

# CITY OF RALEIGH



## BUDGET-IN-BRIEF

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

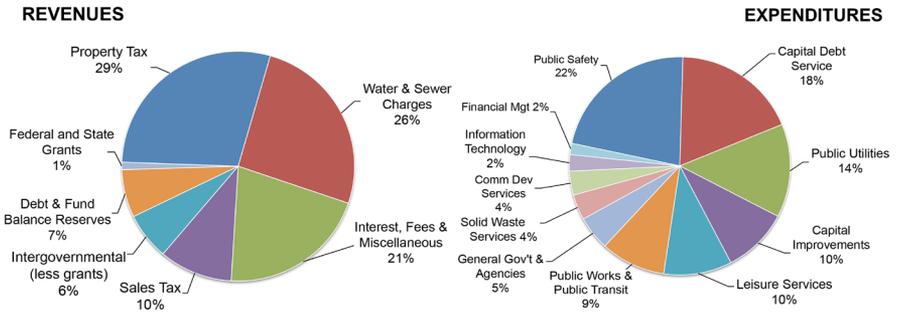
An overview of the City of Raleigh's Adopted Budget for the Fiscal Year (FY) 2012-13 (July 1, 2012 through June 30, 2013), including the budget process, revenue sources, citywide expenditures, and the City's general infrastructure.

View the City of Raleigh Adopted Budget online at  
[www.raleighnc.gov](http://www.raleighnc.gov)

# BUDGET SUMMARY

Financial projections for FY13 show signs of positive revenue growth, particularly in sales tax receipts. However, service demands associated with community growth also are increasing. Together, these forces exert economic pressure on the City, which this budget addresses by eliminating positions where services can be provided more efficiently, adding staff strategically, and beginning to address the backlog of capital maintenance and equipment replacement created by cuts and deferrals during the downturn. The proposed budget continues to make incremental progress toward restructuring our management of human resources and improving maintenance of our capital infrastructure. The economy appears to continue its recovery, but the scale and pace of the recovery remains uncertain.

The City of Raleigh's FY 2012-13 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, 2012, net of interfund transfers, is \$672,053,702.

## FY 2011-2012 REVENUES

### Property Tax

The FY 2012-13 Adopted Budget does not include a property tax increase for operations; however, it does include a tax increase of less than one penny per \$100 of property valuation for voter-approved transportation and affordable housing projects. The tax rate will be 38.26 cents per \$100 of assessed value for FY13. 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, 2012. Water rates remain unchanged. Under the adopted rates, the average residential customer who uses six CCF or about 4,500 gallons a month will see an increase of \$3.97 per month.

## Solid Waste Fees

The adopted budget includes a \$1 increase in the residential solid waste collection fee, increasing the monthly bill from \$7.70 to \$8.70. The rate for garbage, recycling and yard waste services will now be \$11.30 per month.



## FY 2012-13 EXPENDITURES

**Debt Service** – Debt service refers to the amount the city must repay in principle and interest due on municipal bonds. Debt service increases by \$4.68 million (13%), associated with the 2011 voter approved affordable housing and transportation bond referenda.

**Capital** – Pay-go capital funding increases by \$1.7 million (27%), which is largely for capital maintenance of city facilities and deployment of technology projects that enhance the efficiency and effectiveness of our operations.

**Rolling Stock Equipment Replacement** – During the economic downturn, the city delayed the replacement of some of its vehicle fleet, particularly within Solid Waste Services. The FY13 budget reinvests in the equipment required to provide essential city services – like garbage and recycling collections, fire protection (ladder truck) and policing (60 police vehicles) – with a total capital equipment purchase of \$10.4 million. This is double the level of investment made in FY12, with \$7.9 million for Solid Waste. Replacement of rolling stock increases equipment use charges by an additional \$600k in the FY13 budget.

**Employee Compensation** – The proposed budget incorporates a merit-based increase, equivalent to about 2% of full-time salary costs or \$2.9 million within the General Fund. Elimination of General Fund vacant positions results in a budget savings of approximately \$440k.

**Health Insurance and Other Post-Employment Benefits** – The budget for Other Post-Employment Benefits and the health and dental insurance program increased by 9% (\$2.6 million) over FY12. Additionally, the city will share the projected increase in dependent care premiums with employees and retirees who elect dependent care coverage; those with dependent care coverage will experience a 4% increase in their health and dental insurance premiums. No other changes are planned for the current active employee and retiree health and dental plans.

