



# CITY of RALEIGH

May 18, 2010



PROPOSED BUDGET 2010-2011

J. Russell Allen, City Manager

# AGENDA

- FY11 Budget Highlights
- Revenues
- FY11 Enhanced Efficiencies & Reductions
- Public Utilities Department
- Customer Cost Chart
- Potential Exposures
- Summary

# FY11 BUDGET HIGHLIGHTS

- Closes original \$7.5 M gap between General Fund revenues and expenditures
- Maintains credit strength & financial integrity
- Reduces recurring operational costs
- Minimizes impact on customer service delivery
- Remains competitive for cost of City services

# FY11 BUDGET HIGHLIGHTS

- Excludes reductions to sworn Public Safety staff
- Avoids employee lay-offs, but continues City-staff reductions
- Reduces General Fund Capital Improvement Program
- Uses capital reserve funds as one-time funding for lagging Sales Tax revenues
- Notable improved program efficiencies

# GENERAL FUND REVENUES

NO INCREASE in Property Tax Rate

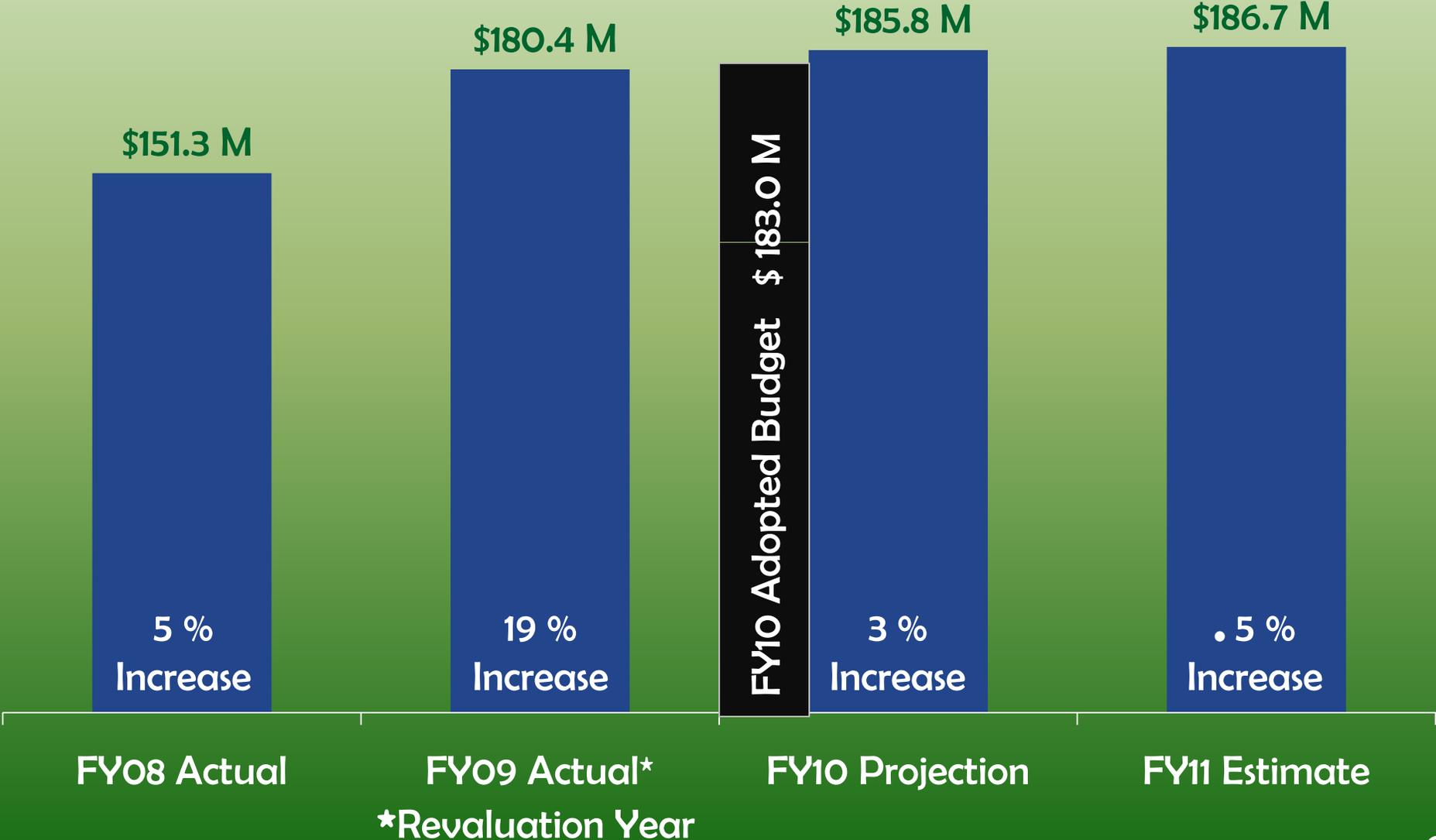
NO INCREASE in Solid Waste Fees

NO INCREASE in Stormwater Fees

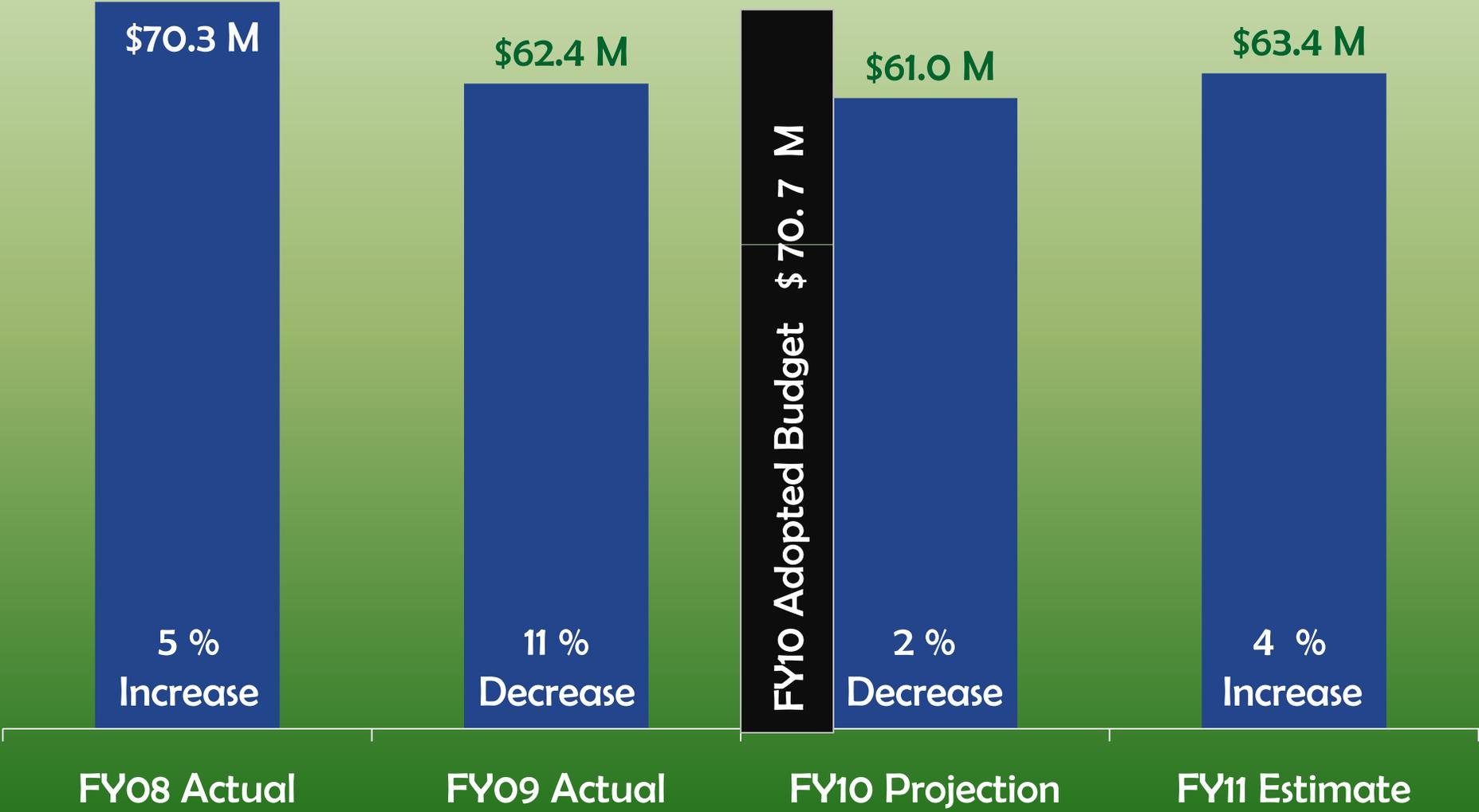
