



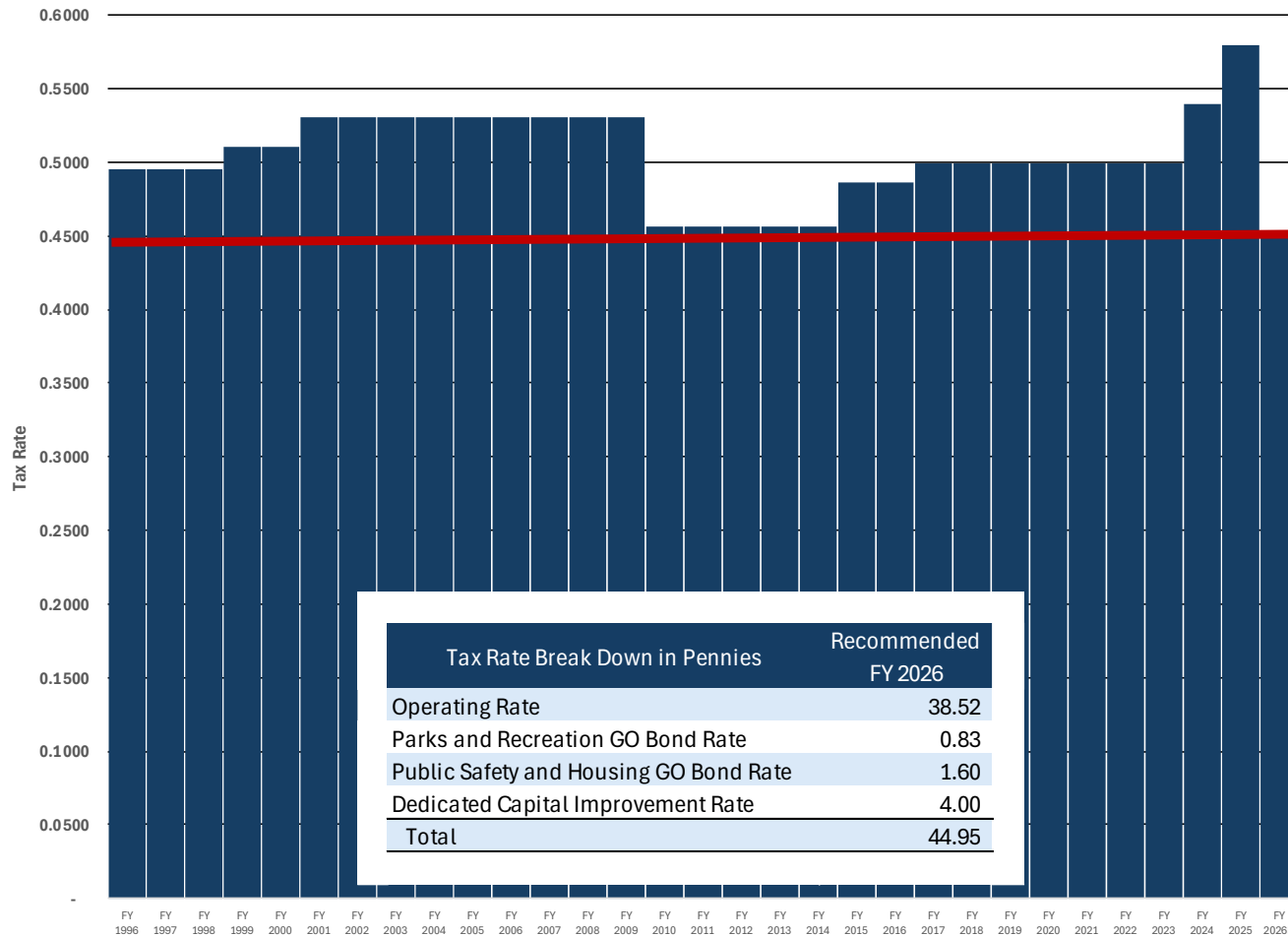
# FY 2026 Operating and Capital Budget

*City Council Meeting - Adoption  
June 9, 2025*





# 30 Year Tax Rate History



Fiscal Year	City Tax Rate
FY 1996	0.4950
FY 1997	0.4950
FY 1998	0.4950
FY 1999	0.5100
FY 2000	0.5100
FY 2001	0.5300
FY 2002	0.5300
FY 2003	0.5300
FY 2004	0.5300
FY 2005	0.5300
FY 2006	0.5300
FY 2007	0.5300
FY 2008	0.5300
FY 2009	0.5300
FY 2010	0.4560
FY 2011	0.4560
FY 2012	0.4560
FY 2013	0.4560
FY 2014	0.4560
FY 2015	0.4860
FY 2016	0.4860
FY 2017	0.4995
FY 2018	0.4995
FY 2019	0.4995
FY 2020	0.4995
FY 2021	0.4995
FY 2022	0.4995
FY 2023	0.4995
FY 2024	0.5395
FY 2025	0.5795
FY 2026R	0.4495

- Total recommended budget is down by ~~\$8.55.8~~ million a reduction of ~~2.64~~1.8%
- \$4.6 million for employee compensation, assuming a vacancy rate of ~~7.4%~~12%
  - \$2.5 million for 4%, \$800,000 for FPD Steps, \$650,000 for FFD Steps, \$50,000 for Telecommunications Steps, and \$625,000 for 1% 401k increase
- \$.4495 Recommended Ad Valorem Rate
  - Lowest tax rate in at least 30 years
  - Lost sales tax revenues, with a net impact of \$3.1 million
  - Reduced motor vehicle ad valorem tax revenue \$2.4 million
  - Compensation increases for employees \$4.6 million
  - Annual funding for the FPD axon technology and video storage \$2.6 million
  - New Investments of \$3.1 million, with \$1.3 million of identified service reductions
- No recommended Stormwater or Solid Waste Rate Increases, Maintain Current Fares at FAST
- \$.1489 CBTD Revenue-Neutral Ad Valorem Tax Rate



