

CITY OF RALEIGH



BUDGET-IN-BRIEF

Presented by the City of Raleigh Budget Office

An overview of the City of Raleigh's Adopted Budget for the Fiscal Year 2009-10 (July 1, 2009 through June 30, 2010), including the budget process, revenue sources, citywide expenditures, and the city's general infrastructure.

View the City of Raleigh Adopted Budget online at www.raleighnc.gov

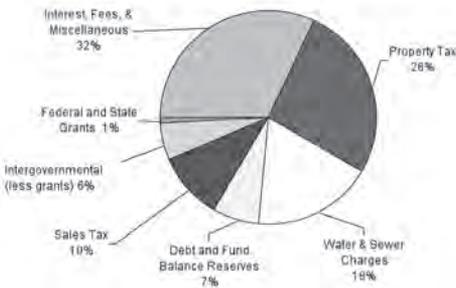
BUDGET SUMMARY

The City of Raleigh Fiscal Year (FY) 2009-10 Adopted Budget adjusts for symptoms related to the global economic downturn which Raleigh, similar to the rest of the nation, is experiencing. The budget balances immediate fiscal realities of funding current operations while planning for infrastructure management and population growth.

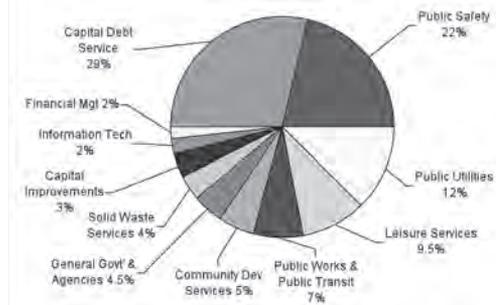
To accomplish these goals, the 2009-10 budget remains cost-competitive with other localities, but has not significantly reduced public safety funding or required employee lay-offs. Instead, the budget is balanced through reductions in recurring expenses, service levels, employee compensation and a decrease in the general fund contribution to general debt service. While our city has reduced its Capital Improvement Program, Raleigh is successfully maintaining credit strength and financial integrity.

The City of Raleigh's FY 2009-10 Adopted Budget revenues and expenditures come from and are allocated to a variety of sources and resources:

Revenues



Expenditures



The combined capital and operating budget for the fiscal year beginning July 1, 2009, net of interfund transfers, is \$697,702,049.

FY 2009-10 REVENUES

PROPERTY TAX

The FY 2009-10 Adopted Budget includes no property tax increase and maintains the current rate of 37.35 cents per \$100 of value. Each 1 cent of property tax generates \$4.8 million of revenue for a total of \$179 million. The Hillsborough Street and Downtown municipal service districts will pay a higher tax rate in return for additional municipal services.

WATER & SEWER RATES

The Adopted Budget does not include a rate increase for the city's retail water and sewer rates. A 9% rate increase was implemented May 1, 2009. Under the current rates, the average residential customer who uses 6,000 gallons of water per month, or 50 gallons per day, will pay \$40.68, inclusive of administrative fees.

The second portion of the retail water and sewer rate increase approved by Council in April 2009 will be effective December 1, 2009. Upon implementation customers will receive bills monthly and residential customers in the Raleigh and Garner service areas will transition to a tiered rate billing structure. The rate adjustment is also designed to supply a sufficient revenue stream to maintain the fiscal integrity of the Public Utilities Enterprise Operation and carrying out its reduced Capital Improvement Program.



FY 2009-10 EXPENDITURES

Citywide

- Elimination of 85 vacant positions
- Increase in employee health insurance premiums for dependent coverage
- Reduction in employee merit program
- Deferred replacement of 47 vehicles
- Elimination of the salary range adjustment

Public Safety

- Maintain funding, with increases for necessary supplies and maintenance
- No staff reductions for officers, firefighters or call-takers

Public Utilities

- Start-up of the Utility Field Operations Center site in south Raleigh
- Completion of the new Dempsey E. Benton Water Treatment Plant
- Reductions in capital improvement program projects
- Maintains 62 position vacancies

Convention Center Complex

- Funding for the first full year of operation of the new Convention Center
- Reduction in outdoor events, indoor performances, and capital projects due to budgetary constraints as a result of declining revenues
- Addition of security guards for the new Convention Center parking deck

Parking

- Addition of 20 new staff to fully transition enforcement of on-street parking to the city, offset by reductions in contract expenses
- Expansion of the parking meter program to convert primary and secondary retail streets in the core business district to user pay parking





Transit

- Year three of the Transit Plan, delayed until January 2010 will result in reduced headways on Route 15 Wake Med, a new route in Southeast Raleigh, and a series of other small service changes
- Increase in the price of coupon books for the Accessible Raleigh Transit (ART) Tier I program
- Continued funding for the Seamless Service Initiative with the regional Transit Call Center