NO INCREASE in Privilege License Fees

\$5/ YEAR INCREASE in Motor Vehicle Tax  
for Capital Area Transit

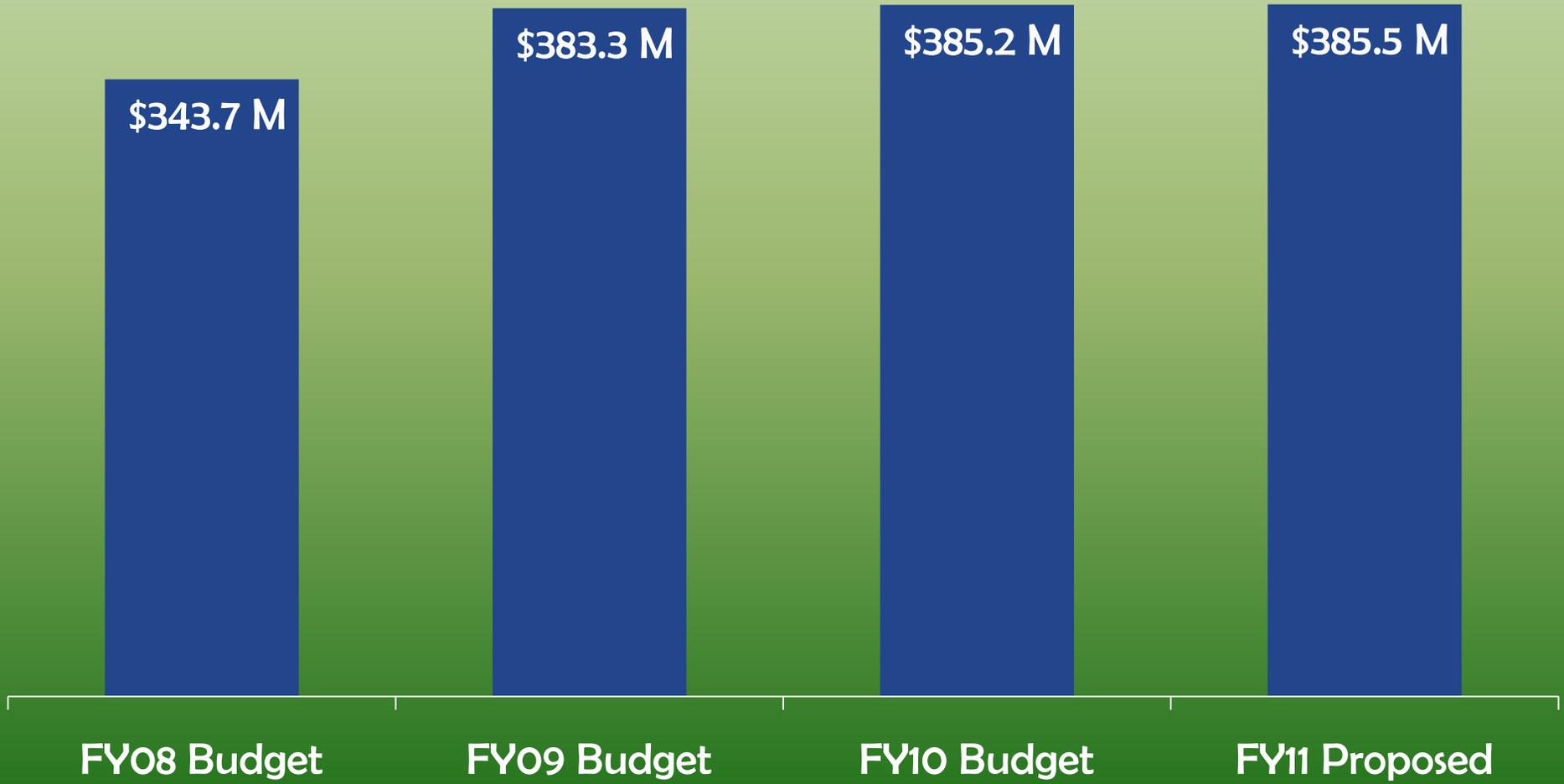
# PROPERTY TAX REVENUE



# SALES TAX REVENUE



# ALL GENERAL FUND REVENUE



# ENHANCED CITY-WIDE EFFICIENCIES

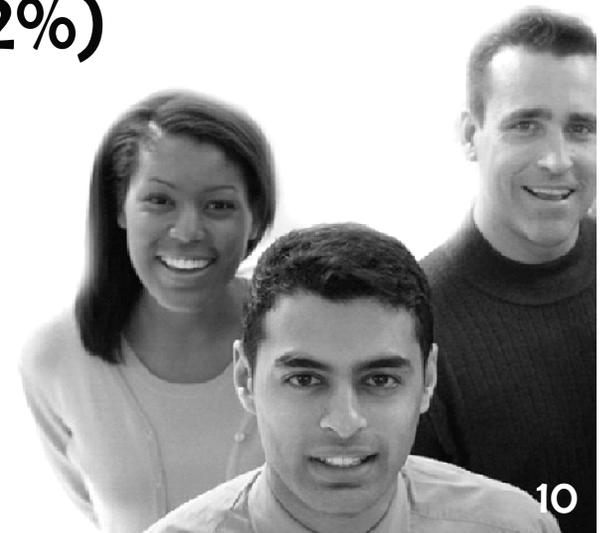


- Advances implementation of automated leaf collection
- Begins first phase of automated recycling collection
- Continues fuel consumption budgeting
- Audited dependent care health insurance coverage