# City Council Consensus Items

## Ongoing Funding Items (\$2,548,622)

- Additional funding for micro-grants, \$100,000
- Police and Fire Compression Issue \$1,517,366
- Board/Commission Engagement \$60,000
- City Council funding for promotional items \$6,000
- Additional Public Safety cameras \$425,256
- Right of Way maintenance temporary staffing \$440,000

Stormwater Fund - \$100,000 for water quality funded through the Stormwater Enterprise Fund

## Ongoing Funding Items (\$3,148,622)

- Additional public safety cameras \$887,340
- BriefCam AI software \$297,874
- Splash pad or water feature (Possible Tokay/North St.) \$450,000
- Additional Street markings \$100,000
- Unified Development Ordinance & Development Services Process Review \$1,000,000
- Additional Speed radar signs \$75,000
- Lake Rim Pool Shading \$30,000
- EDC Defense Innovation Funding \$350,000
- Additional sidewalk funding \$500,000

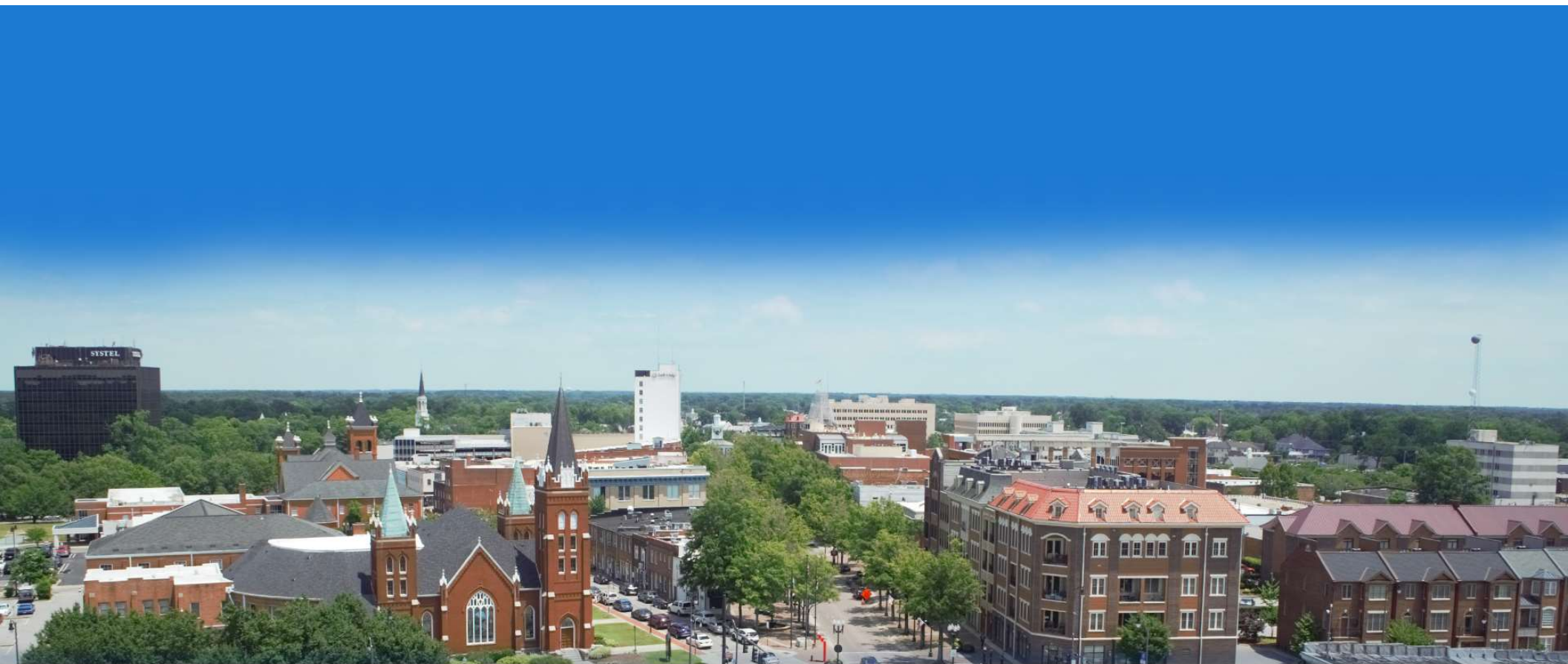
## Bottom Line Up-Front Changes

- Budget is balanced, including City Council's Consensus Items
- The remainder of the budget is as recommended
- Estimated fund balance is \$24.3 million
  - Assumed \$3.6 million of additional sales tax revenues based on the new agreement with the County
- Estimated Fund balance is at the 12% policy goal
- \$7.9 million in fund balance is used for one-time items
- Budget includes a 12.2% vacancy assumption

- ~~May 15<sup>th</sup> at 10:00 AM - Budget work session: Operating Budget and Tax Rate Discussion~~
- ~~May 22<sup>nd</sup> at 10:00 AM - Budget work session: Capital Improvement Program and Public Safety Discussion~~
- ~~May 27<sup>th</sup> at 6:30 PM - Required public hearing~~
- ~~May 29<sup>th</sup> at 10:00 AM - Work session: budget consensus direction, Council questions, and parking lot items~~
- ~~June 2<sup>nd</sup> at 2:00 PM - Work session: budget consensus direction, Council questions, and parking lot items~~
- ~~June 5, at 10:00 AM - Optional work session: City Council Discussion~~
- ~~June 9<sup>th</sup> at 6:30 PM - Adoption~~







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