

**FY  
2023**



# budget in brief

## WHAT DOES IT TAKE TO RUN THE CITY?

### A MESSAGE FROM THE CITY MANAGER

Our Vision 2032 Statement establishes that we are striving to be an attractive, culturally diverse and inclusive city that is safe, prosperous, innovative and unified. While our city has been greatly impacted by COVID-19, with 88,602 infected and 631 deceased since 2020, we remained committed to achieving our vision for the next 10 years.

Specifically, over the last 12 months, we have maintained progress on our robust strategic plan as well as addressed pandemic-related community wellness. Key initiatives ranging from a comprehensive community crime-reduction strategy, Choice Neighborhood Initiative Grant Planning for the Murchison Road Corridor to continuation of a citywide stormwater masterplan and groundbreaking on a Homeless Day Center have kept staff quite busy. Added to those and other projects was the City's distribution of \$14 million in CARES Act funding to assist local businesses and more than \$11 million in Emergency Rental Assistance Program funding that assisted more than 2,500 households impacted due to COVID-19.

Earlier in FY22, the City was awarded more than \$40 million in American Rescue and Recovery Act funding that the City Council worked diligently to prioritize. That funding joins the more than \$14 million also awarded to the City by the State of North Carolina to address, among other things, parks and recreation projects, historic sites preservation and stormwater infrastructure projects. As we move through the process of identifying and completing projects to be funded by these federal and state resources, we will also focus on our proposed General Obligation (GO) Bond issuance referendum. Based on needs identified by Council and staff, the City plans to place a ballot measure on the November 8, 2022 election seeking authorization to issue up to \$97 million in GO Bonds to support projects related to public safety (\$60 million), infrastructure (\$25 million) and housing (\$12 million).

With the ambitious strategic plan, significant community needs and surfeit of state and federal funding, the FY23 budget contained herein continues all key city services and projects. Most significantly though, unlike in prior years, the main thrust of the recommended budget addresses one of our greatest challenges – recruitment and retention of qualified staff.

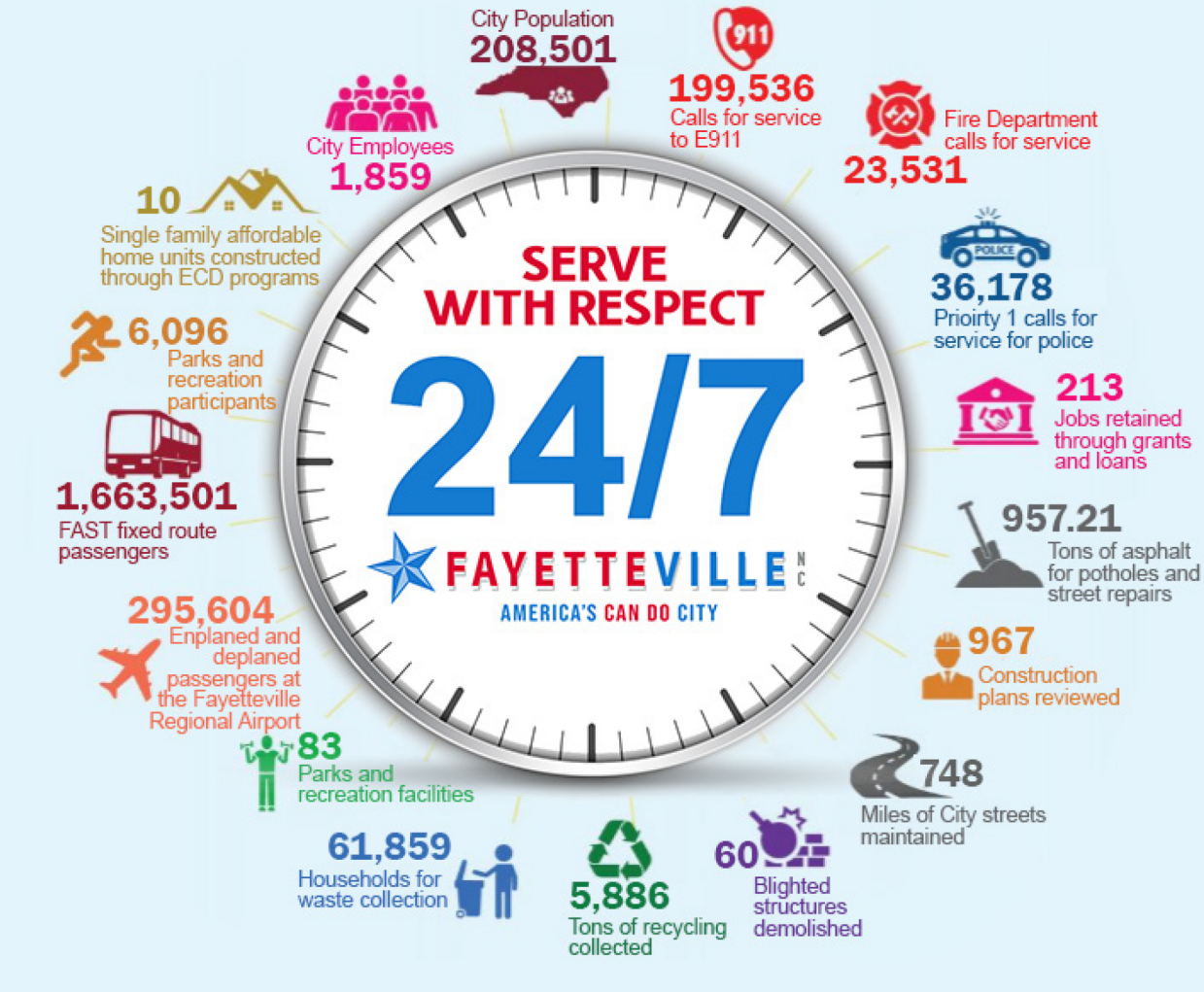
Over the last several years, like many industries and organizations, we have repeatedly struggled to retain qualified staff. Given our outdated compensation plan and pay compression issues, we commissioned a compensation study for all City positions. The recently completed study identified that many of our more than 1,600 positions are compensated below the market rate for the job tasks. The study also recommended increases in compensation for most positions along with a strategy to address pay compression for longer-tenured employees whose salaries are close to those of newly hired employees. All told, the implementation of the study, approximately (\$6.6 million) is the most significant addition to the FY 23 budget. While implementation of the study will help with recruitment and retention issues, more will be needed in upcoming fiscal years in order for the City to remain an Employer of Choice.