- Created new divisions for *Development Services & Sustainability* without adding new employees
- Modifies Accessible Raleigh Transit (ART) policies
- Restructured Solid Waste Services *Needs Assistance* program
- Implements energy reduction initiatives
- ERP system efficiencies

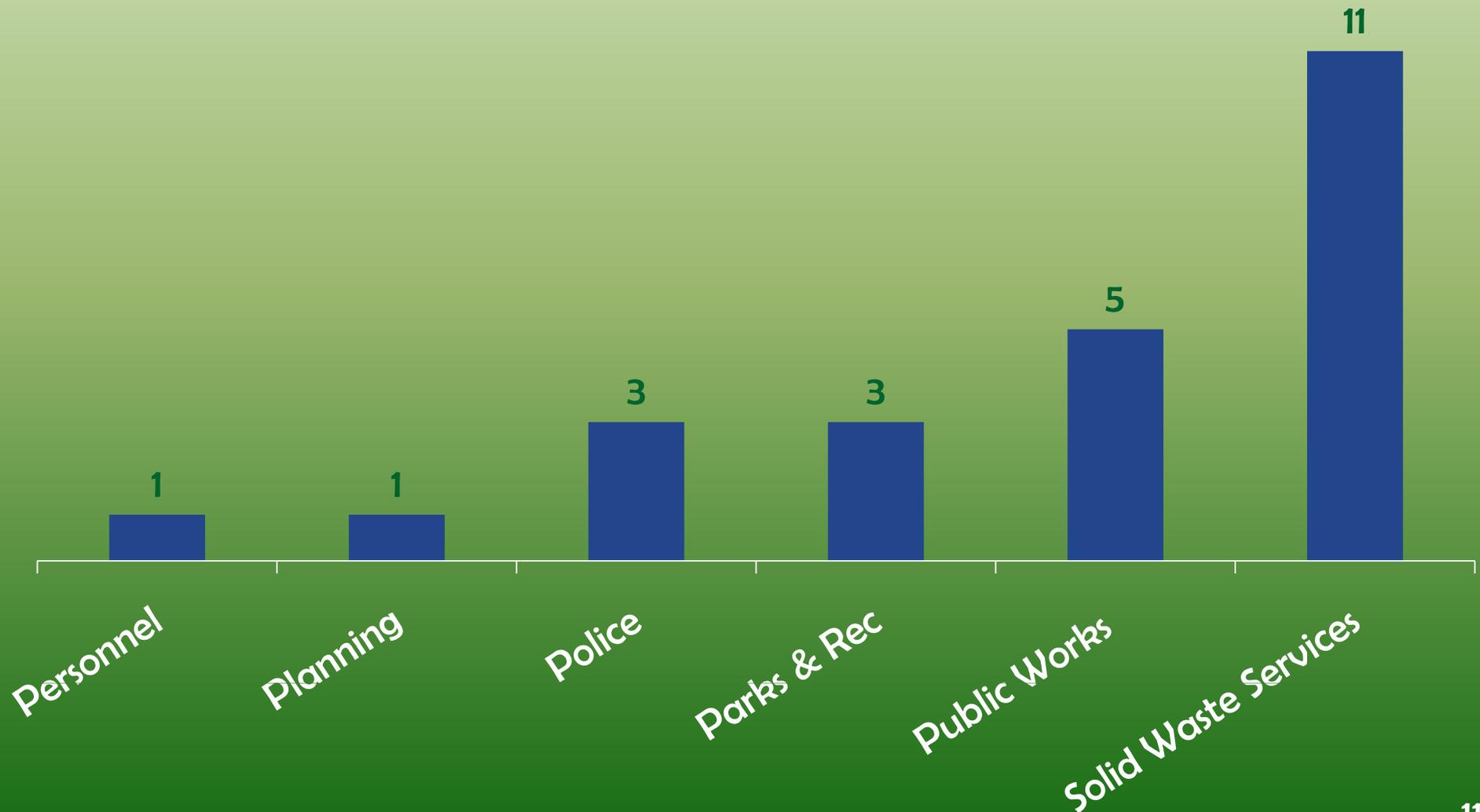
# CITY PERSONNEL

## -\$4.5 Million

- Eliminates 24 vacant General Fund positions
- Eliminates 1.5% range adjustment
- Defers 1/3 reclassifications
- Reduces merit pay range based on salary quartile from (0 – 4% to 0 – 2%)