**Risk Management** - Worker's Compensation continues to see cost reductions through improvements to worker safety practices, training and improved claims experience. The General Fund portion will reduce by \$440k from FY12.

**Employee Training and Development** – Funding increased within Human Resources by \$85k to enhance training opportunities for employees, as well as to cover costs associated with mandated compliance training.

**City Council Salaries and Benefits** – As a result of reviewing data from other North Carolina communities regarding City Council salaries and benefits, this budget incorporates an annual salary increase of \$1,000 per Council member per year for the next five years. It also allows them to participate in the city’s health and dental insurance programs. Council salaries have been at their current level for a minimum of 20 years.

**Public Notification Requirements for Unified Development Ordinance** – This budget includes \$41k in Planning and Development to fund the required public notifications related to the Unified Development Ordinance.

**Agency Appropriations** - The FY13 budget includes no reductions to agency appropriations. The arts per capita rate is continued at \$4.50 and human services grants are fully funded.

**Fire and Police Academies** - The FY13 budget fully funds the police and fire training academies. In FY12, these academies were delayed six months.

**Fuel** – The fuel budget for General Fund operations increases by 28%, requiring an additional \$1.3 million. Efforts to pool vehicles, improve fleet efficiency and alter operations to reduce fuel consumption continue to be implemented to moderate these costs in the longer term.

**One-time Savings** – The city will be able to realize one-time savings of \$350k from no city elections, \$120k from no required bridge inspections (biannual program) and \$135k from the particular timing of holidays in FY13.

**Oracle Contract Renegotiations** – A reduction of \$240k will be realized from the renegotiation of the city’s Oracle license agreement.

**Sustainability Programs** – Named “Nation’s Most Sustainable Mid-Size Community”, the city continues to focus efforts on sustainability projects and public outreach. The Wilder’s Grove Solid Waste Services facility, Buffalo Road Aquatics center, and Five Points Center for Active Adults are new city facilities that are all LEED-certified. The city continues its focus on sustainability through implementation of internal operating efficiencies, LEED (Leadership in Energy and Environmental Design) policy in facilities and public outreach and training activities.

## **Staff Reductions**

The City of Raleigh continues to improve the efficiency of service delivery; however, after eliminating 118 positions since FY09 and yet continuing to see service demands grow, workforce reductions must be increasingly targeted to minimize service impacts.

**Solid Waste Services** – Continued implementation of the new automated curbside recycling program, as well as a reorganization of SWS to provide a structure that addresses both development needs and operations, has allowed

the reduction of three Service Specialists, three Equipment Operator IIs and one Custodian, whose services were replaced by a cleaning contract, without negatively impacting service levels.

**City Manager's Office** – The FY13 budget eliminates one Senior Staff Analyst. The FY13 budget refines the reorganization implemented in FY12, creating a more cost efficient management team, without a reduction in service levels.

**Planning and Development** – Eliminates one Staff Support Specialist as a result of efficiencies gained through the department's continued reorganization.

**Police** – Eliminates one Staff Assistant, one Staff Support Specialist and one Crime Analyst, while increasing legal support for the Police Department in the City Attorney's Office through the addition of a Paralegal and the mid-year addition of an Attorney.

### **Staff Additions**

Increasing demands for public safety services require additional workforce investments. In addition to the two legal positions listed above to support Police, seven Emergency Call Takers are added in the FY13 budget to the Emergency Communications Center to address the projected 18% increase in public safety dispatches in FY13 over FY09 levels.

Also, the city has invested heavily in its Parks and Recreation capital program in recent years for facilities and greenway infrastructure, which necessitates additional operating and maintenance staffing. The city will have almost 110 miles of greenway trail by the end of FY13, which will be a 39% increase in greenway mileage over FY12. Ten new positions for Greenway maintenance will be brought on board incrementally in FY13, at a cost of \$236k (and \$450k annually).

Over the past decade, maintained miles of roads increased by 75% to 161 miles (498 shoulder miles), while staffing increased by just 9%. Through the economic downturn, the city eliminated six full-time positions and three seasonal positions responsible for highway maintenance. The FY13 budget restores five highway maintenance positions for the landscaping maintenance of highway shoulders in order to comply with the city ordinance of a four-week maintenance cycle on all maintained roads.

The opening of the Hill Street Neighborhood Facility in summer of 2012 requires adding one Service Specialist in Parks and Recreation for operations. Also within Parks and Recreation, the FY13 proposed budget adds three staff (\$157k) to operate the new Historical Resources and Museum program: two Recreation Facility and Program Supervisor IIIs, and one Recreation Facility and Program Supervisor II. One Administrative Support Specialist is added in the Facilities and Operations division.

