



Board Meeting Agenda Abstract

Tuesday, May 19, 2026

Location:

Agenda Item

Public Hearing - FY 2027 Operating Budget and Five-Year Plan - (Stephens) - Item 7.B

Item Explanation

The purpose of this agenda item is to hold a public hearing for public input on the Recommended FY 2026- 2027 Operating Budget Ordinance, Fee Schedule, and Five-Year Operating and Capital Plan 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 personnel needs, facilities, and the capital equipment to maintain service levels. The addition of customers and Town infrastructure has increased workload demands on Town staff, necessitating the proposed inclusions in the FY 2027 operating budget. Along with the pre-budget public hearing that the Town traditionally holds in February, the opportunity for pre-budget public input was available on the Let's Talk FV community engagement platform. Public input was taken into consideration in the development of the FY 2027 budget.

Management recommends that the Town Board conduct a public hearing to allow the public to offer input and feedback. Management recommends that the Town Board adopt the Recommended FY 2026-2027 Operating Budget, including the Budget Ordinance, Fee Schedule, and Five-Year Operating and Capital Plan, as presented and recommended on June 1, 2026.

Fiscal Note

Yes

The Recommended FY 2027 General Fund Budget totals \$83,316,205. The recommended budget includes a 2-cent property tax rate increase; the FY 2027 proposed property tax rate is 37.8 cents per \$100 of assessed value. The proposed budget also includes a \$1 increase in solid waste fees; the proposed fee is \$24 per month to achieve cost recovery for sanitation, recycling, and debris collection services. The full Fee Schedule is provided with greater detail.

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 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 Five-Year Plan. The proposed budget also recommends bringing the Water System Development Fee to \$4,974 and the Sewer Development Fee to \$5,063 for a 3/4" meter, based on a System Development Fee Study completed in FY 2026, to assist in supporting the expansion of water and wastewater infrastructure. An updated System Development Fee analysis report has been posted, and a public hearing is scheduled for May 19, 2026 with a recommendation to adopt final System Development Fee recommendations on June 1, 2026 as part of the proposed fee schedule. The full Fee Schedule is provided with greater detail.

The Five-Year Operating and Capital Plan is balanced. The Five-Year Plan does not identify a need for any tax rate increases after FY 2027. 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

PUBLIC HEARING

NO ACTION RECOMMENDED

Management recommends the board hold a public hearing, and consider adoption of the budget at the June 1, 2026 meeting.

ATTACHMENTS

[Budget Ordinance FY 2027.pdf](#)

[Rate and Fee Schedule FY 2027.pdf](#)

[FY 2027 Recommended Book.pdf](#)

[FY_2026-27_Budget_Public_Hearing.pptx](#)