



City Manager's Recommended FY 2024 Operating and Capital Budget

*Public Hearing
June 12, 2023*

- April 18 – City Council Budget Work Session
- 28 – City Council Briefings
- May 1 – City Council Work Session
- 18 – City Council Budget Work Session
- June 1 – City Council Budget Work Session
- 5 – City Council Work Session
- 7 – City Council Budget Work Session

- June 12 – Public Hearing
- 14 – Work Session – Capital Funding Plan & Debt Portfolio Review
- 21 – Work Session – Open Items
- 26 – City Council Meeting - Adoption
- 30 – Fiscal Year End



- Strategic Focus

- Focus on continuing operations and projects
- Focus on Employer of Choice – Recruitment and Retention
 - 4.00% Compensation Increases
 - 1.00% Increase to 401K Contribution
 - \$500,000 for Continued Market Adjustments
 - Fund Police Steps at 1.25x
 - Fund Fire Steps at 1.25x
- Focus on the Serving the Community
 - \$250,000 for Mental Health Coordinator
 - \$250,000 for annual commitment to Cape Fear Regional Theatre
 - \$300,000 for operations at the Day Resource Center

- Strategic Focus

- Focus on Fulfilling the City Council's Prior Commitments

- Continues the Investment in the City's infrastructure through the CIP Program
- \$2 million for MLK Park Project
- \$3.3 million Reconstruction History Center 2nd Tranche
- \$450,000 Black Voices Museum

- **Focus on Efficiency**

- **\$19.8 million efficiency/vacancy commitment**
- \$2 million reduction in PWC PILOT
- \$500,000 annual increase in Ad Valorem Tax collection cost

- Rates Needed to Maintain Services
 - General Fund
 - 2.75 cent increase for operations to offset the loss of sales tax revenues
 - 4.25 cent increase for voter-approved general obligation bond debt service
 - \$265 solid waste rate (an increase of \$40 annually or \$3.33 monthly) for residential solid waste pickup
 - No Increase to Storm Water Rate
 - No Transit Fare Increases, Resumed Collection

All Fund Expenditures

| <i>All Fund Expenditures</i> | Budget FY 2023 | Recommended FY 2024 | % Change |
|--------------------------------|-------------------|------------------------|----------|
| General Fund | \$ 189,183,886 | 210,763,829 | 11.41% |
| Environmental Services Fund | 16,360,647 | 17,532,791 | 7.16% |
| Storm Water Utility Fund | 16,382,010 | 20,060,765 | 22.46% |
| Transit Operating Fund (FAST) | 13,325,042 | 13,707,470 | 2.87% |
| Parking Fund | 1,191,830 | 1,263,357 | 6.00% |
| Central Business Tax District | 335,672 | 349,966 | 4.26% |
| E-911 Fund | 960,166 | 960,353 | 0.02% |
| PWC Assessment Fund | 2,520,000 | 890,000 | -64.68% |
| Safety and Workers's Comp Fund | 2,383,893 | 2,600,500 | 9.09% |
| Property and Liability Fund | 2,469,340 | 2,647,114 | 7.20% |
| Risk Management Fund | 21,753,501 | 23,944,000 | 10.07% |
| Airport Operating Fund | 5,765,927 | 6,480,448 | 12.39% |
| LEOSSA Fund | 3,148,800 | 3,358,228 | 6.65% |
| Fleet Management ISF | 7,139,898 | 7,306,812 | 2.34% |
| Total All Other Funds | \$ 282,920,612 | \$ 311,865,633 | 10.23% |

- Deep evaluation of operating and programs in all funds; the goal is to bring structural balance
 - The loss of sales tax revenue will cause a fundamental reset in the City's general fund operations
- Deep evaluation of revenue opportunities, including vehicle license fees, increased transit fees and other fees and rates
- More than \$68.5 million of possible federal grants
- Continue implementation of the Employer of Choice tenets
- Continue evaluating the market to ensure competitive compensation
- Explore rate structures and revenue bonds in the Storm Water Utility
- Continuing the robust work plans across the City

For tonight and next steps

- Notice of the public hearing was published in the *Fayetteville Observer* on June 4th and June 11th.
- For tonight's hearing, receive comments concerning the City Manager's recommended budget.
- Council may adopt at any point after the public hearing.



Public Hearing concerning the
City Manager's Recommended
FY 2024 Annual Budget





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