Sincerely,  
Douglas J. Hewett

**FY2023 Total Operating Budget**  
(excluding intrabudget transfers)  
**\$248.2 million**

# EXPENDITURE HIGHLIGHTS

## FY 2021 CITY SNAPSHOT



## EMPLOYEES BY FUNCTION



Fayetteville is a growing city of more than 208,000 residents. This budget provides for continuation of all municipal services at the same service levels as FY 22. The budget does make modifications to several areas, largely through improvements in service delivery and improvements using technology. All of the modifications are designed to support the service demands and needs for a growing city. In addition, this budget also supports the City Council's strategic plan goals in the following ways:

### GOAL I: Safe & Secure Community

- Continues progress on the construction project to relocate Fire Station 4
- \$2.7 million for fire vehicle and apparatus equipment including \$1.1 million for a replacement heavy rescue truck and \$1.4 million for two replacement pumper trucks
- 297,000 for radio equipment and associated maintenance
- \$100,000 for a temporary facility to serve as Fire Station #18
- Continues funding for the Mental Health Community Liaison and Homeless Community Coordinator positions to assist officers and help connect individuals with available resources in the community
- \$1.6 million for police vehicle replacements, \$403,000 for purchase, licensing and data storage for replacement body-worn camera equipment with advance capabilities, and \$224,000 for replacement conducted electrical weapons (Tasers)
- \$450,000 to repave the perimeter road and replace the perimeter fencing at the Airport
- \$75,000 for contracted mental health services for officers
- \$70,000 for neighborhood traffic calming measures and speed studies and \$65,000 for neighborhood multi-use lane markings

### GOAL II: Responsive City Government Supporting a Diverse and Viable Economy

- \$50,000 to continue the Corridor Revitalization program
- \$100,000 of additional funding for advertising incentives for added flight destinations or services at Fayetteville Regional Airport
- Provides \$115,000 of support for Fayetteville Cumberland Economic Development Corporation and \$35,353 for the Center for Economic Empowerment and Development
- Continues funding \$220,000 for the management of the downtown Arts and Entertainment District services and programs
- \$25,000 for contracted economic development advisory services
- Funds an additional Plans Examiner position to assist with expedited plan review service
- Continues implementation and support of the Local Small Business Enterprise (LSBE) program

### GOAL III: City Investment in Today and Tomorrow

- \$4.7 million in annual pavement preservation funding
- \$4.5 million for stormwater watershed studies, \$3.5 million for the design of projects resulting from the watershed studies, and \$450,000 for spot repairs, easement acquisition and project management
- \$335,000 for contracted professional engineering services
- \$200,000 for dam safety, preservation and repairs
- \$160,000 for contracted construction inspections to facilitate the community-wide installation of MetroNet broadband infrastructure

