
For Immediate Release

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Town Board Adopts FY 2021-2022 Budget

On June 7, 2021, Town Manager Adam Mitchell made a final presentation of the proposed 2021-2022 Budget to the Fuquay-Varina Town Board. The budget was unanimously adopted after a public hearing. The Town Manager's Recommended Budget was formerly presented to the Town Board on May 3 after a public budget workshop held on April 21.

The guiding philosophy behind the FY 2021-2022 budget is to advance the goals of the 2021-2025 Strategic Plan. Earlier this year, the Governing Body and management met over the course of two days to establish objectives and initiatives associated with each of the six core values as part of the Strategic Plan, as well as identify opportunities to advance operational excellence and enhance quality of life for Town residents and businesses.

The adopted budget begins July 1, 2021, through June 30, 2022. Budget highlights include:

The operating budget for the General Fund is \$50.15 million and is representative of 16% growth compared to the prior year. The change in revenues is primarily tied to anticipated loan proceeds of \$5.4 million for construction of Fire Station #4 and land acquisition for future fire stations, but also reflects growth in sales taxes and an increased property tax base compared with FY 2021 budget levels.

The budget proposes no tax or fee increases. The tax rate included in the operating budget is \$0.395 per \$100 of assessed property value. The rate is based on an estimated tax base of just over \$4.9-billion and a collection rate of 99.6%.

The Town maintains a healthy unassigned fund balance in the General Fund of approximately \$19.5 million, which represents nearly 51.1% of the Town's annual operating expenses in FY 22. 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 a handful of communities in North Carolina with the highest bond rating possible.

The budget includes the addition of 22 new full-time positions directly related to growth and the advancement of the core values identified within the 2021-2025 strategic plan. The total number of full-time positions increases from 283 to 305.

This year's General Fund budget includes \$11.9 million in capital and special projects. Notable projects include Construction of Fire Station #4; Carroll Howard Johnson Park trail stabilization project and bridge replacement; Master plans for Hilltop Needmore Town Park and Preserve and Downtown; Design completion for the Community Center North/Senior Center; Misc. pedestrian projects; Commercial/retail

project infrastructure support; and various upgrades at parks and fire stations.

Debt service for the General Fund is \$3,580,625 and \$3,658,864 for the Enterprise Fund. Debt service supports capital investments in public facilities.

The FY 22 budget includes numerous capital projects that involve enhancements to the Town's water and sewer infrastructure. The Town's Water and Sewer Enterprise budget is recommended at \$23,892,606.

No changes in water and sewer rates or other water and sewer-related fees are proposed. However, increased revenue from system development fees is anticipated as the direct result of increased activity. A water and sewer rate study and system development fee study are planned for FY22 to prepare for a phased rate adjustment in upcoming years to support the debt service that will be required to fund a long-term water and sewer capacity solution.

Fuquay-Varina Mayor John W. Byrne commented, "Over the past 14 months, Town operations, the local economy, and public health have been impacted heavily by the Novel Coronavirus. The Town entered the pandemic in a better position than many to navigate difficult waters due to the Town Board's responsible financial management. This year, our Town Board and management worked diligently to develop a 2021-2025 Strategic Plan that provides a framework for the Town to envision achievable goals, enact plans, allocate resources to achieve those goals and evaluate our progress in meeting those goals. Our budgeting process is one tool to help us achieve our goals. I'm also proud that we provided a mechanism for our citizens to provide feedback on their budget priorities. More than 300 people gave feedback on the first-ever budget survey this budget season."

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