

FY2027 BUDGET IN BRIEF

Recommended



Dr. Douglas J. Hewett
City Manager

Revised 5/21/2026

A Message from the City Manager

With a great sense of responsibility and pride, I present the **Recommended Budget for Fiscal Year 2027**. As we celebrate the 250th anniversary of the United States, I am reminded that the City of Fayetteville is truly the “**Can Do City!**” Our residents and employees show this spirit every day by working hard, helping others, and meeting challenges head-on. This budget is our plan for how we will use City resources. At the same time, we recognize that national and global events can affect our local community. That is why careful planning and strong leadership are more important than ever.

Our mission is clear: “The City of Fayetteville provides quality and sustainable public services for our communities to thrive and businesses to grow.” This budget focuses on that mission. It makes sure we continue to provide the services our residents count on, while also **staying financially responsible** and **supporting City Council priorities**.

Among the key highlights of the recommended budget:

- **Tax Rate Adjustment:** We recommend a property tax rate of \$0.4795 — still one of the lowest in the City's history. The proposed \$0.03 increase is divided purposefully between operating needs, supporting current services and City Council priorities, and long-term capital investment through the Capital Improvement Plan (CIP).
- **Public Safety Investment:** We recommend \$120 million for Public Safety, including funding for:
 - \$76 million for the Fayetteville Police Department, a \$2.54 million increase.
 - \$42 million for the Fire Department, a \$2.1 million increase.
 - \$2.18 million for the Office of Community Safety, a \$287,000 decrease.
- **Mental Health Response Expansion:** We recommend adding two mental health response units to the Office of Community Safety. These teams will help respond to people in crisis and meet growing community needs.
- **Employee Compensation Increases:** We recommend investing in our employees by:
 - Funding step increases for public safety staff
 - Providing a 4% pay raise
 - Increasing the City's 401(k) contribution by 1% so all employees receive the same level of support
- **Solid Waste Fee Adjustment:** We recommend a \$10 yearly increase in the Solid Waste Fee to help cover higher fuel costs. No other fee increases are proposed.

This budget was built through teamwork, careful discussion, and thoughtful decisions. While we had to make some tough choices, our focus remains clear: provide strong services, protect the City's finances, and support our community.

Let us move forward together—leading with purpose, investing wisely, and serving with care. Together, we are building a future our residents can trust and be proud of.

Sincerely,
Dr. Douglas J. Hewett

FY2027 Total Operating Budget
(including intrabudget transfers)
\$322,813,979
\$2 M less than FY26

Expenditure Highlights

Key Expenditure Highlights:

- \$120 million for Public Safety, including \$76 million for the Fayetteville Police Department, \$42 million for the Fire Department and \$2.18 million for the Office of Community Safety (OCS).
- Funding to add two mental health response units through the OCS to better support residents in crisis.
- Employee investments, including public safety step increases, a 4% pay raise and a 1% increase in the City's 401(k) contribution to provide consistent employee support.
- \$5.3 million in operating budget and CIP funding for sidewalks, paving and pedestrian improvements.
- \$5.8 million for FAST capital projects and \$20,000 for FAST operations to maintain current transit service levels.
- One-time funding for early retirement of limited obligation bonds used to purchase vehicles, the balance of the Cape Fear Regional Theatre commitment and the Campbell's Soup incentive commitment.



City Council's Strategic Plan Priorities

As the City of Fayetteville continues to grow and thrive, the City Council has created and established a clear trajectory through a strategic plan that clarifies a forward-looking vision for our community's future, founded on vitality and sustainability. A comprehensive strategic planning process serves as the guiding framework, with the City Council convening annually to define, and sometimes refine, various priorities that support the goals of the City ensuring they remain responsive to the evolving requirements of our ever-growing community.

Priority 1: Continue implementing a comprehensive approach to community safety



- \$120 million investment in public safety, including funding for Police, Fire and the Office of Community Safety (OCS).
- Adds two mental health response units through the OCS to better support residents in crisis.
- \$299,170 for Police Department Crime Information Center camera maintenance to support investigations and community safety.
- \$176,101 for Police Training Center and Basic Law Enforcement Training operations.
- \$116,856 for Fire Department Codes and Standards to support community risk reduction efforts, including smoke alarms, carbon monoxide detectors and stove-top suppression systems.

