

# CITY OF RALEIGH



## BUDGET-IN-BRIEF

*Presented by the City of Raleigh Office of Management and Budget*

An overview of the City of Raleigh's Adopted Budget for the Fiscal Year (FY) 2011-12 (July 1, 2011 through June 30, 2012), including the budget process, revenue sources, citywide expenditures, and the City's general infrastructure.

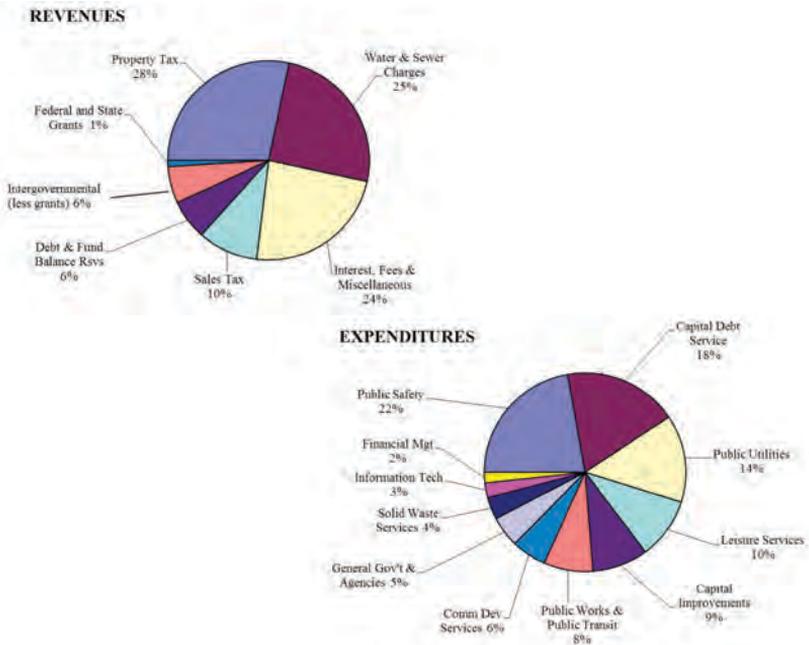
View the City of Raleigh Adopted Budget online at

**[www.raleighnc.gov](http://www.raleighnc.gov)**

# BUDGET SUMMARY

The FY12 budget marks the City of Raleigh's third consecutive year of making significant budgetary reductions and operating under constrained resources. Over the past three years, General Fund revenues have increased by slightly less than \$4 million (1%) while the City has been challenged with rapidly rising health care costs and retirement contribution rates and the need to address service delivery in more creative and cost effective ways. Given current economic realities, the FY 2011-12 budget reflects numerous reduction strategies. These tactics include one-time budget solutions and recurring cost reductions, which are created by implementing program efficiencies and, in some cases, adjusting service delivery. These difficult decisions are necessary in order to maintain the high standards of fiscal planning, management, control and reserves expected from AAA quality credit. High credit ratings allow the City access to low interest rates and ensure that City debt is competitively marketed. The City strives to maintain these quality ratings because they save money, enhance financing opportunities and boost economic development.

The City of Raleigh's FY 2011-12 Adopted Budget revenues come from a variety of sources and expenditures are allocated to a variety of programs and services:



The combined capital and operating budget for the fiscal year beginning July 1, 2011, net of interfund transfers, is \$663,273,744.

# FY 2011-2012 REVENUES

## Property Tax

The FY 2011-12 Adopted Budget does not include a property tax increase; the tax rate remains 37.35 cents per \$100 of assessed value. The Downtown Municipal Service District and the Hillsborough Municipal Service District pay a higher tax rate in return for additional municipal services.

## Water & Sewer Rates

The adopted budget includes sewer administrative fee and user rate increases which will be effective July 1, 2011. Water rates remain unchanged. Under the adopted rates, the average residential customer who uses six CCF or 4,500 gallons a month will pay \$44.47, an increase of \$3.83 per month.



# **FY 2011-12 EXPENDITURES**

## **Citywide**

- Eliminates 35 positions, 33 of which would otherwise impact the General Fund.
- Suspends employee merit pay program and reduces the City's 457 supplemental retirement program.
- Continues elimination of range adjustment.
- Introduces a two-tier health insurance plan that for the first time includes a health insurance premium for all employees.
- Implements energy reduction initiatives for departments.

## **City Attorney**

- Adds one new attorney position to assist with Public Utilities legal matters.

## **Community Services**

- Reduces Neighborhood Improvement Matching Funds from \$50,000 to \$15,000.
- Reduces funding for Raleigh Summer Youth Employment Program by \$70,000, which is the equivalent to 35 part-time summer youth positions.

