$450,000 for stormwater spot repairs, easements, and project management
- \$556,000 for sidewalk improvements
- \$454,000 for soil street paving





## Goal 3: Investment in Today and Tomorrow

- 250,000 to continue the pavement and roadway condition study
- \$250,000 for a street connectivity study
- \$100,000 to continue the bridge preservation program
- \$75,000 for downtown streetscape improvements
- \$50,000 for thoroughfare streetlights
- \$160,000 for contracted construction inspections to facilitate the broadband infrastructure installation







## Goal 4: Desirable Place to Live, Work and Recreate

- Funds operating costs for new community amenities, including the Jordan Soccer Complex and Bill Crisp Senior Center
- \$1 million for park, playground and trail improvements
- Continues progress on Parks and Recreation bond projects
- \$105,000 of local funding for the West Fayetteville bus route
- \$100,000 to continue the partnership with Cumberland County to fund strategies to assist homeless citizens
- \$100,000 for a community New Year's Eve celebration
- \$54,000 for a pilot program for illegal dump site abatement efforts
- \$25,000 for a music education pilot program
- \$20,000 for additional community signage



## Goal 5: Financially Sound City Providing Exemplary City Services

- \$2.8 million for public safety pay increases and merit pay increases for employees not on step plans
- \$1.6 million for required increases for employer contributions for pension and medical benefits
- \$150,000 for a general employee pay study to assess market-competitiveness of City pay plans
- Funds a Real Estate Officer to assist with property research for right-of-way, administration of Airport leases, and various projects
- \$9.2 million for vehicle and equipment replacements



## Goal 6: Collaborative Citizen and Business Engagement

- \$48,000 to partner with Friends of the Park for the operations of the Fascinate-U Children's Museum
- \$56,250 for the Airborne and Special Operations Museum
- \$75,000 for the Arts Council of Fayetteville/Cumberland County to partner for community art programs
- \$75,000 for community events
- \$17,000 of local funding to initiate a partnership with FTCC for a bus operator training program
- Funds a Public Information Specialist for Solid Waste to focus on community awareness of solid waste and recycling programs



## Next Steps

- The recommended budget is available for public inspection in the Office of the City Clerk and on the City's website at [www.fayettevillenc.gov](http://www.fayettevillenc.gov)
- Council budget work sessions have been scheduled on:
  - Thursday, May 13th
  - Thursday, May 20th
  - Thursday, May 27th
- Council is asked to set the public hearing on the budget for Monday, May 24th
- Council is scheduled to adopt the budget, CIP and TIP, strategic plan and fee schedule on Monday, June 14th



 **FAYETTEVILLE**<sup>NC</sup>  
AMERICA'S CAN DO CITY

[FayettevilleNC.gov](http://FayettevilleNC.gov)