



Board Meeting Agenda Abstract

Monday, June 1, 2026

Location:

Agenda Item

FY 2026-2027 Operating Budget and Five-Year Plan - (Mitchell) - Item 10.A

Item Explanation

The purpose of this agenda item is to consider the adoption of the FY 2026 - 2027 Budget Ordinance, Fee Schedule, Five-Year Operating and Capital Plan, and Pay Grade and Classification Schedule for the Town of Fuquay-Varina.

Staff Comments

On May 4, 2026, the Town's Governing Board received a presentation regarding the FY 2027 Recommended Budget. A balanced budget and five-year operating and capital plan were presented along with identified human resource needs, facilities, and the capital equipment to maintain service levels to the standard residents expect and deserve. Along with the pre-budget public hearing that the Town traditionally holds during the month of February, a public hearing was held on May 19. The Let's Talk FV community engagement platform also provided the public an opportunity to provide feedback both prior to budget development and on the Recommended Budget. Also recommended for adoption is the proposed FY 2027 Pay Grades and Classification schedule which aligns with the recommendations of the recently completed market pay study presented by Matt Reece, and funding for this pay schedule is incorporated in the FY 2027 Recommended Budget.

The recommendation is that the Town Board adopt the Recommended FY 2026-2027 Operating Budget, to include the Budget Ordinance, Fee Schedule, Five-Year Operating and Capital Plan and Pay Grade and Classification Schedule as presented and recommended.

Fiscal Note

Yes

The recommended FY 2027 General Fund Budget totals \$83,316,205. The recommended budget increases the property tax rate by 2 cents to 37.8 cents per \$100 of assessed value to support four priority capital projects. In addition, the monthly solid waste fee is proposed to increase by \$1.00 to \$24 per month to achieve cost recovery for sanitation, recycling, and debris collection services. A complete Fee Schedule detailing all fees is included.

The Utility Operating Fund Budget totals \$47,394,858. The recommended budget includes a 15% increase in water and sewer base and volumetric rates, consistent with the

comprehensive rate model study completed in FY 2026, to generate the additional revenue needed to cover the cost of water supply, wastewater treatment, and debt service associated with major public utility infrastructure investments within the FY 27 Budget and Five-Year Plan.

Additionally, the proposed budget recommends adjusting the Water System Development Fee to \$4,974, and the Sewer System Development Fee to \$5,063 for a 3/4" meter, with other meter sizes adjusted proportionally. These adjustments are consistent with the FY 2026 System Development Fee study and are necessary to cover the costs of development-related water and sewer projects in the FY 27 Budget and Five-Year Plan. The updated System Development Fee analysis was publicly posted for review for 45 days, and a public hearing was held on May 19, 2026, as required by State statute. If adopted, System Development Fees on new development will be set at the maximum allowed under the NC General Statutes.

The Five-Year Operating and Capital Plan are balanced. The Five-Year Plan does not identify a need for any future property tax rate increases. The plan includes the addition of personnel, capital equipment, and capital projects to match the pace of growth and is consistent with the direction set by the Town Board at the Strategic Planning Retreat and the Town's 2025-2029 Strategic Plan. The Five-Year Plan also takes into consideration recommendations from various Town master plans and studies. Additionally, the Five-Year Plan anticipates the need for water and sewer volumetric rate increases every year to offset the anticipated supplier increases and to cover the debt service required for additional water capacity for system users, consistent with the utility rate study.

Recommendation

MOTION TO: Adopt the FY 2027 Operating Budget, to include the associated Budget Ordinance, Fee Schedule, Five-Year Operating and Capital Plan, and Pay Grade and Classification Schedule as presented and recommended.

ATTACHMENTS

[FY 2026-2027 Budget Ordinance.pdf](#)

[FY 2026-2027 FEE SCHEDULE \(SECTION XIII\).pdf](#)

[FY 2027 5 YEAR OPERATING AND CAPITAL.pdf](#)

[FY 2027 Pay Grades and Classification Schedule.pdf](#)