

 **FY**
2023

 **FAYETTEVILLE** ^{NC}
AMERICA'S CAN DO CITY

**annual
budget**
recommended



May 23, 2022

- Assumptions and Guiding Principles
 - No tax or fee increase
 - Current economic impacts on employees and the cost of living
 - The labor market and being an employer of choice
 - Refining our permitting, plan review and inspections services to enable continued development and economic growth
 - Future sustainability of our financial stability



- \$248,258,980 total budget across all funds
 - 3.3% increase across all funds
- \$188,318,886 General Fund expenditures
- Recommended tax rate remains at 49.95 cents per \$100 valuation



	FY2022 Original Adopted Budget	FY2023 Recommended Budget
General Fund	188,463,322	188,318,886
Solid Waste Fund	15,319,690	16,360,647
Transit Fund	12,415,571	13,325,042
Stormwater Fund	11,519,781	16,382,010
Airport Fund	5,045,544	5,765,927
PWC Assessment Fund	3,134,000	2,520,000
LEOSSA Fund	1,867,736	3,148,800
Emergency Telephone System Fund	1,001,723	960,166
Parking Fund	1,234,881	1,191,830
Central Business Tax District	302,707	285,672
Total Budget All Funds	\$240,304,955	\$248,258,980

Funding Sources



Ad Valorem Taxes
29%

Sales Taxes
24%

Other Intergovernmental
16%

Stormwater & Solid Waste Fees
10%

Other Fees
12%

Fund Balance
4%

Other
5%

- Ad Valorem Property Taxes
 - General tax rate proposed to remain at 49.95 cents per \$100 of property valuation
 - Taxable property growth of 1.25% compared to values projected for FY 2022 budget
 - General Fund revenue projected \$72.2 million, approximately 1.3% over FY 2022 budget
 - Collection rates on real and personal property anticipated to be 99.0%, based on FY 2021 collection rates

- General Fund Intergovernmental Revenues
 - Projected Sales Tax Distributions
 - FY 2022 \$57.38 million 9.6% above FY 2021
13.3% above budget
 - FY 2023 \$59.67 million 4% above FY 2022 projection
17.9% above FY2022 budget
 - Utility Tax Distributions
 - FY 2022 \$12.54 million 1.7% below FY 2021
0.2% below budget
 - FY 2023 \$12.56 million 0.1% above FY 2022 projection
Consistent with FY2022 budget

- General Fund Intergovernmental Revenues, Cont'd.
 - State Street Aid (Powell Bill)
 - FY 2022 \$10,161,553 (\$4.3M one-time grant)
 - FY 2023 \$5,770,454 (13.2% above FY 2022 budget)
 - Public Works Commission
 - Payment In Lieu of Tax (Based upon 2.45% of Electric Fund Net Assets)
 - FY 2022 \$ 11,853,127
 - FY 2023 \$ 12,405,712 (4.7% above FY 2022)

Revenue Highlights

- FY 2023 includes \$1.2 M in planned loan proceeds for vehicle and equipment purchases in the General Fund
- FY 2023 includes \$3.3 M appropriation from General Fund fund balance for non-recurring uses, including \$1.9 M of capital funding plan fund balance, \$1.1M of Parks and Recreation Bond plan fund balance, and \$191,000 of Recreation District fund balance
- Projected available General Fund fund balance at end of FY2023 maintains Council's fund balance goal of 12%.

- Available General Fund Fund Balance
 - Projected Fund Balance in excess of 12% goal \$ 13.2 M
 - Assigned for Capital Funding Plan (5.07 cents) (7.3 M)
 - Assigned for Parks and Rec Bond Plan (1.42 cents) (2.0 M)







Net Projected Fund Balance Above 12% Goal \$3.9 M



- Residential Solid Waste Fee
 - FY 2023 fee proposed to remain at \$225 per single family residential unit
 - Fund maintains self-sufficiency as in FY 2022
 - 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 2023 is \$1.5 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
 - Return to fare collection is projected for September, 2022

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
- \$2.7 million for replacement fire vehicles and apparatus
- Traffic safety improvements
 - \$70,000 for neighborhood traffic calming measures and speed studies
 - \$65,000 for neighborhood multi-use lane markings
- \$310,000 for personal protective gear for fire personnel
- \$224,000 for replacement conductive electrical weapons
- \$450,000 to repave the perimeter road and replace the perimeter fencing at the Airport
- \$100,000 for temporary Fire Station #18



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

- \$50,000 for Commercial Corridor Revitalization Program
- Provides \$115,000 of 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
- Funds an additional Plans Examiner position



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



Goal 4: Desirable Place to Live, Work and Recreate

- Funds operating costs for new community amenities
- Continues progress on Parks and Recreation bond projects
- Funds the implementation of the Amazon distribution center bus route beginning spring, 2023
- \$100,000 to continue the partnership with Cumberland County to fund strategies to assist homeless citizens
- \$165,000 for a community New Year's Eve celebration
- \$145,000 for a community Juneteenth celebration
- \$23,300 for a July 4th concert and fireworks display
- \$20,000 for additional community signage



Goal 5: Financially Sound City Providing Exemplary City Services

- \$6.6 million for a 4% merit pay increase for employees not on step plans, increases to step plans, and compression issues identified in the compensation study
- \$708,000 for required increases for employer contributions for medical benefits
- \$513,000 for required increases for employee pension benefits
- \$7.4 million for vehicle and equipment replacements
- \$137,000 for a solid waste cart management software system



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 operating support for the Airborne and Special Operations Museum
- \$75,000 for the Arts Council of Fayetteville/Cumberland County to partner for community art programs
- Funds a Development Center Advocate position
- Digital advertising kiosk with community partners

- 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
- Council budget work sessions have been scheduled on:
 - Thursday, May 26th
 - Thursday, June 2nd
 - Thursday, June 9th
- Council is asked to set the public hearing on the budget for Monday, June 13th
- Council is scheduled to adopt the budget, CIP and TIP, strategic plan and fee schedule on Monday, June 13th, after the conclusion of the public hearing.



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