Priority 2: Enhance economic growth opportunities throughout the City



- Continues partnerships with the Fayetteville Cumberland Economic Development Corporation (FCEDC) and Fayetteville State University's HUB to attract new businesses and support small businesses.
- Supports local contractors through major City projects, helping strengthen the local economy.
- Continues downtown investment, with annual City investment in downtown exceeding \$5.52 million, excluding the Municipal Service District.
- Provides \$554,000 for the Public Services Parking Program General Fund transfer to support parking management, maintenance and operations.

Priority 3: Expand housing and neighborhood revitalization and refurbishment efforts, with emphasis on mature neighborhoods and attainable housing needs



- Supports development of a plan for the City's \$12 million affordable housing bond.
- Includes future housing strategies such as down payment assistance, support for housing development and other neighborhood-strengthening efforts.
- Maintains focus on mature neighborhoods, attainable housing needs and neighborhood revitalization.
- Supports continued investment in strong, stable neighborhoods as part of the City's broader economic and community development strategy.

Priority 4: Improve and expand transportation, transit, and overall connectivity for residents.



- \$5.3 million in recommended funding for sidewalks, paving and pedestrian improvements.
- \$5.8 million for FAST capital projects and \$20,000 for FAST operations to maintain current transit service levels.
- \$70,000 for speed hump installation and the Residential Traffic Management Program.
- \$50,000 for traffic signs and pavement markings to improve roadway visibility and safety.
- \$75,000 for crack seal operations and \$50,000 for on-call asphalt repair to extend pavement life and improve driving conditions.

Revenue Highlights

Tax Rate:

- The recommended FY 2027 general property tax rate is **\$0.4795** per \$100 of assessed valuation, a **\$0.03 increase** to help maintain strong and reliable City services while supporting City Council priorities.
 - A recommended **\$0.02** capital increase.
 - A recommended **\$0.01** operating increase.
- The Central Business Tax District rate is recommended to remain at \$0.1489 per \$100 of assessed valuation.

City Fees:

- The base stormwater rate **remains \$7 per month** per ERU; the FY27 fee schedule clarifies tiered single-family rates based on impervious surface area.
- The residential solid waste fee is recommended at \$285 per year, or approximately \$23.75 per month, reflecting a \$10 annual adjustment to help cover higher fuel costs.
- Transit fare revenue is budgeted based on current fare rates.
- The FY27 fee schedule includes targeted updates to selected service fees, including Development Services, Fire, Parks, Public Services, Solid Waste and Stormwater.

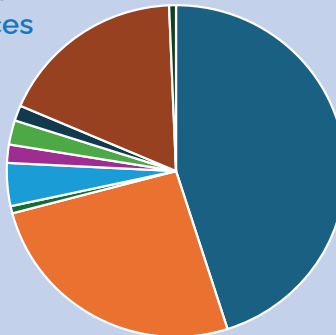
Cumberland County Sales Tax Agreement:

- The recommended budget continues to reflect the impacts of Cumberland County's change in sales tax distribution methodology from a population-based method to an ad valorem tax value basis method.
- FY27 General Fund sales tax revenue is projected at \$55 million, representing 25.82% of General Fund funding sources.

Where does the money come from?

FY2027 General Fund Funding Sources

- Ad Valorem Taxes **45.08%**
- Sales Tax **25.82%**
- Other Taxes **0.7%**
- Operating Revenues **4.19%**
- Fund Balance Appropriation **2.37%**
- Intergovernmental Revenues **17.91%**
- Interfund Charges **1.78%**
- Investment Income **1.5%**
- Other Revenues **0.66%**



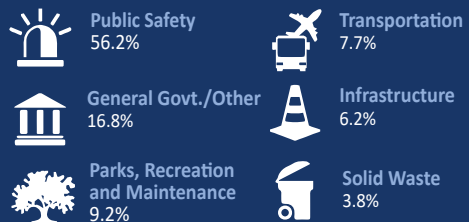
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Expenditures by Function



Personnel Expenditures by Function



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can be found online at:
FayettevilleNC.gov/Budget