# 24 GENERAL FUND POSITION ELIMINATIONS



# HEALTH CARE

Reduces FY11 projected City cost increase from 14% to 10% by:

- \$780,000 ~ Modifying plan options
- \$450,000 ~ Changing pharmacy administration
- \$300,000 ~ Implementing dependent care audit
- \$410,000 ~ Increasing employee dependent premiums by 10%





# SERVICES & PROGRAMS

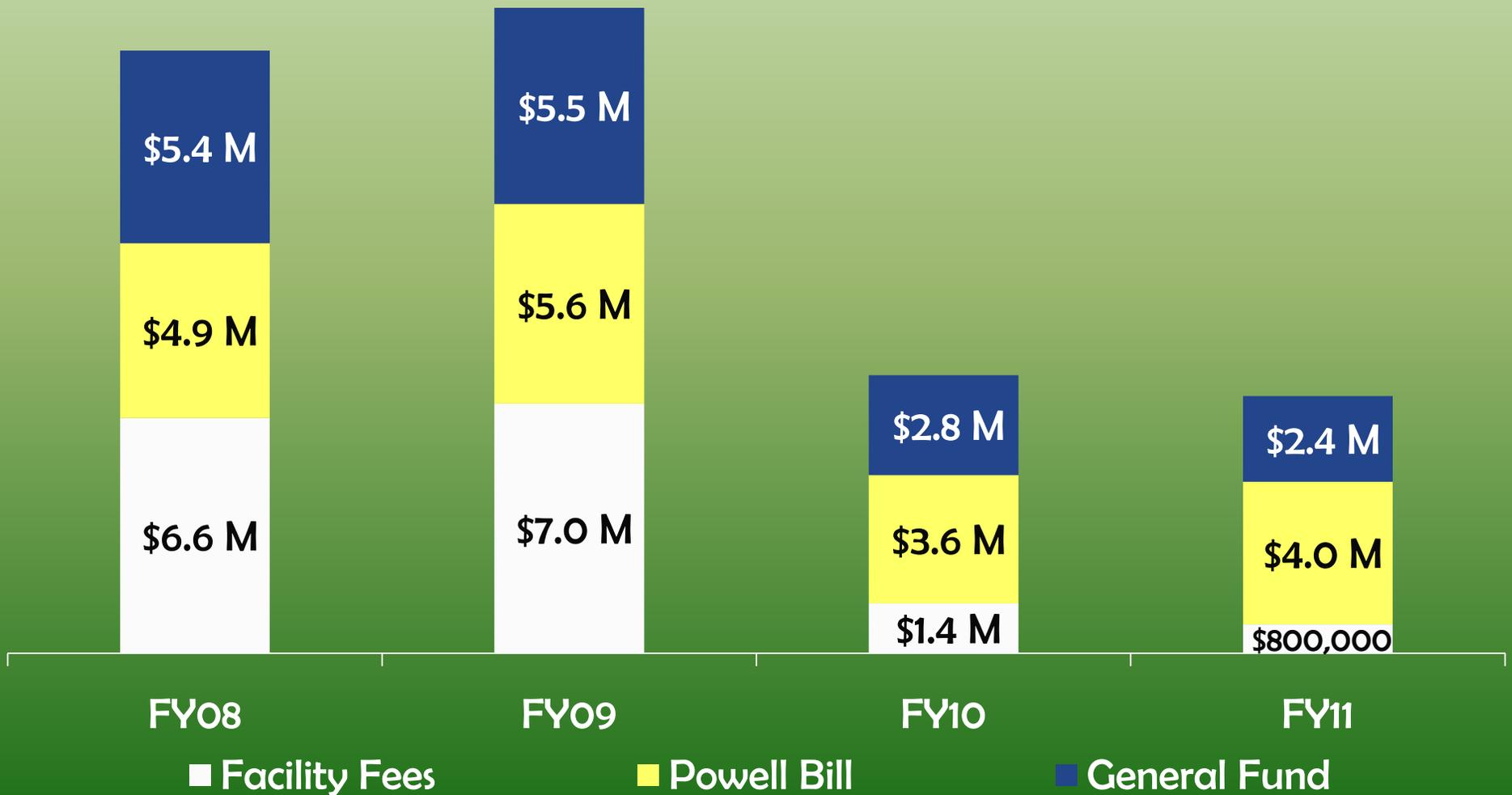
- **Arts**  
Reduced funding by \$ 0.50 per capita
- **Human Services Grants**  
10% reduction
- **Other Agency Appropriations**  
10% reduction to elimination