## **Convention Center Complex**

- Reduces funding for Raleigh Amphitheater and Ray Price Capital Bike Fest while increasing partnerships to minimize financial risk.
- Eliminates one vacant position and suspends funding for four other positions.

## **Development Services**

- Eliminates two vacant positions.

## **Information Technology**

- Eliminates two contract project managers and reduces the budget for interns.
- Eliminates funding for desktop training on basic computer and internet navigation as well as Microsoft Suite products.

## **Parks & Recreation**

- Eliminates three vacant positions in the Parks Division.
- Funds re-opening of Pullen Park Amusements in November 2011.
- Adds nine positions to support the opening of new facilities.



## **Planning**

- Eliminates one vacant Planner position.
- Creates the Office of Economic Development as a division of Planning and Economic Development with the goal of coordinating economic development activities and inquiries.

## **Public Safety**

- Delays Police and Fire training academies by six months.
- Eliminates ten civilian positions in Police.
- Maintains sworn position staffing levels.

## **Public Utilities**

- Combines Construction and Sewer Divisions to form the Sewer Maintenance Division, allowing for increased efficiency in field activities.
- Creates Capital Improvements Management Division to allow for better tracking of expenditures and completed projects.
- Moves 16 positions from the Utility Billing Division in Finance to the Meters Division, consolidating all field activities.

## **Public Works**

- Eliminates five positions due to efficiencies gained through reorganization.
- Decreases funds for overtime and contractual services that may impact inclement weather operations, traffic loop repairs and pavement markings.

## **Solid Waste Services**

- Begins Phase Two of the automated recycling collection program, which is expected to save more than \$2 million annually after the four-year transition period.
- Eliminates 12 vacant positions resulting from efficiencies gained through continued implementation of the automated curbside recycling program and a departmental reorganization.

## **Transit**

- Continues funding for Regional Seamless Service Initiative with the regional Transit Call Center.
- Includes funding to implement changes to ART Tier II program as authorized by the Transit Authority; these changes are expected to make the Art Tier II program eligible for Medicaid reimbursement.

## **Vehicle Fleet Services**

- Upgrades 200 vehicles with the Fuel Master AIMS II system; this will provide more reliable data on the equipment fuel usage.
- Creates a second City vehicle rental pool, which will reduce the use of personal vehicles for City business and decrease number of vehicles needed to support administrative travel.

# **Proposed Ten Year Capital Improvement Program (CIP) 2011-12 through 2020-21**

During the course of prioritizing and assessing capital project needs, a distinct funding gap between revenue sources and expenditures became apparent. This CIP attempts to address the City's most pressing capital needs, but necessarily reduces and defers numerous FY 2011-12 CIP project requests as a result of decreased available project funding.

The CIP is divided into two phases. Phase I represents an \$788 million investment to address the City's capital needs over a five 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 Phase I of the CIP are:

## **Transportation - \$73.1 million**

- Major streets and street improvements
- Transit
- Parking Program

## **Public Utilities - \$372.4 million**

- Water and waste water projects
- Water quality preservation initiatives

## **Parks - \$116.9 million**

- Property acquisition
- Development projects

## **Stormwater Utility & Neuse Basin**

### **Environmental Program - \$72.9 million**

## **Housing - \$16.6 million**

## **General Public Improvements - \$136.5 million**

- Bond Funded Facilities and Major Construction
- Facility Improvements
- Technology, Equipment & Other
- Economic Development

# City of Raleigh Facts

- Current square mileage: 143.865
- Population estimate as of July 1, 2011: 403,892
- 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 at 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 Best Places for Business and Careers**, Forbes, June 2011
- **#1 Among 10 Great Cities for Raising Families**, Kiplinger’s, August 2010
- **#1 Fastest Growing North American City**, Forbes, October 2010
- **#1 Housing Market for Investors**, Forbes, September 2010
- **#2 Brain Magnet in the Nation**, Forbes, February 2011
- **#3 America’s Cleanest City**, Forbes, March 2011
- **#3 Market for Young Adults**, Bizjournals, April 2011
- **#3 Best Place for College Students to Live**, American Institute for Economic Research, September 2010
- **#4 Best Cities for Young Adults to Start Their Career**, American City Business Journals, June 2011
- **#4 Smartest City, US Census Bureau**, October 2010



# CUSTOMER COSTS FOR MUNICIPAL SERVICES FY 2011-12

The City of Raleigh consistently offers the lowest cost for municipal services in the Triangle and of any major city in North Carolina. The chart below compares municipal property taxes and fees as paid by a typical household.



Annual property tax is based on a single family residential unit valued at \$178,335. Annual water/sewer charges based on usage of 4,500 gallons or 6 CCF per month.

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