

FY 2019 RECOMMENDED ANNUAL BUDGET



City of
Fayetteville
North Carolina



- \$235,536,638 total expenditures across all funds
- \$168,684,327 General Fund expenditures
- 1.2% increase in General Fund
- Recommended tax rate remains at 49.95 cents per \$100 valuation





Council Targets for Action

- Develop a unified street light plan
- Develop an internship program
- Review options for outsourcing waste management
- Develop options for a young adult engagement program
- Develop MSD options for concentrated retail areas



Expenditure and Service Highlights

-  **Goal 1:** Safe and Secure Community
-  **Goal 2:** Diverse and Viable Economy
-  **Goal 3:** High Quality Built Environment
-  **Goal 4:** Desirable Place to Live, Work and Recreate
-  **Goal 5:** Sustainable Organizational Capacity
-  **Goal 6:** Resident Engagement and Partnerships



Goal 1: Safe and Secure Community

- \$195,000 to evaluate public safety facility needs and options for a bond referendum in 2019
- \$645,000 for a second set of turnout gear for all firefighters for health and safety
- Adds a systems analyst position for 911 call center systems and database maintenance
- \$128,471 for equipment enhancements for Police and Fire, and \$30,333 for Police Training Center improvements
- \$25,000 for neighborhood traffic calming measures and \$50,000 for multi-use lane markings



Goal 2: Diverse and Viable Economy

- Funds significant downtown redevelopment
 - Construction of the downtown stadium and Hay Street Parking Deck to be financed in FY18
 - \$100,000 for the grand opening in April 2019
- Continues \$100,000 annual support for FCEDC
- Continues \$100,000 General Fund support for the Downtown MSD's transition to an arts and entertainment focus
- Funds a \$100,000 economic development incentive for the construction of the Campbell's Soup facility
- Continues implementation and support of the LSDBE program



Goal 3: High Quality Built Environment

- \$4.28 million in annual street resurfacing funding
- \$2.22 million for stormwater drainage projects
- \$900,000 for sidewalk improvements
- \$100,000 for intersection improvements
- \$75,000 for downtown streetscape improvements
- \$25,000 for downtown wayfinding signage



Goal 3: High Quality Built Environment

- \$700,000 for transportation improvement agreements in partnership with the NC DOT, including:
 - \$500,000 for landscaping and irrigation at I-295 interchanges
 - \$50,000 for installation of sidewalk and other enhancements at the Rowan Street Bridge
 - \$50,000 for a share of upgrade costs for the computerized traffic signal system
 - \$100,000 for landscaping and irrigation improvements on Bragg Boulevard and I-95 Business



Goal 4: Desirable Place to Live, Work and Recreate

- First Parks and Recreation bond issuance planned for FY19
 - Splash pads, existing park improvements, and western senior center projects underway
 - Skateboard park and tennis center to commence in FY19
- Funds a full-year of operating costs for the downtown transit center and Sunday bus service
- Expands capacity for afterschool programs at 3 recreation centers and for summer camp at 11 centers
- \$100,000 to continue the partnership with Cumberland County to fund strategies to assist homeless citizens
- \$20,000 to fund community signage program



Goal 5: Sustainable Organizational Capacity

- Funds continuation of Police Officer, Fire Fighter, and Emergency Telecommunicator step pay plans
- 2% merit pay increases for employees not on step plans
- Funds required increases for employer contributions for pension and medical benefits
- Funds \$1,390,720 for a variety of technology projects
- Funds \$509,373 to sustain facility maintenance program
- Funds \$5.7 million for vehicle and equipment replacements
- Adds a network security administrator position and provides \$145,123 for contracted network security services



Goal 6: Resident Engagement and Partnerships

- \$250,000 contribution to the North Carolina Civil War and Reconstruction History Center
- \$48,000 to partner with Friends of the Park for the operations of the Fascinate-U Children's Museum
- \$75,000 for the Airborne and Special Operations Museum
- \$56,250 for the Arts Council of Fayetteville/Cumberland County to partner for community art programs
- \$26,621 to partner with CCS for the ICON internship program
- Continues next phases of City Hall renovation, including the first floor customer service areas