# OPERATIONAL REDUCTIONS

- Delays City vehicle replacement
- Restricts travel, training & registrations
- Reduces operational & maintenance supplies
- Eliminates Accessible Raleigh Transit (ART) Tier I & implements changes to Tier II
- Reduces outside consultants/ contractual services

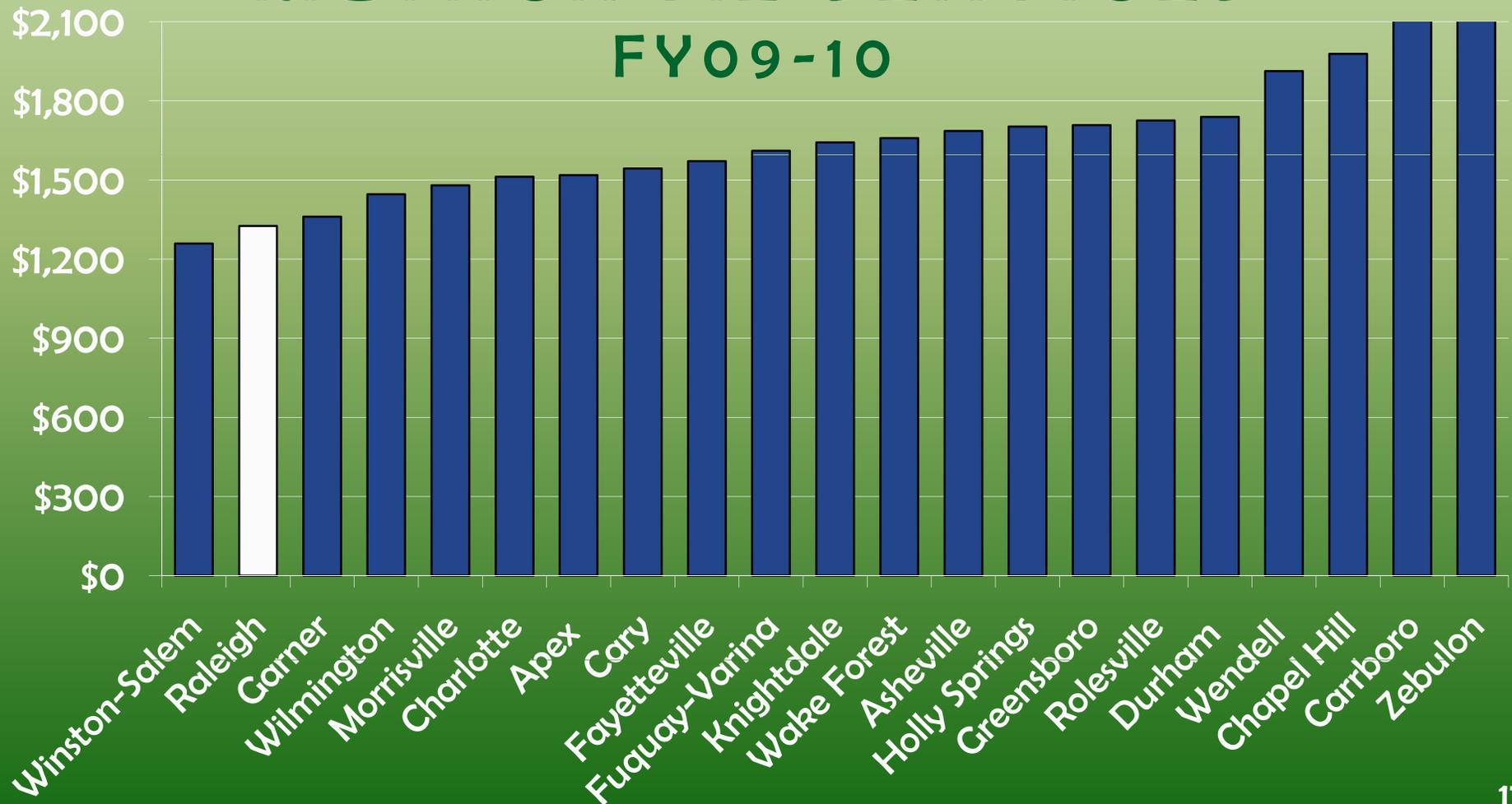
# 'PAY-GO' GENERAL CAPITAL PROJECTS



# PUBLIC UTILITIES

- Maintains 57 vacant positions
- Holds flat FY11 non-personnel operating expenditures
- Defers all future growth related to capital improvement projects 2-5 years
- First full year operating new Benton Water Treatment Plant
- Average customer's monthly bill will increase \$3.27