Stormwater

- Addition of two new full-time staff to maintain the current level of service and to address the increased need for stormwater education

Vehicle Fleet Services

- Funding to address the increased cost of maintaining and repairing more than 4,500 vehicles and pieces of motorized equipment
- Continuing to save fuel by selecting fuel efficient and alternative vehicles, downsizing when possible, and keeping equipment properly serviced
- Adding 200 vehicles to the FuelMaster fuel management system

Solid Waste Services

- Elimination of 4 driver positions without service impact due to new recycling trucks and single-stream recycling
- Addition of a safety coordinator
- Begin construction on the Remote Operations Facility – Solid Waste Service Center

Parks & Recreation

- Anticipated opening of Marsh Creek Community Center in late spring 2010
- Reduction in staff, annual planting, frequency of mowing, facility maintenance, and operating hours

Proposed 10-Year Capital Improvement Program 2009-10 through 2018-19

The FY10 adopted CIP is an 18% reduction from FY09, reflective of the current national economic downturn and a reduction in CIP revenue sources including Powell Bill funding, interest income, general fund pay-go capital and Public Utilities pay-go capital, and facility fee revenues.

In FY09, Council approved a tax increase that included a 1.68 cents dedication to the debt model and capital projects to support the Clarence E. Lightner Public Safety Center, continued planning and development of the Remote Operations Facilities concept, and the 2007 Parks Bond. These projects continue to be funded in this proposed FY10 CIP as long as sufficient revenue is dedicated in future years to the general fund debt service model. Remaining 2005 Street Bond projects as well as future transportation projects in FY11 and beyond are proposed to be funded through a fall 2010 bond referendum.

The CIP is divided into two phases. Phase I represents a \$1.2 billion investment strategy to address the city's capital needs over a five fiscal year period. Phase II spans the following five fiscal years and provides a more general review of anticipated project needs for the balance of the plan. Major projects in the Phase I CIP are:

TRANSPORTATION - \$192.4 million

- Major streets and street improvements
- Transit
- Parking program

PUBLIC UTILITIES - \$375.4 million

- Water and wastewater projects
- Water quality preservation initiatives

PARKS - \$85.8 million

- Property acquisition and development projects
- Phased expenditures from the 2007 Parks Bond at \$67.7 mil

STORMWATER UTILITY & NEUSE BASIN ENVIRONMENTAL PROGRAM - \$36.5 million

HOUSING - \$15.0 million

GENERAL PUBLIC IMPROVEMENTS - \$496.7 million

- Clarence E. Lightner Public Safety Center - \$205.3 mil
- Remote Operations Facilities - \$240.1 mil
- Fire Station #29 in NW Raleigh - \$4.0 mil
- Facility improvements and maintenance - \$6.4 mil
- Economic development - \$4.6 mil

City of Raleigh Facts

- Current square mileage: 143
- Population estimate as of July 1, 2009: 388,926
- Raleigh was officially established in 1792 as the state capital of North Carolina and the seat of Wake County.
- Raleigh is one of only three U.S. capitals that was planned and built specifically to serve as a state capital. Its original boundaries were formed by North, East, West and South streets.
- Raleigh is known as the "City of Oaks" and often is described as "a park with a city in it."
- Trees planted at the city's inception still provide cooling shade for visitors to Moore Square Park, where you'll find the city's signature copper acorn.
- The first state-owned art museum in the country is located in Raleigh.
- Raleigh is home to one of the U.S.'s first state symphonies, the North Carolina Symphony, which was founded in 1943.
- The city has utilized a council-manager form of government since 1947.
- The mayor and two council members are elected at-large, and the remaining five council members are elected from five districts within the city.
- The mayor and council members serve two-year terms and all have an equal vote.

Raleigh Ranks High Nationwide

- **#1 City Where Americans Are Relocating**, *Forbes.com*, April 2009
- **#1 Best Place for Business and Careers**, *Forbes.com*, March 2009
- **#1 Fastest Growing Metro in the Nation**, *U.S. Census Bureau*, March 2009
- **#1 Top City for Small Business**, *Bizjournals*, February 2009
- **#6 Healthiest Housing Market**, *Builderonline.com*, February 2009
- **#8 Best Cities for Jobs**, *Forbes*, May 2009
- **#10 Best City**, *Kiplinger's*, May 2009
- **#10 High-Tech Centers in the U.S.**, *American City Business Journals*, May 2009
- **Strongest Metro Area in North Carolina**, *Brookings Institution*, June 2009





City of Raleigh Budget Office

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