
For Immediate Release

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Town Board Adopts FY 2017-18 Budget

On June, 5, 2017, Town Manager Adam Mitchell made a final presentation of the proposed FY 2017-18 budget to the Town Board. The budget was unanimously adopted after a public hearing. Adoption of the budget follows several public meetings, workshops and presentations where citizens have had the opportunity to review and make comments on the proposed budget.

The budget reflects the priorities set by the Town Board at the 2017 Town Board Retreat and provides the necessary resources to accommodate our rapidly growing town by supporting numerous projects, initiatives and goals based on the core principles of service quality, affordability, quality of life, economic development and maintaining the Town's financial strength.

The FY 2017-18 Budget begins July 1, 2017. Budget highlights include:

The operating budget for the General Fund is \$27.8 million and represents an 11% growth over the prior year. The change is primarily tied to the growth in tax base generated by the influx of new residential construction along with complimentary commercial development.

The tax rate will remain at \$0.4325 per \$100 of assessed property value. In 2016, the Town secured \$12,335,000 in grants and appropriations for transportation projects, which along with favorable tax base growth, has contributed to the tax rate being \$0.02 lower than advertised and approved in the 2015 bond referendum.

The Town maintains a healthy unassigned fund balance in the General Fund of approximately \$17.8 million, which represents nearly 64% of the Town's annual operating expenses. A healthy fund balance allows the Town to deal with emergencies or unusual circumstances that may arise, while also signaling to the bond market that the Town can fulfill its debt obligations, which in turn helps with favorable financing of capital projects. The Town of Fuquay-Varina has a triple A bond rating, making it one of only seventeen communities in North Carolina with the highest bond rating possible.

The budget includes the addition of 16.5 new full time positions directly related to growth. The addition of personnel is essential to sustain a level of service the community has become accustomed to and allows

for staff effectiveness. The total number of positions increases from 214 to 230.5. Town employees will receive a 3% salary market adjustment. Additionally, the budget reflects the implementation of a recent pay and classification study across the organization, totaling \$522,077. The pay and classification study was conducted in FY 2017, to ensure the Town can recruit and retain talent in a competitive job market.

Notable capital projects include pedestrian improvements on SE Judd Parkway between Angier Road and Phillips Pointe, completion of an outdoor basketball court at South Park, improvements to downtown parking lots and alleys, and miscellaneous park projects.

Debt service in the General Fund for FY 2017-18 is \$1,307,673, which supports capital investments in public facilities. New debt service is anticipated in FY 2019-2020 associated with the transportation bonds approved in November 2015.

The FY 18 budget includes numerous capital projects that accelerate construction of water and sewer infrastructure. The Town's Water and Sewer Enterprise budget is recommended at \$13,992,211. Fees for the water base rate will increase by \$0.19 per month and the water volumetric rate will increase by \$0.22 per thousand gallons. The sewer base rate will increase by \$0.52 per month and the sewer volumetric rate will increase by \$0.33 per thousand gallons. Rate increases are associated with increased water cost from suppliers, as well as the utility rate study recommendations tied to the expansion of Terrible Creek Wastewater Treatment Plant. The average residential customer using 5,000 gallons of water per month will see an increase of \$3.46 per month to their water and sewer utility bill..

Following the unanimous approval of the budget, Mayor Byrne remarked: "The Board has spent significant time both at the Town Board Retreat and two budget workshops establishing priorities and maintaining the Town's strong financial position. I appreciate the hard work of the Town Board members and the many hours spent by Town Management, Finance, and staff developing this budget, which succeeds in maintaining high quality services, advancing many priorities, and making important capital investments while keeping the tax rate flat."

To review the approved budget, fee schedule or board presentation, please visit www.fuquay-varina.org/budget.