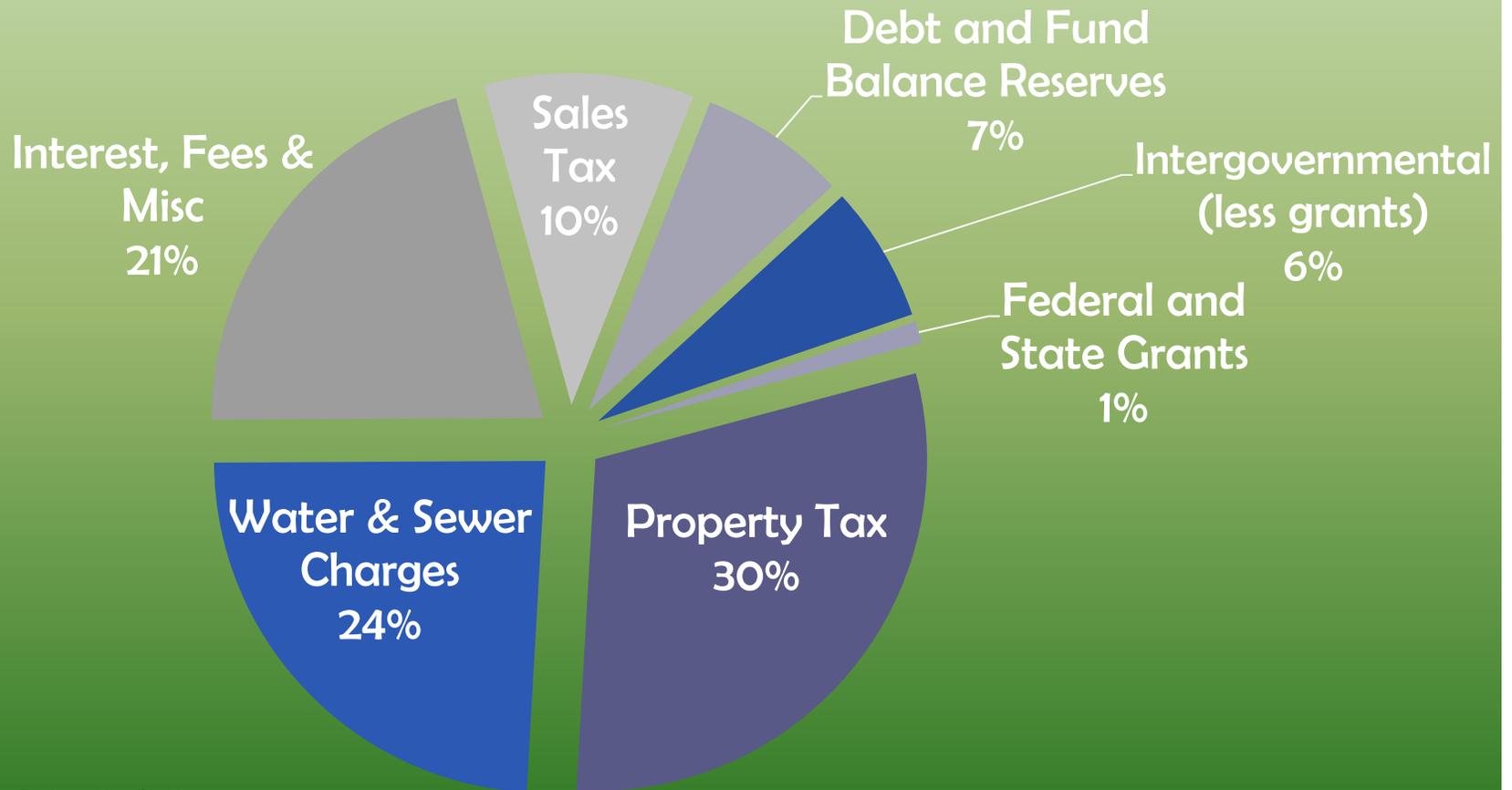
# AVERAGE ANNUAL CUSTOMER COSTS for MUNICIPAL SERVICES