### GOAL IV: Desirable Place to Live, Work & Recreate

- \$30,000 of local funding to begin a bus route to service the Amazon distribution center in spring, 2022
- Funds operating costs for new amenities constructed using the Parks and Recreation Bonds
- Continues progress on Parks and Recreation bond projects
- \$165,000 to provide a community New Year's Eve Celebration
- \$145,000 for a celebration in honor of Juneteenth
- \$23,300 for a July 4th concert and fireworks display
- \$20,000 for continuation of the community entry signage program
- \$100,000 to continue the partnership with Cumberland County to fund strategies to assist homeless citizens
- Continues funding for the RAPID team to address illegal dump site abatement

### GOAL V: Financially Sound City Providing Exemplary City Services

- Funds \$6.6 million for a 4% of mid-point merit pay increases for employees not on step plans, increases to public safety employee step-plans, and market and compression issues identified in the compensation study
- Funds \$1.3 million for required increases for employer contributions for pension and medical benefits
- \$137,000 for a solid waste cart management software system
- \$25,000 for the biennial employee satisfaction survey
- \$1.4 million for a variety of technology capital projects, including \$400,000 for computer replacements, \$175,000 for City domain migration, \$100,000 additional funding for direct fiber connections to remote sites and email exchange conversion, and \$89,000 for public safety camera replacements and security compliance
- \$5.8 million for vehicle and equipment fleet replacements, including \$3.1 million in the General Fund

### GOAL VI: Collaborative Citizen & Business Engagement

- Funds a Development Advocate position to facilitate and streamline the review and approval process for commercial and residential development projects
- Continues funding of a Public Information Specialist for Solid Waste to increase community awareness of solid waste and recycling programs and to enhance litter awareness
- \$48,000 to continue to partner with Friends of the Park for the operations of the Fascinate-U Children's Museum
- \$56,250 in continued funding support for the Airborne and Special Operations Museum
- \$75,000 to partner with the Arts Council of Fayetteville/Cumberland County for community art programs
- \$12,000 for support of community events
- \$35,000 for a continued partnership with Sustainable Sandhills for an enhanced litter awareness campaign
- \$10,000 of funding support for the Fayetteville Cumberland Reentry Council
- \$15,000 to initiate a digital advertising kiosk program in partnership with Cool Springs Downtown District, the Public Works Commission, the Arts Council of Fayetteville/Cumberland County, the Fayetteville Convention and Visitors Bureau, and the Fayetteville Cumberland Economic Development Corporation

# REVENUE HIGHLIGHTS

- General property tax rate remains 49.95 cents per \$100 of assessed valuation, including 1.42 cents dedicated for parks and recreation projects and bond debt service and 5.07 cents dedicated to the general capital funding plan
- Property tax rate for the Central Business Tax District remains at 10.0 cents per \$100 of assessed valuation
- Stormwater fee is unchanged at \$6.00 per month
- Residential solid waste is unchanged at \$225 per year
- Bus fare collections to be reinstated in September 2022
- Other fee adjustments include minor adjustments to code enforcement, building permit and trade inspection fees to simplify the fee structure with negligible expected revenue impacts
- FY 22 sales taxes expected to be 13.3% above budget, followed by expected 4.0% increase in FY 23
- FY 22 utility tax distributions projected to be 0.2% below budget, followed by a negligible decline for FY 23
- Payment in lieu of taxes from the Public Works Commission (PWC) is projected to be \$12.41 million in FY 23, 4.7% above the FY 22 payment of \$11.85 million
- FY 23 proposed budget includes \$1.2 million in loan proceeds in the General Fund to purchase vehicles and equipment
- Balances the budget with a \$3.3 million total General Fund fund balance appropriation, including \$1.9 million from fund balance assigned for the general capital funding plan, \$1.1 million from fund balance assigned for the Parks and Recreation Bond funding plan, and \$0.2 million from fund balance reserved for the County Recreation District. This represents a 75.4% decrease, or \$10.1 million, in the use of fund balance as compared to the \$13.4 million original fund balance appropriation for FY22.

## WHERE DOES THE MONEY COME FROM?



- Property Taxes (29%)
- Sales Taxes (24%)
- Other Intergovernmental (16%)
- Stormwater and Solid Waste fees (10%)
- Other Fees (4%)
- Fund Balance (5%)
- Other (6%)

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## EXPENDITURES BY FUNCTION

