

Revenue Highlights

- General property tax rate is at 53.95 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, 4.00 cents for the 2022 bond debt service, and 43.46 cents for general city operations.
- Property tax rate for the Central Business Tax District remains at 10.0 cents per \$100 of assessed valuation
- Stormwater fee remains at \$6 per month
- Residential solid waste fee increases to \$265 per year
- Bus fares are recommended to remain at current levels
- 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 24 sales taxes are expected to grow by 13.2%, with all of the growth above FY 22, being returned to the County as part of the sales tax agreement. The value of this growth in FY 24 is \$8.3 million.
- FY 22 utility tax distributions projected to be .2% below budget, followed by a consistent projection for FY 23
- Payment in lieu of taxes from the Public Works Commission (PWC) is projected to be \$10.2 million in FY 24, 17.43% less than FY 22 budgeted payment of \$12.4 million. This is due to the estimated withholding of \$2 million to repay an advance on the PWC's payments made during the COVID-19 pandemic.

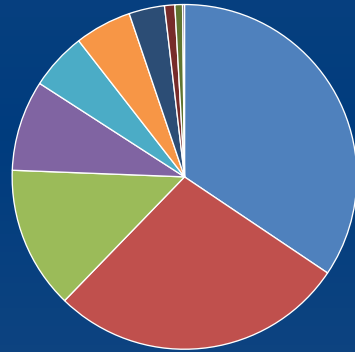


What does it take to run the City?

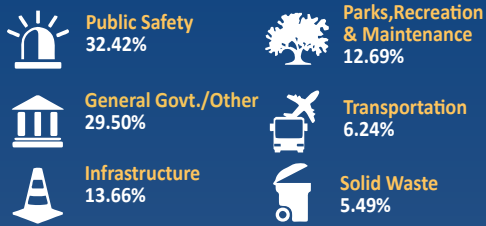
Where does the money come from?

FY2024 Funding Sources

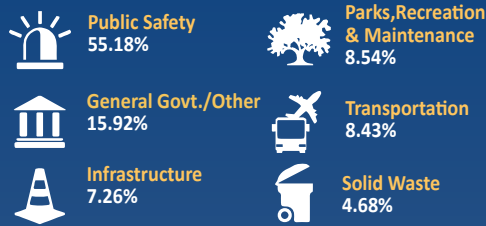
- Intergovernmental Revenues 34.42%
- Ad Valorem 27.83%
- Functional Revenues 13.37 %
- Interfund Charges 8.5%
- Fund Balance Appropriations 5.49%
- Other Revenues 5.32%
- Interfund Transfers 3.4%
- Other Financing Sources 0.96%



Expenditures by Function



Employees by Function



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. Undoubtedly, developing a budget for a growing city with a population of 208,000 individuals comes with its own challenges. The ongoing effects of the COVID-19 pandemic have significantly impacted our economy. We continue to navigate the lingering economic consequences, such as the rising cost of doing business, including increased material costs, labor costs and energy costs.

Despite the challenges we face, we remain optimistic about positive developments we can highlight. The overwhelming approval of the \$97 million general obligation bond referendum by the voters will provide much-needed funding for crucial areas such as public safety, infrastructure and housing projects. Moreover, we can leverage \$40 million from the American Rescue Plan Act of 2021 (ARPA) and additional funds from the Opioid Settlement to further bolster our efforts.

The proposed budget focuses on key areas that require attention and investment. First and foremost, we recognize the importance of employee recruitment and retention to our ability to serve Fayetteville's residents. Our 1,800 employees are the backbone of our city, and their exceptional service is the very product we deliver daily. The budget includes measures to ensure their well-being and incentivize their continued dedication to serving.

We remain committed to addressing all of the City Council's strategic priorities, and the budget reflects this commitment. Specifically, we have allocated resources to address homelessness by opening and operating the Day Resource Center for Homelessness and funding the homeless impact reduction program. Additionally, the budget takes up the growing awareness of the significant impact of mental health on our residents. We plan to create a "Office of Community Safety" Director position filling gaps left by other agencies and partners. Housed within the City Manager's Office, this individual will collaborate with the Senior Assistant to the City Manager for Public Safety and others to address livability issues previously managed solely by the Fayetteville Police Department. This pilot program, the Violence Interrupter program, and other public safety initiatives aim to create a safety net for those experiencing mental illness, homelessness and related challenges.

The proposed FY24 annual operating budget of \$311.0 million across all funds is \$28.1 million more than the original adopted budget for FY23, an increase of 9.95%.

Sincerely,
Douglas J. Hewett

FY2024 Total Operating Budget
(including intrabudget transfers)
\$311.0 million



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More City of Fayetteville budget details can be found online at www.FayettevilleNC.gov/BudgetChronicles



Expenditure Highlights

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 23.

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.



City Council's Strategic Plan Goals

Goal I: Safe & Secure Community

- Funds the relocation and opening of Fire Station 4
- Funds the new "Office of Community Safety" Director position
- Funds the homelessness Impact Reduction Program
- Initiation of voter-approved public infrastructure bond projects
- Funds the study for Impacts of gun violence study



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

- Continues of the Corridor Revitalization program
- Funding incentives to add flight destinations or services at the Fayetteville Regional Airport
- Supports Fayetteville Cumberland Economic Development Corporation
- Supports management of the downtown Arts and Entertainment District services and programs
- Continues the Local Small Business Enterprise (LSBE) program and recommendations from the disparity study
- Continues of NextGen Workforce Initiatives



Goal III: City Investment in Today and Tomorrow

- Provides \$4.7 million in annual pavement preservation funding accelerated by bond funding
- Continues stormwater watershed studies
- Implementation and design of identified projects including dam safety, preservation and repairs
- Sustains housing opportunity programs including Housing Trust Fund, repairs and renovation and homeownership support through grant and bond funding



Goal IV: Desirable Place to Live, Work and Recreate

- Initiate and implement Regional Energy Collaborative and update to the City's sustainability plan
- Funds transit services and routes to better serve residents' transportation needs
- Expands Parks and Recreation Bond projects expanding services and amenities
- Provides funding for New Year's Eve, Juneteenth, 4th of July and other community celebrations.
- Continues the community entry signage program
- Funds programs to address homelessness and mental health



Goal V: Financially Sound City Providing Exemplary City Services

- Funds employee recruitment and retention efforts with a 4% pay adjustment for staff, 1% 401k increases and adjustments to public safety step plans
- Continues compensation study recommendations
- Continues investments in essential City technology
- Continues and completes identified capital and infrastructure projects



Goal VI: Collaborative Citizen and Business Engagement

- Continues and amplifies military affairs and intergovernmental relations
- Support for Cape Fear Regional Theatre
- Continues support for community partners including Arts Council of Fayetteville/Cumberland County for community programs
- Continues community clean-up partnership efforts including Fayetteville Beautiful
- Leverage technology and emerging resources to increase resident engagement