# POTENTIAL EXPOSURES

- Unknown timing, extent & pace of economic recovery (sales tax)
- Impact of employee reductions on service delivery
- Impact of tiered water rates on utility revenues
- Reduced Capital Improvement Program/ Capital Maintenance
- Ability to maintain FY 11 year-end 14% fund balance requirements
- Use of one-time reserves versus elimination of recurring costs
- North Carolina legislative actions
- Federal health care legislation

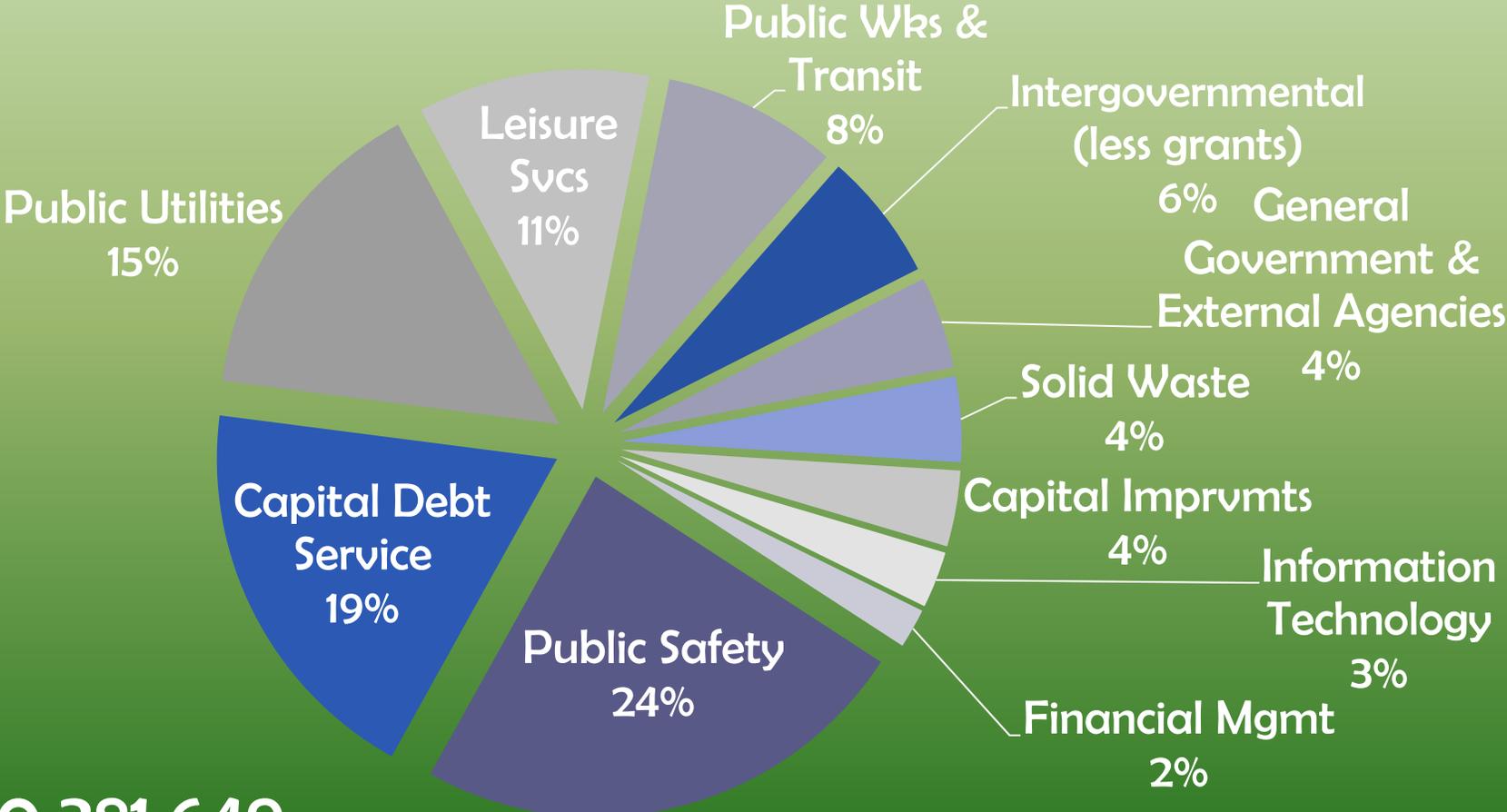
# TOTAL BUDGET REVENUE SUMMARY



**\$ 620,381,649**

**(Net of Interfund Transfers)**

# TOTAL BUDGET EXPENDITURE SUMMARY



**\$ 620,381,649**  
**(Net of Interfund Transfers)**

# NEXT STEPS

- Public Hearing on June 1<sup>st</sup>
- Council Work Sessions in June
- Adopt FY11 Budget by July 1st