Revenue Highlights

- General tax rate proposed to remain at 49.95 cents per \$100 of property valuation
- Taxable property growth has slowed
 - Average annual percentage increase in the tax base from January 2009 to January 2017 was 1.73%
 - Estimated growth from FY 2018 original budget to FY 2019 recommended budget is 0.2%
- First year property tax collections are projected to be \$68,864,043, an increase of 0.1% over FY 2018 budget, or 0.6% above FY 2018 projection



Projected Taxable Values



Projected Taxable Values	Fiscal Year 2018 Year End Projection	Fiscal Year 2019	Projected Variance
Real Property	\$11,674,149,335	\$11,757,950,846	0.72%
Personal Property	561,343,000	562,465,686	0.20%
Public Service Property	196,690,912	196,690,912	0.00%
Motor Vehicles	1,348,467,394	1,361,952,068	1.00%
Total Projected Valuation	\$13,780,650,641	\$13,879,059,512	0.71%



Revenue Highlights

General Fund Intergovernmental Revenues

- Projected Sales Tax Distributions
 - FY 2018 \$41,237,922 3.3% above FY 2017
1.4% below budget
 - FY 2019 \$42,618,815 3.3% above FY 2018 projection
1.9% above FY2018 Budget
- Utility Tax Distributions
 - FY 2018 \$13,337,600 1.6% below FY 2017
3.0% below budget
 - FY 2019 \$13,257,500 0.6% below FY 2018 projection
3.6% below FY2018 Budget



Revenue Highlights

- General Fund Intergovernmental Revenues
 - Public Works Commission
 - Payment In Lieu of Tax
 - FY 2018 \$10,428,117
 - FY 2019 \$10,938,255 (4.9% above FY 2018)
 - Based upon 2.45% of Electric Fund Net Assets
 - Economic Development Payments
 - FY 2018 \$1,200,000
 - FY 2019 \$1,200,000
 - Payments to continue through FY 2021 for a total of \$6 million



Revenue Highlights

- Residential solid waste fee
 - FY 2018:
 - Current fee is \$108 per single family residential unit
 - Requires \$4.6 million of operating support from the General Fund
 - FY 2019:
 - Proposed fee is \$190 per single family residential unit
 - Increase of \$82 per year
 - Projected General Fund support for solid waste services is \$0.76 million, solely to fund debt service for prior loans



Revenue Highlights

- FY 2019 includes \$2.5 M in planned loan proceeds for vehicle and equipment purchases in the General Fund
- FY 2019 includes \$4.8 M appropriation from General Fund fund balance for non-recurring uses
- Projected available General Fund fund balance at end of FY 2018 is \$21.3 M or 13.1% of FY 2019 budgeted expenditures
 - Council policy is 10.0%. Balance beyond 10% is \$4.9 million.
 - Goal is 12.0%. Balance beyond 12% is \$1.6 million.



Revenue Highlights

- Stormwater fee
 - Recommended to increase by \$0.25 per month per equivalent residential unit to \$4.50 per month
 - Annual equivalent is a \$3 increase to \$54 per year
 - \$0.25 increase in the fee provides roughly \$460,000 per year in revenues
- Central Business Tax District
 - Tax rate recommended to remain at 10.0 cents
- Lake Valley Drive MSD
 - Tax rate recommended to remain at 39.4 cents



Revenue Highlights

- Transit Fare Increase
 - Staff has proposed an increase in the base adult fare from \$1.25 to \$1.50
 - Other fares and pass fees are recommended to adjust commensurate with that increase
- Parks & Recreation Fee Increases
 - Increases proposed for fees for use of facilities, youth athletics, summer camp and afterschool programs



Next Steps

- Council budget work sessions have been scheduled on:
 - Thursday, May 10th
 - Thursday, May 7th
 - Thursday, May 24th
- Council is asked to set the public hearing on the budget for Tuesday, May 29th
- 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 is scheduled to adopt the budget, CIP and TIP, strategic plan and fee schedule on Monday, June 11th



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