



Board Meeting Agenda Abstract

Monday, May 4, 2026

Location:

Agenda Item

Presentation - FY 27 Operating Budget and Five-Year Operating and Capital Plan - (Mitchell) - Item 4.D

Item Explanation

The purpose of this agenda item is to receive a presentation of the Town Manager's Fiscal Year 2027 Recommended Budget and consider scheduling a public hearing for May 19, 2026.

Staff Comments

On April 23, 2026, the Town's Governing Board received a presentation regarding the preliminary draft recommended FY 2027 budget. A balanced budget and five-year operating and capital plan were presented, along with identified human resource needs, facilities, and 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.

In addition to receiving an abbreviated presentation of the Recommended Budget on May 4th, the Town Board will be asked to take action to schedule a budget public hearing for May 19, 2026, as required by NC General Statutes.

Along with the pre-budget public hearing that the Town traditionally holds during February, the opportunity for pre-budget public input was provided on the Let's Talk FV community engagement platform. This opportunity will continue through May 19. Public input was considered in the development of the FY 2027 budget.

Management recommends scheduling a budget public hearing for May 19, 2026, as NC General Statutes require. During this hearing, the public will have the opportunity to offer input and feedback prior to budget adoption. Between May 5 and May 19, the public will have the opportunity to review the budget on the Town website and offer any input and/or feedback.

Fiscal Note

Yes

The recommended FY 2027 General Fund Budget totals \$83,316,205.

The FY 2027 recommended budget includes a 2-cent property tax rate increase and a \$1.00

increase in solid waste fees as concurred to by the Town Board at the April 23 Budget Workshop meeting. The property tax rate proposal funds four priority quality of life and public safety projects, saves the Town millions in debt service over 20-years, delivers the four priority projects with less of a property tax rate increase than needed if deferred to later years, and eliminates the need for additional property tax rate increases through FY 31. The full Fee Schedule is provided with greater detail.

The Utility Fee Schedule proposes several changes including a 15% increase in water and sewer base and volumetric rates, consistent with the multi-year utility rate model, 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 FY 2027 recommended budget includes increases to the Water and Sewer System Development Fees, based on a System Development Fee Study completed in FY 2026, to assist in supporting the expansion of wastewater infrastructure. The updated System Development Fee analysis report has been posted for the required 45-day public review period, a public hearing is scheduled for May 19, 2026 with the goal of adopting final recommendations on June 1, 2026. 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 the need for any tax rate increases beyond FY 27. The Five-Year Plan does anticipate 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 and wastewater capacity for system users, consistent with the utility rate model.

The plan includes the targeted 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.

Recommendation

PRESENTATION

MOTION TO: Schedule a public hearing on the Town of Fuquay-Varina FY 2027 Budget for May 19, 2026.

ATTACHMENTS

[FY27 Budget Ordinance.pdf](#)

[FY 2027 Fee Schedule.pdf](#)