# **Proposed Five-Year Capital Improvement Program (CIP)**

## **2012-13 through 2016-17**

The city's Five-Year CIP provides roughly \$663 million to maintain our existing capital assets and build new assets to meet service demands. The CIP will use available tax revenues to fund maintenance on parks facilities and city buildings. User fees support improvements to the city's stormwater and public utilities systems. In partnership with Wake County, hotel/restaurant tax revenues will support long-term capital maintenance of the Raleigh Convention Center. The CIP implements the bond referenda for transportation and housing projects approved by Raleigh citizens in 2011. The CIP also debt-finances selected large-scale projects, including a significant rehabilitation of the Performing Arts Center, two fire station replacements, and land acquisition for future fire stations. Major projects are:

### **GENERAL PUBLIC IMPROVEMENTS - \$34.8 million**

- Facility maintenance and rehabilitation
- Debt-financed fire station replacements
- Economic development

### **PUBLIC UTILITIES - \$414.7 million**

- Water and waste water projects
- Water quality preservation initiatives

### **STORMWATER - \$32.6 million**

- General infrastructure and street drainage
- Water quality and restoration projects

### **TRANSPORTATION - \$76.9 million**

- Major streets and street improvements
- Transit facilities and equipment; Bicycle and pedestrian improvements
- Downtown parking improvements

### **PARKS - \$16.9 million**

- Parks maintenance acquisition
- Development and planning projects

### **HOUSING - \$20.1 million**

### **RALEIGH CONVENTION CENTER & PERFORMANCE FACILITIES - \$34.7 million**

- Hotel/restaurant tax-funded Raleigh Convention Center facility maintenance
- Debt-financed Performing Arts Center improvements
- Downtown Amphitheater and Walnut Creek Amphitheater maintenance

### **TECHNOLOGY - \$32.2 million**

- Land management system
- Electronic content management
- Sonet Ring (fiber) City Facility Connectivity

## Raleigh Facts

- Current square mileage: 143.865
- Population estimate as of July 1, 2012: 411,000
- 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 used 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.

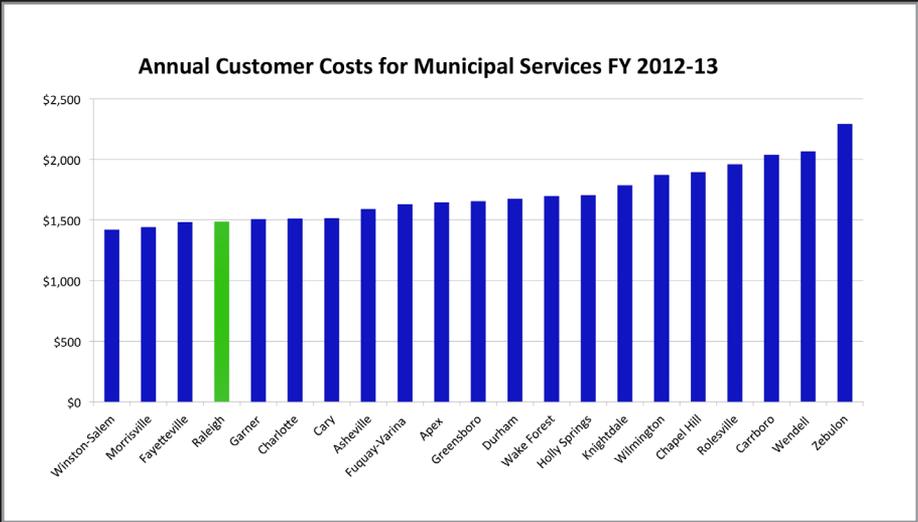
## Raleigh Ranks High Nationwide

- Named “Playful City USA” Community, KaBOOM!, May 2012
- #6 “Most Optimistic Large Metro Area,” Gallup-Healthways Well-Being Index, March 2012
- #7 “America’s 20 Can-Do Capitals,” Newsweek, February 2012
- #1 “Healthiest city in the nation for women,” Women’s Health, January 2012
- #3 among its “10 Best Cities for Raising a Family,” 24/7 Wall St., January 2012
- #1, Best Places for Business and Careers, Forbes, June 2011



# CUSTOMER COSTS FOR MUNICIPAL SERVICES FY 2012-13

The City of Raleigh consistently offers one of the lowest costs 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 \$188,755. Annual water/sewer charges based on usage of 4,500 gallons or 6 CCF per month.

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